



Annual Report 2007/2008



# Vision for the City Of Hobart

In 2025 Hobart will be a City that:

- Offers opportunities for all ages and is a city for life
- Is recognised for its natural beauty and quality of environment
- Is well-governed at a regional and community level
- Achieves good quality development and urban management
- Is highly-accessible through efficient transport options
- Builds strong and healthy communities through diversity, participation and empathy
- Is dynamic, vibrant and culturally expressive

## Mission Statement

Our mission is to ensure good governance for our capital City.



### Values

Leadership

Equity

Community Involvement

Responsiveness

Excellence

### The Council will:

provide effective capital City leadership, integrity and openness in its approach and will advocate the needs and aspirations of the community

ensure equity, consistency and co-operation in its dealings with the community and government

encourage effective democratic involvement by the community in the life of the City through communication, consultation and participation

be responsive to the needs and aspirations of the community

ensure continuous improvement in the delivery of all its services

# Lord Mayor's Message



On behalf of my fellow Aldermen and staff of the Hobart City Council I thank you for acquainting yourself with the activities of the Council by taking time to read this annual report.

Planning has been at the forefront of issues faced by the Council in recent years, and we therefore welcome Premier Bartlett's responses to wide

community demands for improving debate on Hobart waterfront planning and development. The Council has always held the strong view that planning belongs in the hands of the people of Hobart. It is vital that what is built on the waterfront is consistent with the broader needs of the City of Hobart.

The year under review has provided a number of highlights including the construction of the North-South Track on Mt Wellington that received unparalleled praise from the nation's top mountain bike track designer, Mr Glen Jacobs. He said that quite simply, it is one of the world's most creative tracks. He was amazed at the hand-built engineering that had been employed in the construction of the unique track through the boulder field, the stone walls lining the track, and also the various jumps and log rides. He had no doubt that considering the growing interest from mountain bike riders worldwide, it will become one of the nation's top attractions.

Throughout the year, inner city parking was kept under review. New data shows that between 2001-2006 there has been a 10 per cent increase in the number of people working in the city, amounting to an increase of 4000 workers per day. The expansion of suburban living in Kingborough, Clarence and Brighton has also placed pressure on the system.

Currently some 830 additional undercover parking spaces are planned for the CBD but the 280 extra spaces at Centrepoin will not be completed until October next year and the 550 planned for Argyle Street Car Park will not be available until 2010. The Council understands it needs to provide for a good strategic focus on parking and the sustainable transport needs of the City into the future and is presently investigating the provision of extra amenity for motorcyclists and cyclists alike.

The City's major beach at Sandy Bay is being totally transformed. There is a wonderful history associated with the development of a seawall on Sandy Bay Beach. As far back as 1908 the first timber structure was put in place to try and control the erosion of the beach, while the first concrete wall was constructed in 1938. It is appropriate that as this is the centenary year since the first seawall, the Council has given the green light to a modern replacement that now forms the major component of the Sandy Bay Beach Master Plan.

The new seawall is mainly situated just landward of the present seawall and comprises concrete piles and pre-cast concrete panels with a number of pedestrian access points to the beach. It is topped with a promenade approximately four metres wide.

Another great achievement for Hobart and the Council was The Hobart Aquatic Centre's 10th anniversary. Since opening in 1998 the Centre has hosted a wide range of national and international events, including training camps for several international swimming and diving teams in the lead up to the Commonwealth Games, Pan Pacific Championships, Sydney 2000 Olympics and World Cup Swimming. The Centre also hosted the first Pura Light Start National Handicap Trials and really lived up to its reputation as a world-class facility during the Australian Short Course Championships in 2006 by creating three new world records.

I was privileged to lead a Council delegation to the Brest Maritime Festival in France. An invitation from the Mayor of Brest allowed us to set up a special display to focus on Hobart, Tasmania more generally, and the links between Hobart and Brest. The key themes revolved around Antarctic and marine science links, Tasmanian maritime engineering exports to France and more general tourism links, as well as attracting potential exhibitors and visitors to next year's Australian Wooden Boat Festival. The visit certainly lifted the profile of Hobart and Tasmania and provided an opportunity to ensure Antarctic and Southern Ocean research organisations in France were well aware of Hobart's interest in their activities, and the importance of those activities in our economy.

Finally I would like to thank the Aldermen and staff for the contribution they have made during the past twelve months. In Hobart we are fortunate in having professional, well-qualified staff who contribute a great deal to the overall success of the Council. This has been demonstrated through the Council being recognised with a Gold Award and Excellence Medal through the 2008 SAI Global Business Excellence Awards.

The General Manager, Mr Brent Armstrong and his hard working staff are to be highly commended on their efforts in keeping the organisation at such a high level, and in winning such a prestigious national award.

**Alderman Rob Valentine**  
Lord Mayor



## General Manager's Message



The year 2007/08 has been an extremely busy and most rewarding time for the organisation and our employees.

For nearly 10 years we have been working with the Business Excellence Framework to ingrain into the organisation a culture of continuous improvement. The Framework provides the guidance to ensure this takes place across all the areas that a successful business needs to address. Progress toward that goal is assessed by an external evaluation team skilled in the use of the Framework.

That evaluation took place in April 2008 and I am very proud to report that as a result of the Council's performance in that evaluation the Hobart City Council has been recognised as having reached the Gold Award level in the Australian Business Excellence Awards judging and in doing so was also recognised with the Excellence Medal awarded to the highest performing organisation in the Awards process.

This recognition, while good for the Council, should also give comfort to the community that the performance of the organisation is reviewed externally and recognised nationally as a high-performing organisation across both the public and private sectors.

In 2006 we undertook a wide consultation program across the city to develop a 20 year community vision for the city. That vision has been translated into strategy with the Council endorsing a new strategic plan for 2008 – 2013. The strategic plan has been the basis for our planning in 2008/09.

I reported last year that a major issue confronting local

government is the State Government review of water and sewerage and the likelihood of Council water and sewerage assets being removed from Council control. This has progressed to the point where the State Government has created three regional water and sewerage authorities and has passed legislation to put the reforms into effect. The outcome of the reforms on the Council is still being determined, as indeed are the impacts on the community. From July 1 2009 the authorities will come into effect and councils will no longer be the planners and providers of water and sewerage services.

This report provides a summary of the activities of the Council over the reporting period and details the performance in achieving the outcomes in the strategic plan. You will see from the report that the activities of the Council are wide ranging and varied. The expertise held within the employees of the Council ensures that these activities are undertaken to the highest professional standard. I commend the report to you.

In conclusion I would like to thank the Aldermen for their contribution to the future of the City and also to the directors and employees of the Council for their efforts in providing the services and activities our community enjoys.

**V. B. Armstrong**  
General Manager

# Council Aldermen



## Lord Mayor Alderman Rob Valentine

MACS

### Committee Membership

Council (Chairman), Development and Environmental Services, Strategic Governance.

### Representations

Australian Sister Cities Association, Festivals and Tourism Special Committee, Glebe Residents Traffic Committee, Hobart City Council Arts Advisory Special Committee, Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee, Hobart City Council Public Art Special Committee, Local Government Association of Tasmania General Management Committee, Local Government Association of Tasmania General Meetings, Maritime Museum of Tasmania – Board of Trustees, Mayors for Peace, SV May Queen Preservation Project Board of Directors, Premier's Local Government Council, Southern Tasmanian Councils Authority (Chairman), West New Town Local Area Traffic Management Committee.



## Deputy Lord Mayor Alderman Eva Ruzicka

### Committee Membership

Strategic Governance (Chairman), Finance and Corporate Services, City Services, Parks and Customer Services, Development and Environmental Services.

### Representations

Aldermanic Code of Conduct Panel Member, Audit Committee, City of Hobart Eisteddfod Society Inc. (proxy), Corporate History of the Hobart City Council, 50 & Better Centre, Friends of Soldiers Walk Inc., Glebe Residents' Traffic Committee, Greenhouse Reference Group, Heritage Account Special Committee, Hobart Cenotaph Reference Group, Hobart City Council Access Advisory Committee (Chairman), Hobart Coming Out Proud Program Community Liaison Committee (proxy), Hobart Water (Proxy), Lenah Valley Progress Association Hall Trustees, Lenah Valley Residents' Traffic Committee, Local Government Association of Tasmania General Management Committee (proxy), Local Government Association of Tasmania – General Meetings (proxy), Queens Domain Advisory Committee (Chairman), Sandy Bay Resident and Traders' Traffic Committee, South Hobart Community Centre-Management Committee, South Hobart Residents' Traffic Committee, Southern Tasmanian Councils Authority (proxy), Southern Waste Strategy Authority, (proxy), Tasmanian Polar Network, West Hobart Local Area Traffic Management Committee.



## Alderman Darlene Haigh

### Committee Membership

Development and Environmental Services (Chairman), Strategic Governance.

### Representations

Battery Point Advisory Committee (Chairman) Crime Prevention and Community Safety Council, Hobart Emergency Management Committee (Chairman), Hobart Community Police Liaison Group (Chairman), Lenah Valley Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee, West New Town Local Area Traffic Management Committee.

## Council Aldermen *continued*



### Alderman Marti Zucco

#### Committee Membership

Community Development (Chairman), Finance and Corporate Services.

#### Representations

Alcohol and Other Drug Strategy Reference Group (Chairman) Audit Committee, Australian Sister Cities Association (proxy), Festivals and Tourism Special Committee.



### Alderman Jeff Briscoe

BSc (Hons), Dip Ed, TTC, Mhum, LLB (Hons)

#### Committee Membership

Parks and Customer Services (Chairman), Community Development.

#### Representations

Alcohol and Other Drug Strategy Reference Group, Australian Sister Cities Association (proxy), Carols By The Bay, Corporate History of the Hobart City Council Steering Committee (Chairman), Domain Tennis Centre Board of Management, Dr Edward Hall Environment Awards Judging Panel (Chairman), Festivals and Tourism Special Committee, 50 & Better Centre, Greenhouse Reference Group, Hobart Cenotaph Reference Group, Hobart Coming Out Proud Program Community Liaison Committee, Lenah Valley Community Association Hall Trustees, Lenah Valley Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee, West Hobart Local Area Traffic Management Committee.



### Alderman Dr Peter Sexton

BSc (Hons.), BMedSci, MBBS, PhD, FAFPHM, MRCMA

#### Committee Membership

Parks and Customer Services, Community Development, Strategic Governance.

#### Representations

Carols By The Bay, Christmas Pageant Organising Committee (Chairman), Heritage Account Special Committee, Wellington Park Management Trust.



## Alderman Dr John Freeman

MBBS, FRACP

### Committee Membership

Finance and Corporate Services (Chairman), City Services.

### Representations

Audit Committee (Chairman), Aldermanic Code of Conduct Panel Member, Heritage Account Special Committee (Chairman), Hobart City Council Arts Advisory Committee, Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee, Hobart City Council Public Art Special Committee, Hobart Water, Superannuation Policy Group (Chairman), Trustees Tasmanian Museum and Art Gallery.



## Alderman Ron Christie

### Committee Membership

City Services (Chairman), Parks and Customer Services,

### Representations

Alcohol and Other Drug Strategy Reference Group, Carols By The Bay (Chairman), City of Hobart Eisteddfod Society Inc., Festivals and Tourism Special Committee, Sandy Bay Resident and Traders' Traffic Committee, Southern Waste Strategy Authority, Wellington Park Management Trust (Deputy member).



## Alderman Helen Burnet

### Committee Membership

Development and Environmental Services, Community Development.

### Representations

Alcohol and Other Drug Strategy Reference Group, Cycling South Inc., Dr Edward Hall Environment Awards Judging Panel, Festivals and Tourism Special Committee, 50 & Better Centre, Heritage Account Special Committee, Hobart Bicycle Advisory Committee, Hobart City Council Access Advisory Committee, Hobart City Council Arts Advisory Special Committee, Hobart City Council Arts Advisory committee Visual Arts Sub-Committee, Hobart City Council Public Art Special Committee, Lenah Valley Residents' Traffic Committee, Queens Domain Advisory Committee (proxy), Southern Tasmanian Councils Authority (proxy).



## Council Aldermen *continued*



### Alderman Philip Cocker

#### Committee Membership

City Services, Finance and Corporate Services.

#### Representations

Cycling South Inc., Greenhouse Reference Group, Hobart Bicycle Advisory Committee, Superannuation Policy Group, Tasmanian Polar Network.



### Alderman Elise Archer

#### Committee Membership

City Services, Finance and Corporate Services.

#### Representations

Alcohol and Other Drug Strategy Reference Group, Aldermanic Code of Conduct Panel Member, Audit Committee, Festivals and Tourism Special Committee, Glebe Residents' Traffic Committee, Hobart City Council Access Advisory Committee, Lenah Valley Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee, Salamanca Arts Centre Inc. Executive Committee, Sandy Bay Resident and Traders' Traffic Committee, Southern Tasmanian Local Government Tourism Group (proxy), South Hobart Residents' Traffic Committee, Superannuation Policy Group, West Hobart Local Area Traffic Management Committee.



### Alderman Bill Harvey

#### Committee Membership

Community Development, Parks and Customer Services, Strategic Governance

#### Representations

Dr Edward Hall Environment Awards Judging Panel, Festivals and Tourism Special Committee, Greenhouse Reference Group, Hobart Bicycle Advisory Committee, Sandy Bay Resident and Traders' Traffic Committee, Southern Waste Strategy Authority (proxy), Tasmania Polar Network, Wellington Park Management Trust.

### Lyn Archer

Was not re-elected in October 2007

### Eric Hayes AO

Was not re-elected in October 2007



# 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.

General Manager  
Brent Armstrong



Corporate Management Team (Back L-R): Mike Street, Gary Randall, Andrew Tompson, David Spinks, John Warner, Neil Noye (Front L-R) Roger Viney, Nick Heath, Brent Armstrong and Heather Salisbury.

Corporate Services Division  
Director - John Warner

Executive Management Division  
Deputy General Manager / Director - Nick Heath

Civic Solutions Division  
Director - Mike Street

Financial Services Division  
Director - David Spinks

Development & Environmental Services Division  
Director - Neil Noye

City Services Division  
Director - Andrew Tompson

Community Development Division  
Director - Heather Salisbury

Parks & Customer Services Division  
Director - Roger Viney



# Reporting Performance

Each year Council endorses the Operational Plan that identifies the actions and initiatives that will be undertaken for that particular year, both of a strategic and ongoing nature.

The format of this annual report is to identify the major strategic areas and the results that 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 current Strategic Plan. This is the last year of reporting against this plan as the new Strategic Plan became effective in the 2008/09 year.

## Strategic Outcomes

### A Liveable City

#### Hobart will be a City that

is a safe and convenient place for people, encouraging creativity and lifestyle opportunities

#### Key Strategies

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

### Management of Our Environment

protects and conserves its environment and natural beauty

- Environmental Management
- Natural Resource Management
- Environmental Services

### Protection of Our Heritage

conserves and enhances its significant built and cultural heritage

- Cultural Heritage

### Growth of Our Economy

encourages the sustainable growth and prosperity of the community

- Economic Development
- Sustainable Development Planning

### Gateway to Tasmania

as the state capital, commits itself to the development of the economic, tourism, cultural and social life of Tasmania

- Integrated Tourism Development
- Sport and Recreation

### Management of Our Resources

prudently manages its affairs and the delivery of quality affordable services

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

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 7.30 pm on Monday 24 November 2008.

Comments and suggestions may be forwarded to the General Manager, Hobart City Council, GPO Box 503 Hobart 7001, by close of business, Friday 21 November 2008.

# 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.

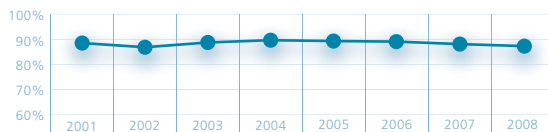
A range of measures has been identified to inform the Council and community on the progress made toward achieving the Strategic Plan outcomes and in turn working toward achieving the vision established by the Council for the future of our City.

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.

## Strategic Outcomes

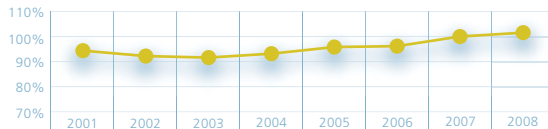
### A Liveable City



### Key Strategies

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

### Management of Our Environment



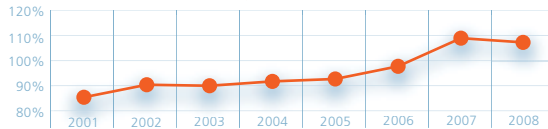
- Environmental Management
- Natural Resource Management
- Environmental Services

### Protection of Our Heritage



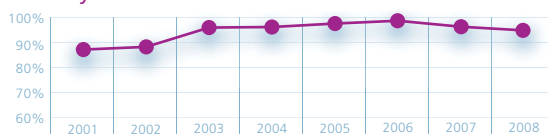
- Cultural Heritage

### Growth of Our Economy



- Economic Development
- Sustainable Development Planning

### Gateway to Tasmania



- Integrated Tourism Development
- Sport and Recreation

### Management of Our Resources



- Communication and Consultation
- Customer Service
- Infrastructure Planning and Management
- Services 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

COMPLETED  
 UNDER WAY  
 NO ACTION

## Key Strategy: Community Safety

| Results to be achieved   | 2007/08 actions/initiatives  | Performance                          |
|--|--|--------------------------------------|
| A City where people feel safe  | <ul style="list-style-type: none"> <li>Continue to implement the Hobart Community Safety Strategy in conjunction with relevant State Government agencies, including working with Tasmania Police and Liquor and Gaming Branch (Treasury).</li> </ul>   | →                                    |
| A City where people can use and enjoy public spaces and facilities free of risk    | <ul style="list-style-type: none"> <li>Refurbish the Poolside Café at The Hobart Aquatic Centre</li> <li>Implement significant operational changes for the 2007 Hobart Christmas Pageant, specifically in regard to event supervision and public and participant safety.</li> </ul>  | →<br>✓                               |
| A City which is appropriately prepared for emergencies and post-emergency recovery | <ul style="list-style-type: none"> <li>Continue involvement with the State Emergency Service in regional emergency management through participation in the Southern Regional Emergency Management Committee and the Southern Regional Community Recovery Committee.</li> <li>Continue the role of the Hobart Emergency Management Committee as a functioning committee for the oversight of emergency management activities for the Council.</li> <li>Prepare a plan of arrangements for the Hobart City Council to deal with a pandemic emergency.</li> <li>Review and re-issue the Hobart Community Recovery Plan.</li> <li>Improve the security associated with priority elements of critical infrastructure.</li> <li>Finalise the flood action plans for the major rivulets.</li> <li>Review the operational plans for wet weather events and flood emergencies.</li> <li>Preparation of risk management plans for Waterways flooding.</li> </ul> | ✓<br>✓<br>→<br>→<br>✓<br>→<br>→<br>→ |
| Recognition of the City's community safety practices and programs                  | <ul style="list-style-type: none"> <li>See 'A City where people feel safe'</li> </ul>  |                                      |

### Community Safety



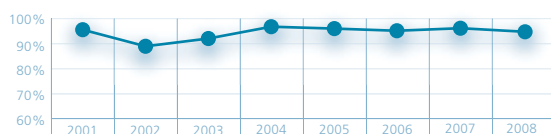
Maintains previous years results



## Key Strategy: Community Health

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| High standard of public health and clean drinking water           | ■ Preparation of drinking water consumption and quality database.   | →           |
|   | ■ Upgrading of Knocklofty Reservoir site security and hydraulics.   | →           |
|   | ■ Develop risk management inspection regime for public health risk activities.  | ✓           |
|   | ■ Develop risk management inspection regime for places of assembly.   | →           |
|   | ■ Develop municipal public health emergency management plan.  | ✓           |
|   | ■ Promote the availability of the new HPV cervical cancer vaccine at school and clinic immunisation programs.   | ✓           |
|   | ■ Provide educational material to public swimming pool and spa owners.  | ✓           |
| Commercial premises are clean and the food prepared there is safe | ■ Develop an action plan to identify location of all level 1 activities.  | →           |
|   | ■ Create a register to record details of all level 1 activities.  | →           |
|   | ■ Review implementation of new air quality regulations.   | ✓           |
| A reduction in noise and other environmental pollutants           | ■ Implement Council's revised Alcohol and Other Drug Strategy, in particular harm reduction messages in public toilets; support for the Drug Education Network's Good Sports Program; advertising of the Safe Summer Campaign; and responding to drug-related issues in North Hobart. | ✓           |
|   |   | ✓           |

### Community Health



Maintains high levels of compliance with public health standards



## Strategic Outcome: A Liveable City *continued*

### Key Strategy: Community and Cultural Development

| Results to be achieved   | 2007/08 actions/initiatives   | Performance |
|--|---|-------------|
| A City in which all people have equal access to facilities, services and activities                    | ■ Promote and implement Council's Equal Access Strategy, in consultation with Council's Access Advisory Committee.  | ✓           |
|  | ■ Provide equal access to the City Hall stage.  | ✗           |
|  | ■ Continue to investigate lift options in the Carnegie Building.  | ✗           |
|  | ■ In partnership with the Access Advisory Committee, develop a theatre-based arts and disability project that enhances opportunities for participation in community life by people with disabilities.   | ✓           |
|  | ■ Develop a disability discrimination checklist for Council presented events.   | →           |
| A harmonious community in which all people are valued and can be active participants in community life | ■ Develop and implement a new community development strategy for children and families in the Hobart municipal area.  | ✓           |
|  | ■ Continue to work with key stakeholders to progress the redevelopment of the <i>50 &amp; Better Centre</i> .   | ✓           |
|  | ■ Continue to build a diverse range of programs at the <i>50 &amp; Better Centre</i> , including a high-profile speakers program in partnership with Council on the Ageing.   | ✓           |
|  | ■ Participate in Adult Learners Week and Seniors Week activities.   | ✓           |
|  | ■ Participate in the Healthy Ageing Network – South (HANS) Gardening Project with other project partners.   | ✓           |
|  | ■ Implement the key recommendations resulting from the review of youth programs, particularly the redevelopment of Youth ARC as a cultural, arts, entertainment and recreational hub for young people, and investigating the options for improving the provision of information for young people. | ✓           |
|  | ■ Implement the new Partnership Outreach, Education Model (POEM) Project and National Illicit Drug Strategy (NIDS) Linchpin Project.  | ✓           |
|  | ■ Participate in National Youth Week 2008.  | ✓           |
|  | ■ Develop and implement youth development initiatives, including collaborative projects with schools.   | ✓           |
|  | ■ In consultation with the Events and Cultural Development Unit, develop and deliver an event for young people as part of the Hobart Summer Festival.   | ✓           |
|  | ■ Undertake a long-term strategic review of the Hobart Christmas Pageant.   | ✗           |



## Key Strategy: Community and Cultural Development *continued*

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| A City in which people are actively involved in shaping the community to meet its own needs.      | ■ Complete and implement the revised Positive Ageing Strategy, in line with the Tasmanian Government Plan for Positive Ageing 2006-2011.                                  | →           |
|   | ■ Participate in the working groups for the Tripartite Partnership Agreement for Population Ageing in Tasmania.   | ✓           |
|   | ■ Continue to work with stakeholders and residents to address identified issues in the Saunders Crescent precinct.  | ✓           |
|   | ■ Provide a Community Programs Forum that incorporates the recognition of Community Programs' Volunteers.   | ✓           |
|   | ■ Develop a program of activities at the North Hobart Cultural Park and Skate Park in partnership with key stakeholders and businesses.                                   | ✓           |
| A City which values its creativity and cultural life and which celebrates its cultural diversity. | ■ Implement Council's Cultural Diversity Strategy, including the facilitation of the 'Bridging the Gap' project, funded by the Department of Immigration and Citizenship. | ✓           |
|   | ■ Continue to review and implement the Council's Arts and Cultural Strategy.  | ✓           |
|   | ■ Develop new communication and marketing strategies for the Carnegie Gallery, including a six-monthly electronic exhibition calendar.                                    | ✓           |
|   | ■ Continue to develop the Council's Public Art Master Plan, including the identification of new public art opportunities.   | ✓           |
|   | ■ Implement public art initiatives including projects for Lower Sandy Bay and Battery Point.  | ✓           |
| Hobart as a vibrant place to live and visit   | ■ See Integrated Tourism Development.   |             |

### Community and Cultural Development



Continued high level of satisfaction with cultural developments and events



## Strategic Outcome: A Liveable City *continued*

### Key Strategy: Transportation

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| Improved road safety  | ■ Respond to complaints/requests from the community, Council and other authorities.   | ✓           |
|   | ■ Provide advice to the community on traffic engineering matters.   | ✓           |
| Car parking supply to more closely match demand                                       | ■ Investigate adequacy of supply of parking for Hobart.   | ✓           |
|   | ■ Continue research into commuter parking needs for Hobart.   | ✓           |
|   | ■ Closely monitor vehicular parking in all suburban areas, including the Queen's Domain Regatta Grounds and TCA car parks in order to gauge the effect of commuter parking on residential and recreational areas. | ✓           |
| Improved facilities for pedestrians, traffic and parking in suburban shopping centres | ■ Continue research into short term shopper parking demand for Hobart CBD and suburban shopping centres and means for improving supply of parking.  | ✓           |
| An efficient system for the movement of people and goods                              | ■ Provide traffic analysis for development applications to meet Council or statutory deadlines.   | ✓           |
|   | ■ Plan, design and implement projects necessary to meet the needs of road users.  | ✓           |
| A revitalised CBD and commercial areas  | ■ Continue research into short-term shopper parking demand for Hobart CBD and suburban shopping centres and means for improving supply of parking.  | ✓           |
| Effective management of on and off-street parking                                     | ■ 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 and on-street parking facilities for people with disabilities.                        | ✓           |
|   | ■ Continue research into resident parking needs for areas of Hobart.  | ✓           |
|   | ■ Monitor existing enforcement agreements with private car parks to ensure effectiveness and timeliness of patrols.   | ✓           |
|   | ■ Pursue discussions with the University of Tasmania with a view to entering into a contract where Council's Parking and Information Officers will conduct parking patrols on the University campus.              | →           |
| Improved facilities for cyclists, pedestrians and other road users                    | ■ Maintain provision of parking facilities for vulnerable users, such as the elderly and people with disabilities.  | ✓           |





## Key Strategy: Transportation *continued*

| Results to be achieved   | 2007/08 actions/initiatives  | Performance |
|--|--|-------------|
| Improved traffic management in suburban areas                    | <ul style="list-style-type: none"> <li>Collect relevant transport data (such as volume, speed, origin/destination, accidents) to assist effective planning to meet future transportation requirements of the community.</li> </ul> | ✓           |
| A more effective public transport system                         | <ul style="list-style-type: none"> <li>See 'Improved traffic management in suburban areas'</li> </ul>  |             |
| Improved management of commercial and industrial through-traffic | <ul style="list-style-type: none"> <li>See 'Improved traffic management in suburban areas'</li> </ul>  |             |
| Safe and effective control of traffic for special events         | <ul style="list-style-type: none"> <li>Plan, design and implement traffic management works for special events in Hobart.</li> </ul>  | ✓           |

### Transportation



Continued decline in community satisfaction with traffic management and a slight reduction in written-down value of roads and footpaths relative to the replacement value



## Strategic Outcome: A Liveable City *continued*

### Key Strategy: Planning and Development Standards

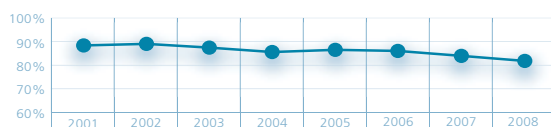
| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| More efficient and effective development approval and enforcement systems   | <ul style="list-style-type: none"> <li>Ensure compliance with the statutory provisions and Section 64 delegations to the Manager Surveying Services in relation to the administration and approval of subdivision plans, final plans and schedules of easements, adhesion orders, strata schemes, staged development schemes, subdivision exemptions and their associated amendments and conveyancing instruments.</li> </ul> | ✓           |
|   | <ul style="list-style-type: none"> <li>Administration and approval of strata plans, staged development schemes and their amendments.</li> </ul>   | ✓           |
|   | <ul style="list-style-type: none"> <li>Review current building and plumbing processes and amend procedures with supporting work instructions.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Refine and align new building and plumbing legislation operational procedures with planning approval process.</li> </ul>   | ✓           |
|   | <ul style="list-style-type: none"> <li>Refine database for backflow prevention devices (re protection of water supply).</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Pursue the options for electronic application lodgement and compatibility with existing or alternative development tracking system.</li> </ul>   | →           |
|   | <ul style="list-style-type: none"> <li>Review development control tracking system data and continue to develop statistical reports for efficiency measurements.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Ascertain the level of client satisfaction of the development process through direct public surveys.</li> </ul>  | →           |
|   | <ul style="list-style-type: none"> <li>Evaluate current enforcement process and amend procedures with supporting work instructions.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Review and standardise method for gathering and preparing evidence prior to legal enforcement.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Integrate existing compliance data with Geographical Information System.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Update of Council's internet site to provide a more complete suite of information on planning and planning related matters.</li> </ul>   | ✓           |
|   | <ul style="list-style-type: none"> <li>Seek legislative reform or ensure input into legislative reform to improve the development assessment process of the Management and Planning System of Tasmania.</li> </ul>  | →           |
|   | <ul style="list-style-type: none"> <li>Continue to refine procedures/work instruction in line with continual improvement principles.</li> </ul>   | →           |
| <ul style="list-style-type: none"> <li>Ongoing investigation and evaluation of an online development application system.</li> </ul> | →   |             |



## Key Strategy: Planning and Development Standards *continued*

| Results to be achieved  | 2007/08 actions/initiatives  | Performance  |
|---|--|--|
| Protection of amenity   | <ul style="list-style-type: none"> <li>Continue to uphold the provision of Council's Planning Scheme.</li> </ul>   | ✓  |
| Building development that is sympathetic to existing heritage   | <ul style="list-style-type: none"> <li>See 'Protection of our Heritage'.</li> </ul>  |  |
| Promote quality design solutions that maximise community access and safety  | <ul style="list-style-type: none"> <li>Report on stakeholder consultation on the Gregory Street Urban Design Guidelines and their implementation.</li> </ul>   | ✓  |
| Review and prepare an integrated new planning schemes, provisions, policies and instruments to reflect;   | <ul style="list-style-type: none"> <li>Investigate the scope for indicative solutions for various types of residential development as supplementary non-statutory guidance to a new City of Hobart Planning Scheme.</li> </ul>                                       | →  |
| <ul style="list-style-type: none"> <li>Changing community expectations and development trends</li> <li>State Policies and Resource Planning and Management System requirements with a focus on issues such as heritage, urban design, amenity, open space, protection of protection of the environmental resources, skylines and Sullivan's Cove</li> </ul> | <ul style="list-style-type: none"> <li>Complete a draft City of Hobart Planning Scheme incorporating the district covered by the Battery Point Planning Scheme 1979.</li> <li>Initiate community consultation on the draft City of Hobart Planning Scheme</li> </ul> | <ul style="list-style-type: none"> <li>✓</li> <li>✗</li> </ul> |
| Develop policies and strategies that enhance the usefulness of Council's public open-space network  | <ul style="list-style-type: none"> <li>With other divisions, complete the draft Council Land Strategy and initiate community consultation.</li> </ul>  | →  |

### Planning and Development Standards



Increase in works not complying with permits



# Strategic Outcome: Management of Our Environment

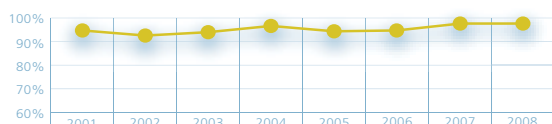
Hobart will be a City that protects and conserves its environment and natural beauty

COMPLETED  
 UNDER WAY  
 NO ACTION

## Key Strategy: Environmental Management

| Results to be achieved                                | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| A clean and healthy Derwent River and waterways       | ■ Sanitary surveys of infrastructure capable of impacting on recreational water quality.  | →           |
|   | ■ Operate and maintain the wastewater treatment plants at a high standard and conform the guidelines to set down by Department of Tourism, Arts and the Environment.                        | ✓           |
|   | ■ Preparation of Hobart Rivulet Catchment Management Plan.  | →           |
| Enhanced water quality to meet established objectives | ■ 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. | ✓           |
| High quality air                                      | ■ See 'Sustainable Development'.  |             |
| A reduction in the level of pollution                 | ■ Assist with sampling programs and discharge improvements with liquid trade waste businesses.  | ✓           |
|   | ■ Assessment and issuing of Special Plumbing Permits to all businesses.   | ✓           |
|   | ■ Ongoing assessment of compliance with permits issued.   | ✓           |
|   | ■ Establish and renew Trade Waste Agreements with all Category 2 and 3 premises.  | ✓           |
|   | ■ Enforce Council's implementation Plan for Liquid Trade Waste.   | ✓           |
| Reduction in greenhouse gas to meet targets           | ■ Continue to participate in the Cities for Climate Protection Plus Program.  | ✓           |
| Increased energy efficiency                           | ■ Identify opportunities for reduction in energy consumption in Council's operations.   | ✓           |
| Maintenance of bio-diversity                          | ■ See 'Natural Resource Management'.  |             |
| Maintenance of important landscape values             | ■ See 'Sustainable Development'.  |             |

### Environmental Management



Improvement in community perception of quality of the environment



## Key Strategy: Natural Resource Management

| Results to be achieved   | 2007/08 actions/initiatives  | Performance |
|--|--|-------------|
| Useful open space networks                                     | ■ Complete the construction of the 'North-South Track' in Wellington Park.                   | →           |
|  | ■ Complete Stage 1 of the Soldiers Memorial Avenue Cross Roads Oval Extension.               | ✓           |
|  | ■ Upgrade the Circle Track at Waterworks Reserve.  | ✓           |
| Protection and enhancement of bushland and natural environment | ■ Implement the Bushland Management Strategy.  | ✓           |
|  | ■ Prepare a Management Plan for Bicentennial Park.   | →           |
|  | ■ Prepare a Fire Management Plan for Bicentennial Park.                                      | →           |
|  | ■ Prepare a Management Plan for Ridgeway Park.   | ✗           |
|  | ■ Implement recommendations of the Soldiers Memorial Avenue Management Plan.                 | ✓           |
|  | ■ Seek opportunities for Green Corps and Work for the Dole programs.                         | ✓           |
|  | ■ Develop the Bushcare program in accordance with the Bushcare Policy and Procedures Manual. | ✓           |
|  | ■ Implement current Envirofund grants.   | ✓           |
|  | ■ Seek external funding opportunities to support Bushcare Group initiatives.                 | ✓           |
|  | ■ Develop and implement Bushcare rehabilitation plans for Bushcare volunteer sites.          | →           |

### Natural Resource Management



Reduction in bushland volunteer hours



## Strategic Outcome: Management of Our Environment *continued*

### Key Strategy: Environmental Services

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| A clean City  | ■ Remove graffiti in accordance with community expectations and Council's resolution.   | ✓           |
|   | ■ Update the City Cleansing Service Agreement to take into consideration new assets that require cleansing.   | ✓           |
|   | ■ Identify areas that require additional cleansing as a result of developments or upgrading.  | ✓           |
|   | ■ Increase auditing of cleansing works to ensure compliance with the Service Agreement.   | ✓           |
| Improved waste management including resource recovery and reuse | ■ Continue to promote recycling and waste education within the community.   | ✓           |
|   | ■ Evaluate future solid waste disposal options.   | →           |
|   | ■ Investigate options to collect and compost food waste from larger businesses.   | →           |
|   | ■ Based on prior analysis prepare a solid waste management strategy for the commercial and industrial sector.   | ✓           |
| Best practice environmental management practices and programs   | ■ Prepare a strategic plan for the McRobies Gully Waste Management Centre.  | →           |
|   | ■ Continue to implement the Environmental Management Plan and Environmental Management System for the Waste Management Centre.  | ✓           |
|   | ■ Prepare an annual report on the Waste Management Centre for submission to the Department of Tourism, Arts and the Environment.  | ✓           |
| Effective domestic animal control                               | ■ Promote responsible dog ownership in the community through advertising campaigns, using the Wellington promotional tool and the Dogs on the Domain event.                       | ✓           |
|   | ■ Complete the five yearly review and implementation of the Dog Management Policy, taking into account feedback received from the public and various dog ownership organisations. | ✓           |

#### Environmental Services



Increase in waste to landfill, recycling collected at kerbside, continued improvement in performance of Selfs Point wastewater treatment plants

# Strategic Outcome: Protection of Our Heritage



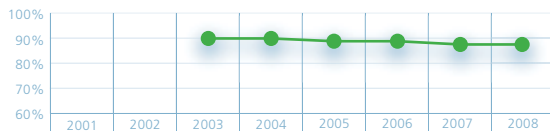
Hobart will be a City that conserves and enhances its significant built and cultural heritage

- ✓ COMPLETED
- UNDER WAY
- ✗ NO ACTION

## Key Strategy: Cultural Heritage

| Results to be achieved  | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| New development that acknowledges and is sympathetic to the City's existing and evolving historic character and setting | <ul style="list-style-type: none"> <li>■ Incorporation of recommendations from area heritage studies (Sandy Bay, South Hobart, West Hobart, City Fringe, Central Area, North Hobart and New Town) into the new City of Hobart Planning Scheme</li> </ul> | ✓           |
| Long term conservation of heritage sites including buildings, streetscapes and cultural landscapes                      | <ul style="list-style-type: none"> <li>■ Pipeline Track – completion of review of Conservation Plan</li> </ul>   | →           |
| A well-developed awareness and understanding of Hobart's unique and diverse cultural heritage.                          | <ul style="list-style-type: none"> <li>■ Publication of History of the Corporation, historic hotels and subterranean heritage books</li> </ul>   | ✓           |

### Cultural Heritage



Slight reduction in community awareness of the City's cultural heritage assets



# Strategic Outcome: Growth of Our Economy

Hobart will be a City that encourages the sustainable growth and prosperity of the community

✓ COMPLETED  
 → UNDER WAY  
 ✗ NO ACTION

## Key Strategy: Economic Development

| Results to be achieved   | 2007/08 actions/initiatives  | Performance |
|--|--|-------------|
| Business investment is attracted to the City   | ■ Complete the draft Council Land Strategy and initiate community consultation.  | →           |
|  | ■ Assess parking supply and demand for Hobart and develop a strategy that will assess the City's future parking needs.   | ✓           |
|  | ■ Utilise existing research and undertake new research as necessary regarding location of Royal Hobart Hospital, to provide timely advice to the Council on issues associated with a new hospital. | ✓           |
| Recognition of Hobart as the state's principal gateway, centre of government and premier business district | ■ Develop and finalise the new Economic Development Strategy.  | →           |
| An active and viable Central Business District   | ■ Continue to develop the Hobart Exceptional Customer Service Awards.  | ✓           |
|  | ■ Manage the Hobart Advantage Card.  | ✓           |
| Promotion of the City as an attractive place to live, work, invest and learn                               | ■ Oversee the ongoing development of the Hobart Brand and its associated promotional activities.   | ✓           |
|  | ■ Manage the 2007 Dr Edward Hall Environmental Awards.   | ✓           |
|  | ■ Review the Council's Christmas Decoration Program.   | ✓           |
| Establish links and networks for economic growth   | ■ Support the role of the Economic Development Advisory Forum.   | →           |
| Greater employment and training opportunities  | ■ See 'Community and Cultural Development'.  |             |
| Opportunities for young people to remain in the State  | ■ See 'Community and Cultural Development'.  |             |

### Economic Development



Increase in total value of building permits issued offset by real growth of AAV returning to previous levels following peak in 2006/07.





## Key Strategy: Sustainable Development

| Results to be achieved  | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| Integrated and sustainable land use, development and infrastructure provision | <ul style="list-style-type: none"> <li>■ Complete the draft Council Land Strategy.</li> </ul>  | →           |
| Protection and enhancement of environmental, social and cultural values       | <ul style="list-style-type: none"> <li>■ Review the Queens Domain Management Plan.</li> <li>■ State of the Environment Report: complete, publish and initiate program of recommendation implementation.</li> </ul> | →           |
| Sustainable use and development of natural and physical resources             | <ul style="list-style-type: none"> <li>■ Implementation and management of Community Water Grants.</li> </ul>   | →           |
|   | <ul style="list-style-type: none"> <li>■ Implementation and management of Natural Resource Management Grants.</li> </ul>   | →           |
|   | <ul style="list-style-type: none"> <li>■ Implementation of ICLEI Water Campaign™.</li> </ul>   | →           |
|   | <ul style="list-style-type: none"> <li>■ Implementation of Adopt a Waterway Program.</li> </ul>  | →           |

### Sustainable Development



Continued improvement in performance of Selfs Point wastewater treatment plants



# Strategic Outcome: Gateway to Tasmania

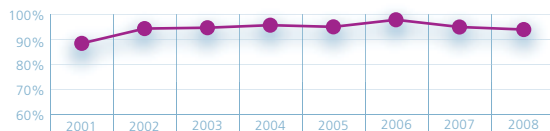
Hobart will be a City that as the state capital, commits itself to the development of the economic, tourism, cultural and social life of Tasmania

✓ COMPLETED  
 → UNDER WAY  
 ✗ NO ACTION

## Key Strategy: Integrated Tourism Development

| Results to be achieved  | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| Increased tourism visitation and expenditure  | ■ Implement the recommendations of the Salamanca Market Business Sustainability report as adopted by the Council.  | →           |
|   | ■ Implement the recommendations of the review of busking and entertainment activities at Salamanca Market as adopted by the Council.   | →           |
|   | ■ Further pursue a detailed feasibility study into the alternative event models for The Taste.   | →           |
|   | ■ Work with the Community Programs Unit to further develop event content for the Hobart Summer Festival.   | ✓           |
| High standard of infrastructure and planning  | ■ Continue to develop and enhance operational processes and risk management systems associated with Salamanca Market.  | ✓           |
|   | ■ Continue to implement new tented-structure compliance management systems for Salamanca Market.   | ✓           |
|   | ■ Pursue initiatives to enhance patron experience at The Taste, including increased provision of shade structures, enhanced entertainment programs and the extension of the existing smoke-free policy at the event. | ✓           |
| More people are attracted to Hobart thereby retaining the City's vitality                           | ■ See 'Increase Tourism Visitation and Expenditure'.   |             |
| Development that builds on and does not compromise Hobart's unique experience, location and quality | ■ See 'Planning and Development Standards'.  |             |

### Integrated Tourism Development



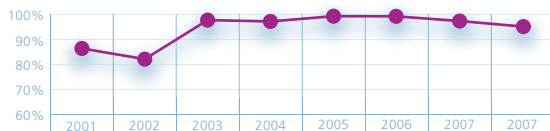
Maintains previous year's results



## Key Strategy: Sport and Recreation

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| A City in which all people have equal access to facilities, services and activities | ■ Undertake the upgrade of the electronic scoreboard at North Hobart Oval.  | →           |
|   | ■ Upgrade irrigation at Mt Nelson Oval.   | ✓           |
|   | ■ Work closely with the operators of the Domain Tennis Centre, the Tasmanian Hockey Centre and the Southern Tasmanian Netball Centre to refurbish the facilities. | ✓           |
|   | <b>The Hobart Aquatic Centre:</b>   |             |
|   | ■ Refurbish the Poolside Café.  | →           |
|   | ■ Conduct the Australian Secondary Schools Swimming and Diving Championships in August 2007.  | ✓           |
|   | ■ Identify and trial at least one new program that increases the usage of the Centre.   | ✓           |
|   | ■ Implement the Centre's new Communication Plan.  | →           |

### Sport and Recreation



Decrease in visitations to The Hobart Aquatic Centre



# Strategic Outcome: Management of Our Resources

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

✓ COMPLETED  
 → UNDER WAY  
 ✗ NO ACTION

## Key Strategy: Capital City Leadership

| Results to be achieved  | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| Positive leadership of the capital City in accordance with Council's values | ■ Complete the development of the 5-year Strategic Plan based on the 20-year Strategic Framework.  | ✓           |
|   | ■ Co-ordinate participation and contribution to the Council of Capital City Lord Mayors.   | ✓           |
| Strategic alliances enhanced and new partnerships developed                 | ■ Maintain close working relationships with national, state and local government agencies as well as peak-body organisations progressing asset management in the local government environment. | ✓           |
| Effective regional relationships and co-operative regional development      | ■ Participate in the Southern Tasmanian Councils Authority.  | ✓           |
|   | ■ Explore the scope for greater regional planning cooperation and initiatives consistent with the State Government's Better Planning Outcomes project.   | →           |
| National and international recognition of Hobart as Tasmania's capital city | ■ Continue to participate on the Council of Capital City Lord Mayors Policy Committees.  | ✓           |

### Capital City Leadership



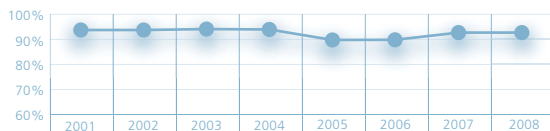
Maintains previous year's results



## Key Strategy: Communication and Consultation

| Results to be achieved   | 2007/08 actions/initiatives  | Performance |
|--|--|-------------|
| Greater community involvement in City planning and activities                  | ■ Update of Council's internet site to provide a more complete suite of information on planning and planning related matters | ✓           |
| Effective collection of information for strategic planning and decision making | ■ Subject to Council approval, commence Stage 2 of the development of a social plan for Hobart.                              | →           |

### Communication and Consultation



Maintains previous year's results

## Key Strategy: Customer Services

| Results to be achieved                  | 2007/08 actions/initiatives                          | Performance |
|---|--|-------------|
| High-quality customer-service standards | ■ Conduct an External Customer Service Centre Survey | →           |

### Customer Services



Continued improvement in dealing with complaints and requests within agreed timeframes



## Strategic Outcome: Management of Our Resources *continued*

### Key Strategy: Infrastructure Planning and Management

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| Improved management to maximise the performance of existing infrastructure assets | ■ Undertake risk management assessments and business continuity planning within the wastewater treatment plants.        | →           |
|   | ■ Prepare asset management plans and infrastructure risk assessments for the Hydraulic Engineering Unit.                | ✓           |
|   | ■ Upgrade Salamanca Place sewer pump station.   | →           |
|   | ■ Implementation of City sewerage catchment smoke testing study.  | →           |
|   | ■ Implementation of strategic metering program.   | →           |
|   | ■ Adoption of the Water and Sewerage WSAA codes.  | ✓           |
|   | ■ Trunk sewer criticality assessments.  | →           |
|   | ■ Trunk water main operability and criticality assessments.   | →           |
|   | ■ Salamanca integrated wastewater study.  | →           |
|   | ■ Needs-based preventative maintenance program for sewerage reticulation.   | →           |
|   | ■ Representative condition audits of major asset classes.   | →           |
|   | ■ Ensure works by third parties (including gas installation) are carried out in accordance with Council's requirements. | ✓           |
|   | ■ Continue implementing an inspection regime that identifies potential hazards in Council's road reserves.              | ✓           |
|   | ■ Complete planning for the replacement of the public convenience facilities located in St David's Park.                | ✓           |
|   | ■ Complete planning for the improvement of the public convenience facilities located in the Salamanca area.             | →           |
|   | ■ Continue planning for the improvement of the Hobart Cenotaph in close consultation with major stakeholders.           | →           |
| ■ Complete documentation for tendering of Annexe refurbishment.                   | ✓   |             |



## Key Strategy: Infrastructure Planning and Management *continued*

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| Strategic asset management to meet the City's needs now and into the future | ■ Prepare an asset management plan for the Waste Management Centre.   | ✓           |
|   | ■ Develop an Asset Management Plan for Council's wastewater treatment plants.   | ✓           |
|   | ■ Develop an Asset Management Plan for Council's Selfs Point Laboratory.  | ✓           |
|   | ■ Preparation of Lenah Valley Water Supply augmentation project.  | →           |
|   | ■ Preparation and delivery of asset management plans for water, sewer, stormwater and waterways assets including validation of asset valuations and 20-year capital program forecast.   | ✗           |
|   | ■ Work in conjunction with the Asset Management Steering Committee and Asset Management Task Force developing corporate asset management policy, strategies and plans.  | ✓           |
|   | ■ Initiate improvement of the Asset Management System and related processes through the involvement in the Advanced STEP program.   | ✓           |
|   | ■ Provide facilitating support and liaise with asset custodians for the initial preparation and then continual development and ongoing review of Asset Management Plans.  | ✓           |
|   | ■ Ensure compliance with the statutory provisions and obligations in the preparation and implementation of cadastral plans and associated conveyancing instruments for the acquisition, disposal, leasing, licensing and alienation of Council's property assets. | →           |
|   | ■ Ensure compliance with statutory provisions and obligations in relation to public infrastructure mapping and maintain plans of council parks and street trees.  | ✓           |
|   | ■ Maintain and update the statutory records of public sewer, stormwater and water infrastructure on the Detail Sheets, Water Sheets and the Geographic Information System.  | ✓           |
|   | ■ Maintain the Survey Control network of the City.  | ✓           |
|   | ■ Maintain and improve the cadastral property base and other core infrastructure data within the Geographic Information System.   | ✓           |
|   | ■ Maintain the Council's Statutory Property Plan and Statutory Highways Plan.   | ✓           |
|   | ■ Update the Road Infrastructure Asset Management Plan.   | ✓           |
| ■ Complete asset management plans for Council's community halls.            | ✓   |             |

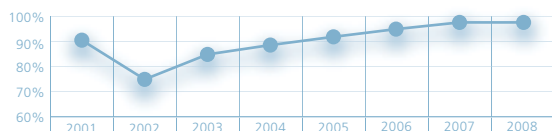


## Strategic Outcome: Management of Our Resources *continued*

### Key Strategy: Infrastructure Planning and Management *continued*

| Results to be achieved  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| Development of a long-term funding strategy for infrastructure management | ■ Maintain the 10-year capital works program for new asset projects.  | ✓           |
|   | ■ Identify capital works to be carried out in conjunction with the gas infrastructure installation.                   | ✓           |
|   | ■ Complete 20-year Asset Management Plans for Council property.   | ✓           |
| An attractive City with a quality lifestyle                               | ■ Continue the redevelopment of playgrounds in accordance with the Playground Development Strategy.                   | →           |
|   | ■ Complete planning for the redevelopment of the Lower Sandy Bay Playground.  | ✓           |
|   | ■ Progress the planning associated with the improvement of inland access projects through the Battery Point Precinct. | →           |
|   | ■ Plan for the completion of the Hobart Linear Park Walkway.  | →           |

#### Infrastructure Planning and Management



Maintains previous year's results

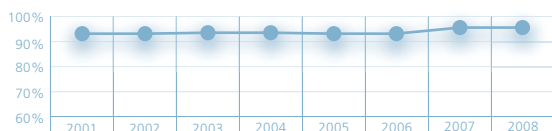




## Key Strategy: Service Delivery

| Results to be achieved   | 2007/08 actions/initiatives   | Performance |
|--|---|-------------|
| Quality and efficiency in the delivery of essential services and infrastructure projects | ■ Develop a Business Plan for Selfs Point Laboratory to determine future service delivery and workload.   | ✓           |
|  | ■ Provide user support and maintain the Geographic Information System (GIS) to meet organisational requirements.  | ✓           |
|  | ■ Undertake self-assessment of the Council's GIS capabilities against established targets using the Local Government Spatial Information Management toolkit.          | ✓           |
|  | ■ Implement the transition of the GIS system to the new platform.   | ✓           |
|  | ■ Provide engineering surveys to facilitate the design and implementation of the Council's capital works program.   | ✓           |
|  | ■ Update the Road Maintenance Service Level Agreements.   | ✓           |
|  | ■ 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. | ✓           |
|  | ■ Execute road infrastructure capital works.  | ✓           |
|  | ■ Implement de-icing treatment on ice-affected roads.   | ✓           |
|  | ■ Complete the Roads to Recovery Program.   | →           |

### Service Delivery



Maintains previous year's results



## Strategic Outcome: Management of Our Resources *continued*

### Key Strategy: Organisational Management

| Results to be achieved  | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| An organisation of excellence that embraces the principles of quality, best practice and continuous improvement | ■ Maintain management systems (quality and environmental management) in order to achieve industry best practice in wastewater treatment. | ✓           |
|   | ■ Maintain NATA accreditation in order to provide quality assured analytical services in microbiological and chemical testing.           | ✓           |
|   | ■ Continuation of Quality Assurance Program for the Hydraulic Engineering Unit.  | ✓           |
|   | ■ Investigate and implement innovative and best-practice methods and technologies in Council projects, where deemed appropriate.         | ✓           |
|   | ■ Further the establishment of a database management system for all Events and Cultural Development Unit activities.                     | ✓           |
|   | ■ Commence development of an event checklist for organisers of events staged in Hobart.  | →           |
|   | ■ Co-ordinate Business Excellence Framework Awards submission and evaluation.  | ✓           |
|   | ■ Monitor implementation of actions arising from organisational self assessments including the ABEF Feedback report (2005).              | ✓           |
|   | ■ Continue promotion in awareness of improvement tools and customer satisfaction, effectiveness and efficiency concepts.                 | ✓           |
| The best possible service is provided at the lowest possible cost with consideration of:                        | ■ See 'Infrastructure Planning and Management' and 'Service Delivery'  |             |
| ■ Best value (quality and price)  |  |             |
| ■ Council's desire to continue being a major employer   |  |             |
| ■ The long-term interests of the community  |  |             |



## Key Strategy: Organisational Management *continued*

| Results to be achieved                            | 2007/08 actions/initiatives  | Performance |
|---|--|-------------|
| Trained, informed and motivated staff             | <ul style="list-style-type: none"> <li>Develop and implement training program for understanding continuous improvement methodology and tools.</li> </ul> | ✓           |
|   | <ul style="list-style-type: none"> <li>Undertake training on relevant legal issues for Council employees.</li> </ul>                                     | ✓           |
|   | <ul style="list-style-type: none"> <li>Develop and implement program for project management understanding and usage.</li> </ul>                          | →           |
| Procedures in place to ensure business continuity | <ul style="list-style-type: none"> <li>Develop Business Continuity Plan.</li> </ul>  | →           |
|   | <ul style="list-style-type: none"> <li>Compile risk assessments of service delivery for inclusion on the Operational Risk Register.</li> </ul>           | →           |
|   | <ul style="list-style-type: none"> <li>Coordination of annual liability assessment undertaken by insurer on Council's key operational areas.</li> </ul>  | ✓           |
|   | <ul style="list-style-type: none"> <li>Monitor risks and control measures for the Corporate Risk Register.</li> </ul>                                    | ✓           |

### Organisational Management



Increase in sick leave and lost time injuries

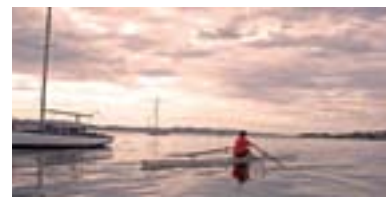
## Key Strategy: Financial Performance

| Results to be achieved   | 2007/08 actions/initiatives   | Performance |
|--|---|-------------|
| Continued financial viability of the Council in accordance with a long term financial strategy | <ul style="list-style-type: none"> <li>Monitor capital works financial activities, report on expenditures and inform and provide recommendations on budgets and financial matters.</li> </ul> | ✓           |

### Financial Performance



Continued high standard of performance in management of finances



## Statement of Activities Section 21

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

## Public Health Statement Section 72 (1)(ab)

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 food prepared is safe
- A reduction in noise and other environmental pollutants

This Unit comprises Manager Environmental Health, Senior Environmental Health Officer, five Environmental Health Officers, one part-time Environmental Health Officer, one Technical Support Officer, two Medical Officers of Health (shared contract position) and two registered immunisation nurses. The unit operated on a budget of \$700,138 and generated an income of \$285,757.

The Public Health Services and Environmental Monitoring Services programs address a range of functions under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003* and *Environmental Management & Pollution Control Act 1994*. These functions include:

- Food Safety
- Public Health Education and Promotion
- Public Health Risk Activities
- Unhealthy Premises
- Recreational and Bathing Water Quality
- Atmospheric, Water and Solid Pollution Emissions
- Disease Prevention and Control
- Places of Assembly
- Immunisations
- Cooling Towers
- Public Health Nuisances
- Public Health Emergency Management

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

|  |      |
|--|------|
| Food Businesses Registered   | 770  |
| Food Business Inspections  | 1110 |
| Persons Vaccinated   | 6160 |
| Places of Assembly Licensed and Inspected  | 188  |
| Public Health Risk Activities Registered and Inspected (tattooing, acupuncture, ear/body piercing) | 22   |
| Cooling Towers Registered  | 21   |
| Recreation/Bathing Water Samples (Derwent River, public swimming pools/spas)                       | 502  |
| Public Health Nuisance/Pollution Complaints Investigated   | 318  |
| After-Hours Public Health Activities (complaints, inspections, public events)                      | 195  |



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  | 2007/08 actions/initiatives   | Performance |
|---|---|-------------|
| High standard of public health and clean drinking water           | ■ Develop risk management inspection regime for public health risk activities.                                | ✓           |
|   | ■ Develop risk management inspection regime for places of assembly.   | →           |
|   | ■ Develop municipal public health emergency management plan.  | ✓           |
|   | ■ Promote the availability of the new HPV cervical cancer vaccine at school and clinic immunisation programs. | ✓           |
| Commercial premises are clean and the food prepared there is safe | ■ Provide educational material to public swimming pool and spa owners.  | ✓           |
| A reduction in noise and other environmental pollutants           | ■ Reprint EMPCA infringement notice booklets to A4 size documents.  | ✓           |
|   | ■ Develop an action plan to identify location of all level 1 activities.                                      | →           |
|   | ■ Create a register to record details of all level 1 activities.  | →           |
|   | ■ Review implementation of new air-quality regulations.   | ✓           |



## Public Health Statement Section 72 (1)(ab) *continued*

Pandemic influenza preparedness, planning and response capability is a major responsibility for local government, especially in light of the risk from an avian bird influenza pandemic. In response to this issue the Council is developing a pandemic influenza response strategy that should assist the community if such an event occurs. Specific floor plans have been developed to convert the City Hall and Youth Arc buildings into a Pandemic Influenza Flu Clinic. A Pandemic Influenza Sub-Plan has also been drafted for the establishment and operation of the Flu Clinic. The Flu Clinic will provide a community facility for basic assessment and triage of the local community. This Clinic is designed to relieve the pressure in existing health care facilities and hospitals thereby enabling a co-ordinated community based response effectively utilising the limited resources available during a pandemic. This is part of a statewide pandemic strategy, in consultation with the Department Health & Human Services (DHHS), to enable regional and local health care facilities to cope with the demands of local community populations during a pandemic. The floor plan for the conversion of the City Hall into a Flu Clinic and the drafting of a Pandemic Influenza Sub-Plan is a significant accomplishment by the Council as part of Tasmania's pandemic preparedness strategy.

The Council has a key role to play in disease prevention and control and has responsibility for providing a number of essential services and programs in this area. The provision of monthly immunisation clinics in the Town Hall in addition to an annual schools immunisation program provides the community with easy access to free vaccines against a range of infectious childhood diseases. Several weekend clinics were also held throughout the year to enable families and individuals more flexibility to access the cervical cancer vaccine. Special flu immunisation clinics were held for both Council staff and a number of local businesses to encourage more widespread access to this seasonal vaccine. During the year a total of 6160 people were vaccinated by the Council's Medical Officers of Health against a range of preventable infectious diseases. Council's

environmental health officers also have responsibility for investigating Department Health & Human Services (DHHS) notified gastro outbreaks in vulnerable persons facilities, such as aged and child care centres. Investigations are undertaken to ensure that appropriate infection control procedures are in place and that the food operations at these facilities are not the cause of an outbreak or are not compromised during a gastro outbreak. Contact tracing is a key component in the investigation, prevention and control of any infectious disease outbreak and the Council has the trained resources to assist DHHS when required.

Food safety surveillance and monitoring is a core function of the Council and the environmental health officers undertake an active and comprehensive program of inspections and assessments of the 770 registered food businesses throughout the year. This is in addition to the numerous temporary food outlets operating at public events during weekends and public holidays. At least 1110 inspections and assessments were made of food businesses to ensure their compliance with the national Food Safety Standards. Food sampling for analysis is a significant part of the surveillance of food standards and many locally-manufactured food samples were procured to check for compliance with the Food Standards Code. Several food products failed to meet national standards and were subsequently re-sampled after the manufacturers had been advised why their products had initially failed. No manufacturers or proprietors were prosecuted for failing to meet food standards. Food-handler education and training plays an important role in food safety surveillance. Training programs are conducted for stallholders, students and food handlers in established businesses when requested or when deemed necessary by environmental health officers. There is an increasing range of food safety educational tools available to councils and business proprietors to ensure that all food handlers have the opportunity to meet their responsibilities to acquire the skills and knowledge necessary to produce and sell clean and safe food.



## Statement of Allowances and Expenses Paid to Elected Members Section 72 (1) (cb)

Total allowances paid to the Lord Mayor, Deputy Lord Mayor and Aldermen: \$284,226.68

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$95,373.96

## Meeting Attendance Section 72 (1) (cc)

|                            | Council   | City Services Committee |            | Community Development Committee |            | Development and Environmental Services Committee |            | Finance and Corporate Services Committee |            | Parks and Customer Services Committee |            | Strategic Governance Committee |            |
|----------------------------|-----------|-------------------------|------------|---------------------------------|------------|--|------------|--|------------|---------------------------------------|------------|--------------------------------|------------|
|                            | Member    | Member                  | Non Member | Member                          | Non Member | Member   | Non Member | Member                                   | Non Member | Member                                | Non Member | Member                         | Non Member |
| <b>Total Meetings Held</b> | <b>26</b> | <b>16</b>               |            | <b>15</b>                       |            | <b>27</b>  |            | <b>19</b>                                |            | <b>13</b>                             |            | <b>17</b>                      |            |
| Alderman Valentine         | 25        | 3 <sup>^</sup>          | 1          | 1 <sup>^</sup>                  | 1          | 22* / 4 <sup>^</sup>                             |            |  | 8          |                                       | 4          | 14                             |            |
| Alderman Ruzicka           | 25        | 12                      |            | 2 <sup>^</sup>                  | 4          | 25   |            | 17                                       |            | 13                                    |            | 17                             |            |
| Alderman Haigh             | 19        |                         | 3          |                                 | 3          | 22   |            | 1*                                       | 5          |                                       | 2          | 8                              | 1          |
| Alderman Zucco             | 22        |                         | 2          | 14                              |            |  | 1          | 16                                       |            |                                       | 1          | 1                              | 3          |
| Alderman Briscoe           | 26        |                         | 5          | 9                               |            |  |            |  | 2          | 12                                    |            | 8                              | 1          |
| Alderman Sexton            | 21        |                         | 1          | 6*                              |            |  | 1          |  | 5          | 9                                     |            | 10                             |            |
| Alderman Freeman           | 19        | 11                      |            |                                 | 1          |  | 1          | 17                                       |            |                                       | 3          |                                | 2          |
| Alderman Christie          | 25        | 15                      |            |                                 | 13         |  | 2          |  | 2          | 13                                    |            |                                | 7          |
| Alderman Burnet            | 24        |                         | 6          | 13                              |            | 24   |            |  | 7          | 3*                                    | 3          |                                | 7          |
| Alderman Cocker            | 23        | 13                      |            | 5*                              | 1          | 3*   | 3          | 9*                                       | 1          |                                       | 1          |                                | 3          |
| Alderman Elise Archer      | 16*       | 10*                     |            |                                 | 4          |  | 1          | 12*                                      |            |                                       | 1          |                                | 3          |
| Alderman Harvey            | 16*       |                         | 6          | 8*                              |            |  | 12         |  | 8          | 4*                                    |            | 9*                             |            |
| Alderman Lyn Archer        | 10*       | 1*                      |            | 1*                              |            |  |            |  |            |                                       |            |                                | 2          |
| Alderman Hayes             | 10*       |                         | 2          |                                 | 1          |  |            | 6*                                       |            |                                       |            | 6*                             |            |

Meetings include Special Meetings and Special Joint Meetings.

### Note

Where an Alderman may have been noted as not having been in attendance at a particular meeting, leave of absence for a specific purpose would generally have been requested by the Alderman and granted by the Council pursuant to S39 of the Local Government (Meeting Procedures) Regulations 2005.

### Legend

<sup>^</sup> indicates where the Lord Mayor or Deputy Lord Mayor were present as an Ex-Offio Member of the Committee in accordance with Council Resolution of 11 September 2006.

\* Refer table on next page.



## Meeting Attendance Section 72 (1) (cc) *continued*

|  |  | Committee Membership Details   |
|--|--|--|
| *Alderman Valentine  | Development and Environmental Services Committee | Member since 3/9/2007<br>(maximum of 23 meetings only)                 |
| *Alderman Haigh  | Finance and Corporate Services Committee         | Member until 30/10/2007<br>(maximum of 7 meetings only)                |
|  | Strategic Governance Committee                   | Member since 7/11/2007<br>(maximum of 9 meetings only)                 |
| *Alderman Briscoe  | Strategic Governance Committee                   | Member until 30/10/2007<br>(maximum of 8 meetings only)                |
| *Alderman Sexton   | Community Development Committee                  | Member since 7/11/2007<br>(maximum of 8 meetings only)                 |
| *Alderman Burnet   | Parks and Customer Services Committee            | Member until 30/10/2007<br>(maximum of 3 meetings only)                |
| *Alderman Cocker   | Finance and Corporate Services Committee         | Member since 7/11/2007<br>(maximum of 12 meetings only)                |
|  | Development and Environmental Services Committee | Member between 3/9 and 30/10/2007 only<br>(maximum of 5 meetings only) |
| *Alderman Elise Archer   | Council  | Elected to Council 1/11/2007<br>(maximum of 16 meetings only)          |
|  | City Services Committee                          | Elected to Council 1/11/2007<br>(maximum of 10 meetings only)          |
| *Alderman Harvey   | Council  | Elected to Council 1/11/2007<br>(maximum of 16 meetings only)          |
|  | Community Development Committee                  | Elected to Council 1/11/2007<br>(maximum of 8 meetings only)           |
|  | Strategic Governance Committee                   | Elected to Council 1/11/2007<br>(maximum of 9 meetings only)           |
| *Alderman Lyn Archer<br><i>(Retired from Council 30/10/2007)</i> | City Services Committee                          | Member until 30/10/2007<br>(maximum of 6 meetings only)                |
|  | Community Development Committee                  | Member until 30/10/2007<br>(maximum of 7 meetings only)                |
| *Alderman Hayes<br><i>(Retired from Council 30/10/2007)</i>      | Finance and Corporate Services Committee         | Member until 30/10/2007<br>(maximum of 7 meetings only)                |
|  | Strategic Governance Committee                   | Member until 30/10/2007<br>(maximum of 8 meetings only)                |

## Remuneration of Senior Employees Section 72 (1) (cd)

| Total remuneration package | Number of employees |
|----------------------------|---------------------|
| \$220,000 - \$240,000      | 1                   |
| \$120,000 - \$140,000      | 8                   |





## Grants, Assistance and Benefits Provided Section 77 (1)

| Detail  | GST inclusive amount |
|---|----------------------|
| Antarctic Tasmania - The Antarctic Winter Solstice Festival - Events and Festivals Grant - Cash                 | 8,800                |
| ANZAC Day Commemorative Committee - Anzac Day - Cultural Grant - Cash & In-kind                                 | 17,764               |
| ARRB Group Ltd - Funding Contribution Park Bench Study - Cash   | 5,500                |
| Athletics South - 2008 City to Casino Fun Run Traffic Management - Events and Festivals Grant - Cash            | 1,000                |
| Athletics South - Trophy Donation City to Casino Fun Run Traffic Management - Events and Festivals Grant - Cash | 55                   |
| Catholic Women's League - Community Grant - In-kind   | 27,300               |
| Charity 48 hour Relay - 2008 Charity Relay - Community Grant - Cash & In-kind                                   | 2,046                |
| Charity 48 hour Relay - Event Signage Donation - Community Grant - Cash   | 110                  |
| City of Hobart Highland Pipe Band - Performance for Departing Cruise Ship - Cash                                | 500                  |
| Community Radio - Relocation Assistance Grant - Cash  | 35,000               |
| Crime Stoppers - Crime Stoppers 2007/2008 - Community Initiative - Cash   | 1,100                |
| Cycling South - Funding Contribution - Cash   | 11,000               |
| Dept of Police & Public Safety - Southern Regional Unit of the State Emergency Service - Cash                   | 17,436               |
| Dept Primary Industry, Water & Environment - Derwent Estuary Program 2007/2008 - Cash                           | 34,000               |
| Derwent Sailing Squadron - Annual Grant - Cash  | 13,383               |
| Firestarter Pty Ltd - Sponsorship of the 2008 Tasmanian Youth Environment Conference - Cash                     | 550                  |
| Heritage & Conservation Grants - Cash   | 49,115               |
| Hobart Cat Centre - Funding Contribution - Cash   | 18,609               |
| Hobart City Band Inc - National Band Championship 2007/2008 - Cultural Grant - Cash                             | 1,000                |
| Hobart Fringe Festival Inc - Events and Festivals Grant - Cash  | 2,200                |
| Hobart Jazz Club - Hot August Jazz - Events and Festivals Grant - Cash  | 2,130                |
| Hobart Playback Theatre - 'Family Matters of Children' - Community Grant - Cash                                 | 3,480                |
| Hobart Police and Community Youth Club - Realink Program - Community Grant - Cash                               | 3,300                |
| Hockey South - Funding Contribution - Cash  | 79,848               |
| Human Rights Week Committee - 2007 Human Rights Week - Community Grant - Cash                                   | 511                  |
| Huonville Primary School - Youth Leadership Conference - Community Grant - Cash                                 | 250                  |
| IHOS Opera - Vox Electronica - Cultural Grant - Cash  | 4,950                |
| IS Theatre Ltd - Winter Residencies - Cultural Grant - Cash   | 5,500                |
| Island Magazine - Gwen Harwood Poetry Prize - Cultural Grant - Cash   | 1,155                |



## Grants, Assistance and Benefits Provided Section 77 (1) *continued*

| Detail  | GST inclusive amount |
|---|----------------------|
| Lady Gowrie Tasmania - Promotion of Safe & Challenging Playspaces for Young Children - Community Grant - Cash | 1,980                |
| Leishman Association - Sponsorship of National Chemical Diversion Conference 2007                             | 550                  |
| Leukaemia Foundation - Funding Contribution – In-kind   | 275                  |
| Lions Club of Sandy Bay - Donation from Carols By the Bay Merchandise Sales - Cash                            | 412                  |
| Live Tasmania - Cultural Grant - Cash   | 3,300                |
| Mary's Grange - Health Promotion - Community Grant - Cash   | 1,509                |
| Mature Artists Dance - Runaway - Community Grant - Cash   | 3,250                |
| National Trust of Tasmania - Garden & Landscape Newtown - Community Grant - Cash                              | 4,180                |
| North Hobart Cricket Club Inc - Funding Contribution - TCA Ground Wicket Area - Cash                          | 5,000                |
| North Hobart Football Club – In-kind  | 2,210                |
| Point to Pinnacle - 2007 Point to Pinnacle Run and Walk - Events and Festivals Grant - Cash                   | 1,000                |
| Polish Ex-Servicemen's Club - Donation for Polish Immigrants 60th Anniversary - Cash                          | 100                  |
| Robotics Tasmania - RoboCup Junior Tasmania 2007 – Events and Festivals Grant - Cash                          | 1,650                |
| Rosny College - RACT Insurance Challenge – Events and Festivals Grant - Cash                                  | 3,300                |
| Royal Hobart Regatta - Cultural Grant - In-kind   | 21,723               |
| Royal Tasmanian Botanical Gardens - Annual Grant - Community Grant - Cash                                     | 11,000               |
| Royal Tasmanian Botanical Gardens - Kids Fest Events - Events and Festivals Grant - Cash                      | 8,250                |
| Royal Tasmanian Botanical Gardens - Tulip Festival - Events and Festivals Grant - Cash                        | 6,050                |
| Royal Yacht Club of Tasmania - Trophy Donation for Sydney to Hobart Yacht Race - Community Grant - Cash       | 638                  |
| RSPCA - Annual Grant - Cash   | 5,000                |
| Salamanca Arts Centre - Arts Program - Cultural Grant - Cash  | 55,042               |
| Salamanca Arts Centre - Hobart Summer Festival - Cultural Grant - Cash  | 13,200               |
| Sandy Bay Regatta - Cultural Grant - In-kind  | 2,796                |
| South Hobart Progress Association - Bonfire & Fireworks Night - Cultural Grant - Cash                         | 3,500                |
| Southern Roots Tasmania - Festival - Events and Festivals Grant - Cash  | 9,900                |
| St Vincent De Paul Society - Annual Woodchop - Community Grant - Cash   | 1,195                |
| Surf Life Saving Tasmania - Subsidy for Bathing Pavilion - Cash   | 550                  |
| Sustainable Living Tasmania - Action on Climate Change - Community Grant - Cash                               | 3,575                |
| T3 Events - Hobart International Triathlon, Events and Festivals Grant - Cash                                 | 22,000               |
| Targa Tasmania - In-kind  | 3,308                |
| Tasmanian Bridge Association - Club Rooms – Community Grant - Cash  | 2,200                |
| Tasmanian Canine Defence League - Funding Contribution - Cash   | 69,263               |
| Tasmanian Centre for Global Learning - MAD Youth Ambassador Conference - Community Grant - Cash               | 3,707                |



## Grants, Assistance and Benefits Provided Section 77 (1) *continued*

| Detail   | GST inclusive amount |
|--|----------------------|
| Tasmanian Convention Bureau - Annual Grant - Cash  | 55,000               |
| Tasmanian Museum and Art Gallery - Annual Grant - Cultural Grant - Cash  | 14,300               |
| Tasmanian Symphony Orchestra - Annual Grant - Cultural Grant - Cash  | 9,900                |
| Tasmanian Travel & Information Centre - Funding Contribution - Cash  | 92,372               |
| Tasmanian Writers Centre - Hobart City Interstate and International Writers in Residence - Cultural Grant - Cash | 6,160                |
| Tasmanian Youth Orchestra - Concerts 2007/08 - Cultural Grant - Cash   | 1,600                |
| Tasmania's South Regional Tourism Association - Funding Contribution - Cash                                      | 72,311               |
| Tasmanians with Disabilities – Community Grant – In-kind   | 20,790               |
| The Chamber Music Association of Tasmania - Contribution to Steinway D Concert Piano - Cash                      | 22,000               |
| The Chamber Music Association of Tasmania - Musica Viva Hobart Concerts 2008 - Cultural Grant - Cash             | 3,355                |
| The City of Hobart Eisteddfod Society Inc - Sponsorship for 2007 Eisteddfod - Cultural Grant - Cash & In-kind    | 13,567               |
| The Hobart Chamber Orchestra - Youth Artists Concert Series - Cultural Grant - Cash                              | 2,000                |
| The Mountain Festival - Mountain Festival - Events and Festivals Grant - Cash                                    | 12,100               |
| The Royal Yacht Club of Tasmania – In-kind   | 14,025               |
| Theatre Royal - Annual Grant - Cultural Grant - Cash   | 7,150                |
| Town Crier - Cash  | 1,500                |
| University of Tasmania - Scholarships - Community Grant - Cash   | 14,000               |
| Wellington Park Management Trust - Funding for Springs Master Plan - Cash  | 22,000               |
| Wellington Park Management Trust - Regulations Awareness Program - Cash  | 20,218               |
| Wellington Ranges Orienteering Club - Orienteering Map - Community Grant - Cash                                  | 1,250                |
| Wide Angle Tasmania - 2008 Hobart Tropfest Award - Cultural Grant - Cash   | 1,320                |
| Wooden Boat Festival - Events and Festivals Grant - Cash   | 5,500                |
| Grease Trap Installation / Upgrade Rebates   | 35,346               |
| Rate Remissions - Pensioners Net Expenditure   | 116,509              |
| Rate Remissions - Water Efficient Device Rebates   | 31,836               |
| Solar Hot Water Rebate   | 52,052               |
| Ex-Aldermen Fuel Expense   | 11,038               |
| <b>TOTAL</b>   | <b>1,289,404</b>     |

Ex-Aldermen of the Hobart City Council who have served a minimum period of two terms (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.

Remission of hire charges for Council Halls granted during 2007/2008 totalled \$5,062 GST Inclusive



## Contracts for the Supply of Goods and Services Regulation 23(5)

In accordance with section 23 (5) of the Local Government (General) Regulations 2005, the following contracts to the value of \$100,000 or above, excluding GST, were entered into during 2007/08 financial year.

| Contract  | Contract Period  | Extension option                                | Contract Sum (for term of contract incl extension options) | Contractor                   |
|---|--|---|--|------------------------------|
| Davey Street Annex Refurbishment                              | Estimated 24 months including defects liability                                    | Not applicable                                  | \$3,211,500  | Tascon Constructions Pty Ltd |
| IVR and internet account payment services                     | 2 year base term commencing 1 November 2007  | The contract provides for 2 x 1 year extensions | \$399,011 (estimated)                                      | Bill Express Ltd             |
| Annual slurry sealing program                                 | 3 months   | Not applicable                                  | \$210,000 (estimated)                                      | Downer EDI Works Pty Ltd     |
| Programming and installation of control and telemetry systems | 2 year base term commencing 1 November 2007  | The contract provides for 2 x 1 year extensions | \$293,000 (estimated)                                      | Clear Water Controls Pty Ltd |
| Construction of a seawall at Long Beach Sandy Bay             | Awarded 1 February 2008 continuing until completion of works and defects liability | Not applicable                                  | \$5,122,950  | Geotech Pty Ltd              |
| Supply and delivery of three manual 6.5 T GVM tip trucks      | Awarded 18 January 2008 for completion upon delivery                               | Not applicable                                  | \$131,955.91   | Motors Pty Ltd               |
| Lenah Valley Community Hall refurbishment                     | 18 months including defects liability  | Not applicable                                  | \$105,679  | Hansen Yuncken Pty Ltd       |
| Supply and delivery of one landfill compactor                 | Awarded 12 May 2008 for completion upon delivery                                   | Not applicable                                  | \$399,000  | GCM Enviro Pty Ltd           |

In accordance with Section 27 (2) there was one instance of 'non-application of public tender process'.

| Contract   | Contract Period     | Extension option | Contract Sum (for term of contract incl extension options) | Contractor                        |
|--|---------------------|------------------|--|-----------------------------------|
| Centrepoint Car Park additional decks design and construction management | Estimated 30 months | Not applicable   | \$329,000  | Johnstone McGee and Gandy Pty Ltd |



## Statement of Land Donated Section 177

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

## Water Services Statement Section 72 (1)(e) Regulation 36

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, water conservation and water-sensitive urban design objectives 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 software package has the capability to assess adequacy of water storages, pressures, flows and levels of fire protection.

Council participates in a regional water conservation program. The Council has also prepared a set of guidelines for water-sensitive urban design, together with site development and practice guidelines available to the community.

With respect to compliance with water quality objectives, the Council monitors its supplier in accordance with the National Health and Medical Research Council publication Australian Drinking Water Guidelines and its Drinking Water Management Plan.

The Council has examined the water mains into the New Town and Lenah Valley areas to enable supply to new subdivisions and ensure a reliable supply. 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. Construction of other reservoirs to ensure reliability of supply and fire protection is included in the Council's longer term New Asset Projects Program.

### Water and Sewerage Reform

The water and sewerage industry in Tasmania is changing. Planning for shifting responsibility for water and sewerage from the Council to a new authority is currently underway. A new southern region water and sewerage authority will be established following the passing of recent legislation and the work of a Ministerial Water and Sewerage Taskforce that commenced in 2006. More information about the reforms can be found on the Treasury website [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).



## Pricing Guidelines

### DETERMINATION OF FULL COST RECOVERY LEVELS

| Cost item   | Lower limit<br>(Minimum business viability)<br>\$'000 | Upper limit<br>(Maximum allowable revenue)<br>\$'000 |
|---|---|--|
| Operation and maintenance                         | 8,051   | 8,051  |
| Administration and overheads                      | 492   | 492  |
| Externalities                                     | -   | -  |
| Taxes and tax equivalents (other than income tax) | 104   | 104  |
| Cost of asset consumption                         | 1,652   | 2,216  |
| Interest and dividends paid                       | 343   |  |
| Cost of capital                                   |   | 9,770  |
| <b>TOTAL</b>                                      | <b>10,642</b>   | <b>20,633</b>  |

#### Cost of Asset Consumption

- (a) Lower limit - Infrastructure Renewals Annuity calculation using a discount rate of 9.45%  
 (b) Upper limit - reported depreciation, based on current replacement values of assets

#### Weighted average cost of capital

9.45% real pre-tax rate, applied to net asset value.

### COST RECOVERY AND RATE OF RETURN PERFORMANCE

|  | \$'000  |
|--|---------|
| Revenue from fixed charges                               | 11,197  |
| Revenue from volume-based charges                        | 631     |
| Council CSO payments                                     | 22      |
| Other revenue  | 349     |
| Total revenue  | 12,199  |
| Average Asset Valuation (written-down replacement value) | 103,387 |
| Real rate of return on assets, % p.a. (c)                | 1.29%   |

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

## Public Interest Disclosure Act 2002

Council's guidelines for dealing with matters under the *Public Interest Disclosure Act 2002* are available for viewing on 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.

## Photo Acknowledgements

Tourism Tasmania and Gary Moore

Osborne Images

Simon Birch Photographer

Southern Total Photographics

Andy Wilson Photography

# Financial Report



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## Income Statement

For the Year Ended 30 June 2008

|  | Notes | 2007/08<br>ACTUAL<br>\$'000 | 2007/08<br>BUDGET<br>\$'000 | 2006/07<br>ACTUAL<br>\$'000 |
|--|-------|-----------------------------|-----------------------------|-----------------------------|
| <b>Expenses</b>                                  |       |                             |                             |                             |
| Employee Benefits                                | 4     | (37,049)                    | (36,997)                    | (34,612)                    |
| Materials and Services                           |       | (24,809)                    | (20,712)                    | (23,110)                    |
| Depreciation and Amortisation                    | 5     | (20,475)                    | (19,679)                    | (22,025)                    |
| Finance Costs                                    | 6     | (1,435)                     | (1,409)                     | (1,386)                     |
| Purchase Bulk Water                              |       | (6,785)                     | (7,000)                     | (6,546)                     |
| State Fire Commission Levies                     |       | (6,447)                     | (6,447)                     | (5,684)                     |
| Other Expenses                                   | 7     | (5,913)                     | (5,210)                     | (4,775)                     |
| <b>Total Expenses</b>                            |       | <b>(102,913)</b>            | <b>(97,454)</b>             | <b>(98,138)</b>             |
| <b>Revenues</b>                                  |       |                             |                             |                             |
| Rates and Charges                                |       | 64,951                      | 64,609                      | 61,903                      |
| Grants and Donations                             | 9     | 3,438                       | 2,392                       | 3,905                       |
| Fines  |       | 3,954                       | 4,165                       | 3,688                       |
| Contributed Property, Plant and Equipment        |       | 2,252                       | -                           | 1,963                       |
| Rendering of Services                            |       | 18,499                      | 18,429                      | 18,285                      |
| Interest   |       | 3,187                       | 2,288                       | 2,451                       |
| Rents  |       | 2,043                       | 2,216                       | 2,095                       |
| Other  |       | 890                         | -                           | 776                         |
| <b>Total Revenues</b>                            |       | <b>99,214</b>               | <b>94,099</b>               | <b>95,066</b>               |
| <b>Surplus/(Deficit) before Gains and Losses</b> |       | <b>(3,699)</b>              | <b>(3,355)</b>              | <b>(3,072)</b>              |
| Net Gain/(Loss) on Disposal of Assets            | 10    | (165)                       | -                           | (34)                        |
| Share of Net Profits of Associates               | 11    | 913                         | 950                         | 986                         |
| Net Asset Revaluation Increments                 | 12    | 3,540                       | -                           | 6,152                       |
| <b>Surplus/(Deficit) for year</b>                |       | <b>589</b>                  | <b>(2,405)</b>              | <b>4,032</b>                |

*This statement should be read in conjunction with the accompanying notes.*



## Balance Sheet

as at 30 June 2008

|                                      | Notes | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--------------------------------------|-------|-------------------|-------------------|
| <b>Current Assets</b>                |       |                   |                   |
| Cash and Cash Equivalents            | 15    | 45,595            | 39,462            |
| Inventories                          | 16    | 305               | 326               |
| Receivables                          | 18    | 3,741             | 3,480             |
| Assets classified as Held for Sale   | 19    | -                 | -                 |
| Prepayments                          |       | 47                | 10                |
| <b>Total Current Assets</b>          |       | <b>49,688</b>     | <b>43,278</b>     |
| <b>Non-Current Assets</b>            |       |                   |                   |
| Receivables                          | 18    | 285               | 291               |
| Superannuation Asset                 | 33    | -                 | 5,168             |
| Investment Property                  | 20    | 11,550            | 11,550            |
| Investments in Associates            | 11    | 64,966            | 63,329            |
| Property, Plant and Equipment        | 21-30 | 906,695           | 726,258           |
| <b>Total Non-Current Assets</b>      |       | <b>983,496</b>    | <b>806,596</b>    |
| <b>Total Assets</b>                  |       | <b>1,033,184</b>  | <b>849,874</b>    |
| <b>Current Liabilities</b>           |       |                   |                   |
| Payables                             | 31    | 7,853             | 5,300             |
| Trust, Deposits, Retention           | 32    | 1,814             | 1,865             |
| Employee Benefits                    | 33    | 7,948             | 7,241             |
| Unearned Revenue                     | 34    | 237               | 376               |
| Loans                                | 35    | 1,756             | 899               |
| <b>Total Current Liabilities</b>     |       | <b>19,608</b>     | <b>15,681</b>     |
| <b>Non-Current Liabilities</b>       |       |                   |                   |
| Deferred Liabilities                 |       | 45                | 45                |
| Employee Benefits                    | 33    | 5,942             | 1,942             |
| Loans                                | 35    | 13,913            | 14,668            |
| Provision for Landfill Restoration   | 36    | 7,000             | 6,900             |
| <b>Total Non-Current Liabilities</b> |       | <b>26,900</b>     | <b>23,555</b>     |
| <b>Total Liabilities</b>             |       | <b>46,508</b>     | <b>39,236</b>     |
| <b>Net Assets</b>                    |       | <b>986,676</b>    | <b>810,638</b>    |
| <b>Equity</b>                        |       |                   |                   |
| Reserves                             | 37    | 722,827           | 532,607           |
| Retained earnings                    |       | 263,849           | 278,031           |
| <b>Total Equity</b>                  |       | <b>986,676</b>    | <b>810,638</b>    |

*This statement should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity

For the Year Ended 30 June 2008

|  | Notes | Total             |                   | Retained Earnings |                   | Reserves          |                   |
|--|-------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  |       | 2007/08<br>\$'000 | 2006/07<br>\$'000 | 2007/08<br>\$'000 | 2006/07<br>\$'000 | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
| Balance at beginning of period                               |       | 810,638           | 737,009           | 278,031           | 277,517           | 532,607           | 459,492           |
| Asset revaluations   | 12    | 183,537           | 46,149            | -                 | -                 | 183,537           | 46,149            |
| Share of other equity movements of associates                | 11    | 1,687             | 22,711            | -                 | -                 | 1,687             | 22,711            |
| Defined-benefit superannuation plan actuarial gains/(losses) | 33    | (9,775)           | 737               | (9,775)           | 737               | -                 | -                 |
| Surplus/(deficit) for year                                   |       | 589               | 4,032             | 589               | 4,032             | -                 | -                 |
| Transfers to reserves  | 37    | -                 | -                 | (25,335)          | (25,778)          | 25,335            | 25,778            |
| Transfers from reserves                                      | 37    | -                 | -                 | 20,339            | 21,523            | (20,339)          | (21,523)          |
| Balance at end of period                                     |       | <b>986,676</b>    | 810,638           | <b>263,849</b>    | 278,031           | <b>722,827</b>    | 532,607           |

*This statement should be read in conjunction with the accompanying notes.*

# Cash Flow Statement

For the Year Ended 30 June 2008

|  | Notes | 2007/08<br>ACTUAL<br>\$'000 | 2007/08<br>BUDGET<br>\$'000 | 2006/07<br>ACTUAL<br>\$'000 |
|--|-------|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash Flows from Operating Activities</b>    |       |                             |                             |                             |
| <i>Receipts</i>                                |       |                             |                             |                             |
| Rates  |       | 64,924                      | 64,609                      | 62,397                      |
| Rendering of services (inclusive of GST)       |       | 20,117                      | 19,938                      | 19,715                      |
| Interest                                       |       | 2,898                       | 2,288                       | 2,356                       |
| Government grants (inclusive of GST)           |       | 1,260                       | 1,091                       | 1,630                       |
| Rents (inclusive of GST)                       |       | 2,262                       | 2,435                       | 2,321                       |
| Fines  |       | 3,138                       | 3,550                       | 2,878                       |
| Other receipts (inclusive of GST)              |       | 2,919                       | 2,169                       | 2,500                       |
|  |       | <u>97,518</u>               | <u>96,080</u>               | <u>93,797</u>               |
| <i>Payments</i>                                |       |                             |                             |                             |
| Employee costs                                 |       | (36,949)                    | (36,997)                    | (34,484)                    |
| Payments to suppliers (inclusive of GST)       |       | (27,992)                    | (24,678)                    | (26,485)                    |
| Interest                                       |       | (999)                       | (973)                       | (1,044)                     |
| Other payments (inclusive of GST)              |       | (15,730)                    | (16,042)                    | (14,494)                    |
|  |       | <u>(81,670)</u>             | <u>(78,690)</u>             | <u>(76,507)</u>             |
| <b>Net Cash Flow from Operating Activities</b> | 38    | <b><u>15,848</u></b>        | <b><u>17,390</u></b>        | <b><u>17,290</u></b>        |
| <b>Cash Flows from Investing Activities</b>    |       |                             |                             |                             |
| <i>Proceeds</i>                                |       |                             |                             |                             |
| Government Grants                              |       | 2,082                       | 1,370                       | 2,224                       |
| Dividends                                      |       | 963                         | 950                         | 1,151                       |
| Sales of Property                              |       | 173                         | -                           | 27                          |
| Sales of Plant and Equipment                   |       | 743                         | 743                         | 720                         |
|  |       | <u>3,961</u>                | <u>3,063</u>                | <u>4,122</u>                |
| <i>Payments</i>                                |       |                             |                             |                             |
| Employee Costs capitalised                     |       | (2,397)                     | (2,500)                     | (2,567)                     |
| Materials/Services/Contracts capitalised       |       | (8,669)                     | (13,862)                    | (7,299)                     |
| Property                                       |       | (59)                        | -                           | -                           |
| Plant and Equipment                            |       | (2,653)                     | (3,978)                     | (4,719)                     |
|  |       | <u>(13,778)</u>             | <u>(20,340)</u>             | <u>(14,585)</u>             |
| <b>Net Cash Flow from Investing Activities</b> | 38    | <b><u>(9,817)</u></b>       | <b><u>(17,277)</u></b>      | <b><u>(10,463)</u></b>      |
| <b>Cash Flows from Financing Activities</b>    |       |                             |                             |                             |
| Proceeds from Borrowings                       | 35    | 1,000                       | 1,000                       | 4,900                       |
| Repayment of Borrowings                        | 35    | (898)                       | (899)                       | (4,771)                     |
| <b>Net Cash Flow from Financing Activities</b> |       | <b><u>102</u></b>           | <b><u>101</u></b>           | <b><u>129</u></b>           |
| <b>Net Increase (Decrease) in cash held</b>    |       | <b>6,133</b>                | <b>214</b>                  | <b>6,956</b>                |
| <b>Cash Held at the Beginning of the Year</b>  |       | <b>39,462</b>               | <b>39,462</b>               | <b>32,506</b>               |
| <b>Cash held at the End of the Year</b>        | 15    | <b><u>45,595</u></b>        | <b><u>39,676</u></b>        | <b><u>39,462</u></b>        |

This statement should be read in conjunction with the accompanying notes.

# 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 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

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board such as Interpretations, and the *Local Government Act 1993*.

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

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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 and cash equivalents (Note 15)

For the purposes of the Cash Flow Statement, 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) Inventories (Note 16)

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.

# Notes to and forming part of the Financial Statements

## 1. Summary of Significant Accounting Policies *continued*

### f) Financial Assets (Notes 11 and 18)

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments in subsidiaries are measured at cost.

Investments in associates are accounted for under the equity method. Council has classified the Hobart Regional Water Authority (Hobart Water) as an associate, and accounts for its ownership interest in accordance with the equity method.

All other financial assets are classified as "loans and receivables" and are recorded at amortised cost less impairment. The collectibility of debts is assessed at year-end and an allowance is made for impairment. In respect of parking offences, accounts are regarded as impaired when formal legal proceedings have been commenced by the preparation of a court summons.

Penalty and interest are charged on outstanding rates in accordance with s128(c) of the *Local Government Act 1993*.

### g) Employee Benefits (Note 33)

*Wages and salaries, annual leave, long service leave and sick leave*

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits which fall due wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at their nominal values using remuneration rates expected to apply at the time of settlement. Other provisions are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

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.

In determining "pre-conditional" long service leave 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.

The liability for employee entitlements to sick leave is equivalent to fifteen percent of total accumulated sick leave entitlements at the reporting date because this amount is payable to employees on retirement or resignation.

### *Superannuation*

Council contributes to two superannuation plans in respect of its employees - a defined contribution plan and a defined-benefit plan.

Superannuation expense for the reporting period in respect of the defined contribution plan is the amount paid and payable to members' accounts in respect of services provided by employees up to the reporting date.

For the defined-benefit plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full, directly in retained earnings, in the period in which they occur, and are presented in the statement of changes in equity.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The defined-benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, adjusted for unrecognised past service cost, net of the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

### h) Provisions

Provisions are recognised when Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### *Provision for Landfill Restoration (Note 36)*

Council has recognised a provision in respect of its obligation to rehabilitate the McRobies Gully landfill site following completion of land filling.

As the related asset is measured using the revaluation model, changes in the liability resulting from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or from changes in the discount rate, are debited (or credited) directly to the asset revaluation reserve in equity.

The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.

# Notes to and forming part of the Financial Statements

## 1. Summary of Significant Accounting Policies *continued*

### i) Investment Property (Note 20)

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise.

### j) Non-current assets classified as held for sale (Note 19)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

### k) Property, Plant and Equipment (Notes 21-30)

#### Acquisition

Purchases of property, plant and equipment are initially recorded at cost. Cost is defined as the purchase consideration plus any costs incidental to the acquisition.

The cost of property, plant and equipment 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, and the valuation roll, are valued at cost. All other property, plant and equipment is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

When the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited directly to equity (under the heading 'asset revaluation reserve'). However, the net revaluation increase is recognised in profit or loss to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in profit or loss.

When the carrying amount of a class of assets is decreased as a result of a revaluation, the net revaluation decrease is recognised in profit or loss. However, the net revaluation decrease is debited directly to equity (under the heading 'asset revaluation reserve') to the extent of any credit balance existing in the asset revaluation reserve in respect of that same class of assets.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Where indexation adjustments have been applied to land values, these have been calculated by reference to 'Land Value Adjustment Factors' published annually by the Tasmanian Department of Treasury and Finance in accordance with the *Valuation of Land Act 2001*.

Where indexation adjustments have been applied to other asset values, these have been calculated by reference to the 'general construction index' for Tasmania (series ID A2333772X) published quarterly by the Australian Bureau of Statistics.

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 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 an asset of the type mentioned exceeds 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

All items of property, plant and equipment having a limited useful life are systematically depreciated 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 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            | 15-150 | Bridges                   | 25-75  |
| Infrastructure Plant | 4-80   | Sealed Roads              |        |
| Plant and Equipment  |        | - Base                    | 20-85  |
| - Heavy Vehicles     | 5-20   | - Surface                 | 12-50  |
| - Fleet Vehicles     | 3      | Unsealed Road Surfaces    | 25-100 |
| - Minor Plant        | 2-20   | Footpaths, Kerb & Gutter  | 15-75  |
| - Computer Equipment | 3      | Cycleways and Tracks      | 15-75  |
| - Furniture          | 2-50   | Sewer Mains               | 20-132 |
| Reservoirs           | 10-80  | Sewerage Outfalls         | 80-120 |
| Stormwater Mains     | 10-134 | Water Mains               | 15-131 |
| Irrigation           | 10-80  | Playground Equipment      | 5-30   |
| Rivulets             | 20-120 | Trees                     | 20-250 |
| Fountains            | 10-80  | External Playing Surfaces | 10-100 |

# Notes to and forming part of the Financial Statements

## 1. Summary of Significant Accounting Policies *continued*

### k) Property, Plant and Equipment *continued*

#### 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 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 AAS27 Financial Reporting by Local Governments, Council has elected not to recognise land under roads as an asset in the Balance Sheet.

### l) Financial Liabilities (Notes 31 and 35)

Financial liabilities are measured initially at fair value plus any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

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.

Council has issued a number of debt instruments which are secured by revenues of the Council. Repayments are made either quarterly or semi-annually in arrears, and interest expense is accrued at the contracted rate and included in payables.

### m) Heritage Account (Notes 14 and 15)

On 16 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 15 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 30 June 2008, the balance of the Heritage Account had accumulated to \$1,603,510.

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.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

### o) Water and Sewerage Reforms

On 25 February 2008, the Treasurer announced that State Cabinet had approved implementation of the Ministerial Water and Sewerage Taskforce's recommendations to reform the water and sewerage sector in Tasmania.

Under the reforms, three new local government owned and regionally based companies will be created. The intent is for all Councils and existing bulk water authorities to transfer their direct and indirect water and sewerage activities, employees, infrastructure and related rights, assets and liabilities to the three new companies. In addition, a common service provider company, jointly owned by the regional companies, will be established to avoid unnecessary duplication in the regional companies and minimize costs to customers. Legislation giving effect to these changes received Royal Assent on 13 June 2008.

The timing of the reforms will result in the new companies commencing minimal operations from 1 January 2009. Councils will transfer assets, rights, liabilities and employees directly and indirectly associated with water and sewerage functions to the new companies on 1 July 2009. Assets likely to be transferred include land, pipes, pump stations, reservoirs, treatment plants and equipment. Council's interest in the Hobart Regional Water Authority (Hobart Water) will also transfer, as bulk water assets and liabilities are transferred to a new entity. Council will acquire an interest in the new companies as part of the process.

The legislation defines water and sewerage functions as comprising: -

#### Water

- Collection and storage by way of bulk supply
- Treatment
- Conveyance and reticulation
- Supply

#### Sewerage

- Collection or storage
- Conveyance and reticulation
- Treatment

Other functions associated with water and sewerage may include stormwater and re-use of sewage.

The above functions are disclosed in Note 3 against the activities titled 'Water Supply' and 'Sewerage'. Also, further information relating to water and sewerage activities can be found in Note 44 which discloses Council's significant business activities.

## Notes to and forming part of the Financial Statements

### 2. Changes in accounting policies

#### a) Current and previous periods

Council has adopted the following new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board which are relevant to its operations and effective for the current reporting period: -

AASB 101 *Presentation of Financial Statements* (October 2006).

AASB 7 *Financial instruments: Disclosures* (August 2005) and consequential amendments to other accounting standards replaces the presentation requirements of financial instruments in AASB 132.

Adoption of these standards has had no material impact on Council's financial statements, but has resulted in additional disclosures at notes 17 and 18.

Accounting policies adopted for the current reporting period are consistent with those of the previous reporting period.

#### b) Future periods

Council has not yet applied the following Australian Accounting Standards and Interpretations which have been issued but are not yet effective. These will be applied from their application dates.

AASB 101 *Presentation of Financial Statements* (September 2007) is a revised standard applicable for annual reporting periods beginning on or after 1 January 2009.

AASB 123 *Borrowing Costs* (June 2007) is a revised standard applicable for annual reporting periods beginning on or after 1 January 2009.

AASB 1004 *Contributions* (December 2007) is a revised standard applicable for annual reporting periods beginning on or after 1 July 2008.

AASB 1051 *Land Under Roads* is a new standard applicable for annual reporting periods beginning on or after 1 July 2008.

AASB 1052 *Disaggregated Disclosures* is a new standard applicable for annual reporting periods beginning on or after 1 July 2008.

Interpretation 14 *AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (August 2007) provides general guidance on how to assess the limit in AASB 119 Employee Benefits paragraph 58 on the amount of the surplus that can be recognised as an asset. It also explains how the defined benefit surplus (asset) or deficiency (liability) may be affected when there is a statutory or contractual minimum funding requirement. The interpretation is applicable for annual reporting periods beginning on or after 1 January 2008.

These standards and interpretations are not expected to have any material impact on Council's financial statements.



## Notes to and forming part of the Financial Statements

### 3. Functions/Activities of the Council

|                         |                | Expenses       | Revenues         |                 |                 | Assets           |
|-------------------------|----------------|----------------|------------------|-----------------|-----------------|------------------|
|                         |                | \$'000         | Grants<br>\$'000 | Other<br>\$'000 | Total<br>\$'000 | \$'000           |
| Public Order and Safety | <b>2007/08</b> | <b>6,644</b>   | <b>16</b>        | <b>6,465</b>    | <b>6,481</b>    | <b>49</b>        |
|                         | 2006/07        | 5,814          | 40               | 5,483           | 5,523           | 1                |
| Health                  | <b>2007/08</b> | <b>1,415</b>   | <b>0</b>         | <b>432</b>      | <b>432</b>      | <b>23</b>        |
|                         | 2006/07        | 1,378          | 0                | 291             | 291             | 108              |
| Welfare                 | <b>2007/08</b> | <b>2,712</b>   | <b>231</b>       | <b>162</b>      | <b>393</b>      | <b>1,959</b>     |
|                         | 2006/07        | 2,895          | 539              | 178             | 717             | 1,945            |
| Community Amenities     | <b>2007/08</b> | <b>19,944</b>  | <b>215</b>       | <b>10,705</b>   | <b>10,920</b>   | <b>108,480</b>   |
|                         | 2006/07        | 17,213         | 77               | 10,260          | 10,337          | 84,942           |
| Recreation and Culture  | <b>2007/08</b> | <b>21,779</b>  | <b>201</b>       | <b>5,394</b>    | <b>5,595</b>    | <b>187,140</b>   |
|                         | 2006/07        | 20,321         | 116              | 5,191           | 5,307           | 149,827          |
| Parking                 | <b>2007/08</b> | <b>7,559</b>   | <b>0</b>         | <b>9,850</b>    | <b>9,850</b>    | <b>61,264</b>    |
|                         | 2006/07        | 7,456          | 1                | 9,336           | 9,337           | 30,438           |
| Transport               | <b>2007/08</b> | <b>12,424</b>  | <b>1,799</b>     | <b>1,435</b>    | <b>3,234</b>    | <b>263,762</b>   |
|                         | 2006/07        | 15,605         | 2,052            | 970             | 3,022           | 248,039          |
| Economic Services       | <b>2007/08</b> | <b>2,375</b>   | <b>0</b>         | <b>768</b>      | <b>768</b>      | <b>48</b>        |
|                         | 2006/07        | 2,200          | 0                | 774             | 774             | 56               |
| Water Supply            | <b>2007/08</b> | <b>11,176</b>  | <b>0</b>         | <b>12,199</b>   | <b>12,199</b>   | <b>117,175</b>   |
|                         | 2006/07        | 9,901          | 85               | 12,123          | 12,208          | 89,599           |
| Sewerage                | <b>2007/08</b> | <b>9,437</b>   | <b>0</b>         | <b>9,478</b>    | <b>9,478</b>    | <b>133,966</b>   |
|                         | 2006/07        | 8,523          | 0                | 9,869           | 9,869           | 104,697          |
| Other (Not Attributed)* | <b>2007/08</b> | <b>7,448</b>   | <b>976</b>       | <b>38,888</b>   | <b>39,864</b>   | <b>159,318</b>   |
|                         | 2006/07        | 6,832          | 995              | 36,686          | 37,681          | 140,222          |
| <b>Total</b>            | <b>2007/08</b> | <b>102,913</b> | <b>3,438</b>     | <b>95,776</b>   | <b>99,214</b>   | <b>1,033,184</b> |
|                         | 2006/07        | 98,138         | 3,905            | 91,161          | 95,066          | 849,874          |

\* 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 to and forming part of the Financial Statements

### 4. Employee Costs

| Note                                       | 2007/08<br>\$'000    | 2006/07<br>\$'000 |
|--|----------------------|-------------------|
| Gross Wages and Salaries                   | 32,553               | 31,100            |
| Less : Amounts Capitalised                 | (1,573)              | (1,685)           |
| Leave payments                             | (2,319)              | (2,163)           |
|  | <u>(3,892)</u>       | <u>(3,848)</u>    |
| Wages and Salaries expensed                | 28,661               | 27,252            |
| Leave Entitlements                         | 3,588                | 2,577             |
| Defined-benefit superannuation plan        | 33 1,041             | 1,469             |
| Other superannuation                       | 1,425                | 1,213             |
| Workers Compensation Insurance             | 578                  | 420               |
| Payroll Tax                                | 2,262                | 2,108             |
| Aldermanic Allowances                      | 251                  | 245               |
| Redundancy payments                        | 67                   | 210               |
| Labour Overheads Capitalised               | (824)                | (882)             |
|  | <u><b>37,049</b></u> | <u>34,612</u>     |
| Number of Employees (Full-time equivalent) | 581                  | 581               |

### 5. Depreciation and Amortisation

|                            | 2007/08<br>\$'000    | 2006/07<br>\$'000 |
|----------------------------|----------------------|-------------------|
| Land Improvements          | 1,543                | 767               |
| Buildings                  | 1,731                | 2,133             |
| Infrastructure Plant       | 1,022                | 1,580             |
| Plant and Equipment        | 2,210                | 2,118             |
| Pipes, Drains and Rivulets | 5,327                | 3,840             |
| Roads and Bridges          | 6,490                | 9,613             |
| Other Structures           | 2,152                | 1,846             |
| Other                      | -                    | 128               |
|                            | <u><b>20,475</b></u> | <u>22,025</u>     |

### 6. Finance Costs

|   | 2007/08<br>\$'000   | 2006/07<br>\$'000 |
|---|---------------------|-------------------|
| Interest on Loans   | 999                 | 953               |
| Finance Cost associated with Landfill Restoration Provision | 436                 | 433               |
|   | <u><b>1,435</b></u> | <u>1,386</u>      |

### 7. Other Expenses

| Note  | 2007/08<br>\$'000   | 2006/07<br>\$'000 |
|---|---------------------|-------------------|
| Pensioner Rate Remissions                                       | 1,131               | 1,132             |
| Less : Reimbursements from Government                           | 9 (1,014)           | (1,066)           |
|   | <u>117</u>          | <u>66</u>         |
| Other Rate Remissions   | 52                  | -                 |
| Grants and Specific Purpose Benefits                            | 954                 | 864               |
| Directors Fees  | 8                   | 8                 |
| Auditor-General's Remuneration - Review of the Financial Report | 34                  | 29                |
| Other Audit Fees  | 46                  | 67                |
| Bad and Doubtful Debts  | 941                 | 736               |
| Assets Written-off  | 2,284               | 1,762             |
| Obsolete Stock  | -                   | 5                 |
| Fringe Benefits Tax   | 305                 | 151               |
| Land Tax  | 1,172               | 1,087             |
|   | <u><b>5,913</b></u> | <u>4,775</u>      |

### 8. Significant Items

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

| Note  | 2007/08<br>\$'000     | 2006/07<br>\$'000 |
|---|-----------------------|-------------------|
| <b>Revenues</b>   |                       |                   |
| Contributed Property, Plant and Equipment                 | 2,252                 | 1,963             |
| Roads to Recovery Program grants                          | 9 236                 | 100               |
| Auslink Grants  | 9 -                   | 350               |
| Blackspot Program Grants                                  | 9 65                  | 268               |
|   | <u><b>2,553</b></u>   | <u>2,681</u>      |
| <b>Expenses</b>   |                       |                   |
| Asset write-offs  | 7 (2,284)             | (1,762)           |
| Adjustment to Employee Sick Leave entitlements            | (606)                 | -                 |
|   | <u><b>(2,890)</b></u> | <u>(1,762)</u>    |
| <b>Gains / (Losses)</b>                                   |                       |                   |
| Net Gain / (Loss) on Disposal of Assets                   | 10 (165)              | (34)              |
| Share of Net Profits / (Losses) of Associates             | 11 913                | 986               |
| Net Asset Revaluation Increments / (Decrements)           | 12 3,540              | 6,152             |
|   | <u><b>4,288</b></u>   | <u>7,104</u>      |
| Effect of significant items on surplus/(deficit) for year | <u><b>3,951</b></u>   | <u>8,023</u>      |

## Notes to and forming part of the Financial Statements

### 9. Grants and Donations

|  | Note | 2007/08<br>\$'000 | 2006/07<br>\$'000 |   | Note | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|------|-------------------|-------------------|---|------|-------------------|-------------------|
| <b>a) Provided by Government</b>                     |      |                   |                   | <b>b) Other</b>   |      |                   |                   |
| <i>for Recurrent Purposes</i>                        |      |                   |                   | <i>for Recurrent Purposes</i>   |      |                   |                   |
| Childcare Services                                   |      | -                 | 280               | Miscellaneous   |      | 11                | 19                |
| Grants Commission Equalisation Grants                |      | 862               | 840               |   |      | 11                | 19                |
| Living in Harmony program                            |      | -                 | 50                | <i>for Capital Purposes</i>   |      |                   |                   |
| National Illicit Drug Strategy (NIDS)                |      | 48                | 60                | Provision of Public Open Space  |      | 78                | 64                |
| Partnership Outreach Education Model project         |      | 140               | 70                | Miscellaneous   |      | 76                | 54                |
| Pensioner Rate Remission Grants                      | 7    | 1,014             | 1,066             |   |      | 154               | 118               |
| Employment Creation Initiatives                      |      | 17                | 59                |   |      | <b>165</b>        | 137               |
| Fuel Tax Credit Scheme                               |      | 76                | 76                | <b>Total Grants and Donations</b>   |      | <b>4,452</b>      | 4,971             |
| Transition and Pathways Project                      |      | -                 | 59                | Less : Pensioner Rate Remission Grants netted against Remissions  | 7    | (1,014)           | (1,066)           |
| Miscellaneous  |      | 48                | 50                | <b>Grants and Donations as per Income Statement</b>   |      | <b>3,438</b>      | 3,905             |
|  |      | <u>2,205</u>      | <u>2,610</u>      |   |      |                   |                   |
| <i>for Capital Purposes</i>                          |      |                   |                   | <b>c) Conditions</b>  |      |                   |                   |
| Roads to Recovery Program                            |      | 236               | 100               | 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 : |      | 573               | 887               |
| Auslink  |      | -                 | 350               | 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 :  |      | (633)             | (754)             |
| Blackspot Program                                    |      | 65                | 268               | Net increase/(decrease) in assets subject to conditions   |      | (60)              | 133               |
| Other roadworks                                      |      | 1,403             | 1,324             | Assets subject to conditions at the beginning of the period   |      | 1,751             | 1,618             |
| Community Water Grants                               |      | 210               | 45                | <b>Assets subject to conditions at the end of the period</b>  | 14   | <b>1,691</b>      | 1,751             |
| Greater Hobart Integrated Bicycle Network Plan       |      | 50                | -                 |   |      |                   |                   |
| New Town Rivulet / John Turnbull Park Rehabilitation |      | 45                | 5                 |   |      |                   |                   |
| On-Line Development Application Lodgement System     |      | -                 | 20                |   |      |                   |                   |
| Security measures at Hobart Reservoirs               |      | 9                 | 36                |   |      |                   |                   |
| Soldiers Memorial Avenue                             |      | 36                | -                 |   |      |                   |                   |
| Stormwater improvement                               |      | -                 | 45                |   |      |                   |                   |
| Miscellaneous  |      | 28                | 31                |   |      |                   |                   |
|  |      | <u>2,082</u>      | <u>2,224</u>      |   |      |                   |                   |
|  |      | <b>4,287</b>      | <b>4,834</b>      |   |      |                   |                   |

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.

## Notes to and forming part of the Financial Statements

### 10. Asset Sales

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| <i>Plant &amp; Equipment</i>                     |                   |                   |
| Proceeds from sales                              | 743               | 720               |
| Less carrying amount of assets sold              | (902)             | (762)             |
| <b>Gain / (Loss) on disposal</b>                 | <b>(159)</b>      | <b>(42)</b>       |
| <i>Land and Buildings</i>                        |                   |                   |
| Proceeds from sales                              | 173               | 27                |
| Less carrying amount of assets sold              | (179)             | (19)              |
| <b>Gain / (Loss) on disposal</b>                 | <b>(6)</b>        | <b>8</b>          |
| <b>Total Gain / (Loss) on disposal of assets</b> | <b>(165)</b>      | <b>(34)</b>       |

### 11. Investments in Associates

Effective from 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 Councils. Hobart City Council's ownership interest in the equity of the Joint Authority on 30 June 2008 was 27.844% (30 June 2007 28.329%), whilst its voting power was 4 votes out of a total of 21 votes. Council accounts for this ownership interest according to the equity method of accounting.

The following table shows summarised financial information for Hobart Water, together with a reconciliation of movements in the carrying amount of Council's investment: -

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| <i>Summarised financial information of Hobart Water</i> |                   |                   |
| Assets  | 326,452           | 309,798           |
| Liabilities   | (93,129)          | (86,106)          |
| <b>Net Assets</b>                                       | <b>233,323</b>    | <b>223,692</b>    |
| Revenues  | 31,385            | 28,815            |
| Net profit/(loss)                                       | 3,279             | 3,481             |
| <i>Reconciliation of carrying amount of investment</i>  |                   |                   |
| Carrying amount of investment at beginning of year      | 63,329            | 40,783            |
| Share of surplus / (deficit) for year                   | 913               | 986               |
| Share of asset revaluation                              | 3,185             | 22,711            |
| Share of actuarial loss on Defined Benefit plan         | (24)              | -                 |
| Movement in percentage ownership                        | (1,028)           | -                 |
| Dividends provided but not paid                         | (446)             | -                 |
| Dividends received                                      | (963)             | (1,151)           |
| <b>Carrying amount of investment at end of year</b>     | <b>64,966</b>     | <b>63,329</b>     |

## Notes to and forming part of the Financial Statements

### 12. Asset Revaluations

| Note   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| <i>Asset Revaluations taken to Income Statement</i>          |                   |                   |
| Revaluation Increment on Reservoirs                          | 267               | 486               |
| Revaluation Increment on Wastewater Treatment Plants         | 2,620             | 5,200             |
| Revaluation Increment on Pump Stations                       | -                 | 112               |
| Revaluation Increment on Other Infrastructure Plant          | 653               | 354               |
|  | <b>3,540</b>      | <b>6,152</b>      |
| <i>Asset Revaluations taken to Asset Revaluation Reserve</i> |                   |                   |
| Land   | 2,855             | 11,427            |
| Buildings  | 67,668            | -                 |
| Land Improvements  | 13,339            | 5,079             |
| Infrastructure Plant   | 624               | 717               |
| Pipes, Drains and Rivulets                                   | 73,118            | 13,025            |
| Roads and Bridges  | 11,902            | 13,371            |
| Other Structures   | 14,031            | 2,530             |
|  | <b>183,537</b>    | <b>46,149</b>     |
| 37   | <b>187,077</b>    | <b>52,301</b>     |
| <b>Net Asset Revaluation Increments / (Decrements)</b>       | <b>187,077</b>    | <b>52,301</b>     |

### 13. Rates Received in Advance

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods            | 317               | 350               |
| Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period. | (350)             | (264)             |
| <b>Net increase (decrease) in prepaid rates</b>   | <b>(33)</b>       | <b>86</b>         |

### 14. Restricted Assets

| Note   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| <b>a) Grants and Donations subject to Conditions</b>   |                   |                   |
| 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 :  |                   |                   |
| - Contributions in lieu of Parking   | 428               | 428               |
| - Contributions in lieu of Public Open Space   | 182               | 164               |
| - Community Water Grants   | 192               | 23                |
| - National Illicit Drug Strategy   | 68                | 60                |
| - Partnership Outreach Education Model Project   | 79                | 68                |
| - Stormwater improvement   | 24                | 63                |
| - Wapping - Sculpture Walk   | 74                | 75                |
| - Natural Heritage Trust Grants  | 65                | 36                |
| - Roadworks  | 378               | 435               |
| - Miscellaneous  | 201               | 399               |
| 9  | <b>1,691</b>      | <b>1,751</b>      |
| <b>b) Heritage Account</b>   |                   |                   |
| 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)   | 1,604             | 1,624             |
| <b>Total Restricted Assets</b>   | <b>3,295</b>      | <b>3,375</b>      |

## Notes to and forming part of the Financial Statements

### 15. Cash

|   | 2007/08<br>\$'000    | 2006/07<br>\$'000    |
|---|----------------------|----------------------|
| <b>a) Definition of Cash</b>  |                      |                      |
| For the purpose of the Cash Flow Statement, the following items comprise the cash balance at the end of the period: - |                      |                      |
| Investments   |                      |                      |
| Term Deposits   | 39,000               | 31,000               |
| At Call   | 4,376                | 6,853                |
|   | <u>43,376</u>        | <u>37,853</u>        |
| Cash Advances   | 28                   | 29                   |
| Cash at Bank  | 2,191                | 1,580                |
|   | <u><b>45,595</b></u> | <u><b>39,462</b></u> |
| <b>b) Composition of Cash</b>   |                      |                      |
| The following restrictions apply to the closing cash balance :  |                      |                      |
| - Provision of Public Open Space  | 182                  | 164                  |
| - Provision of Parking Facilities   | 428                  | 428                  |
| - Wapping - Sculpture Walk  | 74                   | 75                   |
| - Roadworks   | 378                  | 435                  |
| - Heritage Funding  | 1,604                | 1,624                |
| - Other   | 629                  | 649                  |
|   | <u>3,295</u>         | <u>3,375</u>         |
| The remainder of the Cash balance has been ear-marked for :   |                      |                      |
| - Asset Replacement   | 5,172                | 3,377                |
| - Other Capital Works   | 4,425                | 4,792                |
| - Provision of Public Open Space  | 16                   | 16                   |
| - Provision of Parking Facilities   | 17,627               | 15,125               |
| - Loan Redemption   | 2,803                | 2,160                |
| - Bushland Acquisition  | 172                  | 125                  |
| - Refundable Deposits   | 1,713                | 1,748                |
| - Settlement of Payables  | 7,853                | 5,300                |
| - Other   | 600                  | 528                  |
| - Unallocated   | 1,919                | 2,916                |
|   | <u>42,300</u>        | <u>36,087</u>        |
|   | <u><b>45,595</b></u> | <u><b>39,462</b></u> |

### 16. Inventories

|                                     | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|-------------------------------------|-------------------|-------------------|
| Stock                               | 305               | 330               |
| Less : Provision for Obsolete Stock | -                 | (4)               |
|                                     | <u><b>305</b></u> | <u><b>326</b></u> |

### 17. Financial Instruments

Council's principal financial instruments comprise receivables, payables, loans, cash and short-term deposits. The main risks arising from these financial instruments are credit risk, interest rate risk and liquidity risk.

Council uses a variety of methods to measure and manage the various types of risk to which it is exposed, and these are outlined below.

#### a) Credit Risk

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

Council does not hold any credit derivatives to offset its credit risk exposure.

Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. These procedures are currently limited to customers of the McRobies Gully Refuse Disposal Site and the Hot Mix Plant. Credit risk limits are set for each individual customer and these limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

There are no significant concentrations of credit risk and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

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.

## Notes to and forming part of the Financial Statements

### 17. Financial Instruments *continued*

#### b) Interest Rate Risk

Exposure to interest rate risk arises predominantly from assets and liabilities bearing variable interest rates, as Council intends to hold fixed rate assets and liabilities to maturity. Council monitors both its level of exposure to interest rate risk, and assessments of market forecasts for future interest rates.

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 in the following table.

|   | Floating Interest Rate<br>\$'000 | Fixed Interest Maturing in : |                             |                             | Non-Interest Bearing<br>\$'000 | Total<br>\$'000 | Weighted Average Interest Rate |
|---|----------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------|--------------------------------|
|   |                                  | 1 year or less<br>\$'000     | Over 1 to 5 years<br>\$'000 | More than 5 years<br>\$'000 |                                |                 |                                |
| <b>2007/08</b>                              |                                  |                              |                             |                             |                                |                 |                                |
| <i>Financial Assets</i>                     |                                  |                              |                             |                             |                                |                 |                                |
| Cash and cash equivalents                   | 6,567                            | 39,000                       | -                           | -                           | 28                             | 45,595          | 7.87%                          |
| Receivables                                 | 872                              | 26                           | -                           | -                           | 3,128                          | 4,026           | 1.01%                          |
|   | <u>7,439</u>                     | <u>39,026</u>                | <u>-</u>                    | <u>-</u>                    | <u>3,156</u>                   | <u>49,621</u>   |                                |
| Weighted Average Interest Rate              | 7.82%                            | 7.97%                        | 0.00%                       | 0.00%                       |                                |                 |                                |
| <i>Financial Liabilities</i>                |                                  |                              |                             |                             |                                |                 |                                |
| Payables                                    | -                                | -                            | -                           | -                           | 7,853                          | 7,853           | N/A                            |
| Loans                                       | -                                | 1,756                        | 4,119                       | 9,794                       | -                              | 15,669          | 6.53%                          |
|   | <u>-</u>                         | <u>1,756</u>                 | <u>4,119</u>                | <u>9,794</u>                | <u>7,853</u>                   | <u>23,522</u>   |                                |
| Weighted Average Interest Rate              | 0.00%                            | 6.47%                        | 5.99%                       | 6.77%                       |                                |                 |                                |
| <i>Net Financial Assets / (Liabilities)</i> | <b>7,439</b>                     | <b>37,270</b>                | <b>(4,119)</b>              | <b>(9,794)</b>              | <b>(4,697)</b>                 | <b>26,099</b>   |                                |

|   | Floating Interest Rate<br>\$'000 | Fixed Interest Maturing in : |                             |                             | Non-Interest Bearing<br>\$'000 | Total<br>\$'000 | Weighted Average Interest Rate |
|---|----------------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------|--------------------------------|
|   |                                  | 1 year or less<br>\$'000     | Over 1 to 5 years<br>\$'000 | More than 5 years<br>\$'000 |                                |                 |                                |
| <b>2006/07</b>                              |                                  |                              |                             |                             |                                |                 |                                |
| <i>Financial Assets</i>                     |                                  |                              |                             |                             |                                |                 |                                |
| Cash and cash equivalents                   | 8,433                            | 31,000                       | -                           | -                           | 29                             | 39,462          | 6.47%                          |
| Receivables                                 | 855                              | 26                           | -                           | -                           | 2,890                          | 3,771           | 1.06%                          |
|   | <u>9,288</u>                     | <u>31,026</u>                | <u>-</u>                    | <u>-</u>                    | <u>2,919</u>                   | <u>43,233</u>   |                                |
| Weighted Average Interest Rate              | 6.66%                            | 6.55%                        | 0.00%                       | 0.00%                       |                                |                 |                                |
| <i>Financial Liabilities</i>                |                                  |                              |                             |                             |                                |                 |                                |
| Payables                                    | -                                | -                            | -                           | -                           | 5,300                          | 5,300           | N/A                            |
| Loans                                       | -                                | 899                          | 5,211                       | 9,457                       | -                              | 15,567          | 6.52%                          |
|   | <u>-</u>                         | <u>899</u>                   | <u>5,211</u>                | <u>9,457</u>                | <u>5,300</u>                   | <u>20,867</u>   |                                |
| Weighted Average Interest Rate              | 0.00%                            | 7.28%                        | 6.09%                       | 6.68%                       |                                |                 |                                |
| <i>Net Financial Assets / (Liabilities)</i> | <b>9,288</b>                     | <b>30,127</b>                | <b>(5,211)</b>              | <b>(9,457)</b>              | <b>(2,381)</b>                 | <b>22,366</b>   |                                |

## Notes to and forming part of the Financial Statements

### 17. Financial Instruments *continued*

#### b) Interest Rate Risk *continued*

Changes in variable rates of 100 basis points at the reporting date would have the following effect on Council's profit or loss and equity: -

|                              | 30 June 2008                     |                                  | 30 June 2007                     |                                  |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                              | 100 basis points increase \$'000 | 100 basis points decrease \$'000 | 100 basis points increase \$'000 | 100 basis points decrease \$'000 |
| <i>Financial Assets</i>      |                                  |                                  |                                  |                                  |
| Cash Advances                | na                               | na                               | na                               | na                               |
| Cash at Bank and Investments | 66                               | (66)                             | 84                               | (85)                             |
| Receivables                  | 9                                | (9)                              | 8                                | (9)                              |
|                              | <b>75</b>                        | <b>(75)</b>                      | <b>92</b>                        | <b>(94)</b>                      |
| <i>Financial Liabilities</i> |                                  |                                  |                                  |                                  |
| Payables                     | na                               | na                               | na                               | na                               |
| Loans                        | na                               | na                               | na                               | na                               |
|                              | -                                | -                                | -                                | -                                |

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 30 June 2007.

#### c) Liquidity Risk

Liquidity risk is monitored through the development of rolling cash flow forecasts. Council's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term investments, bank overdrafts and loans.

Council monitors rolling forecasts of liquidity reserves on the basis of expected cash flow. Forecast liquidity reserves at the reporting date are as follows: -

|                                | 2008/09<br>\$'000 | 2009/10<br>- 2012/13<br>\$'000 |
|--------------------------------|-------------------|--------------------------------|
| Opening Balance for the period | 45,595            | 37,285                         |
| Operating Inflows              | 99,842            | 442,999                        |
| Operating Outflows             | (79,981)          | (358,446)                      |
| Investing Outflows             | (30,657)          | (82,920)                       |
| Financing Inflows              | 3,000             | 4,000                          |
| Financing Outflows             | (514)             | (4,842)                        |
| Closing Balance for the period | <u>37,285</u>     | <u>38,076</u>                  |



## Notes to and forming part of the Financial Statements

### 17. Financial Instruments *continued*

#### d) 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: -

|                              | 2007/08                   |                          | 2006/07                   |                          |
|------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
|                              | Carrying Amount<br>\$'000 | Net Fair Value<br>\$'000 | Carrying Amount<br>\$'000 | Net Fair Value<br>\$'000 |
| <b>Financial Assets</b>      |                           |                          |                           |                          |
| Cash Advances                | 28                        | 28                       | 29                        | 29                       |
| Cash at Bank and Investments | 45,567                    | 45,567                   | 39,433                    | 39,433                   |
| Receivables                  | 4,026                     | 4,026                    | 3,771                     | 3,771                    |
|                              | <b>49,621</b>             | <b>49,621</b>            | <b>43,233</b>             | <b>43,233</b>            |
| <b>Financial Liabilities</b> |                           |                          |                           |                          |
| Payables                     | 7,853                     | 7,853                    | 5,300                     | 5,300                    |
| Loans                        | 15,669                    | 15,485                   | 15,567                    | 15,427                   |
|                              | <b>23,522</b>             | <b>23,338</b>            | <b>20,867</b>             | <b>20,727</b>            |

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

## Notes to and forming part of the Financial Statements

### 18. Receivables

|                                    | 2007/08<br>\$'000   | 2006/07<br>\$'000   |
|------------------------------------|---------------------|---------------------|
| Rates                              | 1,003               | 976                 |
| Parking Fines                      | 6,404               | 5,770               |
| Trade Receivables                  | 1,264               | 1,255               |
| Accrued interest on investments    | 535                 | 246                 |
| Wages and salaries paid in advance | 61                  | 64                  |
| Other Debtors                      | 1,080               | 1,029               |
|                                    | <u>10,347</u>       | <u>9,340</u>        |
| Less Allowance for Impairment      | (6,321)             | (5,569)             |
|                                    | <u><b>4,026</b></u> | <u><b>3,771</b></u> |
| Current                            | 3,741               | 3,480               |
| Non-Current                        | 285                 | 291                 |
|                                    | <u><b>4,026</b></u> | <u><b>3,771</b></u> |

At 30 June the ageing analysis of receivables is as follows: -

#### Trade Receivables

|      | Total<br>\$'000 | 0-29 days<br>\$'000 | 0-29 days<br>\$'000 | 30-59 days<br>\$'000 | 30-59 days<br>\$'000 | 60-89 days<br>\$'000 | 60-89 days<br>\$'000 | 90+ days<br>\$'000 | 90+ days<br>\$'000 |
|------|-----------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|
|      |                 |                     | CI*                 | PDNI*                | CI*                  | PDNI*                | CI*                  | PDNI*              | CI*                |
| 2008 | 1,264           | 608                 | 1                   | 255                  | -                    | 240                  | 3                    | 140                | 17                 |
| 2007 | 1,255           | 709                 | -                   | 175                  | -                    | 61                   | 1                    | 299                | 10                 |

#### Parking Fines

|      | Total<br>\$'000 | Parking Meter and Voucher |                    |                    | Traffic Infringements |                    |                    |
|------|-----------------|---------------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|
|      |                 | 0-14 days<br>\$'000       | 14+ days<br>\$'000 | 14+ days<br>\$'000 | 0-28 days<br>\$'000   | 28+ days<br>\$'000 | 28+ days<br>\$'000 |
|      |                 |                           | PDNI*              | CI*                |                       | PDNI*              | CI*                |
| 2008 | 6,404           | 59                        | 98                 | 4,817              | 34                    | 44                 | 1,352              |
| 2007 | 5,770           | 44                        | 153                | 4,244              | 40                    | 55                 | 1,234              |

#### Rates

|      | Total<br>\$'000 | 90+ days<br>\$'000 |
|------|-----------------|--------------------|
|      |                 | PDNI*              |
| 2008 | 1,003           | 1,003              |
| 2007 | 976             | 976                |

\* PDNI - past due not impaired  
CI - considered impaired

### 19. Assets Classified As Held For Sale

No assets were classified as 'held for sale' at either the current reporting date or the previous reporting date.

### 20. Investment Property

|   | 2007/08<br>\$'000    | 2006/07<br>\$'000    |
|---|----------------------|----------------------|
| At Cost   | 1,800                | 1,800                |
| At Valuer-General's 2002<br>valuation of market value | 9,750                | 9,750                |
|   | <u><b>11,550</b></u> | <u><b>11,550</b></u> |

### 21. Property, Plant and Equipment

## Notes to and forming part of the Financial Statements

|                            |       | Carrying Amount<br>30/6/2007 | Additions     | Disposals      | Net<br>Revaluation<br>Adjustments | Depreciation    | Other<br>Movements | Carrying<br>Amount<br>30/6/2008 |
|----------------------------|-------|------------------------------|---------------|----------------|-----------------------------------|-----------------|--------------------|---------------------------------|
|                            |       | \$'000                       | \$'000        | \$'000         | \$'000                            | \$'000          | \$'000             | \$'000                          |
| <b>2007/08</b>             | Notes |                              |               |                |                                   |                 |                    |                                 |
| Plant and Equipment        | 22    | 13,942                       | 2,861         | (1,239)        | -                                 | (2,210)         | -                  | 13,354                          |
| Land                       | 23    | 107,651                      | 124           | (179)          | 2,855                             | -               | -                  | 110,451                         |
| Buildings                  | 23    | 66,718                       | -             | -              | 65,491                            | (1,731)         | 6,960              | 137,438                         |
| Land Improvements          | 24    | 21,696                       | 508           | (319)          | 13,339                            | (1,543)         | (224)              | 33,457                          |
| Infrastructure Plant       | 25    | 29,892                       | 559           | (51)           | 6,075                             | (1,022)         | (6,914)            | 28,539                          |
| Pipes, Drains and Rivulets | 26    | 206,301                      | 3,494         | (445)          | 73,118                            | (5,327)         | 160                | 277,301                         |
| Roads and Bridges          | 27    | 238,602                      | 6,441         | (509)          | 11,902                            | (6,490)         | 184                | 250,130                         |
| Other Structures           | 28    | 35,507                       | 2,320         | (16)           | 14,297                            | (2,152)         | (166)              | 49,790                          |
| Capital Work in Progress   | 29    | 5,375                        | 285           | -              | -                                 | -               | -                  | 5,660                           |
| Other                      | 30    | 574                          | 1             | -              | -                                 | -               | -                  | 575                             |
|                            |       | <b>726,258</b>               | <b>16,593</b> | <b>(2,758)</b> | <b>187,077</b>                    | <b>(20,475)</b> | <b>-</b>           | <b>906,695</b>                  |

|                            |       | Carrying Amount<br>30/6/2006 | Additions     | Disposals      | Net<br>Revaluation<br>Adjustments | Depreciation    | Other<br>Movements | Carrying<br>Amount<br>30/6/2007 |
|----------------------------|-------|------------------------------|---------------|----------------|-----------------------------------|-----------------|--------------------|---------------------------------|
|                            |       | \$'000                       | \$'000        | \$'000         | \$'000                            | \$'000          | \$'000             | \$'000                          |
| <b>2006/07</b>             | Notes |                              |               |                |                                   |                 |                    |                                 |
| Plant and Equipment        | 22    | 12,813                       | 4,422         | (1,175)        | -                                 | (2,118)         | -                  | 13,942                          |
| Land                       | 23    | 96,243                       | -             | (19)           | 11,427                            | -               | -                  | 107,651                         |
| Buildings                  | 23    | 68,069                       | 968           | (186)          | -                                 | (2,133)         | -                  | 66,718                          |
| Land Improvements          | 24    | 16,955                       | 522           | (93)           | 5,079                             | (767)           | -                  | 21,696                          |
| Infrastructure Plant       | 25    | 23,113                       | 1,977         | (1)            | 6,383                             | (1,580)         | -                  | 29,892                          |
| Pipes, Drains and Rivulets | 26    | 193,489                      | 3,761         | (134)          | 13,025                            | (3,840)         | -                  | 206,301                         |
| Roads and Bridges          | 27    | 230,460                      | 4,988         | (604)          | 13,371                            | (9,613)         | -                  | 238,602                         |
| Other Structures           | 28    | 33,217                       | 1,224         | (104)          | 3,016                             | (1,846)         | -                  | 35,507                          |
| Capital Work in Progress   | 29    | 6,864                        | (1,489)       | -              | -                                 | -               | -                  | 5,375                           |
| Other                      | 30    | 703                          | -             | (1)            | -                                 | (128)           | -                  | 574                             |
|                            |       | <b>681,926</b>               | <b>16,373</b> | <b>(2,317)</b> | <b>52,301</b>                     | <b>(22,025)</b> | <b>-</b>           | <b>726,258</b>                  |

### 22. Plant and Equipment

|                                 | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---------------------------------|-------------------|-------------------|
| At Cost                         | 25,007            | 24,732            |
| Less : Accumulated Depreciation | (11,653)          | (10,790)          |
|                                 | <b>13,354</b>     | <b>13,942</b>     |

## Notes to and forming part of the Financial Statements

### 23. Land and Buildings

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| <b>Land</b>  |                   |                   |
| At Cost  | 7,764             | 7,640             |
| At Valuer-General's 2002 valuation of market value indexed to 30 June 2007 | -                 | 100,011           |
| At Valuer-General's 2002 valuation of market value indexed to 30 June 2008 | 102,687           | -                 |
|  | <u>110,451</u>    | <u>107,651</u>    |
| <b>Buildings</b>   |                   |                   |
| At Cost  | -                 | 1,742             |
| At Council's 2008 valuation of replacement cost                            | 206,803           | -                 |
| At Council's 2002 valuation of replacement cost                            | -                 | 167,524           |
|  | <u>206,803</u>    | <u>169,266</u>    |
| Less : Accumulated Depreciation  | (69,365)          | (102,548)         |
|  | <u>137,438</u>    | <u>66,718</u>     |
| <b>Totals</b>  |                   |                   |
| At Cost  | 7,764             | 9,382             |
| At valuation   | 309,490           | 267,535           |
|  | <u>317,254</u>    | <u>276,917</u>    |
| Less : Accumulated Depreciation  | (69,365)          | (102,548)         |
|  | <u>247,889</u>    | <u>174,369</u>    |

### 24. Land Improvements

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| At Cost   | 502               | 4,520             |
| At Council's 2002 valuation of replacement cost indexed to 30 June 2007 | -                 | 26,272            |
| At Council's 2008 valuation of replacement cost                         | 59,844            | -                 |
| At Council's 2001 valuation of replacement cost indexed to 30 June 2007 | -                 | 19,262            |
| At Council's 2001 valuation of replacement cost                         | -                 | 318               |
|   | <u>60,346</u>     | <u>50,372</u>     |
| Less : Accumulated Depreciation   | (26,889)          | (28,676)          |
|   | <u>33,457</u>     | <u>21,696</u>     |

Grassed areas within parks and sportsfields have not been recognised in the Balance Sheet because they cannot be reliably measured.

### 25. Infrastructure Plant

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| At Cost   | 4,102             | 8,642             |
| At Council's 2002 valuation of replacement cost indexed to 30 June 2007   | -                 | 9,074             |
| At Council's 2001 valuation of replacement cost indexed to 30 June 2007   | -                 | 2,117             |
| At Council's 2000 valuation of replacement cost indexed to 30 June 2008   | 7,518             | -                 |
| At Council's 2000 valuation of replacement cost indexed to 30 June 2007   | -                 | 7,133             |
| At Council's 2008 valuation of replacement cost                           | 37,276            | -                 |
| At Independent 2000 valuation of replacement cost indexed to 30 June 2007 | -                 | 39,516            |
|   | <u>48,896</u>     | <u>66,482</u>     |
| Less : Accumulated Depreciation   | (20,357)          | (36,590)          |
|   | <u>28,539</u>     | <u>29,892</u>     |

### 26. Pipes, Drains and Rivulets

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| At Cost   | 3,494             | 18,993            |
| At Council's 2008 valuation of replacement cost                         | 585,156           | -                 |
| At Council's 2001 valuation of replacement cost indexed to 30 June 2007 | -                 | 415,025           |
| At Council's 2002 valuation of replacement cost indexed to 30 June 2007 | -                 | 22,009            |
|   | <u>588,650</u>    | <u>456,027</u>    |
| Less : Accumulated Depreciation   | (311,349)         | (249,726)         |
|   | <u>277,301</u>    | <u>206,301</u>    |

### 27. Roads and Bridges

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| At Cost   | 22,767            | 16,285            |
| At Council's 2004 valuation of replacement cost indexed to 30 June 2007 | -                 | 365,989           |
| At Council's 2004 valuation of replacement cost indexed to 30 June 2008 | 384,683           | -                 |
|   | <u>407,450</u>    | <u>382,274</u>    |
| Less : Accumulated Depreciation   | (157,320)         | (143,672)         |
|   | <u>250,130</u>    | <u>238,602</u>    |

## Notes to and forming part of the Financial Statements

### 28. Other Structures

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| At Cost   | 2,408             | 4,685             |
| At Council's 2008 valuation of replacement cost                         | 82,869            | -                 |
| At Council's 2005 valuation of replacement cost indexed to 30 June 2008 | 11,791            | -                 |
| At Council's 2005 valuation of replacement cost indexed to 30 June 2007 | -                 | 82,695            |
| At Council's 2005 valuation of replacement cost                         | -                 | 1,141             |
|   | 97,068            | 88,521            |
| Less : Accumulated Depreciation   | (47,278)          | (53,014)          |
|   | <b>49,790</b>     | <b>35,507</b>     |

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

### 29. Capital Work In Progress

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| CBD Revitalisation - Collins Street                          | -                 | 1,150             |
| Road and Bridge works  | 974               | 1,037             |
| Footpath, Kerb and Gutter works                              | 417               | 447               |
| Traffic Management works                                     | 82                | 214               |
| Sewer Mains  | 64                | 161               |
| Water Mains  | 486               | 738               |
| Stormwater Mains   | 177               | 349               |
| Sandy Bay Beach Sea Wall                                     | 2,342             | -                 |
| Parks and Gardens works                                      | 107               | 234               |
| City Hall Electrical Upgrade                                 | -                 | 81                |
| Domain Regatta Grounds - Boat Ramp                           | 47                | -                 |
| Soldiers Memorial Avenue - Crossroads Reinstatement Stage 1A | 103               | -                 |
| Critical Infrastructure Security Installation - Reservoirs   | 48                | -                 |
| Remote monitoring of in-sewer stations                       | 99                | -                 |
| Street Lighting replacements                                 | 60                | -                 |
| Street Tree Planting   | 19                | 89                |
| Selfs Point Wastewater Treatment Plant works                 | 27                | 73                |
| McRobies Gully Refuse Disposal Site - General works          | 8                 | 19                |
| Replacement of On-street parking equipment                   | 42                | -                 |
| Other  | 558               | 783               |
|  | <b>5,660</b>      | <b>5,375</b>      |

### 30. Other Property, Plant and Equipment

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| <b>Valuation Roll</b>                         |                   |                   |
| At Cost                                       | 624               | 624               |
| Less : Accumulated Depreciation               | (624)             | (624)             |
|   | -                 | -                 |
| <b>Valuables</b>                              |                   |                   |
| At Cost                                       | 1                 | -                 |
| At Independent 2005 valuation of market value | 574               | 574               |
|   | 575               | 574               |
| <b>Totals</b>                                 |                   |                   |
| At cost                                       | 625               | 624               |
| At valuation                                  | 574               | 574               |
|   | 1,199             | 1,198             |
| Less : Accumulated Depreciation               | (624)             | (624)             |
|   | <b>575</b>        | <b>574</b>        |

### 31. Payables

|                                       | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---------------------------------------|-------------------|-------------------|
| Trade Creditors                       | 763               | 725               |
| Accrued plant and equipment purchases | 286               | 94                |
| Accrued capital expenditure           | 1,241             | 263               |
| GST payable                           | 389               | 192               |
| Bulk Water Purchases                  | 1,596             | 1,548             |
| Energy Costs                          | 219               | 138               |
| Payroll Tax                           | 849               | 745               |
| Workers Compensation Insurance        | 370               | 212               |
| Fringe Benefits Tax                   | 52                | 38                |
| Other Accrued Expenses                | 2,088             | 1,345             |
|                                       | <b>7,853</b>      | <b>5,300</b>      |

### 32. Trust, Deposits, Retention

|                                 | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---------------------------------|-------------------|-------------------|
| Refundable Infrastructure Bonds | 1,527             | 1,573             |
| Contract Retention monies       | 40                | 67                |
| Other                           | 247               | 225               |
|                                 | <b>1,814</b>      | <b>1,865</b>      |

## Notes to and forming part of the Financial Statements

### 33. Employee Benefits

|                                     | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|-------------------------------------|-------------------|-------------------|
| <b>Assets</b>                       |                   |                   |
| Defined-benefit superannuation plan | -                 | 5,168             |
|                                     | -                 | 5,168             |
| Current                             | -                 | -                 |
| Non-Current                         | -                 | 5,168             |
|                                     | -                 | 5,168             |
| <b>Liabilities</b>                  |                   |                   |
| Wages and salaries                  | 578               | 1,020             |
| Annual leave (including loading)    | 2,748             | 2,666             |
| Long service leave                  | 4,178             | 3,636             |
| Sick leave                          | 1,700             | 1,055             |
| Superannuation contributions        | 889               | 806               |
| Defined-benefit superannuation plan | 3,797             | -                 |
|                                     | <b>13,890</b>     | <b>9,183</b>      |
| Current                             | 7,948             | 7,241             |
| Non-Current                         | 5,942             | 1,942             |
|                                     | <b>13,890</b>     | <b>9,183</b>      |

#### Superannuation

Council contributes to a defined-contribution superannuation plan - 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 plan 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 salary.

An actuarial assessment of the fund was carried out by Mr. David Quinn-Watson, FIAA on 12 September 2008 for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. This assessment revealed the following: -

| Key assumptions                  | 30/06/08<br>% | 30/06/07<br>% |
|----------------------------------|---------------|---------------|
| Discount Rate – gross of tax     | <b>6.40</b>   | 6.25          |
| Discount Rate – net of tax       | <b>5.40</b>   | 5.30          |
| Expected Return on plan assets   | <b>6.35</b>   | 6.35          |
| Expected rate of salary increase | <b>4.00</b>   | 4.00          |

The amount included in employee benefits expense is as follows: -

|                                | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--------------------------------|-------------------|-------------------|
| Current Service Cost           | 1,866             | 2,388             |
| Interest Cost                  | 2,128             | 1,700             |
| Expected return on plan assets | (2,953)           | (2,619)           |
|                                | <b>1,041</b>      | <b>1,469</b>      |

Actuarial gains and losses recognised in respect of the defined-benefit plan were as follows: -

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| Actuarial (gains) / losses incurred during the period and recognised in the statement of changes in equity | 9,775             | (737)             |
| Adjustments recognised in the statement of changes in equity for restrictions on the defined-benefit asset | -                 | -                 |
|  | <b>9,775</b>      | <b>(737)</b>      |
| Cumulative actuarial (gains) / losses recognised in the statement of changes in equity                     | 4,039             | (5,736)           |

The amount included in the Balance Sheet arising from Council's obligation in respect of its defined-benefit plan is as follows: -

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Present value of defined-benefit obligation               | 45,734            | 41,247            |
| Fair value of plan assets                                 | (41,937)          | (46,415)          |
| Net liability / (asset) arising from defined-benefit plan | <b>3,797</b>      | <b>(5,168)</b>    |

Movements in the present value of the defined-benefit obligation were as follows: -

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Opening defined-benefit obligation                  | 41,247            | 37,100            |
| Current Service Cost                                | 1,866             | 2,388             |
| Interest Cost                                       | 2,128             | 1,700             |
| Member contributions and transfers from other funds | 882               | 934               |
| Actuarial (gains) / losses                          | 2,158             | 1,709             |
| Benefits and tax paid                               | (2,547)           | (2,584)           |
| Closing defined-benefit obligation                  | <b>45,734</b>     | <b>41,247</b>     |

Movements in the present value of the plan assets were as follows: -

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Opening fair value of plan assets                   | 46,415            | 41,141            |
| Expected return on plan assets                      | 2,953             | 2,619             |
| Actuarial gains / (losses)                          | (7,618)           | 2,446             |
| Employer contributions                              | 1,852             | 1,859             |
| Member contributions and transfers from other funds | 882               | 934               |
| Benefits paid                                       | (2,547)           | (2,584)           |
| Closing fair value of plan assets                   | <b>41,937</b>     | <b>46,415</b>     |

## Notes to and forming part of the Financial Statements

### 34. Unearned Revenue

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| The Hobart Aquatic Centre memberships paid in advance | 188               | 211               |
| Animal Licences paid in advance                       | 1                 | 71                |
| Food Premises registration fees paid in advance       | -                 | 77                |
| Rents Paid in Advance                                 | 1                 | 2                 |
| Other   | 47                | 15                |
|   | <b>237</b>        | <b>376</b>        |

### 35. Loans

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Loans outstanding at beginning of year  | 15,567            | 15,438            |
| Loans renegotiated                      | -                 | 3,900             |
| New borrowings                          | 1,000             | 1,000             |
|   | 16,567            | 20,338            |
| Redemptions                             | (898)             | (4,771)           |
| <b>Loans outstanding at end of year</b> | <b>15,669</b>     | <b>15,567</b>     |
| Current                                 | 1,756             | 899               |
| Non-Current                             | 13,913            | 14,668            |
|   | <b>15,669</b>     | <b>15,567</b>     |

### 36. Provision for Landfill Restoration

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| Balance at beginning of year                                     | 6,900             | 6,893             |
| Additional provisions recognised                                 | 127               | -                 |
| Expenditure incurred   | (463)             | (426)             |
| Unwinding of discount and effect of changes in the discount rate | 436               | 433               |
| Balance at end of year   | <b>7,000</b>      | <b>6,900</b>      |

### 37. Reserves

| Note                                       | Balance<br>30/6/07<br>\$'000 | Transfers<br>to<br>Reserves<br>\$'000 | Transfers<br>from<br>Reserves<br>\$'000 | Balance<br>30/6/08<br>\$'000 |
|--|------------------------------|---------------------------------------|---|------------------------------|
| Asset Replacement                          | 3,377                        | 12,784                                | (10,989)                                | 5,172                        |
| Bushland Fund                              | 124                          | 50                                    | (2)                                     | 172                          |
| Debt Redemption                            | 2,160                        | 1,542                                 | (899)                                   | 2,803                        |
| Parking Fund                               | 15,427                       | 10,766                                | (8,326)                                 | 17,867                       |
| Contributions in Lieu of Parking           | 428                          | -                                     | -                                       | 428                          |
| Contributions in Lieu of Public Open Space | 181                          | 77                                    | (59)                                    | 199                          |
| Heritage Account                           | 1,624                        | 44                                    | (64)                                    | 1,604                        |
| Share of Hobart Water Reserves             | 60,199                       | 1,687                                 | -                                       | 61,886                       |
| Asset Revaluation                          | 448,559                      | 183,537                               | -                                       | 632,096                      |
| Other                                      | 528                          | 72                                    | -                                       | 600                          |
|  | <b>532,607</b>               | <b>210,559</b>                        | <b>(20,339)</b>                         | <b>722,827</b>               |

#### 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.

#### 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.

#### Share of Hobart Water Reserves

Council maintains a reserve in order to account for its proportionate interest in the reserves of Hobart Water as required by AASB128 *Investments in Associates*.

#### Asset Revaluation Reserve

Council maintains an asset revaluation reserve in order to account for asset revaluation increments and decrements in accordance with AASB116 *Property, Plant and Equipment*.

#### 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 that time.

## Notes to and forming part of the Financial Statements

### 38. Reconciliation of Accrual-Based Results with Cash Flows

|   | 2007/08 (\$'000)     |                      |              | 2006/07 (\$'000)     |                      |          |
|---|----------------------|----------------------|--------------|----------------------|----------------------|----------|
|   | Operating Activities | Investing Activities | Total        | Operating Activities | Investing Activities | Total    |
| Revenues  | 99,214               | -                    | -            | 95,066               | -                    | -        |
| Expenses / Expenditure                                  | (102,913)            | (14,948)             | -            | (98,138)             | (14,636)             | -        |
| Gains / (Losses)  | 4,288                | -                    | -            | 7,104                | -                    | -        |
| <b>Surplus / (Deficit) for year</b>                     | <b>589</b>           | <b>-</b>             | <b>-</b>     | <b>4,032</b>         | <b>-</b>             | <b>-</b> |
| Dividends received from Associates                      | -                    | 963                  | -            | -                    | 1,151                | -        |
| <b>Items not involving Cash:</b>                        |                      |                      |              |                      |                      |          |
| Depreciation and Amortisation                           | 20,475               | -                    | -            | 22,025               | -                    | -        |
| Carrying Value of Assets Sold                           | 1,081                | -                    | -            | 781                  | -                    | -        |
| Asset Write-downs                                       | 2,284                | -                    | -            | 1,762                | -                    | -        |
| Assets received for no consideration                    | (2,252)              | -                    | -            | (1,963)              | -                    | -        |
| Asset Revaluation Adjustments                           | (3,540)              | -                    | -            | (6,152)              | -                    | -        |
| Share of Net Profits / (Losses) of Associates           | (913)                | -                    | -            | (986)                | -                    | -        |
| <b>Re-classification of Revenues</b>                    |                      |                      |              |                      |                      |          |
| Government Grants                                       | (2,082)              | 2,082                | -            | (2,224)              | 2,224                | -        |
| Sales of Assets   | (916)                | 916                  | -            | (747)                | 747                  | -        |
| <b>Changes in Operating Assets &amp; Liabilities:</b>   |                      |                      |              |                      |                      |          |
| (Increase) / Decrease in Receivables                    | (255)                | -                    | <b>(255)</b> | (73)                 | -                    | (73)     |
| (Increase) / Decrease in Stock                          | 21                   | -                    | <b>21</b>    | 1                    | -                    | 1        |
| (Increase) / Decrease in Prepayments                    | (37)                 | -                    | <b>(37)</b>  | 35                   | -                    | 35       |
| Increase / (Decrease) in Payables                       | 1,383                | 1,170                | <b>2,553</b> | 592                  | 51                   | 643      |
| Increase / (Decrease) in Employee Entitlements          | 100                  | -                    | <b>100</b>   | 128                  | -                    | 128      |
| Increase / (Decrease) in Unearned Revenue               | (139)                | -                    | <b>(139)</b> | 57                   | -                    | 57       |
| Increase / (Decrease) in Landfill Restoration Provision | 100                  | -                    | <b>100</b>   | 7                    | -                    | 7        |
| Increase / (Decrease) in Other Liabilities              | (51)                 | -                    | <b>(51)</b>  | 15                   | -                    | 15       |
| <b>Net Cash Inflow / (Outflow)</b>                      | <b>15,848</b>        | <b>(9,817)</b>       |              | <b>17,290</b>        | <b>(10,463)</b>      |          |

### 39. Financing Facilities

|                                | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--------------------------------|-------------------|-------------------|
| Un-used bank overdraft         | -                 | -                 |
| Un-used credit card facilities | 80                | 80                |
| Un-used loan facilities        | -                 | -                 |
|                                | <b>80</b>         | <b>80</b>         |



## Notes to and forming part of the Financial Statements

### 40. Commitments for Expenditure

|  | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|--|-------------------|-------------------|
| a) Capital Expenditure contracted for at the reporting date but not recognised in the Financial Report as liabilities: |                   |                   |
| Construction of a Seawall at Long Beach Sandy Bay  | 3,155             | -                 |
| New Town Bay Wetlands Development  | 49                | 49                |
| Inlet Screening System for Macquarie Point WWTP  | 2                 | 91                |
| Argyle Street Carpark Redevelopment  | 19,404            | -                 |
| HCC Lift Improvements  | 73                | -                 |
| Plant and Equipment purchases  | 937               | 561               |
| Other  | 191               | 215               |
|  | <b>23,811</b>     | <b>916</b>        |
| Expected timing of these commitments is as follows: -  |                   |                   |
| Not longer than one year   | 4,407             | 916               |
| Longer than one year and not longer than two years   | 5,500             | -                 |
| Longer than two years and not longer than five years   | 5,500             | -                 |
| Longer than five years   | 8,404             | -                 |
|  | <b>23,811</b>     | <b>916</b>        |
| b) Operating Lease commitments at the reporting date not recognised in the Financial Report as liabilities:            |                   |                   |
| Not longer than one year   | 88                | 155               |
| Longer than one year and not longer than two years   | 4                 | 85                |
| Longer than two years and not longer than five years   | 2,996             | 84                |
| Longer than five years   | 6,990             | -                 |
|  | <b>10,078</b>     | <b>324</b>        |

### 41. Contingent Liabilities

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| Council is currently acting as guarantor for the following loans: |                   |                   |
| New Town Cricket Club   | 50                | 50                |
| Buckingham Bowls Club   | 70                | 70                |
| Hockey South Inc.   | 2,000             | 2,000             |
| Southern Tasmanian Netball Association                            | 757               | 770               |
|   | <b>2,877</b>      | <b>2,890</b>      |

Council currently has a number of legal claims outstanding, but expects that these will all be covered by insurance should Council be deemed liable.

### 42. Subsequent Events

No other matters or circumstances have arisen since the end of the financial year which require disclosure in the financial report.

### 43. Pecuniary Interests

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

### 44. 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 Off-street Parking, On-street Parking and The 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.

|   | 2007/08<br>\$'000 | 2006/07<br>\$'000 |
|---|-------------------|-------------------|
| <b>Water Supply</b>                       |                   |                   |
| <b>Revenues</b>                           |                   |                   |
| Rates                                     | 11,197            | 11,182            |
| User Fees and Charges                     | 653               | 553               |
| Grants and Donations                      | -                 | 85                |
| Contributed Property, Plant and Equipment | 306               | 388               |
| Other Income                              | 43                | -                 |
|   | <b>12,199</b>     | <b>12,208</b>     |
| <b>Expenses</b>                           |                   |                   |
| Employee Costs                            | (463)             | (349)             |
| Materials and Contracts                   | (803)             | (565)             |
| Depreciation                              | (1,915)           | (1,477)           |
| Interest                                  | (343)             | (309)             |
| Purchase of Water                         | (6,785)           | (6,546)           |
| Land Tax                                  | (74)              | (72)              |
| Engineering and Administrative Overheads  | (492)             | (492)             |
| Other                                     | (301)             | (91)              |
|   | <b>(11,176)</b>   | <b>(9,901)</b>    |
| <b>Gains / (Losses)</b>                   |                   |                   |
| Plant and Equipment sales                 | (16)              | (5)               |
|   | <b>(16)</b>       | <b>(5)</b>        |
| <b>Operating Profit / (Loss)</b>          | <b>1,007</b>      | <b>2,302</b>      |
| <b>Competitive Neutrality Costs</b>       |                   |                   |
| Opportunity Cost of Capital               | 9,770             | 8,039             |
| Income Tax                                | 293               | 682               |
| Council Rates                             | 30                | 29                |
|   | <b>10,093</b>     | <b>8,750</b>      |



## Certification by General Manager

For the Year Ended 30 June 2008

### In my opinion:

1. The Financial Report, consisting of a Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements numbered 1 to 44, fairly represent the financial position of the Hobart City Council as at 30 June 2008 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 tenth day of September 2008



Brent Armstrong  
**General Manager**



**INDEPENDENT AUDIT REPORT  
To the Aldermen of the Hobart City Council**

**Financial Report for the Year Ended 30 June 2008**

**Report on the Financial Report**

I have audited the accompanying financial report of Council, which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

*The Responsibility of the General Manager for the Financial Report*

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and Section 84 of the *Local Government Act 1993*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.

• Professionalism • Respect • Camaraderie • Continuous Improvement • Customer Focus •

*Making a Difference*

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in Council's financial report.

### **Independence**

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

### **Auditor's Opinion**

In my opinion the financial report of the Hobart City Council:

- (a) presents fairly, in all material respects, the financial position of Council as at 30 June 2008, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards (including Australian Accounting Interpretations).

### **TASMANIAN AUDIT OFFICE**



H M Blake  
**AUDITOR-GENERAL**

HOBART  
16 October 2008



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