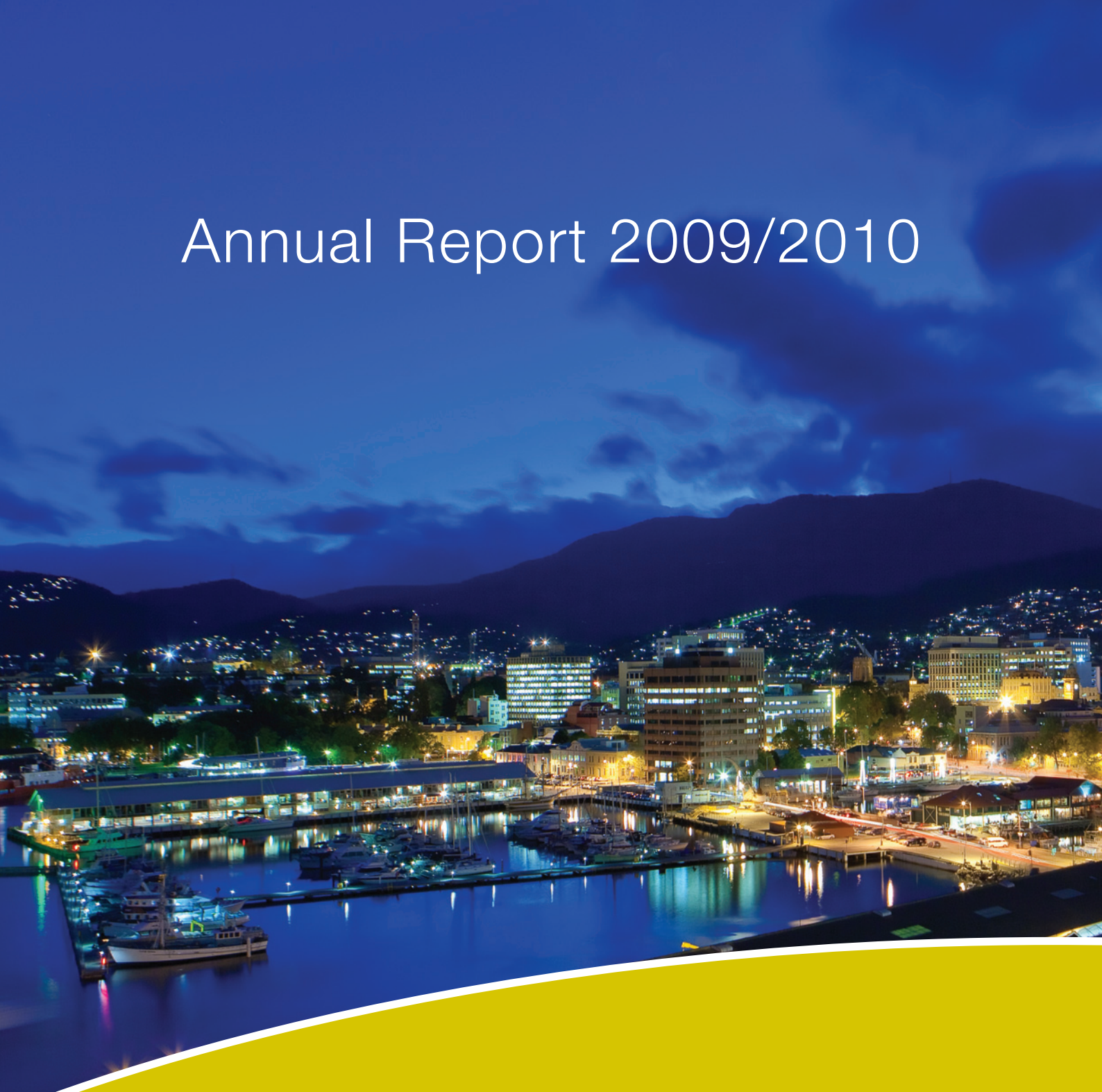


Annual Report 2009/2010



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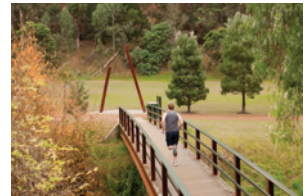
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Vision for the City of Hobart

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 of our capital City.

Values

Leadership

the Hobart City Council will:

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

Equity

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

Community Involvement

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

Responsiveness

be responsive to the needs and aspirations of the community

Excellence

ensure continuous improvement in the delivery of all its services

About Us



Lord Mayor's Message



It is with a great deal of pleasure and pride that Council shares with you through the Council's Annual Report for 2009/2010, the highlights of another very busy and successful year.

The rate of development within the City was barely affected by the global financial crisis (GFC)

with a number of major projects completed, including Stage 1 of the Menzies Centre, a new hotel at 58 Collins Street and the commencement of a number of new major projects, including the extension of Hadley's Hotel and the Wellington car park redevelopment off Argyle Street.

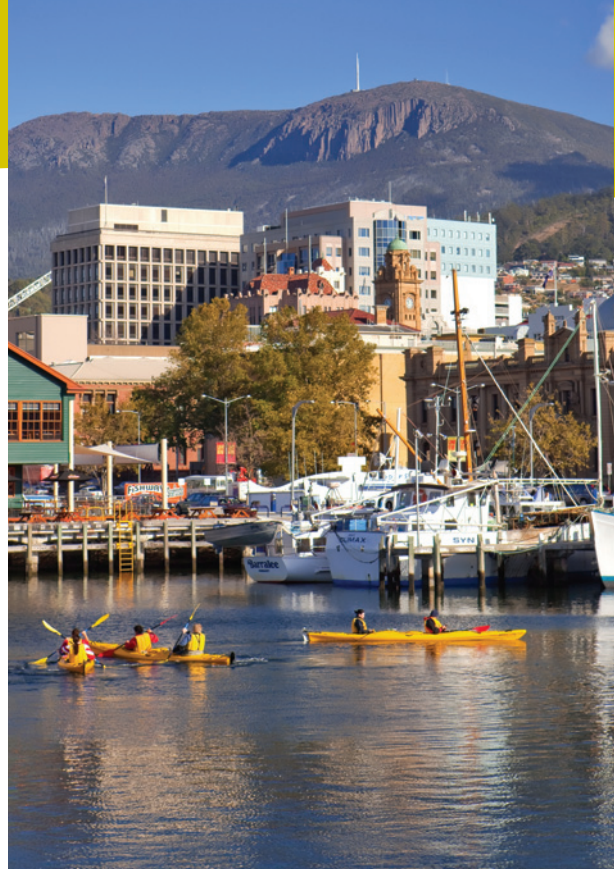
The Council has been central in partially funding the Wellington Centre as well as other construction projects around the city during the GFC, including the extension to the Centrepark car park and the Sandy Bay Beach foreshore enhancements. The outlook for the 2010/2011 financial year in relation to the construction industry within the City of Hobart is looking very positive, with major projects to the value of more than \$300 million alone expected to commence construction.

Earlier this year the Council made a decision to undertake a significant study into planning Hobart for the future. This involved appointing internationally-acclaimed architect and urban designer, Professor Jan Gehl and his team from Gehl Architects with a one year time-line to produce an Inner City Development Plan.

This decision of the Council was in response to the need to manage the continued evolution of the inner city as a 'people place' and to guide future investment in public and private infrastructure. We now look forward to receiving a full report by the end of the year.

Coinciding with the Plan, the Council has introduced the Sustainable Transport Strategy 2009 – 2014 to realise the Hobart 2025 Vision for a less car dependent, reduced emission, more equitable and cheaper transport system for Hobart's residents and visitors. The new cycle paths on Campbell and Argyle Streets are increasingly patronised.

This Transport Strategy also introduces a CBD which is revitalised and enlivened through the adoption of an Inner City Development Plan project to further improve liveability and mobility in the city.



Stage 2 of the North South Track was opened at The Springs, continuing Council's commitment to building a world-class mountain bike/multi-use track. In what has been recognised as the most significant addition to a network of tracks and trails on Mt Wellington, the latest extension provides four kilometres of track from The Springs to Junction Cabin.

The Antarctic Gateway is very important to our city. The signing this year of the Southern Antarctic Gateway MOU with Christchurch in New Zealand, Ushuaia in Argentina, Cape Town in South Africa and Punta Arenas in Chile has firmly established Hobart as the Antarctic gateway for Australia. This further strengthens Hobart's status as an international hub of Antarctic and Southern Ocean research.

Conscious of the impacts of Climate Change, the Council is paying a significant degree of attention to climate change strategies. Two of its sustainability rebates for residential properties have been renewed. It has endorsed continuation of the Insulation Rebate for Landlords who install ceiling insulation in their rental properties until December 2011. The Council has expanded its \$500 Solar and Heat Pump Hot Water Rebate to include all ratepayers. This will be reviewed in December 2011.

Council has achieved impressive results in greenhouse gas emission reductions. The Council committed to, and succeeded in meeting the most progressive emissions target of any participating council in Australia – a 70 per cent reduction of emissions from 1996 levels within the corporation. We have now committed to a further reduction of 30 per cent by 2020.



Council is very proud of the widespread comments that are expressed as to how friendly our city is to visitors. It is important that our city is strengthened by the addition of other cultures. Harmony Day sets a great example by broadening understanding and breaking down barriers between cultures.

In December the Council purchased a small but strategically important piece of land to complete the Hobart Rivulet Linear Park. This program began as a Bicentenary project in 1988 with support of the South Hobart Progress Association. The Council has now begun the planning process to develop the land for public access and recreation.

In the year under review the Council made a substantial donation to help the people of Haiti who suffered greatly from a massive earthquake. We sent \$15,000 to the Australian Red Cross Haiti Earthquake Appeal to support emergency relief, rehabilitation and recovery activities for communities affected by the disaster.

Through the good offices of the Moscow Circus, the Council sold more than 1000 tickets for a fundraising initiative that was hugely successful in providing more than \$10,000 each for the L'Aquila Earthquake Appeal and the Dogs' Home of Tasmania. In an earlier donation, the Council provided \$25,000 for rebuilding in L'Aquila.

As a member of the Council of Capital City Lord Mayors, Hobart is working hard to provide national leadership for the effective co-ordination and representation of the

special interest of capital cities. As the smallest capital we need the help of others to ensure proper recognition of Hobart's special qualities.

The Southern Tasmanian Councils Authority (STCA) is another organisation that has many benefits for Hobart. The STCA has all 12 councils pushing major initiatives such as public transport and tourism with its State and Federal counterparts.

I trust that you find this Annual Report informative.

The elected Aldermen of Council have worked very hard to deliver policies that reflect the will of our community. However, developing policies is but the first step and I, on behalf of the Aldermen, would like to thank the General Manager, Mr Nick Heath, and officers of Council for the hard work that they have provided in seeing the policies implemented for the greater good of the community as a whole.

Alderman Rob Valentine
Lord Mayor



General Manager's Message



As General Manager, I view my role as vital to building a sustainable organisation for the future, confident in the knowledge that we can meet the challenges of climate change, urban and economic development, social inclusion and be an employer of choice

and an organisation of excellence.

Following the loss of water and sewerage services, the Council undertook the task of framing one of the most difficult budgets in recent memory. This process was compounded also by the effects of the global financial crisis and a full city revaluation.

To ensure our future financial sustainability, a draft 20-year Financial Management Plan has been produced, resulting in a new financial model designed to provide an accurate picture of the actions we need to take over the next few years to address our underlying deficit. The model also covers the services and infrastructure required for the City of Hobart, both now and into the future, without burdening future generations of ratepayers with large rates and charges.

The Council continued to build on its excellent track record of climate change action by actively implementing its Climate Change Strategy x 5 2008 – 2013.

A number of important projects were completed during the year and have contributed greatly to the health and well-being of our city. These include the Lower Sandy Bay Foreshore redevelopment, opening of the Liverpool Link to Cat & Fiddle Arcade through the old Myer site, construction of an additional three car parking decks adding 275 spaces to Centrepont car park and the completion of the last sections of the CBD revitalisation project – Victoria and Murray Streets.

The Tasmanian Travel and Information Centre became part of the Council on 1 July 2009 and already benefits have been realised with an excellent volunteer program in place and an improved visitor experience, particularly during cruise ship season. Late last year, the Centre also expanded its operation to the main terminal at the Hobart International Airport.

In line with Council's policy to provide a safe environment for our residents and visitors, the Council established the Hobart Safer Community Partnership. This partnership has brought together some of the key agencies responsible for the delivery of community safety, including crime prevention initiatives. To date there have been some excellent outcomes, including the introduction of Business Beat with Tasmania Police, the business edition of *Capital City News* and plans are being developed for a new information booth for Elizabeth Mall.

The Council continued its pursuit of being an organisation of excellence, through the ongoing development of its continuous improvement strategy, Excellence Hobart. A new category to the framework based around Social Inclusion was developed which explores how the Council works with its community to develop appropriate programs, services and support to build strength, develop resilience and acknowledges and values diversity within our community.

This is an area where officers have put in considerable effort over the past 18 months, culminating in the Council adopting a Social Inclusion Policy and Plan earlier this year.

Another important focus of Excellence Hobart is building our capacity to become an employer of choice. We recognise that making our employees feel valued and supporting their health and wellbeing is essential. Throughout the year, a comprehensive program of consultation was undertaken resulting in the development of a strategy that sets out how we will seek to make the Hobart City Council an employer where people want to come and work and how we retain those employees once they join the Council.

Finally, I would like take this opportunity to thank the Aldermen, Directors and staff for their valued input and sound management of council services and activities.

N.D. Heath
General Manager



Hobart in Focus

The City of Hobart is one of the most beautiful and liveable cities in the world. As the second oldest city in Australia, it offers a wonderful blend of built and cultural heritage, environment, a vibrant art and dynamic sporting culture and a low-stress lifestyle.

Nestled under Mt Wellington on the River Derwent, Hobart is renowned for its heritage buildings, beautiful parks, fine restaurants, Salamanca Market and its festivals. Hobart is the gateway to the best quality food and boutique wines and the famous Tasmanian salmon, crayfish and cheeses, raspberries and strawberries, beer and chocolates. This unique setting provides for an ambience that you will not find in another city anywhere in the world.

Hobart is rich in maritime history, and is shaped and defined by water. A diverse range of craft including Antarctic supply vessels, sailing dinghies, catamarans, kayaks, ocean racing yachts, fishing boats and square riggers ply the waters of the Derwent. Beyond is Storm Bay and the vast Southern Ocean.

Geography

Hobart's municipal area is 77 square kilometres. Sixty-one per cent is bushland and of that 61 per cent, 38 per cent is managed by Council. Mt Wellington rises to a height of 1270 metres and the River Derwent is the second deepest natural harbour in the world.

Population

Hobart has 49,611 residents living in its municipal area (ABS 2008 estimate).

Resident population

Of Hobart's 49,611 residents, their median age is 37 years, 35,919 are eligible to vote, their average weekly individual income is \$525, 8380 are employed in 'professional' occupations and 3156 are employed in the 'health care and social assistance' industries. (ABS Census 2006)

Working population

Hobart has a working population of 44,702. Of those, 63 per cent live outside but work in the city and 37 per cent live and work in the city. The working population's average weekly income is \$760. (ABS Census 2006)

Key industries

The two largest industries by workers employed are public administration and safety, and health care and social assistance. Other key industries, by workers employed, include retail trade, education and training, and professional, scientific and technical services. (ABS Census 2006)

Business

There are more than 5600 businesses in the City of Hobart.

Property and business services account for more than 30 per cent of all establishments in Hobart, while retail trade accounts for more than 12 per cent. (ABS Counts of Australian Businesses, June 2007)

Housing

Housing in Hobart is more affordable than any other capital city in Australia. The quality of housing is high, and a large selection is available from brand new homes to stately older mansions.

Education

There are 30 education providers in the Hobart municipal area. Students make up 35 per cent of Hobart's resident population and 36,159 students study in Hobart. (HCC research, 2008)

Council in Focus

History of the Council

The 1850s saw not only the introduction of responsible government in Tasmania, but also the establishment of municipal administration, in the form of general purpose locally elected institutions.

Municipal government was established by the *Hobart Town and Launceston Municipal Council Act 1852*. During this year the first elections for a seven member council were held. The new council took office from the beginning of 1853, with William Carter as Mayor. In 1857 the Municipal Council was incorporated (*Hobart Town Corporation Act 1857*), and its constitution and powers redefined.

Between 1853 and 1934 the Council was led by various Mayors, elected annually. The title was raised to 'Lord Mayor' by Letters Patent issued by King George V in January 1934.

In the 1990s local government in Tasmania was subjected to significant change. A new *Local Government Act* was introduced and the Australian Government introduced the National Competition Policy. This legislation fundamentally changed the way councils would operate into the future. An emphasis was now being placed upon increased levels of consultation and accountability to the community, competencies, deregulation, and commercial competition.

Further details of the history of Hobart, including its past Aldermen, can be sourced from the Hobart City Council's historical reference *Growing with Strength – a History of the Hobart City Council 1846 – 2000*.



Council and Committee Meetings

The Council operates a monthly meeting cycle, which generally involves two meetings of the full Council per month on a Monday commencing at 5pm in the Town Hall Council Chambers.

To assist the Council in effectively dealing with the range and volume of business which it conducts, a number of specialist Committees with aldermanic representation consider matters prior to them going before the full Council.

Council and Committee meetings are open to the public who are welcome to sit in the public gallery.

Council representatives

There are 12 Aldermen who represent the businesses and residents of the City of Hobart. They have specific powers, responsibilities and duties as set out in the *Local Government Act 1993*.



Business excellence

During 2009/2010 the Hobart City Council continued its pursuit of being a sustainable organisation of excellence, through the continued application of the Principles of the Business Excellence Framework. Further work in developing the organisation was undertaken following the achievements in 2008/2009 where Hobart received the SAI Global's Gold Award and the Excellence Medal for demonstrating consistent, outstanding business performance.

The Business Excellence Framework is an integrated leadership and management system that describes the elements essential to sustainable organisational excellence. The Framework is used to assess and improve all aspects of the Council's business including leadership, strategy and planning, people, information and knowledge, safety, service delivery, product quality and bottom-line results.

The internationally recognised Framework enables the Council to challenge itself to continually improve, through review and improvement, by addressing key questions such as "how are we really performing as an organisation?", "what are we good at?" and "what do we need to improve?"

The Framework ensures that organisational review encompasses all levels of the organisation and considers all factors that can influence performance and provides the tools to implement targeted strategies.

To further progress the Council towards a sustainable organisation of excellence, the Council prepared a Continuous Improvement Strategy for the period 2010 to 2014, titled, 'Excellence Hobart'. This strategy combines the Council's commitment to continuous improvement through the promotion and implementation of quality assurance throughout the organisation and through the application of the Principles of the Business Excellence Framework.

Hobart City Council manages and maintains:

- 4600 hectares of bushland
- 46 separate playgrounds
- 10 major parks and gardens
- 45 neighbourhood parks
- 18 ovals
- 66 public toilets
- 300 kilometres of sealed roads
- five kilometres of unsealed roads
- 433 kilometres of footpaths
- 66 bridges
- 338 kilometres of stormwater reticulation mains
- 63 kilometres waterway urban channels
- 17 rivulet treatment facilities
- 446 stormwater treatment facilities
- more than 1,700 stormwater inlet/outlet structures
- four pump stations
- 68 kilometres of permanent fire trails
- 125 kilometres of bushland walking tracks
- a workforce of 597 full-time equivalent employees.



Council Aldermen



Lord Mayor Alderman Rob Valentine

MACS

Committee Membership

Council (Chair)
Development and Environmental Services – to 9/11/2009
Strategic Governance

Representations

- 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 to 9/11/2009
- Lenah Valley Residents' Traffic Committee from 23/11/2009
- Local Government Association of Tasmania General Management Committee
- Local Government Association of Tasmania General Meetings
- Maritime Museum of Tasmania – Board of Trustees to 23/11/2009
- Mayors for Peace
- Sister Cities Australia
- *SV May Queen* Preservation Project Board of Directors
- Premier's Local Government Council
- Southern Tasmanian Councils Authority (Chair).



Deputy Lord Mayor (from 30/10/2009) Alderman Helen Burnet

Committee Membership

Development and Environmental Services
Community Development
Strategic Governance – from 9/11/2009

Representations

- Alcohol and Other Drug Strategy Reference Group
- Cycling South Inc.
- Dr Edward Hall Environment Awards Judging Panel (Chair) (discontinued 24/5/2010)
- Festivals and Tourism Special Committee
- 50 & Better Centre (discontinued 14/12/2009)
- 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
- Local Government Association of Tasmania – General Management Committee (proxy) – from 23/11/2009
- Local Government Association of Tasmania – General Meetings (proxy) – from 23/11/2009
- Maritime Museum of Tasmania Board of Trustees – from 23/11/2009
- Mt Stuart Residents' Traffic Committee – from 23/11/2009
- Queens Domain Advisory Committee
- Southern Tasmanian Councils Authority (proxy).



Alderman Darlene Haigh

Committee Membership

Development and Environmental Services (Chair)
 Strategic Governance – to 22/3/2010
 Community Development – from 9/11/2009 to 22/3/2010
 Parks and Customer Services – from 9/11/2009 to 22/3/2010

Representations

- Battery Point Advisory Committee (Chair)
- Hobart Emergency Management Committee (Chair)
- Lenah Valley Residents' Traffic Committee
- Mt Stuart Residents' Traffic Committee.



Alderman Marti Zucco

Committee Membership

Community Development (Chair)
 Finance and Corporate Services – to 9/11/2009
 Parks and Customer Services – from 9/11/2009

Representations

- Alcohol and Other Drug Strategy Reference Group
- Audit Committee – to 9/11/2009
- Carols by the Bay – from January 2010
- Christmas Pageant Organising Committee – from January 2010
- Festivals and Tourism Special Committee (Chair to 9/2/2010)
- Sister Cities Australia (proxy).



Alderman Jeff Briscoe

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

Committee Membership

Parks and Customer Services (Chair)
 Community Development-to 9/11/2009
 City Services-from 9/11/2009

Representations

- Carols by the Bay
- Cycling South Inc. – from 23/11/2009
- Domain Tennis Centre Board of Management-to 23/11/2009
- Dr Edward Hall Environment Awards Judging Panel – discontinued 24/5/2010
- Festivals and Tourism Special Committee
- 50 & Better Centre – to 23/11/2009
- Heritage Account Special Committee – from 9/11/2009
- Hobart Bicycle Advisory Committee – from 23/11/2009
- Hobart Cenotaph Reference Group
- Hobart Coming Out Proud Program Community Liaison Committee
- Lenah Valley Community Association Hall Trustees – to 23/11/2009
- Lenah Valley Residents' Traffic Committee – to 23/11/2009
- Mt Stuart Residents' Traffic Committee – to 23/11/2009
- Sister Cities Australia (proxy)
- Queens Domain Advisory Committee – from 23/11/2009
- Superannuation Policy Group – from 9/11/2009
- West Hobart Local Area Traffic Management Committee.



Alderman Eva Ruzicka

(Deputy Lord Mayor to 30/10/2009)

Committee Membership

Strategic Governance (Chair)

Finance and Corporate Services

City Services

Parks and Customer Services – to 9/11/2009,
reappointed 22/3/2010

Representations

- Audit Committee
- City of Hobart Eisteddfod Society Inc. (proxy)
- 50 & Better Centre – to 23/11/2009
- Friends of Soldiers Memorial Avenue
- Glebe Residents' Traffic Committee
- Heritage Account Special Committee
- Hobart Cenotaph Reference Group
- Hobart City Council Access Advisory Committee to 23/11/2009
- Hobart Coming Out Proud Program Community Liaison Committee (proxy)
- Lenah Valley Progress Association Hall Trustees to 23/11/2009
- Lenah Valley Residents' Traffic Committee – to 23/11/2009
- Local Government Association of Tasmania General Management Committee (proxy) – to 23/11/2009
- Local Government Association of Tasmania – General Meetings (proxy) – to 23/11/2009
- Mt Stuart Residents' Traffic Committee – from 23/11/2009
- Queens Domain Advisory Committee (Chair)
- Sandy Bay Residents and Traders' Traffic Committee
- South Hobart Community Centre – Management Committee – to 23/11/2009
- South Hobart Residents' Traffic Committee
- Southern Tasmanian Councils Authority (proxy),
- Southern Waste Strategy Authority (proxy) – to 23/11/2009
- Tasmanian Polar Network
- West Hobart Local Area Traffic Management Committee.



Alderman Dr Peter Sexton

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

Committee Membership

Parks and Customer Services – to 9/11/2009

Community Development

Strategic Governance – to 9/11/2009

Development and Environmental Services –
from 9/11/2009

Finance and Corporate Services – from 9/11/2009

Representations

- Audit Committee – from 9/11/2009
- Carols by the Bay – to December 2009
- Christmas Pageant Organising Committee (Chair) – to December 2009
- Festivals and Tourism Special Committee from January 2010
- Heritage Account Special Committee – to 9/11/2009
- Hobart City Council Arts Advisory Special Committee (Chair) – from 9/11/2009
- Hobart City Council Public Art Special Committee (Chair) – from 9/11/2009
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – from 23/11/2009
- Tasmanian Water and Sewerage Corporation (Southern Region) Pty Ltd Shareholder Representative
- Tasmanian Water and Sewerage Corporation (Southern Region) Pty Ltd Owner Representative (proxy),
- Trustees of the Tasmanian Museum and Art Gallery – from 23/11/2009
- Wellington Park Management Trust.



Alderman Ron Christie

Committee Membership

City Services (Chair)
Parks and Customer Services
Community Development – from 22/3/2010

Representations

- Alcohol and Other Drug Strategy Reference Group – to 23/11/2009
- Carols by the Bay (Chair to 9/2/2010)
- City of Hobart Eisteddfod Society Inc.
- Dr Edward Hall Environment Awards Judging Panel – from 23/11/2009 to 24/5/2010
- Festivals and Tourism Special Committee Chair – from 9/2/2010
- Hobart Emergency Management Committee (proxy)
- Sandy Bay Residents and Traders' Traffic Committee
- Wellington Park Management Trust (deputy member) to 23/11/2009.



Alderman Philip Cocker

Committee Membership

City Services
Finance and Corporate Services

Representations

- Cycling South Inc.
- Hobart Bicycle Advisory Committee
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – from 23/11/2009
- Sandy Bay Residents' and Traders' Traffic Committee – from 23/11/2009
- Superannuation Policy Group – to 23/11/2009
- Tasmanian Polar Network – to 23/11/2009



Alderman Bill Harvey

Committee Membership

Community Development
Parks and Customer Services
Strategic Governance – to 9/11/2009
Development and Environmental Services

Representations

- Alcohol and Other Drug Strategy Reference Group – from 23/11/2009
- Cycling South Inc. – from 23/11/2009
- Dr Edward Hall Environment Awards Judging Panel – from 23/11/2009 to 24/5/2009
- Festivals and Tourism Special Committee
- Hobart Bicycle Advisory Committee
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – from 23/11/2009
- Hobart City Council Public Art Special Committee – from 9/11/2009
- Hobart Emergency Management Committee (proxy) – from 23/11/2009
- Sandy Bay Residents and Traders' Traffic Committee
- Sister Cities Australia (proxy) – from 23/11/2009
- South Hobart Residents' Traffic Committee – from 23/11/2009
- Southern Waste Strategy Authority
- Tasmania Polar Network
- Wellington Park Management Trust.



Alderman Damon Thomas
(Elected 30/10/2009)

Committee Membership

Finance and Corporate Services (Chair from 26/4/2010)
Development and Environmental Services
Strategic Governance

Representations

- Alcohol and Other Drug Strategy Reference Group – from 23/11/2009
- Audit Committee – from 9/11/2009 (Chair from 26/4/2010)
- Carols by the Bay – from Jan 2010 (Chair from 9/2/2010)
- Christmas Pageant Organising Committee – from January 2010 (Chair from 9/2/2010)
- Festivals and Tourism Special Committee – from January 2010
- Glebe Residents' Traffic Committee – from 23/11/2009
- Heritage Account Special Committee – Chair from 12/4/2010
- Hobart City Council Access Advisory Committee – from 23/11/2009
- Lenah Valley Residents' Traffic Committee – from 23/11/2009
- Mt Stuart Residents' Traffic Committee – from 23/11/2009
- Sandy Bay Residents' and Traders' Traffic Committee – from 23/11/2009
- South Hobart Residents' Traffic Committee – from 23/11/2009
- Superannuation Policy Group – from 23/11/2009 (Chair from 12/4/2010)
- West Hobart Local Area Traffic Management Committee – from 23/11/2009.



Alderman Eric J Hayes AO
(Elected 27/4/2010)

Committee Membership

City Services
Finance and Corporate Services
Strategic Governance

Representations

- Christmas Pageant Organising Committee
- Festivals and Tourism Special Committee
- Hobart City Council Access Advisory Committee.



Retired/Resigned Aldermen



Alderman Dr John Freeman
(Not re-elected October 2009)

MBBS, FRACP

Committee Membership

Finance and Corporate Services (Chair)
City Services

Representations

- Audit Committee (Chair)
- Heritage Account Special Committee (Chair)
- Hobart City Council Arts Advisory Special Committee
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee
- Hobart City Council Public Art Special Committee
- Superannuation Policy Group (Chair)
- Trustees Tasmanian Museum and Art Gallery.



Alderman Elise Archer
(Resigned 12/4/2010)

Committee Membership

City Services
Finance and Corporate Services (Chair)
Strategic Governance – from 9/11/2009

Representations

- Alcohol and Other Drug Strategy Reference Group
- Audit Committee
- Festivals and Tourism Special Committee
- Glebe Residents' Traffic Committee
- Hobart City Council Access Advisory Committee
- Lenah Valley Residents' Traffic Committee
- Mt Stuart Residents' Traffic Committee
- Salamanca Arts Centre Inc. Executive Committee
- Sandy Bay Residents and Traders' Traffic Committee
- South Hobart Residents' Traffic Committee
- Superannuation Policy Group
- West Hobart Local Area Traffic Management Committee.



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 Executive Leadership Team in the implementation of Council decisions and policies. The team comprises the Director of each of the eight Divisions of Council.



General Manager
Nick Heath



Deputy General Manager
Community Development Division
Director – Heather Salisbury



City Services Division
Director – Andrew Tompson



Civic Solutions Division
Director – Mike Street



Corporate Services Division
Director – John Warner



Development and Environmental
Services Division
Director – Neil Noye



Financial Services Division
Director – David Spinks



Parks and Customer
Services Division
Director – Roger Viney



Strategy and
Governance Division
Director – Gary Randall

Reporting Performance

A young boy with brown hair, wearing a grey long-sleeved shirt and dark pants, stands in the center of the frame holding a yellow soccer ball with a blue and white design. He is smiling slightly. In the background, a woman is pushing a red stroller, and another person is holding a blue ball. The scene is set outdoors on a paved path with trees showing autumn foliage in shades of yellow and orange. The lighting is warm, suggesting late afternoon or early morning. A blue curved line is positioned below the text.

Planning and Reporting Framework

The Council's planning activities incorporates the requirements of the *Local Government Act 1993*, the views and aspirations of the community, external influences and incorporates the Business Excellence Framework principles and categories.

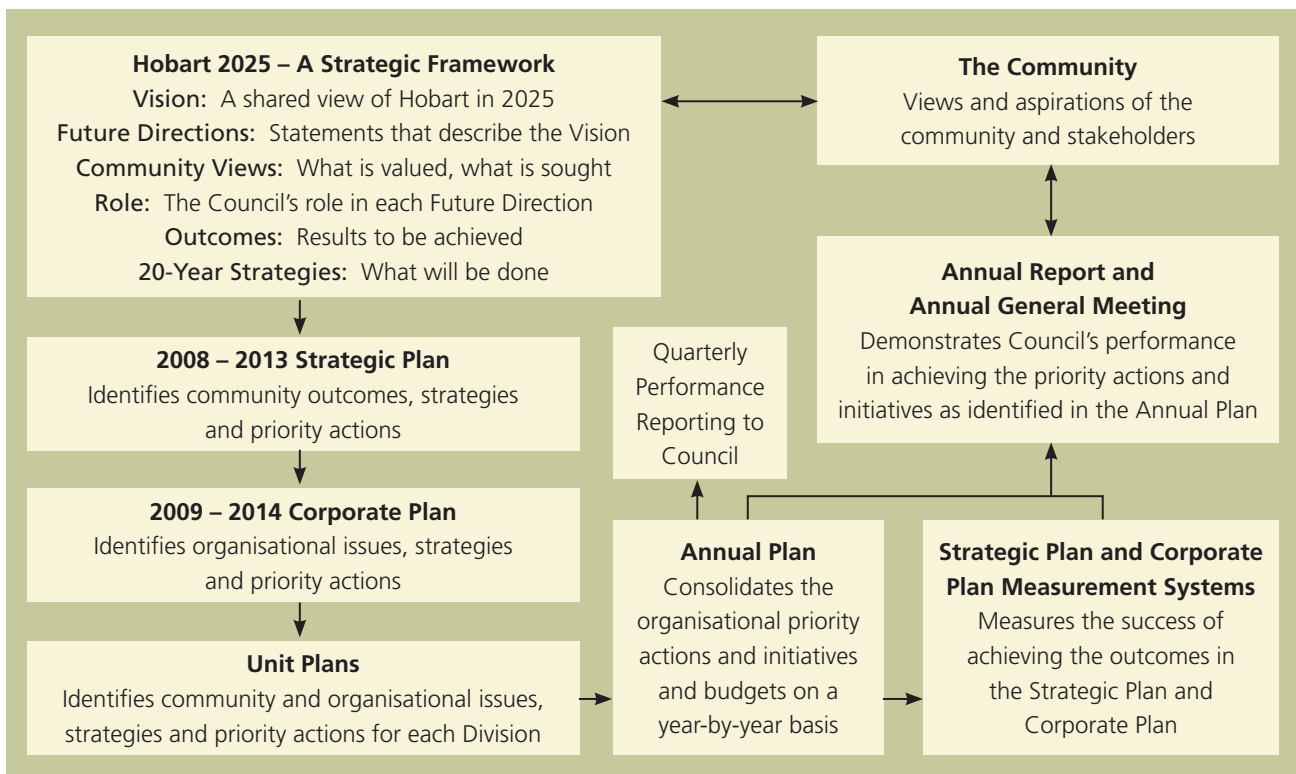
The Council has a clearly defined Vision (Hobart 2025 – A Strategic Framework) which is complemented by a 5 year Strategic Plan and 5 year Corporate Plan, and a suite of performance measures. Planning to achieve the strategic outcomes and reporting of progress is undertaken within the Strategic, Corporate, Annual and Unit Plans, regular reporting to the Council and the Annual Report. The Annual Plan sets out all function areas' strategic priorities, as identified within the 2008 – 2013 Strategic Plan and 2009 – 2014 Corporate Plan and identifies the operational priorities and major actions for the given year.

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

The Council's Annual Report is designed to illustrate Council's performance in achieving the objectives stated within the Annual Plan and is divided into seven sections based on the Future Directions statements that make up the vision for Hobart expressed in the 2008 – 2013 Strategic Plan.

The effectiveness of the actions taken is monitored through the Strategic Measurement System and displayed in graphical form in the Annual Report. Annual reporting effectively closes the loop from receiving stakeholder input, developing strategy, implementing and monitoring the required actions and reporting back progress and achievement of outcomes to the community.

During 2008 – 2009, an internally focussed Corporate Plan was developed to ensure the organisation has the capacity required to deliver the outcomes in the Strategic Plan 2008 – 2013. From 2010 – 2011 the Corporate Plan will be measured in a similar manner to the Strategic Plan 2008 – 2013 and reported in future Annual Reports.





The seven future directions statements that make up the 2025 Vision are broken down into 22 Outcomes. Within each of these outcomes there a key strategies that underpin the 2025 Vision and provide the basis for five-year strategic plans, the first being 2008 – 2013. Performance in achieving the Future Direction Statements, Outcomes and key strategies is continually monitored through the Strategic Measurement System, with results documented in the Annual Report to the Community.

2025 Vision A Strategic Framework

<p>FD1 – Offers opportunities for all ages and a city for life</p>	<p>1.1 Opportunities for education, employment and fulfilling careers and retaining our young people</p>	<p>1.2 Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home</p>		
<p>FD2 – Is recognised for its natural beauty and quality of environment</p>	<p>2.1 The natural beauty of Mount Wellington, the Derwent River and surrounds and foreshore locations is highly valued</p>	<p>2.2 Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced</p>	<p>2.3 The physical environment has been conserved in a way that ensures we have a healthy and attractive city</p>	<p>2.4 Better understanding of climate change and its potential effect on the natural and built environment and strategies developed</p>
<p>FD3 – Is well governed at a regional and community level</p>	<p>3.1 An integrated approach to planning and development of the wider metropolitan region</p>	<p>3.2 Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals</p>	<p>3.3 Development of technologies that give young people opportunities to contribute to planning and development in the city</p>	
<p>FD 4 – Achieves good quality development and urban management</p>	<p>4.1 The city remains unique in its own right, protecting its built heritage and history</p>	<p>4.2 Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued</p>	<p>4.3 Access to the waterfront, foreshores, public and open spaces is valued</p>	
<p>FD5 – Is highly accessible through efficient transport options</p>	<p>5.1 Convenience and accessibility through the greater use of transport alternatives and an effective road and travel network</p>	<p>5.2 An integrated approach to transport planning within the city and across the wider metropolitan region</p>		
<p>FD6 – Builds strong and healthy communities through diversity, participation and empathy</p>	<p>6.1 A spirit of community</p>	<p>6.2 Diversity is valued and there is participation by all in their community</p>	<p>6.3 A friendly and compassionate society</p>	<p>6.4 A safe and healthy city</p>
<p>FD7 – Is dynamic, vibrant and culturally expressive</p>	<p>7.1 A destination of choice and a place for business</p>	<p>7.2 Clever thinking and support for creativity will help build a strong economic foundation</p>	<p>7.3 Entertainment, arts and cultural activities promote the distinctive character of the city and lifestyle opportunities, and strong communities will ensure a vibrancy and way of life that is Hobart</p>	



Future Directions	What the community would like Hobart to be in 2025
<p><i>Offers opportunities for all ages and a city for life</i></p> <p>In 2025, Hobart will be a city that provides opportunities for education, employment and fulfilling careers; a city that is able to retain its young people and provide a lifestyle that will encourage all ages to see the city as a desirable location and lifelong home.</p>	<p>Retaining young people; opportunities in education, work and life; University of Tasmania as a premier university in the southern hemisphere; greater education options and opportunities for young people, including housing and employment; recognised nationally and internationally as the gateway to the Antarctic.</p>
<p><i>Is recognised for its natural beauty and quality of environment</i></p> <p>In 2025 Hobart will be a city that respects the natural beauty of Mount Wellington, the River Derwent, bushland surrounds and foreshore locations. The community connection to the environment has been enhanced through the protection of views, vistas, access and linkages. The physical environment has been conserved in a way that ensures we have a healthy and attractive city.</p>	<p>An unspoilt mountain, waterfront and natural environment; a clean, green, healthy city with the natural environment protected; a clean, healthy river; more effective energy use, less pollution and greater use of alternative fuels.</p>
<p><i>Is well governed at a regional and community level</i></p> <p>In 2025 Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region. Partnerships will be created with governments, the private sector and local communities to achieve significant regional, city and community goals.</p>	<p>Gives young people a voice and a forum, provides better regional planning and improved governance standards.</p>
<p><i>Achieves good quality development and urban management</i></p> <p>In 2025 Hobart will be a city that remains unique in its own right, protecting its built heritage and history while pursuing quality development, the principles of sustainable cities and the reduction of ecological impacts. It will value access to the waterfront, foreshores, public and open spaces and continue to enjoy the benefits of scale and proximity.</p>	<p>Is sustainable, energy efficient and a conserver of energy, balancing the past with the future, providing better development planning, heritage protection, public open spaces, greater user of, and access to, the foreshore and waterfront, quality development, views and sightlines are retained, our historic architecture has become more widely recognised and valued, support for retaining the city's uniqueness, not mimicking other cities.</p>



Outcomes to be achieved

- Opportunities for education, employment and fulfilling careers and retaining our young people.
- Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home.

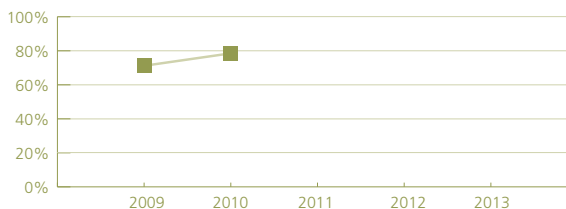
- The natural beauty of Mt Wellington, the River Derwent, bushland surrounds and foreshore locations is highly valued.
- Community connection to the natural environment through the protection of views, vistas, access and linkages is essential.
- The physical environment has been conserved in a way that ensures we have a healthy and attractive city.
- Better understanding of climate change and its potential effect on the natural and built environment and strategies developed.

- An integrated approach to the planning and development of the wider metropolitan region.
- Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals.
- Development of technologies that give young people opportunities to contribute to planning and development in the city.

- The city remains unique in its own right, protecting its built heritage and history.
- Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued.
- Access to the waterfront, foreshores, public and open spaces is valued.
- The city continues to enjoy the benefits of scale and proximity.

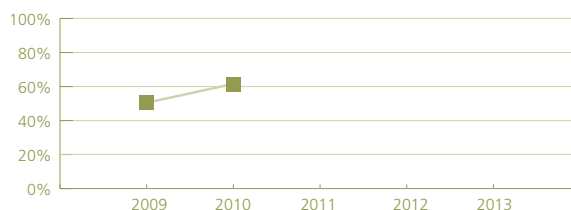
Progress in Achieving our Future Direction Statement

FD1 – Offers opportunities for all ages and a city for life



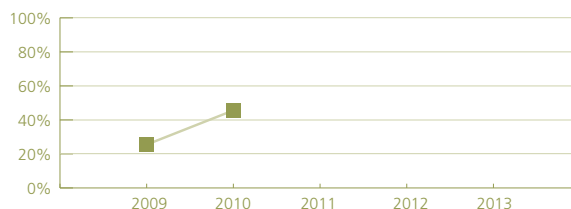
Reflects initiation of the Memorandum of Understanding with UTAS and community's satisfaction of Hobart being a desirable location and lifelong home

FD2 – Is recognised for its natural beauty and quality of environment



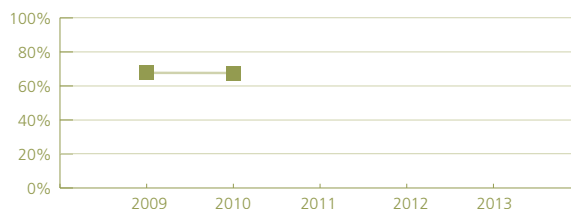
Community satisfaction and increased levels of participation in improving the natural environment

FD3 – Is well governed at a regional and community level



Increased participation in regional planning initiatives

FD4 – Achieves good quality development and urban management



Progress in introducing new planning scheme, implementing climate change actions and community satisfaction with open spaces



Future Directions	What the community would like Hobart to be in 2025
<p><i>Is highly accessible through efficient transport systems</i></p> <p>In 2025 Hobart will be a city that maintains its convenience and accessibility through the greater use of transport alternatives and an effective road and travel network.</p> <p>An integrated approach to transport planning within the city and across the wider metropolitan region will be the result of improved public transport options, cycle ways and walking tracks linking open spaces for transport and recreation, the availability of adequate parking for commuters and shoppers, the take-up of sustainable transport options, the reduction of through traffic and the management of a safe and efficient road network.</p>	<p>Offers an increased range of transport options, an integrated multiform transport system between the city and suburbs, better public transport, more use of the river for access and transport, cycle infrastructure and pedestrian access providing linkages.</p>
<p><i>Builds strong and healthy communities through diversity, participation and empathy</i></p> <p>In 2025 Hobart will be a city that reflects a spirit of community and tolerance. By valuing diversity and encouraging participation by all ages in the life of their community, a friendly and compassionate society will underpin a safe and healthy city.</p>	<p>Build on Hobart's friendliness, tolerance and diversity, greater community involvement, improved health system, a sense of community for young and old with no racism and sexism, no homeless people, more entertainment for young people, events and activities, a safe friendly, colourful and tolerant city.</p>
<p><i>Is dynamic, vibrant and culturally expressive</i></p> <p>In 2025 Hobart will be a city that is a destination of choice and a place for business. Clever thinking and support for creativity will help build a strong economic foundation, and entertainment, arts and cultural activities promote the distinctive character of the city. Lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart.</p>	<p>A centre of excellence, a vibrant city, a smart city, harmonious people, supporting niche industries, offering a vibrant waterfront lifestyle and entertainment, together with public and community art, the safest tourist destination, a hotspot for cultural and artistic endeavours, recognition its Aboriginal heritage.</p>

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 22 November 2010.

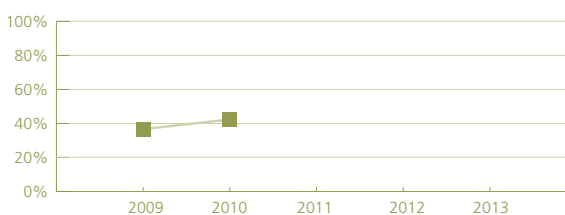
Comments and suggestions may be forwarded to the General Manager, Hobart City Council, GPO Box 503, Hobart 7001, by close of business, Friday 19 November 2010.



Outcomes to be achieved

- Convenience and accessibility through the greater use of transport alternatives and an effective road and travel network.
- An integrated approach to transport planning within the city and across the wider metropolitan region.

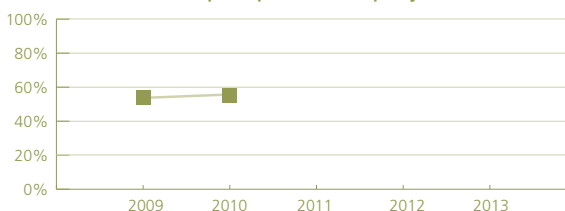
FD5 – Is highly accessible through efficient transport systems



Progress in improving the standard of roads and traffic infrastructure and management

- A spirit of community.
- Diversity is valued and there is participation by all in their community.
- A friendly and compassionate society.
- A safe and healthy city.

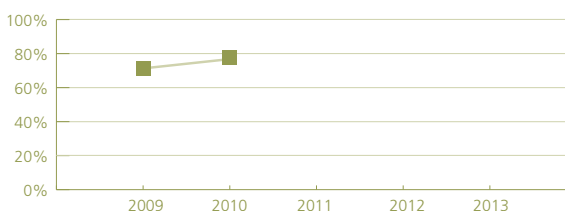
FD6 – Builds strong and healthy communities through diversity, participation and empathy



General satisfaction with Council's programs and activities

- A destination of choice and a place for business.
- Clever thinking and support for creativity will help build a strong economic foundation.
- Entertainment, arts and cultural activities promote the distinctive character of the city and lifestyle.

FD7 – Is dynamic, vibrant and culturally expressive



High community satisfaction with cultural activities, events and community infrastructure, and increased growth in visitation to the City



Future Directions

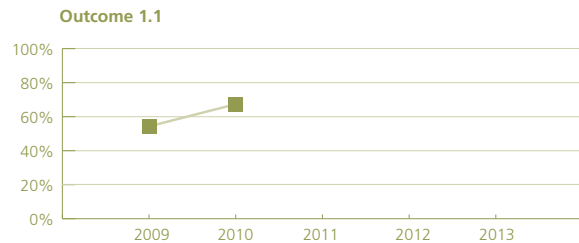
Future Direction 1

Offers opportunities for all ages and a city for life

In 2025, Hobart will be a city that provides opportunities for education, employment and fulfilling careers; a city that is able to retain its young people and provide a lifestyle that will encourage all ages to see the city as a desirable location and lifelong home.

Outcome to be achieved

1.1 Opportunities for education, employment and fulfilling careers and retaining our young people



Progress in implementing actions in the Economic Development Strategy related to the Memorandum of Understanding with University of Tasmania

2009/2010 Actions/Initiatives	Performance
Review the new delivery model for the Commonwealth-funded Connections Program	✓
Facilitate the <i>Let's Read</i> early literacy program	✓
Commence the development of an overall Inner City Development Plan	→
Implement the Economic Development Strategy	✓

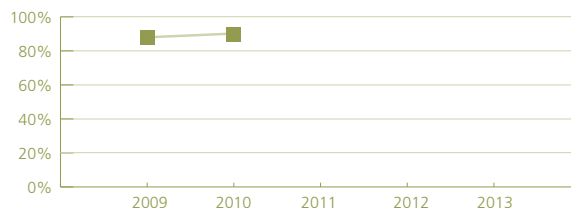
Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved

1.2 Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home

Outcome 1.2



Community satisfaction with Hobart being a desirable location and lifelong home

2009/2010 Actions/Initiatives	Performance
Promote and implement the Council's Youth Strategy	✓
Develop an equal access checklist for all Council presented events	→
In consultation with the Youth Arts Centre Arts Team and the youth arts and health sectors, develop and deliver a range of arts and cultural activities	✓
Develop an Affordable Housing Strategy	✓
Expand the youth participation role in order to achieve strategic outcomes of the Youth Programs Review	→
Develop the role and responsibilities of Futures Youth Advisory Committee, including the enhancement of consultation networks, to ensure effective and wide participation by young people in Hobart	→
Develop and deliver an event or activity for young people as part of National Youth Week	✓
Present the 2010 Australian Citizenship Ceremony on Australia Day at the Sandy Bay Regatta	✓

Performance: ✓ Completed → Underway X No Action



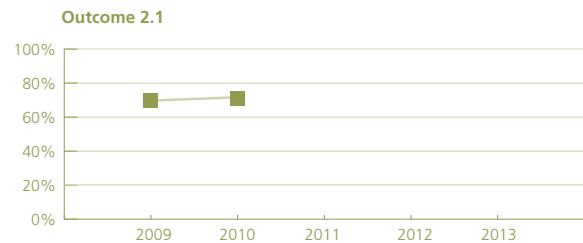
Future Direction 2:

Is recognised for its natural beauty and quality of environment

In 2025 Hobart will be a city that respects the natural beauty of Mt Wellington, the River Derwent, bushland surrounds and foreshore locations. The community connection to the environment has been enhanced through the protection of views, vistas, access and linkages. The physical environment has been conserved in a way that ensures we have a healthy and attractive city

Outcome to be achieved:

- 2.1 The natural beauty of Mount Wellington, the River Derwent, bushland surrounds and foreshore locations is highly valued



Successful take-up of Bushcare Adventure Programs offset by lower than expected performance in the testing results for the standard of water quality entering tributaries

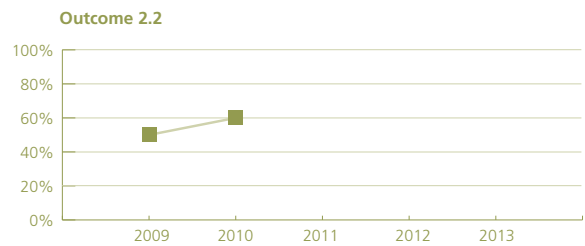
2009/2010 Actions/Initiatives	Performance
Investigate and introduce new activities and programs to the Bush Adventures program	✓
Develop Bushcare volunteer policies and procedures and introduce a training program for all volunteers	→
Introduce a training program for bushcare volunteers	→
Seek external funding opportunities to support Bushcare Group initiatives and implement current grant funded projects	✓
Implement the Cornelian Bay Management Plan – conduct community consultation on draft traffic and foreshore landscape development plan	✓
Implement the Sandy Bay Beach Foreshore Masterplan – complete construction of the Sandy Bay Sea Wall and Promenade	✓
Prepare the Hobart Rivulet Catchment Management Plan	→

Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved

2.2 Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced



Progress in implementing the new planning scheme

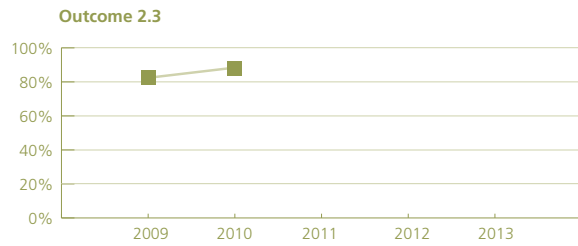
2009/2010 Actions/Initiatives	Performance
Investigate the scope for a study to identify and protect strategic public views within the city	→
Review of Precinct 30B of the City of Hobart Planning Scheme 1982 as a pilot to identify the scope for special area provisions being included in the new City of Hobart Planning Scheme	→
Complete construction of Stage 2 of the North South Track and plan for Stage 3	✓
Restore the historic Beaumaris Zoo fence	✓
Maintain and upgrade fire trails in accordance with fire management plans	✓
Implementation of the Leonard Wall Valley Street Reserve landscape plan	→
Implement Stage 2 Soldiers Memorial Avenue Cross Roads extension	→
Finalise the Council Land Strategy for implementation	✓
Purchase a strategically important parcel of land to complete the Hobart Rivulet Linear Park	✓

Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved

2.3 The physical environment has been conserved in a way that ensures we have a healthy and attractive city



Stronger than expected take-up in HCC energy efficiency schemes and high satisfaction with parks, bushland and reserves, offset by lower performance in the testing results for the standard of water quality entering tributaries

2009/2010 Actions/Initiatives	Performance
Revision of the Queens Domain Management Plan	→
Prepare a management plan for Bicentennial Park	X
Review the Council's Fire Management Strategy	→
Prepare a fire management plan for Bicentennial Park	→
Undertake the upgrade of electronic scoreboard at the North Hobart Oval	→
Develop a reserve management framework	→
Landscape Poets Road entry	→
Repair landslip at Waterworks Reserve	→
Evaluate future solid waste options	→
Develop a strategic plan for the McRobies Gully Waste Management Centre	→
Undertake an assessment with a view to implementing an environmental management system for the Hotmix Plant and for Cleary's Gate Depot	→
Commence the implementation of Hobart's Climate Change Strategies x 5 (Advocacy, Abatement, Awareness, Adaption, Accounting)	✓
Introduce bulk bins into the kerbside waste and recycling collection services	✓
Undertake surface drainage work at the McRobies Gully Waste Management Centre	✓

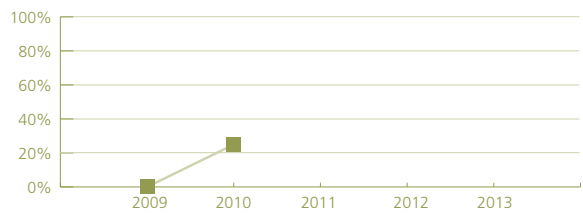
Performance: ✓ Completed → Underway X No Action



Outcome to be achieved

2.4 Better understanding of climate change and its potential effect on the natural and built environment and strategies developed

Outcome 2.4



Participation in the Regional Climate Change Program

2009/2010 Actions/Initiatives	Performance
Publish a 10-year State of the Environment Report 2008	✓
Contribute to the implementation of the Southern Region – Climate Change and Sustainability Initiative	✓
In conjunction with the Southern Tasmanian Councils Authority’s Regional Climate Change Initiative, develop and launch the highly successful Home Energy Audit toolkits	✓

Performance: ✓ Completed → Underway ✗ No Action



Future Direction 3:

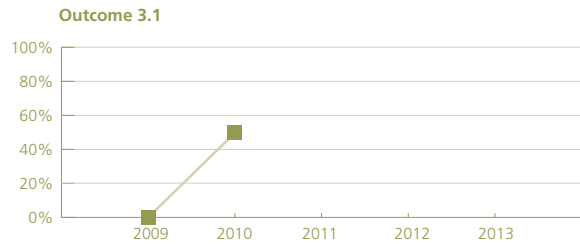
Is well governed at a regional and community level

In 2025, Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region.

Partnerships will be created with governments, the private sector and local communities to achieve significant regional, city and community goals.

Outcome to be achieved:

3.1 An integrated approach to the planning and development of the wider metropolitan region



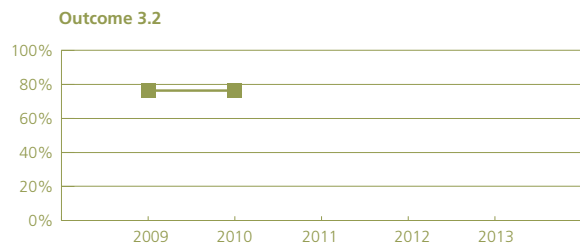
Positive contribution to regional planning initiatives

2009/2010 Actions/Initiatives	Performance
Undertake a review of standard conditions for planning applications and approvals	✓
Participate in the technical reference group of Council planners established for the Regional Planning Project	✓
Participate in the Southern Tasmanian Councils Authority meetings and pursue the development of a regional approach to planning and development across the region	✓

Performance: ✓ Completed → Underway ✗ No Action

Outcome to be achieved

3.2 Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals



General satisfaction with Council's overall performance in achieving community goals

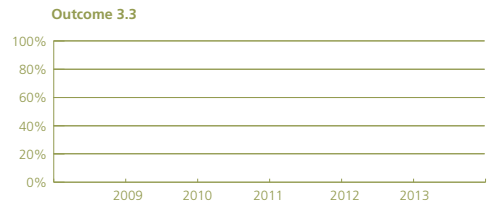
2009/2010 Actions/Initiatives	Performance
Work with the operators of the Domain Tennis Centre to refurbish the spectator's facilities	→
Participate in the Princes Wharf No 1 redevelopment project	✓
Complete the Lenah Valley Hall RSL redevelopment with funding assistance from the Australian Government	✓

Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved

3.3 Development of technologies that give young people opportunities to contribute to planning and development in the city



Results not programmed until future years

2009/2010 Actions/Initiatives	Performance
Adopt a new electronic tracking system to streamline planning applications and approvals	→
Further enhance Council's web page to provide better access to planning related information	✓
Investigate and evaluate the adoption of an online development application lodgement system	✓

Performance: ✓ Completed → Underway ✗ No Action



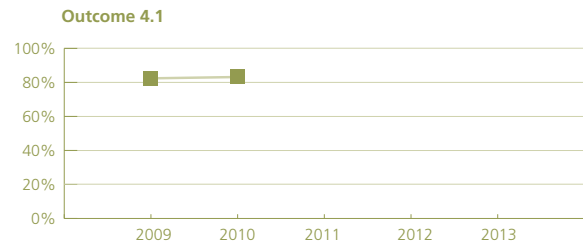
Future Direction 4:

Achieves good quality development and urban management

In 2025, Hobart will be a city that remains unique in its own right, protecting its built heritage and history while pursuing quality development, the principles of sustainable cities and the reduction of ecological impacts. It will value access to the waterfront, foreshores

Outcome to be achieved:

4.1 The city remains unique in its own right, protecting its built heritage and history



Progress in implementing the new planning scheme

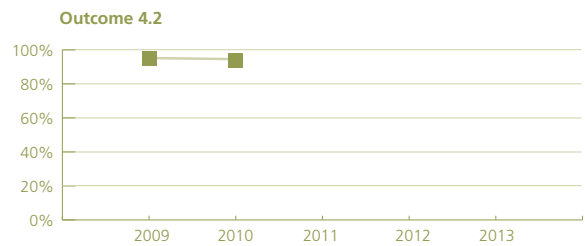
2009/2010 Actions/Initiatives	Performance
Undertake community consultation on the new draft City of Hobart Planning Scheme	✓
Review the Pipeline Track Conservation Plan and its implementation	✓
Review the heritage fund and explore further funding opportunities for protection of heritage	→
Review and revise the new draft City of Hobart Planning Scheme in light of the community consultation results	→
Progress the Living Heritage project for the Battery Point Slipyards	→
Review of the Queens Domain Cultural Heritage Management Plan	X
Complete the Heritage and Solar Technology Guidelines	✓

Performance: ✓ Completed → Underway X No Action



Outcome to be achieved:

4.2 Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued



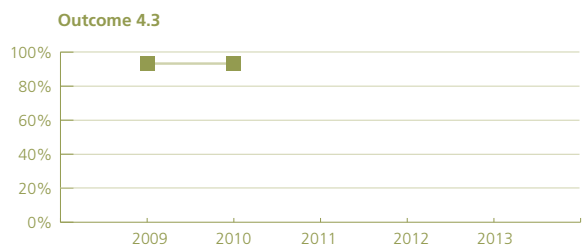
Completion of the HCC Climate Change Strategy actions and higher than expected participation levels in the energy efficiency rebate scheme

2009/2010 Actions/Initiatives	Performance
Complete the Council's Public Art Master Plan	→
Implement public art initiatives including projects for Lower Sandy Bay and Battery Point	✓
Develop opportunities for biosolids reuse as part of the Australasian Biosolids Partnership	→
Improve stormwater outfalls onto beaches	→
Improve stormwater infrastructure into unserved areas	→

Performance: ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

4.3 Access to the waterfront, foreshores, public and open space is valued



High level of community satisfaction with parks, reserves, playgrounds and open spaces

2009/2010 Actions/Initiatives	Performance
Review, adopt and promote the 'Adopt-a-Waterway' program in Hobart	✓

Performance: ✓ Completed → Underway ✗ No Action



Future Direction 5:

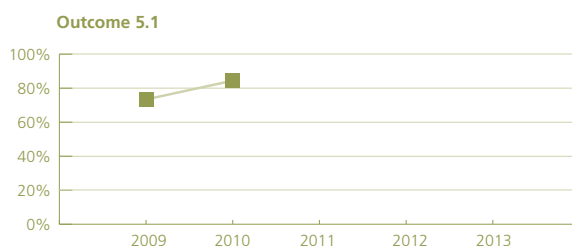
Is highly accessible through efficient transport systems

In 2025, Hobart will be a city that maintains its convenience and accessibility through greater use of transport alternatives and an effective road and travel network.

An integrated approach to transport planning within the city and across the wider metropolitan region will be the result of improved public transport options, cycle ways and walking tracks linking open spaces for transport and recreation, the availability of adequate parking for commuters and shoppers, the take-up of sustainable transport options, the reduction of through traffic and the management of a safe and efficient road network.

Outcome to be achieved:

5.1 Convenience and accessibility through the greater use of sustainable transport alternatives and an effective road and travel network



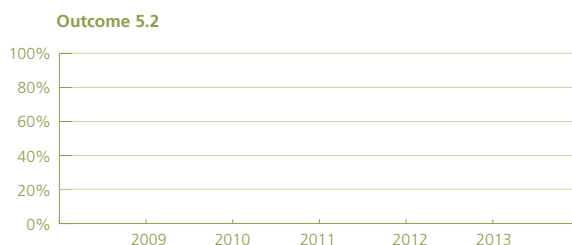
Improvement in the standard of roads and traffic infrastructure

2009/2010 Actions/Initiatives	Performance
Review and update the Streetscape Master Plan to include principal pedestrian walking corridors	→
Identify locations that require improved access to all pedestrians, including those with disabilities, and implement necessary works	✓
Construct additional levels on Centrepont car park and increase parking supply in Argyle Street car park	✓
Adopt a Sustainable Transport Strategy	✓
Implement the Roads to Recovery Program	✓
Implement a Park and Ride service to and from Salamanca Market for the full Christmas and summer season	✓
Develop a parking strategy for the city	→
Reconstruction of footpaths in Red Knights Road	✓
Full road reconstruction of Commercial Lane	✓

Performance: ✓ Completed → Underway X No Action

Outcome to be achieved:

5.2 An integrated approach to transport and planning within the city and across the wider metropolitan region



Results not programmed until future years

2009/2010 Actions/Initiatives	Performance
Monitor vehicular parking in all suburban areas, including the Queens Domain Regatta Grounds and TCA car park in order to gauge the affect of commuter parking on residential and recreational areas	→
Conduct an audit on the residential parking permit system	→

Performance: ✓ Completed → Underway X No Action



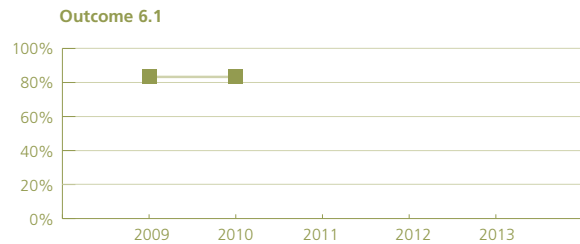
Future Direction 6:

Builds strong and healthy communities through diversity, participation and empathy

In 2025, Hobart will be a city that reflects a spirit of community and tolerance. By valuing diversity and encouraging participation by all ages in the life of the community, a friendly and compassionate society will underpin a safe and healthy city.

Outcome to be achieved:

6.1 A spirit of community



High level of community satisfaction with being part of the community and ability to access community spaces

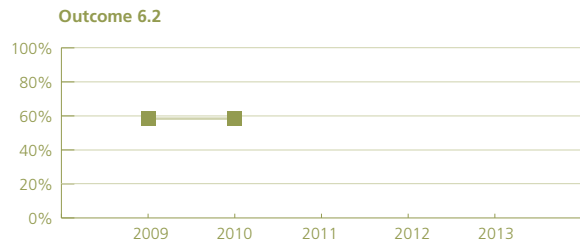
2009/2010 Actions/Initiatives	Performance
Implement the Council's Positive Ageing Strategy 2009	✓
Work with key stakeholders to progress the redevelopment of the 50 & Better Centre	✓
Implement and review Council's Equal Access Strategy in consultation with Council's Access Advisory Committee	✓
Develop a Children and Families Strategy	→
Develop Local Government information resources to increase the culturally and linguistically diverse communities' understanding of Council functions	→
Implement a Park and Ride service to and from Salamanca Market for the full Christmas and summer season	✓
Further develop a theatre-based arts and disability project that enhances opportunities for participation in community life by people with disabilities	✓
Support the development and implementation of outreach activities for older people, principally through the Older Person's Reference Group	✓
Work with relevant stakeholders to develop solutions to reduce the gap in the capacity for the delivery of healthy and positive ageing programs	→
Implement the 2008 – 2013 Dog Management Policy and Strategy	✓

Performance: ✓ Completed → Underway X No Action



Outcome to be achieved:

6.2 Diversity is valued and there is participation by all in their community



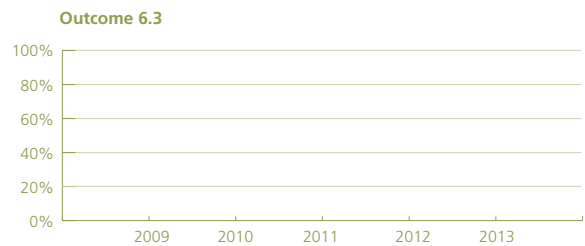
Low level of community satisfaction with their involvement in Council decision making

2009/2010 Actions/Initiatives	Performance
Develop a Social Inclusion Plan including a Social Inclusion Policy	✓
Implement the community asset mapping framework	→
Launch, promote and implement the Culturally and Linguistically Diverse Strategy	✓
Stage Harmony Day 2010 in St David's Park to celebrate the cohesive nature of Australia and promotes the benefits of cultural diversity	✓
Coinciding with 'Africa Day' and in conjunction with the African Communities Council of Tasmania co-ordinate the 2010 African Cultural Festival in St David's Park	✓

Performance: ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

6.3 A friendly and compassionate society



Results not programmed until future years

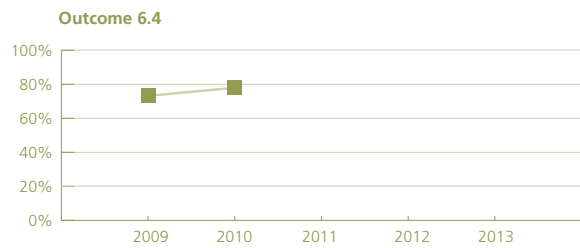
2009/2010 Actions/Initiatives	Performance
Use the Social Inclusion Plan to identify and respond to priority issues of the disadvantaged within the community	→
Deliver the Homeless Connect Hobart event	✓
Support and participate in the Gearing Up Expo	✓

Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved:

6.4 A safe and healthy city



High level of community participating in immunisation programs and increase in Adopt-a-Waterway volunteer program, offset by the lower performance in testing results for the standard of water entering the River Derwent from tributaries

2009/2010 Actions/Initiatives	Performance
Review and update an emergency management plan for a significant rain event and prepare flood action plans for the major rivulets	→
Develop and implement a community awareness campaign based around the 'Let's get Ready Sydney' program model	✓
Finalise the operational plans for wet weather emergencies	✓
Undertake a review of existing lighting and CCTV coverage	✓
Develop and implement The Hobart Strategic Community Safety Partnership	✓
Participate in the establishment of the Hobart Liquor Accord	→
Participate in the national Cities for Safe and Healthy Communities initiative	→
Distribute the community brochure Preparing for an Emergency in Hobart	✓
Auspice the Health Ageing Network – South's Still Gardening Program	✓
Host the 2009 Australian Short-Course Swimming Championships and the 2010 Australian Underwater Hockey Championships at the The Hobart Aquatic Centre	✓

Performance: ✓ Completed → Underway ✗ No Action



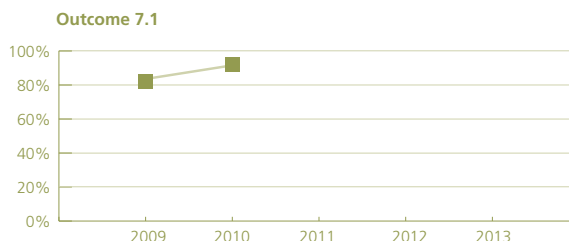
Future Direction 7:

Is dynamic, vibrant and culturally expressive

In 2025, Hobart will be a city that is a destination of choice and a place for business. Clever thinking and support for creativity will help build a strong economic foundation, and entertainment, arts and cultural activities promote the distinctive character of the city. Lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart.

Outcome to be achieved:

7.1 A destination of choice and a place for business



Growth of length of stay in the city by visitors, and increase in events at The Hobart Aquatic Centre, offset by the reduced number of building permits issued

2009/2010 Actions/Initiatives	Performance
Conduct the 2009 Hobart Exceptional Customer Service Awards	✓
Manage and develop the Hobart Advantage Card loyalty program to individuals and businesses	✓
Develop a Visitor Strategy for the City that looks to incorporate all types of visitation to the City	X
Increase government representation on the Council's Economic Advisory Forum	✓
Host the cruise ship season including launching a visitor volunteer meet and greet program, a visitor information and booking service through the Tasmanian Travel and Information Centre, provision of a shuttle bus service for passengers and program entertainment activities	✓
Expand the operation of the Tasmanian Travel and Information Centre to the main terminal at Hobart International Airport	→
Stage the 2009 Tourism Expo in the City Hall to showcase Tasmanian destinations to encourage holidaying at home	✓
Construct the 'Liverpool Link' – a temporary walkway from the old Myer site through to Cat & Fiddle Arcade	✓

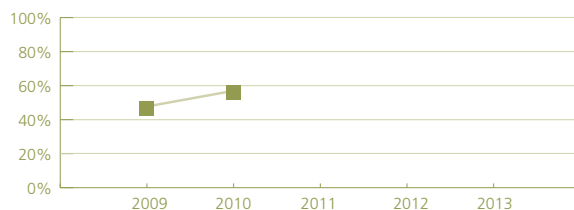
Performance: ✓ Completed → Underway X No Action



Outcome to be achieved:

7.2 Clever thinking and support for creativity will help build a strong economic foundation

Outcome 7.2



Low business satisfaction with marketing and promotion of the city, number of actions completed in the Economic Development Strategy

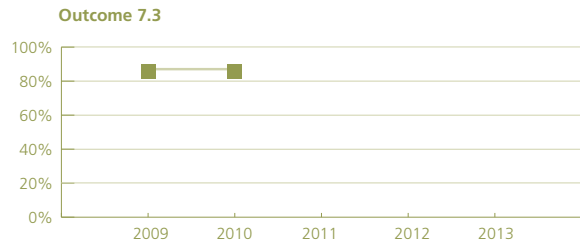
2009/2010 Actions/Initiatives	Performance
Implement a Memorandum of Understanding with the University of Tasmania that focuses on the University's importance to the Hobart and regional community	✓
Assist the University of Tasmania and the CSIRO in developing the recently announced Institute of Marine and Antarctic Studies	→

Performance: ✓ Completed → Underway ✗ No Action



Outcome to be achieved:

7.3 Entertainment, arts and cultural activities promote the distinctive character of the city, and lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart



High level of satisfaction with the Council's contribution to cultural activities, festivals, events and markets, and condition of sports grounds and facilities, parks, reserves

2009/2010 Actions/Initiatives	Performance
Implement the recommendations of the review of busking and entertainment activities at Salamanca Market	X
Progress the implementation of the recommendations of the Salamanca Market Business Sustainability reports	→
Stage the 2009 Carols by the Bay	✓
Stage the 2009 Myer Hobart Christmas Pageant	✓
Further develop the Taste Festival	✓
Review the volunteer program for the Taste Festival	✓
Develop and implement the 21st City of Hobart Art Prize	✓
Review the Council's Arts and Cultural Strategy	→
Review and support the Memorandum of Understanding with the Salamanca Market Stallholders Association Inc	→
Review the Salamanca Market Licence Agreements	→
Finalise the delivery of a new marketing and promotions campaign for Salamanca Market including the development, design and implementation of an interactive website	✓
Review and implement new communication strategies with Market Stallholders, including a regular Market newsletter and use of Market website	✓
Develop and enhance operational processes and risk management systems associated with Salamanca Market, including the preparation of a new Salamanca Market Safety Management Plan	→
Implement new tented structure compliance management systems for Salamanca Market	→
Pursue the development of a partnership with the Australian Wooden Boat Festival	✓
Review the provision of support to the City of Hobart Floral Show Program	→
In conjunction with the Hobart Dog Walking Association, Dogs' Home of Tasmania and the Hobart Canine Obedience Club host the Dogs on the Domain event	✓

Performance: ✓ Completed → Underway X No Action

Legislative Requirements





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.

Outcomes to be achieved as stated in the Hobart City Council Strategic Plan 2008 – 2013 include:

- A safe and healthy city

The Environmental Health Unit comprises of a Manager Environmental Health, a Senior Environmental Health Officer, four Environmental Health Officers, two part-time Environmental Health Officers, one technical support officer, one trainee Environmental Health Officer, two Medical Officers of Health (shared contract position) and two registered immunisation nurses. The Unit operated on a budget of \$797,962 and generated an income of \$203,959 for the year.

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*, *Burial & Cremation Act 2002* and *Environmental Management & Pollution Control Act 1994*. These functions include:

- | | |
|--|---|
| • Food Safety | • Disease Prevention and Control |
| • Public Health Education and Promotion | • Places of Assembly |
| • Public Health Risk Activities | • Immunisations |
| • Exhumations | • On-Site Waste Disposal Systems |
| • Unhealthy Premises | • Cooling Towers and Warm Water Systems |
| • Recreational and Bathing Water Quality | • Public Health and Environmental Nuisances |
| • Air, Water and Solid Pollution | • Public Health Emergency Management |

Statistics reflecting the general level of core environmental health activities undertaken during 2009/2010 (up to 30 June) include:

No. Food Businesses Registered	940
No. Food Business Inspections & Assessments	693
No. Persons Immunised	6117
No. Places of Assembly Licensed	143
No. Public Health Risk Activity Businesses Registered – (tattooing, acupuncture, ear / body piercing)	21
No. Cooling Towers / Warm Water Systems Registered	22
No. Recreational and Bathing Waters Sampled – (swimming beaches, public swimming pools / spas)	333
No. Public Health Nuisances/Complaints Investigated	344
No. After Hours Public Events Monitored	157
No. Individual Food Handlers trained	492



The environmental health officers focused their inspections on food businesses that were of high risk classification and those that required closer scrutiny from a food safety perspective. Businesses that have a history and record of being managed and operated in compliance with national food safety standards were not assessed as frequently. Low risk businesses were not assessed. The focus remained on quality inspections rather than quantity.

The following specific actions were undertaken in response to the Hobart City Council Strategic Plan and the Environmental Health Unit's business plan objectives:

2009/10 actions/initiatives	Performance
• Draft a Food Safety Management Plan	✓
• Undertake a community & business survey for the introduction of smoke free public areas	✓
• Draft a policy position for the Council to consider for the introduction of smoke free public areas	✓
• Provide public health emergency field kits for officer use	→
• Review the pandemic influenza sub-plan	X
• Install public signage at swimming beaches that provides information on water quality standards and risks to public health	✓
• Develop incident communication protocols for responding to sewer spills that threaten public health	✓

Performance: ✓ Completed → Underway X No Action

During the year, the Council participated in the largest vaccination program undertaken in Tasmania by providing free community swine flu clinics. As part of an innovative program to provide easy access for both residents and the general public to the swine flu vaccine, clinics were offered in a broad range of settings that included four extended Council clinics, one specific clinic, one weekend clinic and on-site at the major community festival, The Taste Festival.

The Council's program enabled 3122 people to be vaccinated against the swine flu. Positive community feedback from these clinics suggests a renewed community awareness of local government immunisation services. The ultimate success of these clinics can be attributed to the healthy working partnership developed between Council's environmental health officers and the Department Health and Human Services.

Food safety surveillance continues to be a high priority for the Council. An important aspect of this program is the education of food handlers to improve their skills and knowledge and to ensure that clean and safe food is produced for consumers.

A comprehensive and easy to understand food handler training package has been developed within Council for access by all food handlers whether they prepare food in aged care, child care, temporary food stalls, cafes, restaurants or home economic kitchens. Last year almost 500 people participated in this face-to-face program and the numbers are increasing every year. A new on-line food safety training tool, I'm Alert, can be accessed on Council's website (www.hobart.imalert.com.au). Online programs such as these enable food handlers to participate remotely and at their own convenience – and it's free!

The environmental health officers participated in a regional food sampling program to monitor the quality of locally produced foods for compliance with national standards. The range of samples analysed from local businesses included meat pies, cooked rice, roast meat rolls, raw tuna, egg quality survey, ready to eat lettuce, soft serve ice cream, washcloth swabs, sushi and meat slicer swabs. Very few samples failed to meet acceptable quality and content standards.

A comprehensive review was undertaken of businesses providing tattooing services to the public to ensure compliance with the Guidelines for Tattooing, as issued under the *Public Health Act 1997*. This is a high-risk activity and must be undertaken in sanitary conditions, with an emphasis on correct equipment cleansing and sterilisation and employing infection control practices to prevent the likelihood of infection or transmission of infectious diseases.

Council officers initiated the formation of a regional working group to facilitate the development of consistent monitoring and enforcement strategies to achieve best practice in tattooing businesses and to assist the Department of Health and Human Services in the guidelines review process. There are currently three registered tattooing businesses in the city.



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: \$423,821

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$81,903

Meeting Attendance Section 72 (1) (cc)

	Council Member	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
Total Meetings Held	23	21		12		25		23		15		19	
Alderman Valentine	18		7		2	9*	1		9		1	16	
Alderman Burnet	23		16	12		24			9		7	10*	4
Alderman Haigh	19			0*		25			6	3*		6*	1
Alderman Zucco	17		3	10				4*	8	6*			5
Alderman Briscoe	22	14*		3*	2		1		5	15			1
Alderman Ruzicka	23	20			3		7	21		8*		18	
Alderman Sexton	19		5	8		12*	1	11*	2	4*	2	6*	4
Alderman Christie	23	21		5*	5				3	14			2
Alderman Cocker	20	16			2		1	19					2
Alderman Harvey	22		17	11		24			14	13		7*	5
Alderman Damon Thomas	13*		5		1	14*		14*				11*	
Alderman Eric Hayes	5*	6*			1			5*				2*	
Alderman Freeman	4*	4*			1		2	6*					2
Alderman Elise Archer	15*	12*			2		1	15*			3	5*	3

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 Section 39 of the Local Government (Meeting Procedures) Regulations 2005.

Legend

* Refer table on next page



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

Committee Membership details

*Alderman Valentine	Development and Environmental Services Committee	Member until 9/11/2009 only (maximum of 9 meetings)
*Alderman Burnet	Strategic Governance Committee	Member since 9/11/2009 only (maximum of 12 meetings)
*Alderman Haigh	Community Development Committee	Member between 9/11/2009 and 22/3/2010 only (maximum of 3 meetings)
	Parks and Customer Services Committee	Member between 9/11/2009 and 22/3/2010 only (maximum of 5 meetings)
	Strategic Governance Committee	Member until 9/11/2009 only (maximum of 7 meetings)
*Alderman Zucco	Finance and Corporate Services Committee	Member until 9/11/2009 only (maximum of 7 meetings)
	Parks and Customer Services Committee	Member since 9/11/2009 only (maximum of 10 meetings)
*Alderman Briscoe	City Services Committee	Member since 9/11/2009 only (maximum of 15 meetings)
	Community Development Committee	Member until 9/11/2009 only (maximum of 4 meetings)
*Alderman Ruzicka	Parks and Customer Services Committee	Member until 9/11/2009, then since 22/3/2010 only (maximum of 10 meetings)
*Alderman Sexton	Development and Environmental Services Committee	Member since 9/11/2009 only (maximum of 16 meetings)
	Finance and Corporate Services Committee	Member since 9/11/2009 only (maximum of 16 meetings)
	Parks and Customer Services Committee	Member until 9/11/2009 only (maximum of 5 meetings)
	Strategic Governance Committee	Member until 9/11/2009 only (maximum of 7 meetings)
*Alderman Christie	Community Development Committee	Member since 22/3/2010 only (maximum of 5 meetings)
*Alderman Harvey	Strategic Governance Committee	Member until 9/11/2009 only (maximum of 7 meetings)



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

*Alderman Thomas (Elected to Council 9/11/2009)	Council	Member since 9/11/2009 only (maximum of 15 meetings)
	Development and Environmental Services Committee	Member since 9/11/2009 only (maximum of 16 meetings)
	Finance and Corporate Services Committee	Member since 9/11/2009 only (maximum of 16 meetings)
	Strategic Governance Committee	Member since 9/11/2009 only (maximum of 12 meetings)
*Alderman Hayes (Elected to Council 29/4/2010)	Council	Member since 29/4/2010 only (maximum of 5 meetings)
	City Services Committee	Member since 29/4/2010 only (maximum of 6 meetings)
	Finance and Corporate Services Committee	Member since 29/4/2010 only (maximum of 5 meetings)
	Strategic Governance Committee	Member since 29/4/2010 only (maximum of 4 meetings)
*Alderman Freeman (Retired from Council 30/10/2009)	Council	Member until 30/10/2009 only (maximum of 8 meetings)
	City Services Committee	Member until 30/10/2009 only (maximum of 6 meetings)
	Finance and Corporate Services Committee	Member until 30/10/2009 only (maximum of 7 meetings)
*Alderman Archer (Resigned from Council 12/4/2010)	Council	Member until 12/4/2010 only (maximum of 17 meetings)
	City Services Committee	Member until 12/4/2010 only (maximum of 14 meetings)
	Finance and Corporate Services Committee	Member until 12/4/2010 only (maximum of 16 meetings)
	Strategic Governance Committee	Member from 9/11/2009 until 12/4/2010 only (maximum of 7 meetings)

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

Total remuneration package	Number of employees
\$259,999 - \$279,999	1
\$160,000 - \$179,999	7
\$140,000 - \$159,999	1



Grants, Assistance and Benefits Provided Section 77 (1)

Detail	GST Inclusive Amount
ANZAC Day Commemorative Committee – Anzac Day – Community Grant – Cash and In-kind	22,708
Athletics South – Trophy Donation City to Casino Fun Run & Walk – Community Grant – Cash	58
Athletics Tasmania – Sponsorship of 2010 World Race Walking Challenge – Cash	5,500
Australian Chess Federation – Events and Festivals Grant – Cash	1,000
Australian Drug Foundation – Good Sports Program 2009/2010 – Donation – Cash	5,500
Australian Red Cross – Haiti Earthquake Disaster Appeal – Donation – Cash	15,000
Catholic Women’s League – Community Grant – Rent assistance	29,218
Crime Stoppers – Community Grant – Cash	2,200
Crime Stoppers – Crime Stoppers 2010/2011 – Donation – Cash	1,000
Cycling South – Contribution to Ride to Work Day – Cash	1,100
Cycling South – Funding Contribution – Cash	10,000
Cycling South – Funding Contribution to Hobart Regional Mountainbike Plan – Cash	8,250
Antarctic Tasmania – Events and Festivals Grant – Cash	5,500
Dept of Police & Public Safety – Southern Regional Unit of the State Emergency Service – Cash	16,814
Dept of Policy & Emergency Management – 2010 Australasian Police and Emergency Services Games – Events and Festivals Grant – Cash	5,500
Dept of Primary Industries, Parks, Water and Environment – Contribution to Derwent Estuary Program – Cash	40,724
Derwent Sailing Squadron – Annual Grant – Rent Assistance	7,301
Domain Tennis Centre – Grant for Refurbishment – Cash and In-kind	96,901
Filipino Communities Council of Tasmania, Inc – Sound of Three Cultures – Community Grant – Cash	2,500
GLC Centre Inc – TasPride Festival – Events and Festivals Grant – Cash	4,250
Goulburn St Primary School Association Inc – Sustainable Produce Garden – Community Grant – Cash	1,900
Heritage and Conservation Grants – Cash	14,126
Hobart Chamber Orchestra – Return of the Maestros – Cultural Grant – Cash	3,700
Hobart Jazz Club – Hot August Jazz – Events and Festivals Grant – Cash	2,150
Hockey South – Funding Contribution – Cash	66,000
Human Rights Week Organising Committee – Community Grant – Cash	550
Huonville Primary School – Youth Leadership Conference – Community Grant – Cash	250
IHOS Opera – IHOS Laboratory 2009/2010 – Cultural Grant – Cash	3,300
Tasmanian Theatre Company – Aboriginal Theatre Skills – Cultural Grant – Cash	2,750
Island Brass Academy – Cultural Grant – Cash	2,600
Kickstart Arts – Cultural Grant – Cash	3,300
L’Aquila Sister City – Earthquake Recovery Assistance – Donation – Cash	25,000
Mainstage Pty Ltd – Events and Festivals Grant – Cash	3,850
Mary’s Grange – ‘Taster’ Stepping Stone to Strength Training – Community Grant – Cash	2,132
Mature Artists Dance Experience – Princess Project – Cultural Grant – Cash	2,900
Mental Health Council of Tasmania Inc – Mental Health Community Resources – Community Grant – Cash	2,200
Migrant Resource Centre – Celebrating the Union in Hobart Project – Community Grant – Cash	2,750
North Hobart Football Club – In-kind	8,769
Point to Pinnacle – 2009 Point to Pinnacle Run and Walk – Events and Festivals Grant – Cash	2,000
Robotics Tasmania – RoboCup Junior Australia – Events and Festivals Grant – Cash	1,100
Rosny College – RACT Insurance Challenge – Events and Festivals Grant – Cash	1,650
Rosny Seventh-Day Adventist Church – Church Van Ministry – Community Grant – Cash	3,300
Royal Australian Institute of Architects – Community Grant – Cash	2,200
Royal Hobart Regatta – Cultural Grant – In-kind	20,796
Royal Tasmanian Botanical Gardens – Annual Grant – Community Grant – Cash	11,660



Grants, Assistance and Benefits Provided Section 77 (1)

Royal Yacht Club of Tasmania – Annual Grant – Rent Assistance	10,519
Royal Yacht Club of Tasmania – Trophy Donation for Sydney to Hobart Yacht Race – Community Grant – Cash	638
RSPCA – Annual Grant – Cash	5,304
Salamanca Arts Centre – Arts Program – Cultural Grant – Cash	59,228
Salamanca Arts Centre – Burning Daylight – Cultural Grant – Cash	13,200
Salamanca Arts Centre – Events and Festivals Grant – Cash	5,500
Sandy Bay Regatta – Annual Grant – Cash	15,000
Sandy Bay Regatta – Cultural Grant – In-kind	1,678
Six A Inc – Six A Sound Festival – Events and Festivals Grant – Cash	3,500
Source Community Wholefoods – Garden – Community Grant – Cash	3,000
South Hobart Progress Association – Bonfire & Fireworks Night – Events and Festivals Grant – Cash	2,500
St David's Cathedral – St David's Day Service and Picnic – Donation – Cash	250
St David's Cathedral Foundation – Heritage & Conservation Contribution – Cash	110,000
St Vincent De Paul Society – Annual Woodchop – Community Grant – Cash	1,266
Surf Life Saving Tasmania – Subsidy for Bathing Pavillion – Cash	1,100
Sustainable Living Tasmania – Waterworks Harvest Fair – Events and Festivals Grant – Cash	3,300
Taekwondo Australia Tasmania Inc – State Open – Events and Festivals Grant – Cash	1,000
Tasmanian Bands League – 2010 Australian National Band Championships – Events and Festivals Grant	4,000
Tasmanian Canine Defence League – Funding Contribution – Cash	61,023
Tasmanian Canine Defence League – Sponsorship for 2010 Dogs' Homes of Tasmania Calendar – Cash	418
Tasmanian Centre for Global Learning – Youth Action Conference – Community Grant – Cash	3,300
Tasmanian Convention Bureau – Annual Grant – Cash	66,000
Tasmanian Museum and Art Gallery – Annual Grant – Cultural Grant – Cash	15,070
Tasmanian Symphony Orchestra – Annual Grant – Cultural Grant – Cash	10,450
Tasmanian Writers Centre Inc – The Hobart City International Writers' Residency – Cultural Grant – Cash	3,300
Tasmanian Youth Orchestra – Cultural Grant – Cash	2,000
Tasmanians with Disabilities – Community Grant – Rent assistance	22,261
Terrapin Puppet Theatre – Training and Performance Program – Cultural Grant – Cash	5,500
The Alannah and Madeline Foundation – Better Buddies Framework – Community Grant – Cash	1,782
The Australian Italian Club Inc – Festa Italia Street Festival – Events and Festivals Grant – Cash	3,000
The Cathedral Church of Saint David – Australia Fair – Events and Festivals Grant – Cash	1,100
The Chamber Music Association of Tasmania – Musica Viva Hobart Concerts – Cultural Grant – Cash	2,750
The City of Hobart Eisteddfod Society Inc – Sponsorship for 2009 Eisteddfod – Cultural Grant – Cash and In-kind	14,273
The Hobart Council of Community Associations – Website Development – Community Grant – Cash	1,500
The Way Christian Church – Community Development Initiative – Cash	825
Theatre Royal – Annual Grant – Cultural Grant – Cash	6,900
Totally South Tourism – Southern Tasmania Councils Association Funding 2009/2010 – Cash	76,225
Town Crier – Cash	1,500
University of Tasmania – Scholarships – Community Grant – Cash	17,500
Veolia Environmental Services – Funding Contribution Glass Recovery Project – Cash	44,000
Wellington Park Management Trust – Regulations Awareness Program – Cash	22,550
Wide Angle Tasmania Inc – Tasmanian Tropfest Award – Events and Festivals Grant – Cash	1,650
Rate Remissions – Pensioners Net Expenditure	41,847
Solar Hot Water Rebate	108,046
Ex-Aldermen Fuel Expense	11,779
	1,259,488

Detail

Remission of hire charges for Council halls, sports fields and parks granted during 2009/2010 totalled \$9,951.00, inclusive of GST.

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 2009/2010 financial year.

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
1469: Salamanca public convenience-cleaning and security	1 year	Two, 1 year options	\$130,000 (estimated)	Tedmanson Investments
1541: Provision of contracted service personnel for festivals and events (including the Taste Festival)	2009/2010	2010/2011 and 2011/2012	\$266,000 (estimated)	Searson Buck
1542: Centrepont Car Park – multi storey car park control equipment	4 months (excluding defects liability period)	Not applicable	\$260,905	TMA Group
1556: Recovery of parking and traffic infringements	1 year	Two, 1 year options	\$436,000 (estimated)	Tasmanian Collection Service
5456: McRobies Gully Waste Management Centre – concrete crushing services	2 years	Three, 1 year options	\$110,000 (estimated)	Glenorchy City Council
5461: Provision of production services for Carols by the Bay	2009/2010	2010/2011	\$178,000 (estimated)	Production Works
5462: Kerbside hard waste (annual clean up) collection services	2 years	One, 2 year option	\$163,000 (estimated)	Spectran
5463: Kerbside green waste collection services	2 years	One, 2 year option	\$241,000 (estimated)	Veolia Environmental Services
5465: Annual slurry sealing program	12 months	Not applicable	\$205,696	Downer EDI Works
5466: Asset replacement	6 months (estimated excluding defects liability period)	Not applicable	\$339,811	Kelly Civil Contracting
5473: Retail electricity supply	2 years	Not applicable	\$2,606,199 (estimated)	ERM Power Retail

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

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
5474: Domain Athletic Centre-partial replacement of all-weather track	3 months (excluding defects liability period)	Not applicable	\$146,289	William Loud (Aust)
5475: Supply and delivery of three (3) side loading refuse collection trucks	Completion upon delivery	Not applicable	\$891,606	MacDonald Johnston
5478: Supply and delivery of sand for asphalt	1 year	Three, 1 year options	\$101,000 (estimated)	Males Sand
5480: McRobies Gully Waste Management Centre-supply of geosynthetic clay liner	2 months (excluding defects liability period)	Not applicable	\$103,357	Geotas
5484: Supply of natural gas to the Hobart City Council hot mix plant	2 years	One, 1 year option	\$330,000 (estimated)	Tas Gas Retail
5485: Registration of rates-asbestos removal in council buildings	1 year	Not applicable	\$100,000 (estimated)	White McAllister Paradigm Partners Ross Mitchell and Associates
5493: Supply and delivery of one (1) front end loader	Completion upon delivery	Not applicable	\$124,905	Onetrak Equipment
5494: The Hobart Aquatic Centre-internal alterations construction of change room facilities and office	5 months (excluding defects liability period)	Not applicable	\$135,347	Fairbrother
5495: Supply of stormwater and private sewer inspection and cleaning services	2 years	Two, 1 year options	\$160,000 (estimated)	Veolia Environmental Services
5696: Comprehensive maintenance of lift services	2 years	Not applicable	\$120,000 (estimated)	Otis Elevator



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

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
5498: Internal audit services	3 years	Not applicable	\$245,000	Deloitte Touche Tohmatsu
5500: Legal services panel	2 years	One, 2 year option	In excess of \$100,000	Abetz Curtis Dobson Mitchell and Allport Hunt and Hunt Ogilvie and Jennings Page Seager Shaun McElwaine and Associates Simmons Wolfhagen Zeeman and Zeeman

In accordance with Section 27 (2) there were no instances of 'non-application of public tender process'.





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*.

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 or a copy can be made available by contacting the Director Strategy and Governance on 6238 2717.

Photo Acknowledgements

Sean Fennessey
Pete Harmsen
Jonathon Wherrett

Financial Report



Hobart City Council

General purpose financial statements for the year ended 30 June 2010

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Statement of Financial Position

As at 30 June 2010

	Note	2009/10 \$'000	2008/09 \$'000
Current Assets			
Cash and Cash Equivalents	15	38,661	40,282
Inventories	16	334	328
Receivables	18	3,222	3,630
Prepayments		200	68
Total Current Assets		42,417	44,308
Non-Current Assets			
Receivables	18	244	245
Investment Property	20	24,407	24,407
Investment in Hobart Water	11	-	68,390
Investment in Southern Water	11	196,721	-
Property, Plant and Equipment	21-30	651,160	968,332
Total Non-Current Assets		872,532	1,061,374
Total Assets		914,949	1,105,682
Current Liabilities			
Payables	31	6,477	5,147
Trust, Deposits, Retention	32	2,536	1,894
Employee Benefits	33	8,460	8,434
Unearned Revenue	34	391	216
Loans	35	201	6,490
Total Current Liabilities		18,065	22,181
Non-Current Liabilities			
Deferred Liabilities		-	45
Employee Benefits	33	12,056	15,183
Loans	35	6,105	11,664
Provision for Landfill Restoration	36	7,720	7,740
Total Non-Current Liabilities		25,881	34,632
Total Liabilities		43,946	56,813
Net Assets		871,003	1,048,869
Equity			
Reserves	37	485,254	778,155
Retained earnings		385,749	270,714
Total Equity		871,003	1,048,869

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

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2009/10 ACTUAL \$'000	2009/10 BUDGET \$'000	2008/09 ACTUAL \$'000
Expenses				
Employee Benefits	4	(41,543)	(40,192)	(40,426)
Materials and Services		(25,075)	(24,090)	(28,291)
Depreciation and Amortisation	5	(15,918)	(15,919)	(20,719)
Finance Costs	6	(844)	(844)	(1,488)
Purchase Bulk Water		-	-	(7,220)
State Fire Commission Levies		(6,506)	(6,504)	(6,202)
Other Expenses	7	(4,482)	(4,661)	(4,863)
Total Expenses		(94,368)	(92,210)	(109,209)
Revenues				
Rates and Charges		55,051	55,226	67,875
Grants and Donations	9	5,077	2,590	5,480
Fines		4,699	4,440	4,771
Contributed Property, Plant and Equipment		-	-	963
Rendering of Services		21,223	21,113	20,128
Distributions from Southern Water	11	1,936	2,720	-
Interest		1,952	2,040	2,718
Rents		2,144	2,296	1,924
Other		5,067	900	694
Total Revenues		97,149	91,325	104,553
Surplus / (Deficit) before:-		2,781	(885)	(4,656)
Net Gain/(Loss) on Disposal of Assets	10	(239)	-	(191)
Share of Net Profits of Associates	11	-	-	673
Net PP&E Revaluation Increments	12	-	-	1,186
Revaluation Increment on Investment Property	12, 20	-	-	12,857
Surplus / (Deficit) before:-		2,542	(885)	9,869
Other Comprehensive Income				
Adjustment to value of Investment in Southern Water	11	(119,852)	-	-
Net PP&E revaluation increments / (decrements)	12	(62,332)	-	54,223
Defined-benefit superannuation plan actuarial gains/(losses)	33	1,776	-	(8,938)
Comprehensive Result		(177,866)	(885)	55,154

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

Statement of Changes in Equity

For the year ended 30 June 2010

	Note	Total		Retained Earnings		Reserves	
		2009/10 \$'000	2008/09 \$'000	2009/10 \$'000	2008/09 \$'000	2009/10 \$'000	2008/09 \$'000
Balance at beginning of period		1,048,869	986,676	270,714	263,849	778,155	722,827
Share of other equity movements of associates	11	-	7,039	-	-	-	7,039
Comprehensive Result		(177,866)	55,154	(115,534)	931	(62,332)	54,223
Transfers to reserves	37	-	-	(27,511)	(32,133)	27,511	32,133
Transfers from reserves	37	-	-	258,080	38,067	(258,080)	(38,067)
Balance at end of period		871,003	1,048,869	385,749	270,714	485,254	778,155

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

Statement of Cash Flows

For the year ended 30 June 2010

	Note	2009/10 ACTUAL \$'000	2009/10 BUDGET \$'000	2008/09 ACTUAL \$'000
Cash Flows from Operating Activities				
<i>Receipts</i>				
Rates		55,347	55,226	67,818
Rendering of services (inclusive of GST)		23,255	22,159	22,331
Interest		1,999	2,041	2,667
Grants (inclusive of GST)		3,594	2,695	3,721
Rents (inclusive of GST)		2,349	2,486	2,109
Fines		4,133	4,440	3,829
Other receipts (inclusive of GST)		7,389	3,103	4,137
		<u>98,066</u>	<u>92,150</u>	<u>106,612</u>
<i>Payments</i>				
Employee costs		(40,798)	(40,835)	(39,637)
Payments to suppliers (inclusive of GST)		(29,487)	(28,207)	(35,054)
Interest		(458)	(443)	(1,015)
Other payments (inclusive of GST)		(9,500)	(8,426)	(16,602)
		<u>(80,243)</u>	<u>(77,911)</u>	<u>(92,308)</u>
Net Cash Flow from Operating Activities	38	<u>17,823</u>	<u>14,239</u>	<u>14,304</u>
Cash Flows from Investing Activities				
<i>Proceeds</i>				
Grants		1,588	-	1,838
Distributions from Southern Water		1,860	2,720	4,288
Sales of Property		-	-	70
Sales of Plant and Equipment		652	943	745
		<u>4,100</u>	<u>3,663</u>	<u>6,941</u>
<i>Payments</i>				
Employee Costs capitalised		(2,662)	(2,600)	(2,907)
Materials/Services/Contracts capitalised		(12,817)	(16,956)	(22,212)
Property		(758)	(750)	(343)
Plant and Equipment		(4,037)	(5,294)	(3,581)
		<u>(20,274)</u>	<u>(25,600)</u>	<u>(29,043)</u>
Net Cash Flow from Investing Activities	38	<u>(16,174)</u>	<u>(21,937)</u>	<u>(22,102)</u>
Cash Flows from Financing Activities				
Proceeds from Borrowings	35	1,750	1,750	4,242
Repayment of Borrowings	35	(5,020)	(68)	(1,757)
Net Cash Flow from Financing Activities		<u>(3,270)</u>	<u>1,682</u>	<u>2,485</u>
Net Increase (Decrease) in cash held		(1,621)	(6,016)	(5,313)
Cash Held at the Beginning of the Year		40,282	40,282	45,595
Cash held at the End of the Year	15	<u>38,661</u>	<u>34,266</u>	<u>40,282</u>

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 its ownership interest in Southern Water as an "available-for-sale financial asset" recorded at fair value. 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 they are lodged with a collection agency.

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. Provision is also made for related superannuation contributions.

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 17.5% (2009 15%) 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 in the period in which they occur, and are included in 'other comprehensive income'.

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 statement of financial position 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.

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 profit or loss 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.

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 recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. 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 recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus 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.

Notes to and forming part of the Financial Statements

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	35-150	Bridges	50-220
Infrastructure Plant	5-100	Sealed Roads	
Plant and Equipment		- Base	50-150
- Heavy Vehicles	5-25	- Surface	14-30
- Fleet Vehicles	3-10	Unsealed Road Surfaces	75
- Minor Plant	2-25	F'paths, Kerb & Gutter	15-75
- Computer Equipment	3-5	Cycleways and Tracks	15-75
- Furniture	2-50	Playground Equipment	5-30
Stormwater Mains	10-135	Trees	25-250
Irrigation	10-80	Fountains	10-80
Rivulets	20-150	External Playing Surfaces	10-100

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.

Land under Roads

Council has elected to continue to not recognise land under roads acquired before 1 July 2008 as an asset. Land under roads acquired after that date is accounted for in accordance with AASB 116

Property, Plant and Equipment.

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 2010, the balance of the Heritage Account had accumulated to \$1,318,973.

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.

Notes to and forming part of the Financial Statements

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 statement of cash flows 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

The impact of water and sewerage reforms is discussed at note 11.

Notes to and forming part of the Financial Statements

2. Changes in Accounting Policies and Accounting Estimates

a) New and revised Accounting Standards and Interpretations adopted in the current period

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 – This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

AASB 123 Borrowing Costs – This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. However, *AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* issued in April 2009 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. There is no financial impact resulting from the application of this revised Standard.

AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 - This Standard changes the term "general purpose financial report" to "general purpose Financial Statements" and the term "financial report" to "Financial Statements", where appropriate, in Australian Accounting Standards (including Interpretations) and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-3 Amendments to Accounting Standards arising from AASB 3 and AASB 127 - The focus of this Standard is to reduce alternatives in accounting for subsidiaries in consolidated Financial Statements and in accounting for investments in the separate Financial Statements of a parent. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project - The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments relate to terminology and editorial changes. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project - This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate - This Standard removes the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate and to include recognising a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, as an indication that the investment in the subsidiary, jointly controlled entity or associate may be impaired. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-11 Amendments to Australian Accounting Standard - Business Combinations Among Not-for-Profit Entities - This Standard specifies the accounting requirements for restructures of local governments. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities - In respect of not-for-profit public sector entities, this Standard amends AASB 123 by reintroducing the option to expense borrowing costs in the period in which they are incurred and thereby allow an entity to choose whether it expenses or capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-2 Amendments to Australian Accounting Standards: Improving Disclosures about Financial Instruments - Introduces new disclosure requirements for fair value measurement and refines existing disclosures on liquidity risk for financial instruments. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-6 Amendments to Australian Accounting Standards - The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact resulting from the application of this revised Standard.

Notes to and forming part of the Financial Statements

AASB 2009-7 *Amendments to Australian Accounting Standards* - The Standard makes amendments to a number of Australian Accounting Standards and Interpretations which are the result of editorial corrections by the AASB and by the International Accounting Standards Board (IASB). There is no financial impact resulting from the application of this revised Standard.

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

b) New and revised Accounting Standards and Interpretations not yet adopted

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 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* is a revised Standard to be applied from annual reporting periods beginning on or after 1 January 2010. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is a revised Standard to be applied to annual reporting periods beginning on or after 1 January 2013. The Standard gives effect to consequential changes arising from the issuance of AASB 9. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2009-12 *Amendments to Australian Accounting Standards* is a revised Standard applicable to annual reporting periods beginning on or after 1 January 2011. The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.

AASB 2009-14 *Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement*. This Standard applies to annual reporting periods beginning on or after 1 January 2011. The interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a

liability. The Interpretation will not have a material financial impact on the Financial Statements.

AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* - This Standard is applicable to annual reporting periods beginning on or after 1 July 2010. The amendments are a consequence of the annual improvements project and will not have a financial impact on Council's Financial Statements.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* - This Standard is applicable to annual reporting periods beginning on or after 1 January 2011. The amendments are a consequence of the annual improvements project and will not have a financial impact on Council's Financial Statements.

AASB 1053 *Application of Tiers of Australian Accounting Standards* - This standard establishes a differential reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements, one of which provides for substantially reduced disclosure requirements. The Standard will have no impact on Council's Financial Statements because reduced disclosure requirements are not available for local governments.

c) Voluntary changes in Accounting Policies and Accounting Estimates

During the period, Council revalued all road and bridge assets by reference to both replacement rates available from external contractors, and Council's own internal replacement rates. Council's accounting policy requires that replacement cost asset valuations reflect the **lowest** cost at which the gross service potential of assets could be obtained in the normal course of operations. To comply with this policy, Council has selected the lower of available external replacement rates and Council's own internal replacement rates to revalue its road and bridge assets. These assets have previously been valued by using Council's internal replacement rates only.

Had Council's approach to valuing road and bridge assets not changed, the fair value of those assets at 30 June 2010 would have been approximately \$176 million higher than the value reported in the Statement of Financial Position, and future depreciation expenses would be approximately \$4 million per annum higher.

There has been no impact on depreciation expense in the current period because the revaluation did not take effect until 30 June 2010.

Notes to and forming part of the Financial Statements

3. Functions/Activities of the Council

		Expenses	Revenues			Assets
		\$'000	Grants \$'000	Other \$'000	Total \$'000	\$'000
Public Order and Safety	2009/10	6,612	0	6,303	6,303	1
	2008/09	6,322	0	6,517	6,517	14
Health	2009/10	1,476	20	379	399	35
	2008/09	1,500	0	431	431	5
Welfare	2009/10	2,756	336	183	519	4,190
	2008/09	2,702	152	181	333	4,206
Community Amenities	2009/10	21,043	69	11,098	11,167	124,700
	2008/09	20,484	57	10,720	10,777	125,391
Recreation and Culture	2009/10	23,454	426	5,909	6,335	227,309
	2008/09	22,934	452	5,782	6,234	217,527
Parking	2009/10	8,643	0	11,960	11,960	75,707
	2008/09	8,469	0	11,819	11,819	71,890
Transport	2009/10	12,591	2,820	438	3,258	192,925
	2008/09	12,483	3,293	565	3,858	269,159
Economic Services	2009/10	3,818	279	1,827	2,106	955
	2008/09	2,853	0	854	854	102
Water Supply	2009/10	0	0	0	0	0
	2008/09	11,855	4	12,199	12,203	122,623
Sewerage	2009/10	0	0	0	0	0
	2008/09	9,992	0	10,726	10,726	136,371
Other (Not Attributed)*	2009/10	13,975	1,127	53,975	55,102	289,127
	2008/09	9,615	1,522	39,279	40,801	158,394
Total	2009/10	94,368	5,077	92,072	97,149	914,949
	2008/09	109,209	5,480	99,073	104,553	1,105,682

* 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

	Notes	2009/10 \$'000	2008/09 \$'000
Gross Wages and Salaries		35,682	35,570
Less: Amounts Capitalised		(1,787)	(1,981)
Leave payments		(3,100)	(2,665)
		<u>(4,887)</u>	<u>(4,646)</u>
Wages and Salaries expensed		30,795	30,924
Leave Entitlements		3,664	2,939
Defined-benefit superannuation plan	33	1,199	1,578
Other superannuation		2,927	2,727
Workers Compensation Insurance		710	272
Payroll Tax		2,532	2,451
Aldermanic Allowances		424	359
Redundancy payments		167	102
Labour Overheads Capitalised		(875)	(926)
		<u>41,543</u>	<u>40,426</u>
Number of Employees (Full-time equivalent)		591	597

5. Depreciation and Amortisation

	2009/10 \$'000	2008/09 \$'000
Land Improvements	1,565	1,595
Buildings	1,737	1,728
Infrastructure Plant	280	1,069
Plant and Equipment	2,166	2,250
Pipes, Drains and Rivulets	1,909	5,279
Roads and Bridges	6,187	6,350
Other Structures	2,002	2,448
Other	72	-
	<u>15,918</u>	<u>20,719</u>

6. Finance Costs

	2009/10 \$'000	2008/09 \$'000
Interest on Loans	443	1,030
Finance Cost associated with Landfill Restoration Provision	401	458
	<u>844</u>	<u>1,488</u>

7. Other Expenses

	Notes	2009/10 \$'000	2008/09 \$'000
Pensioner Rate Remissions		1,296	1,229
Less: Reimbursements from Government	9	(1,254)	(1,170)
		<u>42</u>	<u>59</u>
Other Rate Remissions		108	79
Grants and Specific Purpose Benefits		1,100	1,380
Directors Fees		8	8
Auditor's Remuneration – Review of the Financial Report		39	38
Other Audit Fees		64	59
Bad and Doubtful Debts		665	820
Assets Written-off		914	1,000
Obsolete Stock		7	7
Fringe Benefits Tax		237	209
Land Tax		1,298	1,204
		<u>4,482</u>	<u>4,863</u>

8. Significant Items

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

	Notes	2009/10 \$'000	2008/09 \$'000
Revenues			
Contributed Property, Plant and Equipment		-	963
Capital Grants	9	1,588	1,838
Commonwealth Financial Assistance Grants received in advance		-	617
Southern Water contribution for payout of loans		5,067	-
		<u>6,655</u>	<u>3,418</u>
Expenses			
Asset write-offs	7	(914)	(1,000)
Defined-benefit superannuation plan	4	(1,199)	(1,578)
Additional landfill restoration provisions recognised	36	(146)	(611)
Government Duty		-	(691)
Adjustment to Employee Sick Leave entitlements	4	(339)	-
		<u>(2,598)</u>	<u>(3,880)</u>
Gains / (Losses)			
Net Gain / (Loss) on Disposal of Assets	10	(239)	(191)
Share of Net Profits / (Losses) of Associates	11	-	673
Net PP&E Revaluation Increments	12	-	1,186
Revaluation Increment on Investment Property	20	-	12,857
		<u>(239)</u>	<u>14,525</u>
Effect of significant items on surplus / (deficit) for year		<u>3,818</u>	<u>14,063</u>

Notes to and forming part of the Financial Statements

9. Grants and Donations

	Notes	2009/10 \$'000	2008/09 \$'000		Notes	2009/10 \$'000	2008/09 \$'000
a) Provided by Government				b) Other			
<i>for Recurrent Purposes</i>				<i>for Recurrent Purposes</i>			
Commonwealth Financial Assistance Grants		2,597	3,064	Miscellaneous		5	12
Mathers Lane Precinct enhancement		87	-			5	12
Partnership Outreach Education Model project		70	140	<i>for Capital Purposes</i>			
Pensioner Rate Remission Grants	7	1,254	1,170	Provision of Public Open Space		56	80
Electronic Development Assessment Interoperability Specification		52	25	Unitas Safer Travel Speeds project		-	88
Employment Creation Initiatives		53	35	Miscellaneous		10	54
Fuel Tax Credit Scheme		95	110			66	222
Still Gardening Program		145	-			71	234
Tasmanian Travel and Information Centre		258	-			6,331	6,650
Water and sewerage reforms – transitional funding		51	218	Less: Pensioner Rate Remission Grants netted against Remissions	7	(1,254)	(1,170)
Miscellaneous		76	38	Total Grants and Donations		5,077	5,480
		4,738	4,800				
<i>for Capital Purposes</i>				c) Conditions			
Roads to Recovery Program		498	504	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:		994	604
Bicycle Lanes in Argyle and Campbell Streets		-	280	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:		(568)	(616)
Blackspot Program		370	70	Net increase/(decrease) in assets subject to conditions		426	(12)
Other roadworks		260	40	Assets subject to conditions at the beginning of the period		1,679	1,691
Cascade Link Trail		50	-	Assets subject to conditions at the end of the period	14	2,105	1,679
Castray Esplanade Taxi Rank		22	-				
Lenah Valley RSL Hall upgrade		-	236				
Unitas Safer Travel Speeds project		-	355				
Soldiers Memorial Avenue		-	38				
Sandy Bay all access playground		-	50				
Wellington Park Bicycle Track		312	-				
Miscellaneous		10	43				
		1,522	1,616				
		6,260	6,416				

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

	2009/10 \$'000	2008/09 \$'000
<i>Plant & Equipment</i>		
Proceeds from sales	652	745
Less carrying amount of assets sold	(891)	(946)
Gain / (Loss) on disposal	(239)	(201)
<i>Land and Buildings</i>		
Proceeds from sales	-	70
Less carrying amount of assets sold	-	(60)
Gain / (Loss) on disposal	-	10
Total Gain / (Loss) on disposal of assets	(239)	(191)

11. Investments

Hobart Water

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 was the Hobart Regional Water Authority, trading under the name of Hobart Water.

The joint authority's principal activity was 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 was 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 2009 was 27.840% (30 June 2008 27.844%), whilst its voting power was 4 votes out of a total of 21 votes. Council accounted for this ownership interest according to the equity method of accounting.

As a result of water and sewerage reforms taking effect from 1 July 2009, Hobart Water ceased operations on 30 June 2009. The value of Council's ownership interest in Hobart Water at that date was \$68.39M, and this investment formed part of the assets and liabilities transferred to Southern Water (refer below).

Southern Water

In February of 2008, State and Local Government reached agreement to establish three local Government owned, vertically integrated businesses providing bulk, distribution and retail water and sewerage services, and a common service provider subsidiary company. The *Water and Sewerage Corporations Act 2008* (Corporations Act) was subsequently enacted, and received Royal Assent on 13 June 2008.

Two of the main purposes of the Corporations Act are:-

- to vest the water and sewerage assets, rights and liabilities of councils and bulk water authorities in the Regional Corporations and the Common Services Corporation; and
- to make provision for the transfer of water and sewerage employees of councils and employees of bulk water authorities to the Regional Corporations and the Common Services Corporation.

The new corporations were operational (with minimal operations) on 1 January 2009. Full transfer of water and sewerage assets, liabilities and staff took place on 1 July 2009. From that date, responsibility for the provision of water and sewerage services moved from local councils to three new regional water and sewerage corporations (trading as Cradle Mountain Water, Ben Lomond Water and Southern Water). A fourth company provides common services and support to the three regional corporations.

In conjunction with the above Act, the *Water and Sewerage Industry Act 2008* was also proclaimed on 13 June 2008. This Act provides for the establishment of an economic regulatory framework for the water and sewerage industry, including the establishment of a licensing regime and providing for the regulation of prices, customer service standards and performance monitoring of that industry and for related matters.

Notes to and forming part of the Financial Statements

Full transition to the new water pricing and servicing standards is not expected until January 2012.

The following table summarises the impact on Council's statement of financial position. It shows that assets totalling \$326.763M transferred to Southern Water, together with liabilities totalling \$10.19M. Included in the assets transferred was Council's equity-accounted investment in Hobart Water. In return for these transfers, Council receives a share of the equity and distributions of Southern Water.

	Transfers on 1 July 2009 \$'000
Current Assets	
Cash and cash equivalents	-15
Inventories	-14
Total Current Assets	-29
Non Current Assets	
Property, plant and equipment	
- Land	-9,181
- Buildings	-1,729
- Plant and equipment	-954
- Land improvements	-2
- Infrastructure Plant	-25,284
- Pipes and Drains	-201,408
- Roads and Bridges	-38
- Work in Progress	-1,458
- Other Structures	-18,290
Investment in Hobart Water	-68,390
Investment in Southern Water	316,573
Total Non-Current Assets	-10,161
TOTAL ASSETS	-10,190
Current Liabilities	
Payables	-15
Loans	-4,516
Employee Benefits	
- Accrued leave entitlements	-587
Total Current Liabilities	-5,118
Non Current Liabilities	
Loans	-4,063
Employee Benefits	
- Accrued leave entitlements	-171
- Defined-benefit superannuation plan	-838
Total Non-Current Liabilities	-5,072
TOTAL LIABILITIES	-10,190
NET ASSETS	0
Equity	
Retained earnings	231,078
Reserves	-231,078
TOTAL EQUITY	0

12. Asset Revaluations

Notes	2009/10 \$'000	2008/09 \$'000
<i>PP&E Revaluations recognised in profit or loss</i>		
Revaluation Increment on Reservoirs	-	694
Revaluation Increment on Wastewater Treatment Plants	-	492
	-	1,186
<i>PP&E Revaluations recognised in other comprehensive income</i>		
Land	-	39,696
Land Improvements	1,019	607
Infrastructure Plant	89	74
Pipes, Drains and Rivulets	2,293	6,368
Roads and Bridges	(66,795)	5,276
Other Structures	1,062	2,202
	37 (62,332)	54,223
Net PP&E Revaluation Increments / (decrements)	21 (62,332)	55,409
Revaluation Increment on Investment Property	-	12,857
	(62,332)	68,266

13. Rates Received in Advance

	2009/10 \$'000	2008/09 \$'000
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods	394	280
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period.	(280)	(317)
Net increase (decrease) in prepaid rates	114	(37)

Council has elected to account for its ownership interest in Southern Water in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*, and has classified the investment as an "available-for-sale financial asset". The asset was initially measured at cost, being the value of assets and liabilities transferred. At 30 June 2010, the fair value of the asset was measured by applying Council's ownership interest percentage to Southern Water's net asset value at that date. Southern Water advised that these values were 21.48% and \$915.832M respectively. The resulting calculation produces a figure of \$196.721M. The \$119.852M reduction in the value of the investment has been recognised in other comprehensive income.

Notes to and forming part of the Financial Statements

14. Restricted Assets

Notes	2009/10 \$'000	2008/09 \$'000
a) Grants and Donations subject to Conditions		
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	288	239
- Community Water Grants	-	41
- Lenah Valley RSL Hall Upgrade	-	234
- Mathers Lane Precinct Enhancement	87	-
- National Illicit Drug Strategy	5	16
- Partnership Outreach Education Model Project	-	38
- Public Art Program	19	48
- Roadworks	508	425
- Tasmanian Travel and Information Centre	244	-
- Wellington Park Bicycle Track	308	-
- Miscellaneous	218	210
9	<u>2,105</u>	<u>1,679</u>
b) Heritage Account		
Assets acquired as a result of the winding-up of the National Trust Preservation Fund which are required by section 5(3) of the National Trust Preservation Fund (Winding-up) Act 1999 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)	1,319	1,406
Total Restricted Assets	<u>3,424</u>	<u>3,085</u>

15. Cash

	2009/10 \$'000	2008/09 \$'000
a) Definition of Cash		
For the purpose of the Statement of Cash Flows, the following items comprise the cash balance at the end of the period:-		
Investments		
Term Deposits	27,300	35,000
At Call	<u>8,230</u>	<u>3,760</u>
	35,530	38,760
Cash Advances	32	23
Cash at Bank	<u>3,099</u>	<u>1,499</u>
	<u>38,661</u>	<u>40,282</u>
b) Composition of Cash		
The following restrictions apply to the closing cash balance:		
- Provision of Public Open Space	288	239
- Provision of Parking Facilities	428	428
- Public Art Program	19	48
- Roadworks	508	425
- Mathers Lane Precinct Enhancement	87	-
- Tasmanian Travel and Information Centre	244	-
- Wellington Park Bicycle Track	308	-
- Heritage Funding	1,319	1,406
- Other	<u>223</u>	<u>539</u>
	3,424	3,085
The remainder of the Cash balance has been ear-marked for:		
- Asset Replacement	5,856	4,550
- Other Capital Works	5,708	4,666
- Provision of Public Open Space	16	16
- Provision of Parking Facilities	14,905	15,651
- Bushland Acquisition	272	222
- Refundable Deposits	1,887	1,772
- Settlement of Payables	6,477	5,147
- Unallocated	116	5,173
	<u>35,237</u>	<u>37,197</u>
	<u>38,661</u>	<u>40,282</u>

16. Inventories

	2009/10 \$'000	2008/09 \$'000
Stock	339	330
Less: Provision for Obsolete Stock	<u>(5)</u>	<u>(2)</u>
	<u>334</u>	<u>328</u>

Notes to and forming part of the Financial Statements

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.

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 below.

Notes to and forming part of the Financial Statements

	Floating Interest Rate \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000	Weighted Average Interest Rate
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			
2009/10							
<i>Financial Assets</i>							
Cash and cash equivalents	11,329	27,300	-	-	32	38,661	5.52%
Receivables	673	26	-	-	2,767	3,466	0.76%
	<u>12,002</u>	<u>27,326</u>	<u>-</u>	<u>-</u>	<u>2,799</u>	<u>42,127</u>	
Weighted Average Interest Rate	4.95%	5.92%	0.00%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	6,477	6,477	N/A
Loans	-	201	942	5,163	-	6,306	6.43%
	<u>-</u>	<u>201</u>	<u>942</u>	<u>5,163</u>	<u>6,477</u>	<u>12,783</u>	
Weighted Average Interest Rate	0.00%	6.44%	6.46%	6.42%			
<i>Net Financial Assets / (Liabilities)</i>	12,002	27,125	(942)	(5,163)	(3,678)	29,344	

	Floating Interest Rate \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000	Weighted Average Interest Rate
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			
2008/09							
<i>Financial Assets</i>							
Cash and cash equivalents	5,259	35,000	-	-	23	40,282	4.29%
Receivables	969	26	-	-	2,880	3,875	1.15%
	<u>6,228</u>	<u>35,026</u>	<u>-</u>	<u>-</u>	<u>2,903</u>	<u>44,157</u>	
Weighted Average Interest Rate	4.75%	4.44%	0.00%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	5,147	5,147	N/A
Loans	-	6,490	4,344	7,320	-	18,154	5.88%
	<u>-</u>	<u>6,490</u>	<u>4,344</u>	<u>7,320</u>	<u>5,147</u>	<u>23,301</u>	
Weighted Average Interest Rate	0.00%	4.36%	6.73%	6.72%			
<i>Net Financial Assets / (Liabilities)</i>	6,228	28,536	(4,344)	(7,320)	(2,244)	20,856	

Notes to and forming part of the Financial Statements

17. Financial Instruments *continued*

b) Interest Rate Risk

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 2010		30 June 2009	
	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	113	(113)	52	(52)
Receivables	7	(7)	10	(10)
	120	(120)	62	(62)
<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 2009.

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:-

	2010/11 \$'000	2011/12 - 2014/15 \$'000
Opening Balance for the period	38,661	27,103
Operating Inflows	91,538	424,253
Operating Outflows	(77,110)	(351,194)
Investing Inflows	4,621	11,189
Investing Outflows	(32,312)	(93,486)
Financing Inflows	1,850	12,800
Financing Outflows	(145)	(3,436)
Closing Balance for the period	<u>27,103</u>	<u>27,229</u>

Notes to and forming part of the Financial Statements

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:-

	2009/10		2008/09	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<i>Financial Assets</i>				
Cash Advances	32	32	23	23
Cash at Bank and Investments	38,629	38,629	40,259	40,259
Investment in Southern Water	196,721	196,721	-	-
Receivables	3,466	3,466	3,875	3,875
	238,848	238,848	44,157	44,157
<i>Financial Liabilities</i>				
Payables	6,477	6,477	5,147	5,147
Loans	6,306	6,632	18,154	18,479
	12,783	13,109	23,301	23,626

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

e) Fair Value hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:-

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2009/10				
Available for sale financial assets	-	-	196,721	196,721
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	196,721	196,721
2008/09				
Available for sale financial assets	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	-	-

There were no transfers between level 1 and level 2 during the period.

Reconciliation of level 3 fair value movements

	2009/10 \$'000	2008/09 \$'000
Opening Balance	-	-
Investment on transfer of net assets to Southern Water	316,573	-
Gains / (Losses) recognised in other comprehensive income	(119,852)	-
Closing Balance	196,721	-

Notes to and forming part of the Financial Statements

18. Receivables

	2009/10 \$'000	2008/09 \$'000
Rates	764	1,060
Parking Fines	7,115	6,859
Trade Receivables	1,264	1,136
Accrued interest on investments	539	586
Wages and salaries paid in advance	173	202
Other Debtors	592	681
	<u>10,447</u>	<u>10,524</u>
Less Allowance for Impairment	<u>(6,981)</u>	<u>(6,649)</u>
	<u>3,466</u>	<u>3,875</u>
Current	3,222	3,630
Non-Current	244	245
	<u>3,466</u>	<u>3,875</u>

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

Trade Receivables

	Total \$'000	0-29 days \$'000	0-29 days \$'000	30-59 days \$'000	30-59 days \$'000	60-89 days \$'000	60-89 days \$'000	90+ days \$'000	90+ days \$'000
			CI*	PDNI*	CI*	PDNI*	CI*	PDNI*	CI*
2010	1,264	721	-	220	1	40	1	247	34
2009	1,136	580	-	241	-	41	1	245	28

Parking Fines

	Total \$'000	Parking Meter and Voucher			Traffic Infringements		
		0-14 days \$'000	14+ days \$'000	14+ days \$'000	0-28 days \$'000	28+ days \$'000	28+ days \$'000
			PDNI*	CI*		PDNI*	CI*
2010	7,115	74	139	5,343	51	59	1,449
2009	6,859	62	149	5,138	56	65	1,389

Rates

	Total \$'000	90+ days \$'000
		PDNI*
2010	764	764
2009	1,060	1,060

* 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

	2009/10 \$'000	2008/09 \$'000
At Valuer-General's 2009 valuation of market value	24,407	24,407
	<u>24,407</u>	<u>24,407</u>

Notes to and forming part of the Financial Statements

21. Property, Plant and Equipment

	Note	Carrying Amount 30/6/2009 \$'000	Additions \$'000	Transfers to Southern Water \$'000	Disposals \$'000	Net Revaluation Adjustments \$'000	Depreciation \$'000	Carrying Amount 30/6/2010 \$'000
Plant and Equipment	22	13,625	4,224	(954)	(967)	-	(2,166)	13,762
Land	23	150,515	757	(9,181)	-	-	-	142,091
Buildings	23	135,736	3,965	(1,729)	-	-	(1,737)	136,235
Land Improvements	24	32,184	398	(2)	(115)	1,019	(1,565)	31,919
Infrastructure Plant	25	28,481	499	(25,283)	-	89	(280)	3,506
Pipes, Drains and Rivulets	26	280,061	736	(201,409)	(49)	2,293	(1,909)	79,723
Roads and Bridges	27	252,578	3,765	(38)	(275)	(66,795)	(6,187)	183,048
Other Structures	28	54,425	4,037	(18,289)	(278)	1,062	(2,002)	38,955
Capital Work in Progress	29	19,684	2,721	(1,458)	-	-	-	20,947
Other	30	1,043	3	-	-	-	(72)	974
		968,332	21,105	(258,343)	(1,684)	(62,332)	(15,918)	651,160

...

	Note	Carrying Amount 30/6/2008 \$'000	Additions \$'000	Disposals \$'000	Net Revaluation Adjustments \$'000	Depreciation \$'000	Carrying Amount 30/6/2009 \$'000
Plant and Equipment	22	13,354	3,526	(1,005)	-	(2,250)	13,625
Land	23	110,451	428	(60)	39,696	-	150,515
Buildings	23	137,438	26	-	-	(1,728)	135,736
Land Improvements	24	33,457	170	(455)	607	(1,595)	32,184
Infrastructure Plant	25	28,539	478	(33)	566	(1,069)	28,481
Pipes, Drains and Rivulets	26	277,301	1,965	(295)	6,369	(5,279)	280,061
Roads and Bridges	27	250,130	3,585	(63)	5,276	(6,350)	252,578
Other Structures	28	49,790	4,242	(54)	2,895	(2,448)	54,425
Capital Work in Progress	29	5,660	14,024	-	-	-	19,684
Other	30	575	474	(6)	-	-	1,043
		906,695	28,918	(1,971)	55,409	(20,719)	968,332

22. Plant and Equipment

	2009/10 \$'000	2008/09 \$'000
At Cost	25,857	26,065
Less: Accumulated Depreciation	(12,095)	(12,440)
	13,762	13,625

Notes to and forming part of the Financial Statements

23. Land and Buildings

	2009/10 \$'000	2008/09 \$'000
Land		
At market value - 2010	1,185	-
At market value - 2009	-	428
At Valuer-General's valuation of market value - 2009	140,906	150,087
	142,091	150,515
Buildings		
At replacement cost - 2010	3,991	-
At replacement cost - 2009	-	26
At replacement cost - 2008	204,307	206,803
	208,298	206,829
Less: Accumulated Depreciation	(72,063)	(71,093)
	136,235	135,736
	278,326	286,251

24. Land Improvements

	2009/10 \$'000	2008/09 \$'000
At replacement cost - 2010	1,027	-
At replacement cost - 2008 indexed to 31 March 2010	61,331	-
At replacement cost - 2009	-	670
At replacement cost - 2008 indexed to 31 March 2009	-	59,983
	62,358	60,653
Less: Accumulated Depreciation	(30,439)	(28,469)
	31,919	32,184

25. Infrastructure Plant

	2009/10 \$'000	2008/09 \$'000
At replacement cost - 2010	3,061	-
At replacement cost - 2009	514	10,887
At replacement cost - 2008 indexed to 31 March 2010	3,149	-
At replacement cost - 2008 indexed to 31 March 2009	-	38,062
	6,724	48,949
Less: Accumulated Depreciation	(3,218)	(20,468)
	3,506	28,481

26. Pipes, Drains and Rivulets

	2009/10 \$'000	2008/09 \$'000
At replacement cost - 2010	2,431	-
At replacement cost - 2009	-	5,460
At replacement cost - 2008 indexed to 31 March 2010	230,587	-
At replacement cost - 2008 indexed to 31 March 2009	-	597,967
	233,018	603,427
Less: Accumulated Depreciation	(153,295)	(323,366)
	79,723	280,061

27. Roads and Bridges

	2009/10 \$'000	2008/09 \$'000
At replacement cost - 2010	286,889	-
At replacement cost - 2009	-	26,246
At replacement cost - 2004 indexed to 31 March 2009	-	392,864
	286,889	419,110
Less: Accumulated Depreciation	(103,841)	(166,532)
	183,048	252,578

Notes to and forming part of the Financial Statements

28. Other Structures

	2009/10 \$'000	2008/09 \$'000
At replacement cost - 2010	10,498	-
At replacement cost - 2008 indexed to 31 March 2010	69,381	-
At replacement cost - 2008 indexed to 31 March 2009	-	83,300
At replacement cost - 2009	2,153	22,403
	<u>82,032</u>	<u>105,703</u>
Less: Accumulated Depreciation	(43,077)	(51,278)
	<u>38,955</u>	<u>54,425</u>

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

29. Capital Work in Progress

	2009/10 \$'000	2008/09 \$'000
CBD Revitalisation - Murray Street	-	705
CBD Revitalisation - Victoria Street	-	1,001
North Hobart Revitalisation	-	643
Road and Bridge works	3,469	625
Footpath, Kerb and Gutter works	808	354
University access / Churchill Avenue Roundabout	-	462
Traffic Management works	878	513
Sandy Bay Sewer Pump Station No. 2	-	248
Sewer Mains	-	365
Lenah Valley Water Supply augmentation	-	394
Water Mains	-	450
Stormwater Mains	686	334
Sandy Bay Beach Sea Wall	772	2,507
Sandy Bay All Access Playground Equipment	560	13
Long Beach - Bathing Pavilion Car Park	447	150
Bud Light replacement	-	182
Parks and Gardens works	635	483
Town Hall refurbishment	114	3,800
Lenah Valley RSL Hall upgrade	252	-
City Hall electrical upgrade	212	138
Argyle Street Car Park redevelopment	1,151	-
Centrepont Car Park - additional floors	8,387	5,366
Franklin Square Public Conveniences refurbishment	325	127
St David's Park Public Conveniences	202	-
McRobies Gully Waste Management Centre	665	8
Other	1,384	816
	<u>20,947</u>	<u>19,684</u>

30. Other Property, Plant and Equipment

	2009/10 \$'000	2008/09 \$'000
Valuation Roll		
At Cost	469	469
Less: Accumulated Depreciation	(72)	-
	<u>397</u>	<u>469</u>
Valuables		
At market value - 2010	9	-
At market value - 2009	-	6
At independent valuation of market value - 2005	568	568
	<u>577</u>	<u>574</u>
	<u>974</u>	<u>1,043</u>

31. Payables

	2009/10 \$'000	2008/09 \$'000
Trade Creditors	1,635	1,057
Accrued plant and equipment purchases	157	119
Accrued capital expenditure	1,289	355
GST payable	189	257
Accrued Interest Expense	-	15
Bulk Water Purchases	-	177
Energy Costs	103	316
Payroll Tax	872	867
Workers Compensation Insurance	510	61
Fringe Benefits Tax	54	54
Other Accrued Expenses	1,668	1,869
	<u>6,477</u>	<u>5,147</u>

32. Trust, Deposits, Retention

	2009/10 \$'000	2008/09 \$'000
Refundable Infrastructure Bonds	1,830	1,657
Deposits held for Travel Operators	607	-
Contract Retention monies	6	14
Other	93	223
	<u>2,536</u>	<u>1,894</u>

Notes to and forming part of the Financial Statements

33. Employee Benefits

	2009/10 \$'000	2008/09 \$'000
Wages and salaries	397	669
Annual leave (including loading)	2,985	2,751
Long service leave	4,351	4,390
Sick leave	2,128	1,759
Superannuation contributions	1,320	1,145
Defined-benefit superannuation plan	9,335	12,903
	20,516	23,617
Current	8,460	8,434
Non-Current	12,056	15,183
	20,516	23,617

Superannuation

Council makes the following defined-contributions to superannuation:

- 9.75% or 10.5% of wages and salaries for casual employees,
- 11.75% or 12.5% of wages and salaries for full-time and part-time employees who commenced after 11 March 2003, and
- 4.5% of wages and salaries for full-time and part-time employees who commenced prior to 11 March 2003.

In respect of those full-time and part-time employees who commenced employment with Council prior to 11 March 2003, Council also contributes to a defined-benefit superannuation plan. Based on actuarial advice, Council increased its level of contributions from 8.5% of wages and salaries to 10.5% of wages and salaries from 1 July 2009, and to 13% of wages and salaries from 1 July 2010. In addition, Council agreed to make lump sum contributions of \$0.5M per annum commencing in the 2009/10 financial year. Employee contributions are 6% of wages and salaries. Employees are entitled to benefits on resignation, retirement, disability or death. The 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 25 August 2010 for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. This assessment revealed the following:-

Key assumptions :-	30 June 2010 %	30 June 2009 %
Discount Rate – gross of tax	4.95	5.45
Discount Rate – net of tax	4.20	4.60
Expected Return on plan assets	7.00	7.10
Expected rate of salary increase	4.00	3.20

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

	2009/10 \$'000	2008/09 \$'000
Current Service Cost	1,650	1,853
Interest Cost	1,896	2,296
Curtailment (gains) / losses	(92)	-
Expected return on plan assets	(2,255)	(2,571)
	1,199	1,578

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

	2009/10 \$'000	2008/09 \$'000
Actuarial (gains) / losses incurred during the period and recognised in other comprehensive income	(1,776)	8,938
Cumulative actuarial (gains) / losses recognised in other comprehensive income	11,201	12,977

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

	2009/10 \$'000	2008/09 \$'000
Present value of defined-benefit obligation	43,377	46,372
Fair value of plan assets	(34,042)	(33,469)
Net liability / (asset) arising from defined-benefit plan	9,335	12,903

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

	2009/10 \$'000	2008/09 \$'000
Opening defined-benefit obligation	46,372	45,734
Current Service Cost	1,650	1,853
Interest Cost	1,896	2,296
Member contributions and transfers from other funds	944	995
Actuarial (gains) / losses	2,330	791
Curtailments	(3,295)	-
Benefits and tax paid	(6,520)	(5,297)
Closing defined-benefit obligation	43,377	46,372

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

	2009/10 \$'000	2008/09 \$'000
Opening fair value of plan assets	33,469	41,937
Expected return on plan assets	2,255	2,571
Actuarial gains / (losses)	4,199	(8,147)
Employer contributions	2,152	1,410
Member contributions and transfers from other funds	944	995
Curtailments	(2,457)	-
Benefits paid	(6,520)	(5,297)
Closing fair value of plan assets	34,042	33,469

Notes to and forming part of the Financial Statements

34. Unearned Revenue

	2009/10 \$'000	2008/09 \$'000
The Hobart Aquatic Centre memberships paid in advance	190	195
Animal Licences paid in advance	38	-
Food Premises registration fees paid in advance	95	-
Other	68	21
	<u>391</u>	<u>216</u>

35. Loans

	2009/10 \$'000	2008/09 \$'000
Loans outstanding at beginning of year	18,154	15,669
Loans transferred to Southern Water	(8,578)	-
Loans renegotiated	-	1,242
New borrowings	1,750	3,000
	<u>11,326</u>	<u>19,911</u>
Redemptions	(5,020)	(1,757)
Loans outstanding at end of year	<u>6,306</u>	<u>18,154</u>
Current	201	6,490
Non-Current	6,105	11,664
	<u>6,306</u>	<u>18,154</u>

36. Provision for Landfill Restoration

	2009/10 \$'000	2008/09 \$'000
Balance at beginning of year	7,740	7,000
Additional provisions recognised	146	611
Expenditure incurred	(567)	(329)
Unwinding of discount and effect of changes in the discount rate	401	458
Balance at end of year	<u>7,720</u>	<u>7,740</u>

37. Reserves

Note	Balance 30/6/09 \$'000	Transfers to Reserves \$'000	Transfers from Reserves \$'000	Balance 30/6/10 \$'000
Asset Replacement	4,550	14,734	(13,428)	5,856
Bushland Fund	222	50	-	272
Parking Fund	16,050	12,587	(13,397)	15,240
Contributions in Lieu of Parking	428	-	-	428
Contributions in Lieu of Public Open Space	255	56	(6)	305
Heritage Account	1,406	84	(171)	1,319
Share of Hobart Water Reserves	68,925	-	(68,925)	-
Asset Revaluation	686,319	-	(224,485)	461,834
	<u>778,155</u>	<u>27,511</u>	<u>(320,412)</u>	<u>485,254</u>

Asset Replacement Reserve

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

Bushland Fund

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

Parking Fund

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 a reserve to separately account for funds provided to Council for the express purpose of providing areas of public open space throughout the city.

Notes to and forming part of the Financial Statements

38. Reconciliation of Accrual-Based Results with Cash Flows

	2009/10 (\$'000)			2008/09 (\$'000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	97,149			104,553		
Expenses / Expenditure	(94,368)	(21,246)		(109,209)	(27,990)	
Gains / (Losses)	(239)			14,525		
Other comprehensive income	(180,408)			45,285		
Comprehensive Result	(177,866)			55,154		
Dividends received from Associates		-			4,288	
Items not involving Cash:						
Depreciation and Amortisation	15,918			20,719		
Carrying Value of Assets Sold	891			1,006		
Adjustment to value of Investment in Southern Water	119,852			-		
Asset Write-downs	914			1,000		
Assets received for no consideration	-			(963)		
Asset Revaluation Adjustments	62,332			(68,266)		
Defined-benefit superannuation plan actuarial gains and losses	(1,776)			8,938		
Share of Net Profits / (Losses) of Associates	-			(673)		
Re-classification of Revenues						
Capital Grants	(1,588)	1,588	-	(1,838)	1,838	-
Distributions from Hobart Water and Southern Water	(1,860)	1,860	-	-	-	-
Sales of Assets	(652)	652	-	(815)	815	-
Changes in Operating Assets & Liabilities:						
(Increase) / Decrease in Receivables	409	-	409	151	-	151
(Increase) / Decrease in Stock	(20)	-	(20)	(23)	-	(23)
(Increase) / Decrease in Prepayments	(132)	-	(132)	(21)	-	(21)
Increase / (Decrease) in Payables	358	972	1,330	(1,653)	(1,053)	(2,706)
Increase / (Decrease) in Employee Entitlements	291	-	291	789	-	789
Increase / (Decrease) in Unearned Revenue	175	-	175	(21)	-	(21)
Increase / (Decrease) in Landfill Restoration Provision	(20)	-	(20)	740	-	740
Increase / (Decrease) in Other Liabilities	597	-	597	80	-	80
Net Cash Inflow / (Outflow)	17,823	(16,174)		14,304	(22,102)	

39. Financing Facilities

	2009/10 \$'000	2008/09 \$'000
Un-used credit card facilities	316	260
	316	260

Notes to and forming part of the Financial Statements

40. Commitments for Expenditure

	2009/10 \$'000	2008/09 \$'000
a) Capital Expenditure contracted for at the reporting date but not recognised in liabilities:		
Construction of a Seawall at Long Beach Sandy Bay	17	594
Centrepoint Carpark Redevelopment	79	2,358
Argyle Street Carpark Redevelopment	18,061	19,404
Franklin Square Public Toilet refurbishment	-	133
Plant and Equipment purchases	846	925
Other	352	329
	19,355	23,743
Expected timing of these commitments is as follows:-		
Not longer than one year	19,355	9,839
Longer than one year and not longer than two years	-	-
Longer than two years and not longer than five years	-	13,904
Longer than five years	-	-
	19,355	23,743
b) Operating Lease commitments at the reporting date not recognised in liabilities:		
Not longer than one year	108	124
Longer than one year and not longer than two years	47	76
Longer than two years and not longer than five years	102	90
Longer than five years	15	3
	272	293

41. Contingent Liabilities

	2009/10 \$'000	2008/09 \$'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.	1,500	1,500
Southern Tasmanian Netball Association	631	757
	2,251	2,377

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 identified 'Water Supply' and 'Sewerage' as significant business activities. As a result of statewide water and sewerage reforms taking effect on 1 July 2009, Council ceased providing these services on that date. Accordingly, the 2009/10 columns below are blank.

Council 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.

	2009/10 \$'000	2008/09 \$'000
Water Supply		
Revenues		
Rates		11,539
User Fees and Charges		627
Grants and Donations		4
Contributed Property, Plant and Equipment		33
	-	12,203
Expenses		
Employee Costs		(500)
Materials and Contracts		(1,101)
Depreciation		(1,967)
Interest		(369)
Purchase of Water		(7,220)
Land Tax		(66)
Engineering and Administrative Overheads		(492)
Other		(140)
	-	(11,855)
Gains / (Losses)		
Plant and Equipment sales		(6)
	-	(6)
Operating Profit / (Loss)		342
Competitive Neutrality Costs		
Opportunity Cost of Capital		10,209
Income Tax		93
Council Rates		31
	-	10,333

Notes to and forming part of the Financial Statements

	2009/10 \$'000	2008/09 \$'000		2009/10 \$'000	2008/09 \$'000
Sewerage			On-Street Parking		
Revenues			Revenues		
Rates		9,033	User Fees and Charges	3,878	3,851
User Fees and Charges		1,396	Fines	4,026	3,899
Contributed Property, Plant and Equipment		295		7,904	7,750
Other Income		2	Expenses		
	-	10,726	Employee Costs	(2,720)	(2,584)
Expenses			Materials and Contracts	(949)	(860)
Employee Costs		(1,927)	Depreciation	(201)	(190)
Materials and Contracts		(3,102)	Engineering and Administrative Overheads	(703)	(703)
Depreciation		(2,821)	Other	(3)	(24)
Interest		(362)		(4,576)	(4,361)
Purchase of Water		(138)	Gains / (Losses)		
Land Tax		(81)	Plant and Equipment sales	-	(8)
Engineering and Administrative Overheads		(1,289)		-	(8)
Other		(272)	Operating Profit / (Loss)	3,328	3,381
	-	(9,992)	Competitive Neutrality Costs		
Gains / (Losses)			Opportunity Cost of Capital	95	111
Plant and Equipment sales		9	Income Tax	998	1,014
	-	9		1,093	1,125
Operating Profit / (Loss)	-	743			
Competitive Neutrality Costs			The Hobart Aquatic Centre	2009/10 \$'000	2008/09 \$'000
Opportunity Cost of Capital		11,510	Revenues		
Income Tax		203	User Fees and Charges	3,995	3,777
Council Rates		67	Rental Income	10	-
	-	11,780	Other Income	237	254
				4,242	4,031
			Expenses		
			Employee Costs	(2,341)	(2,213)
			Materials and Contracts	(2,225)	(2,187)
			Insurance	(35)	(35)
			Administration	(61)	(61)
			Land Tax	(32)	(32)
			Other	(15)	(15)
				(4,709)	(4,543)
			Operating Profit / (Loss) Before Depreciation	(467)	(512)
			Depreciation	(593)	(668)
			Operating Profit / (Loss)	(1,060)	(1,180)
			Competitive Neutrality Costs		
			Opportunity Cost of Capital	2,068	2,172
			Council Rates	56	69
				2,124	2,241
Off-Street Parking					
Revenues					
User Fees and Charges	4,056	4,069			
	4,056	4,069			
Expenses					
Employee Costs	(966)	(880)			
Materials and Contracts	(1,418)	(970)			
Depreciation	(471)	(453)			
Land Tax	(368)	(301)			
Engineering and Administrative Overheads	(813)	(813)			
Other	(31)	(691)			
	(4,067)	(4,108)			
Operating Profit / (Loss)	(11)	(39)			
Competitive Neutrality Costs					
Opportunity Cost of Capital	5,879	5,558			
Council Rates	260	374			
	6,139	5,932			



Certification by General Manager

FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

In my opinion:

1. The Complete Set of Financial Statements, consisting of a Statement of Financial Position, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flows, and Notes to the financial statements numbered 1 to 44, fairly represent the financial position of the Hobart City Council as at 30 June 2010 and the results of its operations and cash flows for the year then ended in accordance with applicable Accounting Standards and,
2. The Financial Statements have been prepared in accordance with the requirements of Section 84 of the *Local Government Act 1993*.

Signed at Hobart this twenty-eighth day of September 2010.



(N D Heath)

General Manager



INDEPENDENT AUDIT REPORT

To the Aldermen of Hobart City Council

Financial Report for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of Hobart City Council (Council), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Statements

The General Manager is responsible for the preparation and fair presentation of the financial statements 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 statements 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 statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, 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 statements 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 statements.

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 statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of Hobart City Council:

- (a) presents fairly, in all material respects, the financial position of Hobart City Council as at 30 June 2010, 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



E R De Santi
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
1 October 2010



Town Hall, Macquarie Street
Hobart Tasmania 7000 Australia
t (03) 6238 2711 f (03) 6238 2186
hobartcity.com.au