

# Annual Report **2012/2013**





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## Part I –About us



## 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

Our mission is to ensure good governance of our capital City

### Values

#### **We're about people**

We value people – our community, customers and colleagues

#### **We're professional**

We take pride in our work

#### **We're enterprising**

We look for ways to create value

#### **We're responsive**

We're accessible and focussed on service

#### **We're inclusive**

We respect diversity in people and ideas

#### **We're making a difference**

We recognise that everything we do shapes Hobart's future



## Lord Mayor's Message

It gives me great pleasure to present the City of Hobart's Annual Report for 2012-2013 and to highlight my Council's achievements for the past twelve months.

### Financial Sustainability and Affordability

The City of Hobart offers many services to its community, along with the infrastructure required of its capital city location so financial sustainability is critical and is all about Council sustaining its current practices in financial terms and importantly, ensuring that community needs are met.

The Council's long term financial management plan is about sustainability, while at the same time allowing the Council to continue to offer the services it does to the community. We recognise that our ratepayers are interested in an efficient Council operation so it is important we keep our rates under constant review.

Over the past year, the Council has become more commercially-focused in relation to reducing operating costs. This approach has seen the Council charging interest on overdue sundry debts, ceasing the annual kerbside clean-up campaign (a saving estimated at \$70,000) and closing the Giblin Street hotmix plant and instead procuring hotmix through an open tender, resulting in a saving of \$230,000 per year.

It is our continuous concern to ensure that rates and charges are sustainable, but at the same time allows for the delivery of a comprehensive range of services.

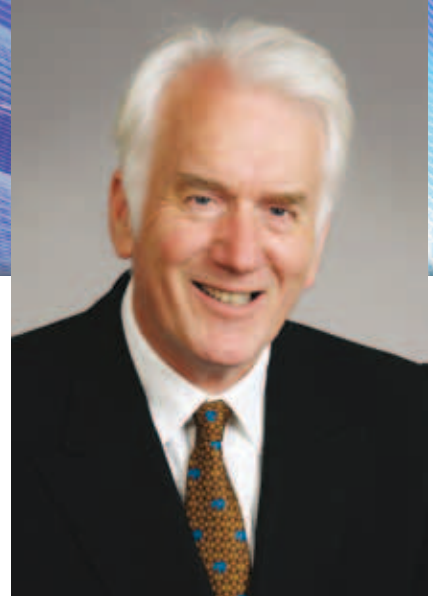
The Council is very conscious of the community's capacity to pay in the face of rising cost of living pressures and works hard to restrict rises in its operating costs being passed on to the rate payer.

While the State of Tasmania has been doing it tough, the City of Hobart has enjoyed a buoyant period of economic prosperity. Public investment has been quite remarkable with a total of \$1.245B committed. This development program has continued to grow despite the wider trends. Private investment has also been substantial with the \$50M Wellington Centre, \$12M Cat & Fiddle Arcade redevelopment, \$30M Hadleys Hotel, \$8M Montpelier Retreat development and the Odeon development at \$69M.

In 2012/13 the Council managed to reduce the increase in the rates to 3.86 per cent, which included the impact of the Australian Government carbon tax. The Council will continue to take every step possible to further reduce the burden of rates increases on its community to mirror as close as possible community cost of living increases whilst increasing the liveability and attractiveness of the city.

### International City Relationships

This past year, we continued our involvement in making the city a much more international city with links to China, Korea and other parts of Asia. We've gained a worldwide reputation with Lonely Planet's 2013 Best in Travel Guide, Gourmet Travellers Best



Weekend Away and more recently, Conde Nast Traveler magazine naming Hobart as the World's second most friendly city.

As the City of Hobart gains wide-scale recognition, people are becoming more passionate about their city and with every good reason.

Hobart is a great small city with an enviable lifestyle and a good mix of work, recreation and leisure activities but it needs to take advantage of the impetus which is stemming from the growth occurring in Asian economies such as China, South Korea and Indonesia. The Asian middle class is predicted to grow from around 500 million today to more than three billion over the next 20 years. This growth suggests that there will be strong demand for Tasmania's wines, dairy, seafood, tourism, education and other high quality services and products.

Our city must also start to prepare for the strong possibility of additional inward investments and student intake at the University of Tasmania as a result of our strong push into Asia.

The resulting impact of increased tourism and other exchanges together with investment is much more than an increased national and international presence. It creates wealth, provides jobs and leads to increased city income which in turn spreads the rates burden more evenly with the aim of reducing the burden for many ratepayers which makes the city more affordable to live in.

If as a consequence we can sensibly increase our city population at the same time, then the demand for services will increase making more efficient use of resources and opening up opportunities to reduce the cost of providing services. It is a balancing act, however, if we don't get it right then any push to increase the city's population is threatened.

By establishing connections with some of the world's emerging economies, the City stands to reap economic benefits from cities that are attracted by Hobart's clean, green image, its location as a global Antarctic gateway and centre for higher education excellence as well as a place for business to invest.

#### Working for the Community

In a major move for increasing cooperation between councils, the cities of Hobart and Glenorchy signed a Shared Services Memorandum of Understanding to bring about important benefits for residents of both cities. Both councils are working together to achieve savings and other important community benefits, as well as reaping the benefits of regional cooperation.

Hobart and Launceston City Councils also agreed to a Memorandum of Understanding that will allow closer co-operation and enhance the contributions of the two cities to the State. Key priorities include action in the areas of AFL football, special events, planning reform, tourism and economic

development, along with promoting the significant contribution of the major cities to the state's economic performance.

At the peak of the devastating bushfires in January, the City of Hobart got on board quickly to help locals and tourists caught up by the fires. An Evacuation and Recovery Centre was established in the City Hall and manned around the clock. The City of Hobart will always be available for the delivery of humanitarian and disaster relief services.

Hobart is also playing a major role in terms of the Council of Capital Cities Lord Mayors group and has extended its links with the Asia Pacific region by exploring mutual opportunities in China and Korea.

We must also acknowledge Hobart now as a festival city with a range of festivals extending almost year round. Over the last 12 months, festivals were primarily responsible for bringing more than two million visitors into the city.

Hobart's first Inner City Action Plan project was successfully completed in the city centre creating an extremely welcoming and pleasant atmosphere throughout the newly created Mathers Place precinct. The project represented a significant milestone in the roll-out of Hobart's Inner City Action Plan across the city.

The Inner City Action Plan provides the framework for what we want Hobart and its surrounds to be like and already there have been significant achievements, including the sale of Melville Street





Car Park for student accommodation, commercial development and car parking; the Hobart Central Bus Interchange Study, along with the commencement of planning works for an upgrade to Liverpool Street, Morrison Street, Brooker Avenue bridge, and Castray Esplanade cycleway.

In June the Council resolved to proceed with on-road painted bike lanes for Sandy Bay Road, between Derwent Water Avenue and Long Point Road with a widened footpath to be provided for pedestrians and cyclists on the eastern side of Sandy Bay Road between Marieville Esplanade and Derwent Water Avenue. The Sandy Bay Walking and Cycling project is an integral part of Council's vision to achieve sustainable transport outcomes and make Hobart a more liveable and people-friendly city.

In addition to these very 'public' projects, the Council continues to enhance the everyday facilities used by its ratepayers, including the construction of the Waste Transfer Station and Tollbooth at McRobies Gully; implementation of the Council's Sustainable Transport Strategy, as well as the application of 'Blackspot' program funding for roads at key locations in the city.

The Council wants to see our city's infrastructure used by our community - more community use of the Town

Hall, the Council Centre and the City Hall. Greater use of the Council's assets will grow the community's passion for the city, making people more positive, while allowing them to flourish and lead satisfying lives. This at a time with investors leaving their money positioned in the city, while new investors place funds to grow our economy.

While we are always promoting the city, we want people to recognise the value in investing in Hobart, so the Council works hard by placing the spotlight on the opportunities that exist to make this place vibrant, alive and a place where people want to live, work and play.

In closing, I would like to thank our excellent team of Aldermen who have all worked hard over the past twelve months to benefit the City of Hobart. I would also like to pay tribute to my personal staff and the officers of the Council for their support, hard work and dedication in making these achievements possible.

Alderman Damon Thomas  
Lord Mayor





## General Manager's Message

It is with pleasure that I reflect on the achievements of this organisation for the 2012/2013 financial year.

For the City of Hobart this year has been a year centred around embedding into the organisation a set of strategic priorities which have been established as the central pillars for managing the future operations of the Council. These priorities, organisational sustainability, the development of a new strategic plan and work health and safety are the essential elements for making sure that 'what we are doing and how we are doing it' remains relevant to our community.

There are a number of challenges facing local government but one of the most significant is financial sustainability. The City of Hobart is in a sound financial position, however, it is crucial to the Council's ongoing sustainability that its services are delivered in the most efficient and effective manner possible, with a focus on the best outcomes for the community. A process was instigated by the Council in the later part of the financial year which will see a review of the Council's activities and services.

As part of Council's commitment to work health and safety and a 'no injury' workplace, the roll out of the SafetyCircle® program has commenced

and will involve all staff. SafetyCircle thinking enables everyone in the workplace to genuinely participate in getting everyone home healthy and safe, every day.

The work to develop a new Strategic Plan commenced in 2013 with an extensive community consultation process being undertaken. The new Strategic Plan will articulate what the Council's priorities are for the next five years and is a very important document which will guide our future activities.

The Council continued its commitment to being an employer of choice with the completion of a comprehensive staff survey which resulted in action planning and staff taking a proactive approach to making changes within their own workplaces. The uMake the Team initiative recognises that there needs to be a balance between an individual's work and personal life. uMake the Team offers a range of programs and events to staff so that this important balance can be achieved.

Consolidation on the work of an Integrated Management System continued with the Council being certified against all three management system standards. This is a significant achievement for the organisation and puts the City of Hobart at the forefront of local government in Australia in this area.

The Council endorsed the Corporate Climate Change Adaptation Plan. This document was developed through three rounds of consultation with employees from across the Council and is a significant body of work that reinforces our position as a leader in the community when it comes to environmental sustainability.

In line with the Council's desire for a much more streamlined operation, we have now successfully completed the merger of the Strategy and Governance Division with Corporate Services Division, and the new Division is now working exceptionally well.

We now have in place the Procurement Improvement Project with projected savings of around \$1.2 million – plus the formation of a Central Procurement Unit that is making significant inroads into providing cost savings across the Divisions of Council.

The City of Hobart is proud of the strong performance of the Tasmanian Travel and Information Centre in becoming a Tasmanian Tourism Award Winner for 2012 and competing strongly with national rivals at the highly prestigious Qantas Australian Tourism Awards in Hobart.

The Centre offers a comprehensive information and booking service, which is underpinned by a philosophy

of personalised service and extensive product knowledge that adds value to the holiday experience of all visitors to Tasmania.

Proudly owned and operated by the Council since 2009, the Centre represents all products and experiences available in Tasmania while serving more than 220,000 visitors over the past year.

Another major Award winner was The Taste of Tasmania in the major events category of the Tasmanian Tourism Awards. As a Council we have progressively built on the Festival's culinary heritage and the scale, enhancements and success of the 2012/2013 festival confirm the event's positioning as a celebration of Hobart's enviable lifestyle and passionate community and as a unique forum for friends, families and visitors to experience the essence of summer in our harbour city.

Market research firm IMC-Link has provided compelling evidence that for more than two decades, The Taste of Tasmania has generated significant economic benefits, while gaining valuable media coverage positively promoting Hobart, Tasmania, and the island's acclaimed producers.

The sophisticated modeling undertaken by IMC-Link has demonstrated that The Taste of Tasmania contributes around \$40 million to the Tasmanian economy while increasing Gross State Product by almost \$16 million.

Late last year the world-class North-South Track on Mt Wellington won the National Open Space Development Category at the Parks and Leisure Australia awards in Newcastle.

Almost 200 people took part in building the track, including planners, designers and professional track builders, volunteers from the local bike riding fraternity and teams of young conservation management trainees. This award is recognition of what can be achieved when everyone works together to create high-quality visitor experiences in the City's parks and reserves.

A much improved and streamlined waste management system is now in operation at the McRobies Gully Waste Management Centre in South Hobart. The old tollbooth has been removed to allow for a brand new state-of-the-art tollbooth that operates with a dual weighbridge system.

A survey of 2500 Hobart residents, ratepayers and owners and managers of businesses has provided the Council with reliable data that will help ensure the services and activities are relevant to the community. The key aim was to understand community and business views on the quality and importance of 22 key service areas delivered by the Council.

The selection of services surveyed were those that are pivotal to the operations of the Council to ensure

that the City is attractive and a desirable place to live. The services included waste management, planning approval processes, public health and safety, provision of public facilities, major events and maintenance and management of the city's built infrastructure, parks, sports grounds and playgrounds.

On average, respondents rated all Council's services as being of average or high importance. 17 of the 22 listed received a quality score, but there were areas where the Council needed to do more.

Results showed that the Council could improve in a number of services, particularly with the planning approval process for household construction, commercial construction or renovations, maintenance of roads, footpaths, walkways, cycleways and the availability and standard of public toilets and parenting rooms.

The City of Hobart has constructed new toilet facilities at the Pinnacle on Mount Wellington, one of Australia's most climatically challenging visitor destinations.

The Council had to overcome difficult site conditions in one of Australia's windiest and most inhospitable environments.

As one of Tasmania's most visited destinations, Council recognised that a modern facility was essential in providing

for a positive visitor experience. The contemporary designed building utilises passive solar design, thermal performing glass and insulation to provide a comfortable internal environment, while achieving an excellent structure that complements its surroundings.

The Council partially funded three Australian Football League (AFL) matches in Hobart during the 2012/2013 financial year which saw North Melbourne play the West Coast Eagles, Sydney Swans and Port Adelaide. All three games were well attended and provided top quality AFL action for fans.

This annual report also indicates significant other highlights for the reporting period.

Finally, I extend my thanks to the elected members, my executive leadership team colleagues and all employees for their excellent efforts, commitment and dedication in meeting the challenges of the past year; and making a vital contribution to the City of Hobart.



Nick Heath  
General Manager







## 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.

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.

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.

## Council and Committee Meetings

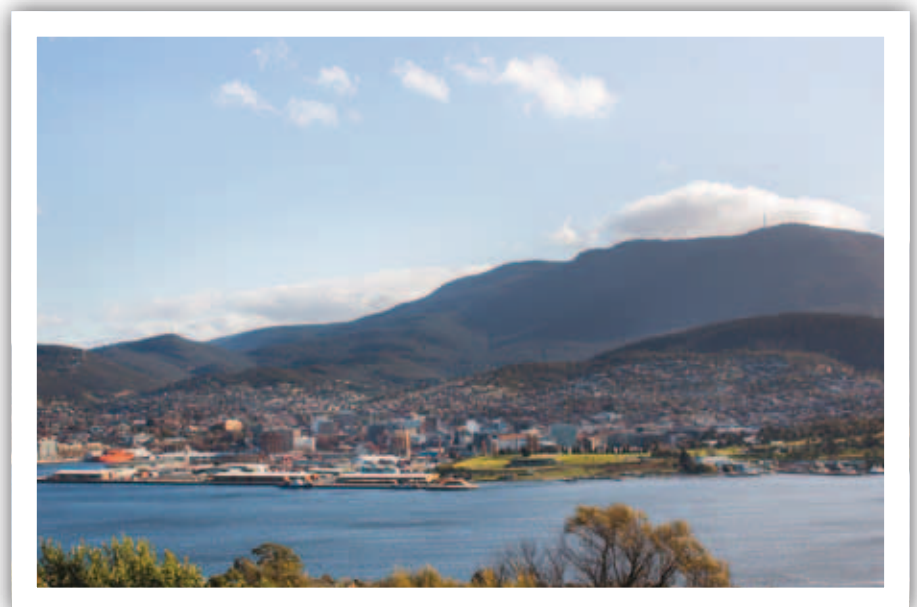
The Council operates a monthly meeting cycle, which generally involves two meetings of the full Council per month on a Monday commencing at 5pm in the Hobart Town Hall Council Chambers.

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.





**Lord Mayor  
Alderman Damon Thomas**

**Committee Membership**  
Council (Chairman)

**Representations**

- Carols Organising Committee
- Cycling South
- Hobart Bicycle Advisory Committee
- Hobart City Council/Launceston City Council - Memorandum of Understanding Joint Working Party  
- from 27/8/2012
- Hobart Christmas Pageant Organising Committee
- Hobart Emergency Management Committee – (Municipal Chairperson)
- Hobart City Council Access Advisory Committee
- Hobart Light Rail Taskforce  
- from 12/3/2013
- Local Government Association of Tasmania – General Management Committee
- Local Government Association of Tasmania – General Meetings
- Mayors for Peace
- Premier’s Local Government Council
- Sandy Bay Residents’ and Traders’ Traffic Committee
- Sister Cities Australia
- Southern Tasmanian Councils’ Authority



**Deputy Lord Mayor  
Alderman Ron Christie**

**Committee Membership**  
Infrastructure Services Committee  
(Chairman)

- Community Development Committee
- Festivals and Tourism Special Committee
- Marketing and Events Committee
- Strategic Governance Committee

**Representations**

- Alcohol and Other Drugs Strategy Reference Group
- Carols Organising Committee – (Member and Chairman to 8/10/2012)
- City of Hobart Eisteddfod Society Inc.
- Hobart Christmas Pageant Organising Committee
- Hobart Emergency Management Committee (proxy)
- Local Government Association of Tasmania – General Management Committee (proxy)
- Local Government Association of Tasmania – General Meetings (proxy)
- North Hobart to the Waterfront Transit Links Working Group (Chairman)
- Salamanca Market Stallholders’ Association Meetings with Council (Chairman)
- Sandy Bay Residents’ and Traders’ Traffic Committee
- Sister Cities Australia (proxy)
- Southern Tasmanian Councils’ Authority (Lord Mayor’s nominee)





### Alderman Marti Zucco

#### Committee Membership

Marketing and Events Committee (Chairman)  
 Community Development Committee  
 Audit Committee  
 Festivals and Tourism Special Committee (Joint Chairman)  
 Parks and Customer Services Committee

#### Representations

- Alcohol and Other Drugs Strategy Reference Group
- Hobart City Council/Launceston City Council - Memorandum of Understanding Joint Working Party – *from 27/8/2012*
- Sandy Bay Residents' and Traders' Traffic Committee
- Sister Cities Australia (proxy)



### Alderman Jeff Briscoe

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

#### Committee Membership

Parks and Customer Services Committee (Chairman)  
 Development and Environmental Services Committee  
 Festivals and Tourism Special Committee  
 Heritage Account Special Committee  
 Hobart City Council Arts Advisory Special Committee  
 Infrastructure Services Committee

#### Representations

- Battery Point Foreshore Accessway Working Group – *from 24/9/2012*
- Carols Organising Committee
- Friends of Soldiers Memorial Avenue
- Glebe Residents' Traffic Committee
- Hobart Cenotaph Reference Group
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee
- Lenah Valley Residents' Traffic Committee
- Queens Domain Advisory Committee (Chairman)
- Sister Cities Australia (proxy)
- Superannuation Policy Group
- West Hobart Local Area Traffic Management Committee



### Alderman Eva Ruzicka

#### Committee Membership

Strategic Governance Committee (Chairman)  
 Development and Environmental Services Committee  
 Finance and Corporate Services Committee  
 Heritage Account Special Committee  
 Infrastructure Services Committee

#### Representations

- City of Hobart Eisteddfod Society Inc. (proxy)
- Coming Out Proud – Greater Hobart Community Liaison Committee (proxy)
- Glebe Residents' Traffic Committee
- Hobart Cenotaph Reference Group (proxy)
- Hobart City Council/Launceston City Council - Memorandum of Understanding Joint Working Party – *from 27/8/2012*
- Inner City Action Plan – Project AP01 – Trader Advisory Group (proxy)
- Lenah Valley Residents' Traffic Committee
- Mt Stuart Residents' Traffic Committee
- Sandy Bay Residents' and Traders' Traffic Committee
- South Hobart Residents' Traffic Committee
- Southern Tasmanian Councils Authority (Lord Mayor's nominee)
- Tasmanian Polar Network
- West Hobart Local Area Traffic Management Committee.

## Council Aldermen



### Alderman Dr Peter Sexton

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

#### Committee Membership

Community Development Committee  
Festivals and Tourism Special Committee  
(Joint Chairman)  
Finance and Corporate Services  
Committee  
Hobart City Council Arts Advisory Special  
Committee (Chairman)  
Parks and Customer Services Committee

#### Representations

- Hobart City Council Arts Advisory  
Committee – Visual Arts Sub-  
Committee
- Tasmanian Water and Sewerage  
Corporation (Southern Region) Pty Ltd  
Shareholder Representative
- Trustees of the Tasmanian Museum  
and Art Gallery
- Wellington Park Management Trust  
– to 31/12/2012



### Alderman Helen Burnet

#### Committee Membership

Development and Environmental  
Services Committee (Chairman)  
Parks and Customer Services Committee  
Marketing and Events Committee  
Festivals and Tourism Special Committee  
Hobart City Council Arts Advisory Special  
Committee  
Hobart City Council Public Art Special  
Committee

#### Representations

- Battery Point Advisory Committee  
(Chairman)
- Battery Point Foreshore Accessway  
Working Group – from 24/9/2012
- Coming Out Proud – Greater Hobart  
Community Liaison Committee
- Cycling South Inc.
- Hobart Bicycle Advisory Committee  
(Chairman)
- Hobart City Council Access Advisory  
Committee (Chairman)
- Hobart City Council Arts Advisory  
Committee - Visual Arts Sub-  
Committee
- Maritime Museum of Tasmania –  
Management Committee



### Alderman Philip Cocker

#### Committee Membership

Audit Committee (Chairman)  
 Finance and Corporate Services  
 Committee (Chairman)  
 Hobart City Council Arts Advisory Special  
 Committee  
 Hobart City Council Public Art Special  
 Committee  
 Infrastructure Services Committee  
 Strategic Governance Committee

#### Representations

- Battery Point Foreshore Accessway Working Group – from 24/9/2012
- Cycling South Inc.
- Hobart Bicycle Advisory Committee
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee
- Superannuation Policy Group
- Wellington Park Management Trust



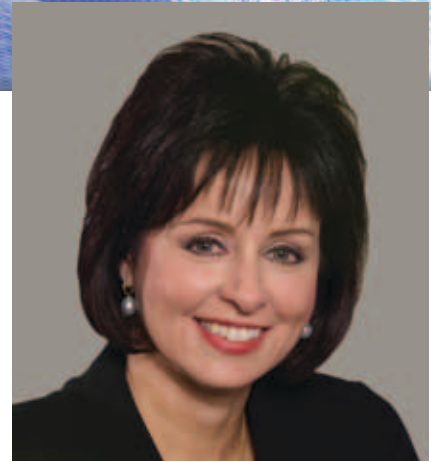
### Alderman Bill Harvey

#### Committee Membership

Community Development Committee (Chairman)  
 Development and Environmental Services Committee  
 Festivals and Tourism Special Committee  
 Hobart City Council Public Art Special Committee (Chairman)  
 Parks and Customer Services Committee

#### Representations

- Alcohol and Other Drug Strategy Reference Group (Chairman)
- Battery Point Foreshore Accessway Working Group – from 24/9/2012
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee
- Hobart Emergency Management Committee (proxy)
- Sandy Bay Residents' and Traders' Traffic Committee
- South Hobart Residents' Traffic Committee
- Southern Tasmanian Councils' Authority (Lord Mayor's nominee)
- Southern Waste Strategy Authority (Chairman)
- Tasmania Polar Network (proxy)
- Wellington Park Management Trust



### Alderman Sue Hickey

#### Committee Membership

Audit Committee  
 Community Development Committee  
 Festivals and Tourism Special Committee  
 Marketing and Events Committee  
 Strategic Governance Committee

#### Representations

- Carols Organising Committee – from 8/10/2012
- Greater Hobart Reference Group Committee – Destination Southern Tasmania – from 13/5/2013
- Hobart Christmas Pageant Organising Committee (Chairman)



## Council Aldermen



### Alderman Leo Foley

#### Committee Membership

Development and Environmental Services Committee  
Finance and Corporate Services Committee  
Heritage Account Special Committee (Chairman)  
Hobart City Council Public Art Special Committee  
Strategic Governance Committee

#### Representations

- Battery Point Foreshore Accessway Working Group – *from 24/9/2012*
- Friends of Soldiers Memorial Avenue (proxy)
- Glebe Residents' Traffic Committee
- Inner City Action Plan – Project AP01 – Trader Advisory Group (Chairman)
- Lenah Valley Residents' Traffic Committee
- SV May Queen Preservation Project – Board of Directors
- Mount Stuart Residents' Traffic Committee
- Queens Domain Advisory Committee (proxy)
- Sandy Bay Residents' and Traders Traffic Committee
- South Hobart Residents' Traffic Committee
- West Hobart Local Area Traffic Management Committee



### Alderman Dr John W Freeman

MBBS, FRACP

#### Committee Membership

Finance and Corporate Services Committee  
Infrastructure Services Committee  
Marketing and Events Committee  
Hobart City Council Arts Advisory Special Committee

#### Representations

- Battery Point Foreshore Accessway Working Group – *from 24/9/2012*
- Carols Organising Committee (Chairman *from 8/10/2012*)
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee
- Sandy Bay Walking and Cycling Project – Community Reference Group (Chairman)

## Organisational Structure

The Aldermen are the decision-making and policy-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 six Divisions of Council.



Deputy General Manager/Community Development Division Director  
- Heather Salisbury



Infrastructure Services Division Director  
- Mark Painter



General Manager  
- Nick Heath



Corporate Services Division Director  
- Gary Randall



Development and Environmental Services Division Director  
- Neil Noye



Financial Services Division Director  
- David Spinks



Parks and Customer Services Division Director  
- Roger Viney



## Part II – Reporting Performance



## Planning and Reporting Framework

The Council's planning activities incorporates the requirements of the Local Government Act 1993 and the views and aspirations of the community.

The Council has a clearly defined Vision (Hobart 2025 – A Strategic Framework) which is complemented by a five-year Strategic Plan and five-year Corporate Plan, and a suite of performance measures. Planning to achieve the strategic outcomes and reporting of progress is undertaken within the Annual and Unit Plans and through regular reporting to the Council and the community through

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 outlines the operational priorities and major actions for the given year.

The Annual Plan is endorsed by the Council each year along with the budget estimates.

The Council's Annual Report is designed to illustrate 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.

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.





## 2025 Vision A Framework

The seven future direction statements that make up the 2025 Vision are broken down into 22 outcomes. Within each of these outcomes, there are 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.

## 2025 Vision A Framework

FD1 – Offers opportunities for all ages and a city for life	1.1 Opportunities for education, employment and fulfilling careers and retaining our young people	1.2 Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home		
FD2 – Is recognised for its natural beauty and quality of environment	2.1 The natural beauty of Mount Wellington, the Derwent River and surrounds and foreshore locations is highly valued	2.2 Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced	2.3 The physical environment has been conserved in a way that ensures we have a healthy and attractive city	2.4 Better understanding of climate change and its potential effect on the natural and built environment and strategies developed
FD3 – Is well governed at a regional and community level	3.1 An integrated approach to planning and development of the wider metropolitan region	3.2 Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals	3.3 Development of technologies that give young people opportunities to contribute to planning and development in the city	
FD4 – Achieves good quality development and urban management	4.1 The city remains unique in its own right, protecting its built heritage and history	4.2 Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued	4.3 Access to the waterfront, foreshores, public and open spaces is valued	4.4 Continues to enjoy the benefits of scale and proximity
FD5 – Is highly accessible through efficient transport options	5.1 Convenience and accessibility through the greater use of transport alternatives and an effective road and travel network	5.2 An integrated approach to transport planning within the city and across the wider metropolitan region		
FD6 – Builds strong and healthy communities through diversity, participation and empathy	6.1 A spirit of community	6.2 Diversity is valued and there is participation by all in their community	6.3 A friendly and compassionate society	6.4 A safe and healthy city
FD7 – Is dynamic, vibrant and culturally expressive	7.1 A destination of choice and a place for business	7.2 Clever thinking and support for creativity will help build a strong economic foundation	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	



## Future Directions

## What the community would like Hobart to be in 2025

### *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.

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.

### *Is recognised for its natural beauty and quality of environment*

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. 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.

### *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.

Gives young people a voice and a forum, provides better regional planning and improved governance standards.

### *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, public and open spaces and continue to enjoy the benefits of scale and proximity.

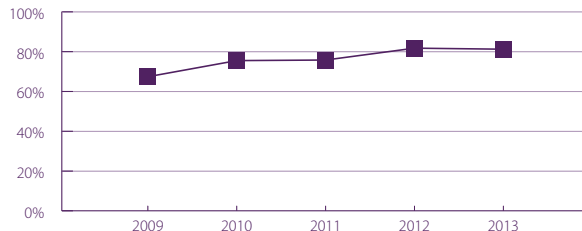
Is sustainable, energy efficient and a conservator of energy, balancing the past with the future, providing better development planning, heritage protection, public open spaces, greater user of, and access to, the foreshore and waterfront, quality development, views and sightlines are retained, our historic architecture has become more widely recognised and valued, support for retaining the city's uniqueness, not mimicking other cities.



**Outcomes to be achieved** | **Progress in Achieving our Future Direction Statement**

- 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.

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



Increase in community satisfaction in relation to the City's image and the vibrancy of the city, events and community programs; traffic management; access into and around the city and public transport, together with increased turnover of short-term parking and completion of actions in the Youth Strategy and Positive Ageing Strategy.

- 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.

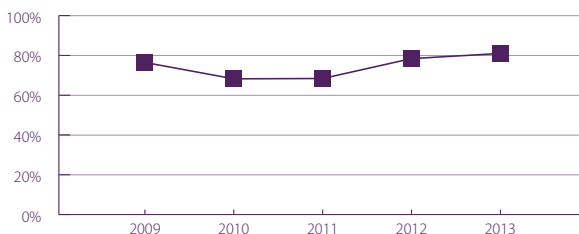
*FD2 – Is recognised for its natural beauty and quality of environment*



General increase in community satisfaction with quality and management of our environment, foreshores, parks, playgrounds and major bushland reserves; improved service delivery; City cleanliness together with increased volunteer hours in bushland areas; visitation to Mt Wellington; water quality at beaches and in tributaries and improved contribution to climate change through reduced greenhouse gas emissions, energy use and fuel efficiencies.

- 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.

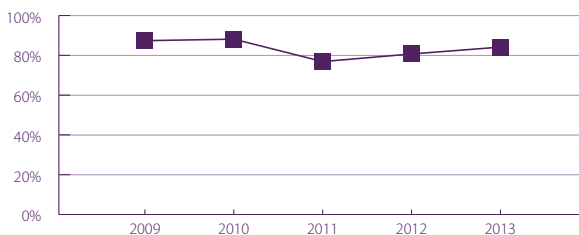
*FD3 – Is well governed at a regional and community level*



Slight increase in community satisfaction with Council's leadership role and overall performance, together with business satisfaction of Council's advocacy role; continued involvement in regional planning with the Southern Tasmanian Councils' Authority offset by Council's role as community advocate and consultations undertaken with the community and businesses.

- 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.

*FD4 – Achieves good quality development and urban management*



Increase in community awareness of the City's heritage and interpretation programs for built heritage and history; increased satisfaction with infrastructure and services provided and access to the waterfront areas, parks, reserves and playgrounds. Increase in the heritage grants provided and inclusion of 1376 heritage areas and properties in the City of Hobart Planning Scheme offset by a reduction in participation in energy efficiency rebate and energy efficiency programs.

## Future Directions

## What the community would like Hobart to be in 2025

### *Is highly accessible through efficient transport systems*

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. 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.

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.

### *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 their community, a friendly and compassionate society will underpin a safe and healthy city.

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.

### *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.

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.

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 25 November 2013.

Comments and suggestions may be forwarded to the General Manager, Hobart City Council, GPO Box 503 Hobart 7001, by close of business, Friday 22 November 2013.

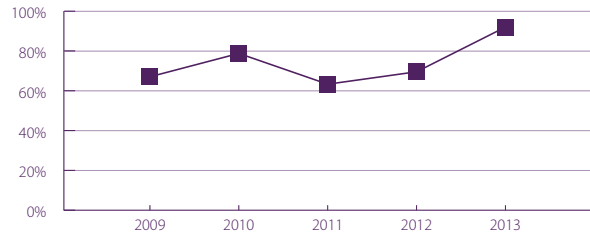


## Outcomes to be achieved

- 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.

## Progress in Achieving our Future Direction Statement

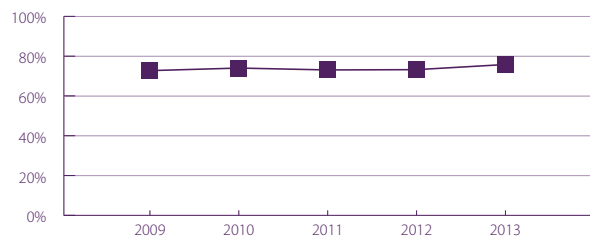
### FD5 – Is highly accessible through efficient transport systems



Increase in community satisfaction with the safety and maintenance of pedestrian areas and residential streets; traffic management together with a substantial increase in short-term parking turnover and support for regional integrated transport planning projects.

- 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 – A spirit of Community



Slight increase in satisfaction with Council's support to community groups; residents feeling part of their community; provision, availability and participation in community spaces and programs; Council's leadership role; standards of food premises; safe and well-maintained pedestrian, commercial and public areas; and condition of sporting facilities, parks, gardens and playgrounds. Reduced satisfaction with consultation and involvement in decision making and Council's role as an advocate. Improvements in water quality at beaches and in tributaries, along with increased levels of participation in immunisation and Adopt-a-Waterway Programs.

- 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



General increase in community satisfaction with Hobart as being a preferred location to live; the marketing and promotions of the City and the contribution of cultural activities, festivals, events and markets to the overall vibrancy of the City offset by a reduction in business confidence with Hobart as being a preferred location for business.

## 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.

#### Outcome 1.1



Positive results from community survey and completion of actions in the Youth Strategy and positive ageing strategy.

2012/2013 Actions/Initiatives	Performance
Continue to develop lifelong learning programs at Mathers House.	✓
Continue to support the Personalised Learning Program at the Youth Arts & Recreation Centre.	✓
Coordinate the Council's Annual Antarctic Season Reception.	✓

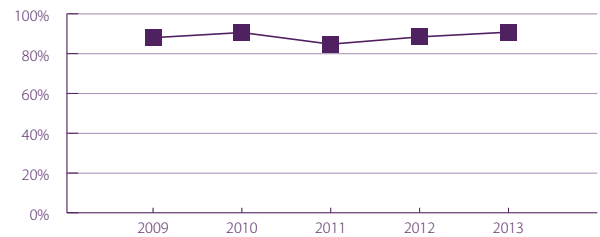
Performance    ✓ Completed    → Underway    ✗ No Action



**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**



Increase in community satisfaction in relation to the City's image and the vibrancy of the city, events and community programs, traffic management, access into and around the city and public transport together with increased turnover of short-term parking.

2012/2013 Actions/Initiatives	Performance
Utilise the Youth Arts & Recreation Centre promotion strategy to develop partnerships with the arts and cultural sector in the facility.	✓
Update the Mobility Map.	→
Through the ICAP Activation of Public Spaces Project (ICAP-AP15), further develop arts, cultural and recreation opportunities for children, young people and families in Hobart's public spaces.	→
Complete provisions for the new Draft City of Hobart Planning Scheme and the new Draft Sullivans Cove Planning Scheme that maintains opportunities for a variety of residential development densities appropriate to the range of Zones across the city and that is consistent with the Regional Land Use Strategy and the Regional Model Planning Scheme.	✓

Performance    ✓ Completed    → Underway    ✗ 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 Mount Wellington, the Derwent River, 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 Derwent River, bushland surrounds and foreshore locations is highly valued

#### Outcome 2.1



General increase in community satisfaction in relation to the quality and management of our environment, foreshores and bushland together with increased volunteer hours in bushland areas, visitation to Mt Wellington and water quality at beaches and in our tributaries.

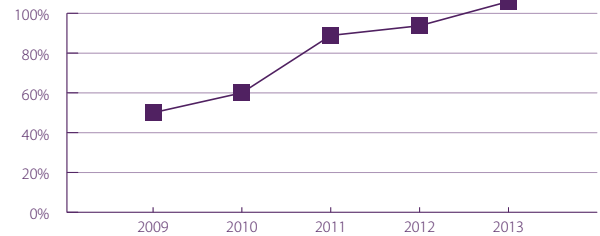
2012/2013 Actions/Initiatives	Performance
Introduce formal weed surveys across Council's bushland reserves to assist in developing management priorities.	✓
Install webcams at the Pinnacle of Mt Wellington to provide real-time imagery of vistas and conditions.	✓
Complete provisions for the new Draft City of Hobart Planning Scheme that is consistent with the Regional Land Use Strategy and the Regional Model Planning Scheme.	✓
Continue implementation of the Cornelian Bay Management Plan with the construction of a track network and further car park and landscaping improvements.	→
Promotion of Adopt a Waterway Program.	✓
Engage in the Review of the Wellington Park Management Plan.	✓
Organise an event as part of Hello Parks Week 2013.	✓

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

**Outcome 2.2**



Significant progress in implementing the new actions in the City of Hobart Planning Scheme and increased investment in open space infrastructure

2012/2013 Actions/Initiatives	Performance
Continue the implementation of the Hobart Rivulet Park Master Plan including the completion of the link from Angelsea Street to the existing track and integration of the land at 4 Tara Street into the Park.	✓
Commence on-ground implementation of the Greater Hobart Mountain Bike Master Plan through the upgrade of Radford and Middle Tracks on Mt. Wellington.	→
Construct the climbers track at the Organ Pipes Mt. Wellington to improve recreational access for climbers.	✓

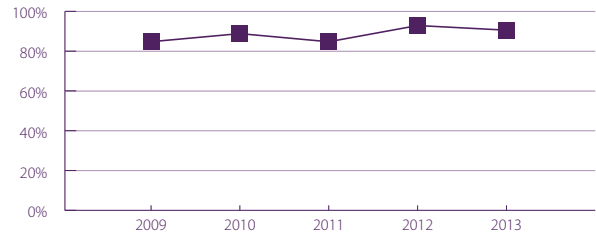
Performance    ✓ Completed    → Underway    ✗ No Action



**Outcome to be achieved**

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

**Outcome 2.3**



Slight increase in community satisfaction with the quality and management of parks, playgrounds and major bushland reserves together with overall improvement in service delivery and cleanliness of the City. Increased water quality at beaches and from tributaries, number of hectares for fire management burns and volunteer hours in bushland. Improved contribution to climate change through greenhouse gas emissions, energy and fuel efficiencies.

2012/2013 Actions/Initiatives	Performance
Finalise the Queens Domain Master Plan.	✓
Finalise the TCA Ground Master Plan.	✓
Progress the implementation of the Soldiers Memorial Oval Precinct Upgrade.	→
Develop a Franklin Square Master Plan.	→
Complete the restoration of the Railway Roundabout Fountain to enable its operation to its original design.	✓
Implementation of the Hobart Rivulet Catchment Management Plan.	✓
Prepare an overarching Catchment Management Plan for minor rivulets.	→
Install energy efficient lighting at The Hobart Aquatic Centre.	✓
Promote water efficiency in The Hobart Aquatic Centre and encourage and educate members and visitors to consider their water and energy use.	✓
Prepare a rehabilitation plan for the McRobies Gully Waste Management Centre for approval by the EPA.	→
Rehabilitate 10,000 m2 of landfill.	→
Manage construction of the Waste Transfer Station and Tollbooth at McRobies Gully.	→
Facilitate engineering design and manage construction of the Resource Recovery Area.	→
Support the Asset Management Steering Committee to implement initiatives within the Asset Management Development Program which support the production of robust and reliable 20 year management plans.	✓
Program and deliver the 2012/2013 Works Program.	✓
Develop and plan the 2013/2014 Works Program.	✓
Liaise with Aurora Energy and NBN Company on the roll out of the NBN in the Hobart municipal area including reinstatement of infrastructure.	✓
Implement stormwater reticulation asset replacement and waterways asset replacement projects including: <ul style="list-style-type: none"> <li>• Despard Street stormwater replacement</li> <li>• Princes Street stormwater upgrade.</li> </ul>	✓



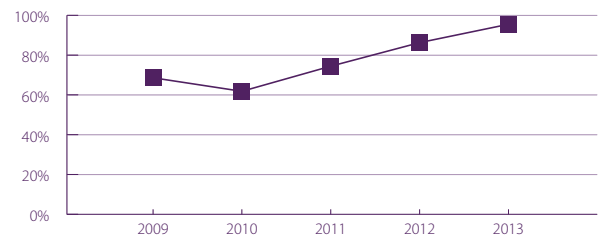
Implement new asset projects including: • Stormwater reticulation extensions • Gross litter traps and erosion control • Sandy Bay Rivulet fish ladder • Glebe stormwater extension.	→
Review of a Fire Management Strategy for the municipal area.	→
Finalise the Bicentennial Park Fire Management Plan.	→
Implement 2012/2013 items from the Sustainable Transport Strategy Action Plan.	✓
Investigate the development of a 'Trackcare' Community program.	✓
Complete the new draft Sullivans Cove Planning Scheme consistent with the Regional Land Use Strategy and the Regional Model Planning Scheme.	→

Performance   ✓ Completed   → Underway   ✗ No Action

**Outcome to be achieved**

2.4 Climate Change and its potential effect on the natural and built environment are more fully understood and strategies developed

**Outcome 2.4**



Council implemented the Climate Change Mitigation Plan and participated in all STCA Climate Change Program initiatives

2012/2013 Actions/Initiatives	Performance
Report on the outcomes of the Regional Councils Climate Change Adaptation project and its ramifications for Council's HCCA5 strategy and actions.	✓
Continue to implement and monitor organic waste trial as part of the Organic Waste Strategy.	✓

Performance   ✓ Completed   → Underway   ✗ No Action



## Future Direction 3

### Is well governed at a regional and community level

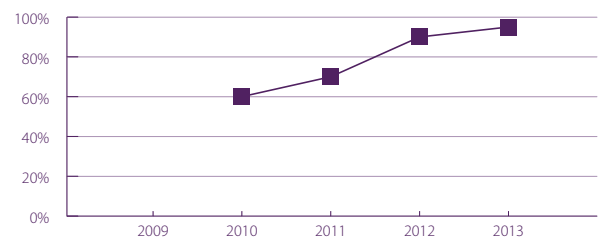
In 2025, Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region.

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.

#### Outcome 3.1



Continued involvement in regional planning with the Southern Tasmanian Councils Authority (STCA)

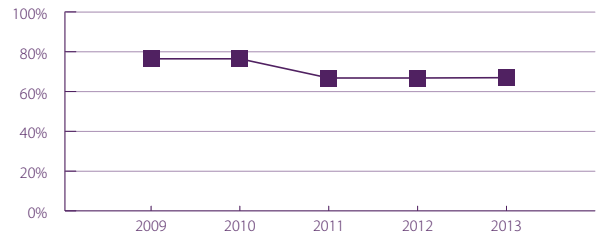
2012/2013 Actions/Initiatives	Performance
Continue to contribute to submissions to the STCA, the Government and other bodies in respect of project scoping, policy development and legislative change including the processes leading to the introduction of further state wide planning scheme codes.	✓
Engage with the State Government in the development of the Capital City Plan.	✓

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.

**Outcome 3.2**



Slight increase in community satisfaction with Council's leadership role and overall performance, together with business satisfaction of Council's advocacy role offset by Council's role as community advocate and consultations undertaken with the community and businesses

2012/2013 Actions/Initiatives	Performance
Actively participate in CCCLM and support projects that will benefit the city.	✓
Identify with the Council significant state and regional local government issues with the support of LGAT member councils and prepare a submission to LGAT for the General Meeting agenda.	✓

Performance    ✓ Completed    → Underway    × No Action



## Future Direction 4

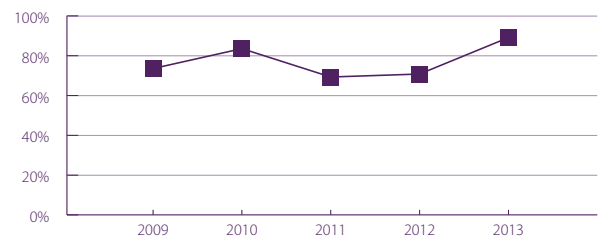
### Achieves good quality development and urban management

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

#### Outcome 4.1



Slight increase in community awareness of the City's heritage and interpretation programs for built heritage and history together with increases in the value of heritage grants provided and inclusion of 1376 heritage areas and properties in the City of Hobart Planning Scheme.

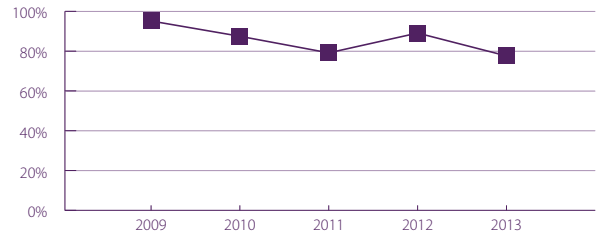
2012/2013 Actions/Initiatives	Performance
Prepare Mountain Heritage Water Supply design guidelines.	→
Complete the new draft Sullivan Cove Planning Scheme consistent with the Regional Land Use Strategy and the Regional Model Planning Scheme.	→
Increase public use and awareness of Porter Hill.	✓

Performance    ✓ Completed    → Underway    ✗ No Action

**Outcome to be achieved:**

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

**Outcome 4.2**



Slight increase in community satisfaction with the quality of infrastructure and services provided together with reduced net energy consumption by Council offset by a reduction in participation in energy efficiency rebate schemes and usage of the Householders Home Energy Tool Kits.

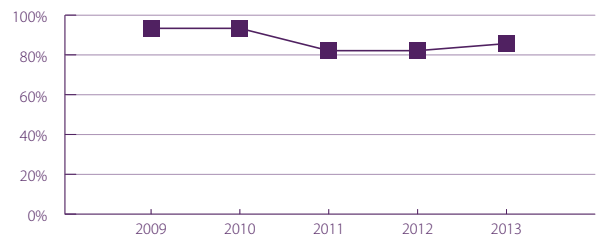
2012/2013 Actions/Initiatives	Performance
Continue to monitor and review the performance of the Urban Design Advisory Panel.	✓
Enhance public convenience provision in the Sullivans Cove precinct.	→
Support the Asset Management Steering Committee by coordinating the development of the 2012 Asset Management Plans for all asset classes.	✓
Install major public art sculptural work at Lower Sandy Bay.	✓

Performance    ✓ Completed    → Underway    ✗ No Action

**Outcome to be achieved:**

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

**Outcome 4.3**



General increase in community satisfaction with access to the waterfront, foreshores and waterways, parks, reserves and playgrounds

2012/2013 Actions/Initiatives	Performance
Complete provisions for the new Draft City of Hobart Planning Scheme that is consistent with the Regional Land Use Strategy and the Regional Model Planning Scheme.	✓

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.

#### Outcome 5.1



Increase in community satisfaction with the safety and maintenance of pedestrian areas and residential streets, traffic management together with a substantial increase in short-term parking turnover. Planning for new cycleways have commenced for Morrison Street and Sandy Bay Road.

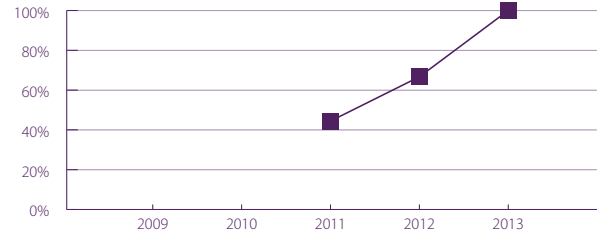
2012/2013 Actions/Initiatives	Performance
Develop and maintain the Greater Hobart Trails website.	✓
Implement the Council's Sustainable Transport Strategy as it relates to public transport actions.	✓
Implement the 2012/2013 actions in the Council's Sustainable Transport Strategy.	✓
Work with the Department of Infrastructure Energy and Resources (DIER) to identify projects applicable for funding under 'Blackspot' programs.	✓
Develop and calibrate a computer-based traffic model for the City in conjunction with DIER.	✓
Use the computer-based traffic model to commence the review of traffic and transport-related initiatives included in the Gehl Report.	✓
Prepare a Parking Strategy.	✓

Performance   ✓ Completed   → Underway   ✗ No Action

Outcome to be achieved:

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

Outcome 5.2



All regional projects for integrated transport planning has been supported by Council

2012/2013 Actions/Initiatives	Performance
Hold regular Officer-level meetings with State Government (DIER) representatives to progress transport planning issues.	✓
Provide advice on possible impacts of major developments on the transport system.	✓

Performance   ✓ Completed   → Underway   ✗ No Action



## Future Direction 6

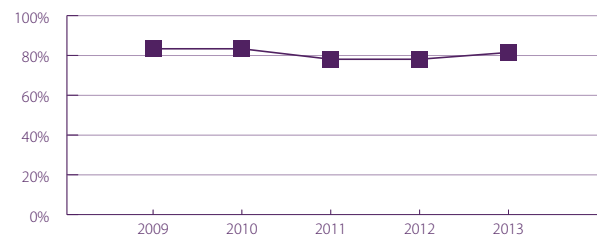
### Builds strong and healthy communities through diversity, participation and empathy

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

#### Outcome 6.1



Slight increase in community satisfaction with Council's support to community groups, residents feeling part of their community, provision and availability of community spaces

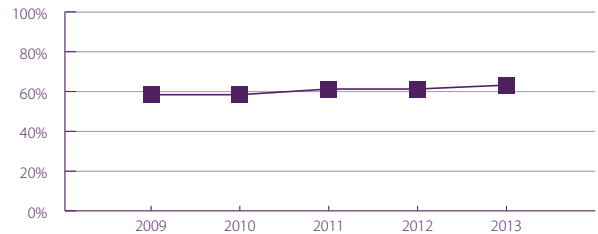
2012/2013 Actions/Initiatives	Performance
Actively engage with a broader section of the Hobart community in the review of the Social Inclusion and community development strategies to ensure that the Council's social and community programs are reflective of community need and aspirations.	→
Develop a strategy to facilitate the provision of information to older people, in partnership with key stakeholders including COTA Tasmania.	→
Expand the Still Gardening Program state-wide.	→
Develop an engagement model for children and families in consultation with the Commissioner for Children's office.	→
Finalise the enhancement of the Mathers Lane Precinct, specifically landscaping in the Mathers House frontage and Criterion Lane improvements.	✓
Actively involve the community in the development of social hubs in identified locations in the city.	→
Undertake a due diligence process in order to determine whether the former Adult Education site at 408 Macquarie Street could be developed into a sustainable multi-purpose community facility.	→
Work with Lady Gowrie Tasmania in the development of its children and families facility.	→

Performance   ✓ Completed   → Underway   ✗ No Action

**Outcome to be achieved:**

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

**Outcome 6.2**



Slight increase in community satisfaction with the provision of and participation in programs and Councils leadership role offset by lower satisfaction with community consultation processes undertaken, community involvement in decision making and Councils role as an advocate

2012/2013 Actions/Initiatives	Performance
Support projects that address racism, including investigating the opportunity for better co-ordination of community events that celebrate diversity in the community.	✓
Update data and distribute and promote the Hobart Community Asset Map.	→
Update the Hobart Community Profile utilising 2011 ABS Census data.	✗
Review the Council's community, cultural and events grants programs to ensure the programs are providing the best, most effective outcomes for the community and for the Council.	→
Review the Hobart Family Information Pack, in consultation with the Hobart Children & Families Network.	→
Engage with relevant stakeholders to develop a new project that builds community participation by people with a disability, ready for International Day for People with a Disability in 2013.	✓
Develop children's interest in the Youth Arts & Recreation Centre, through Grade 6 Open Days in the facility.	✓
Utilise the Youth Arts & Recreation Centre's redeveloped website and relevant social media technology to enhance young people's engagement and participation.	✓

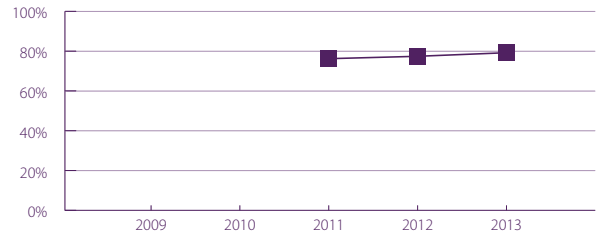
Performance    ✓ Completed    → Underway    ✗ No Action



Outcome to be achieved:

6.3 A friendly and compassionate society

Outcome 6.3



Slight increase in community satisfaction with community participation coupled with an increase in the strategies developed with community groups to encourage a friendly and compassionate society

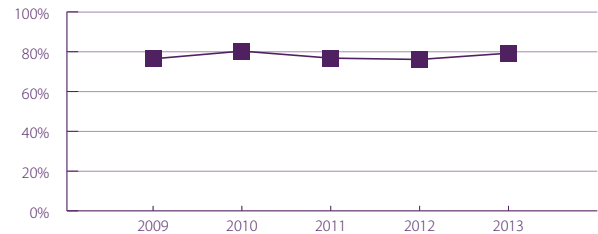
2012/2013 Actions/Initiatives	Performance
In consultation with the Council's Community Sector Reference Group, identify and respond to issues of disadvantage in the Hobart community.	✓
Support the delivery of the Hobart Connect event for people who are homeless or at risk of homelessness.	✗
Refine and further develop the communication strategy that raises community awareness regarding housing trends, issues and homelessness.	→

Performance    ✓ Completed    → Underway    ✗ No Action

**Outcome to be achieved:**

**6.4 A safe and healthy city**

**Outcome 6.4**



Slight increase in community satisfaction with standards of food premises, safe and well maintained pedestrian, commercial and public areas, and condition of sporting facilities, parks, gardens and playgrounds offset by reduced community visitation to these areas. Improved results from food premises inspections, water quality testing and increased usage of sports grounds, participation in immunisation programs and Adopt-a-Waterway Program

2012/2013 Actions/Initiatives	Performance
Review and re-issue the Hobart Community Recovery Plan.	✗
Work with relevant stakeholders to ensure the needs of vulnerable individuals and groups are taken into account in emergency situations.	✓
Review currency of the Public Health Emergency Management Plan incorporating the influenza pandemic sub-plan.	→
Implement the Flood Emergency Action Plan for the Lower Hobart Rivulet	→
Implement a Flood Emergency Action Plan for the Sandy Bay Rivulet.	→
Review the risk treatment strategies and actions within the Hobart City Council Emergency Management Plan paying particular attention to the influences of climate change.	→
Undertake community safety projects in Sandy Bay, including lighting and CCTV in the Sandy Bay business area.	✓
Development of a "well-lit passage" from UTAS to the Sandy Bay business area.	→
Implement the Alcohol, Tobacco and Other Drugs Action Plan.	✓
Establish the Council's position on its role in liquor licensing matters, including issues such as outlet density and diversification of the night-time economy.	✓
Further develop strategies to address graffiti in the Hobart municipal area.	→
Develop a Safer Hobart Community Partnership website.	✓
Develop a policy with regard to extensions to occupation licences in Salamanca Place in the Christmas/New Year period.	✓
Continue to develop the lighting systems throughout the city's major parks.	✓
Ensure food security issues are included in the Municipal Public Health Plan.	✓
Work with educational facilities and provide suitable swimming programs (via The Hobart Aquatic Centre) that will engage young people.	✓
Assist in the implementation of the State Government tobacco reforms at Council's public events and facilities.	✓
Participate with the Environment Protection Authority in managing domestic wood smoke emissions.	✓

Performance   ✓ Completed   → Underway   ✗ No Action

## Future Direction 7

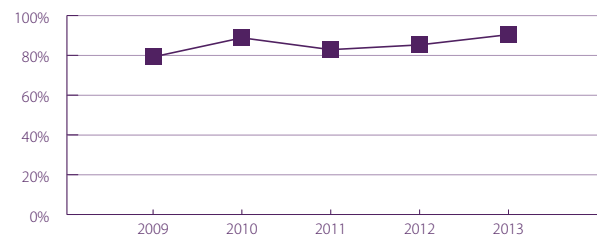
### Is dynamic, vibrant and culturally expressive

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

#### Outcome 7.1



General increase in community satisfaction with Hobart as being a preferred location to live along with increased business satisfaction with economic development offset by a reduction in confidence of Hobart being a preferred location for business.

2012/2013 Actions/Initiatives	Performance
Manage the implementation of the Inner City Action Plan (ICAP):	
• Manage and coordinate integrated design initiatives and solutions.	→
• Promote the ICAP both internally and externally.	✓
• Develop a functional management system that ensures all appropriate administrative and operational relationships within Council work as seamlessly as possible to achieve most economic and appropriate solutions during all ICAP implementation projects.	✓
• Support appropriate consultation and engagement with interested parties at all stages of the implementation of the ICAP.	✓
Develop a Business Engagement Strategy that investigates how Council can develop stronger relationships and communicate effectively with the Hobart Business Community.	→
Develop a Retail Strategy which addresses the future of retail in the inner city.	→
As part of the implementation of the Memorandum of Understanding (MOU) with the Hobart Chamber of Commerce, continue engagement with the city retail sector to support business activity and city growth.	✓
Implement marketing strategy and brand review, including development of digital marketing initiatives.	→
Review existing retail city marketing programs in concert with development of a new Retail Strategy for the city.	→
Work with relevant stakeholders to implement promotions associated with Hobart AFL matches.	✓
Implement second phase of the City's current Christmas decoration revitalisation program.	✓
Support event initiatives for a Winter Activation program.	✓

Implement the actions from the Memorandum of Understanding developed with the Department of Economic Development Tourism and the Arts:

- Implement the Council's Economic Development Strategy and finalise the development of the State Government's regional economic development plan. ✓
- Establish a joint working group to identify potential inner city public works projects for possible funding and implementation as part of the Council's Inner City Action Plan (ICAP). ✓
- Explore opportunities to jointly increase Hobart's status as an Antarctic gateway. ✓
- Identify and develop potential opportunities for further strategic international relationships that provide economic, social and community benefits for Hobart and Tasmania. →
- Undertake the Hobart Business vitality study. →
- Collaborate on the Macquarie Point rail yards site redevelopment. ✓

Performance   ✓ Completed   → Underway   ✗ No Action

**Outcome to be achieved:**

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

**Outcome 7.2**



General increase in community and business satisfaction with the marketing and promotions of the City along with business satisfaction in the growth of creative and innovative businesses

2012/2013 Actions/Initiatives	Performance
Collaborate with the School of Architecture and Design, and the School of Geography and Environmental Studies at the University of Tasmania, to advance study and research in urban design.	✓
Continue to foster the Forum for Urban Design Excellence and through it consolidate and improve relationships between the Council, the educational institutions and the professional associations that represent the many faces of urban design.	✓

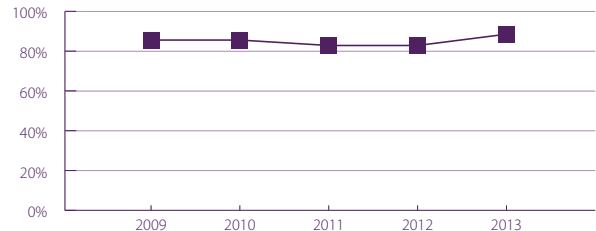
Performance   ✓ Completed   → Underway   ✗ No Action



**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

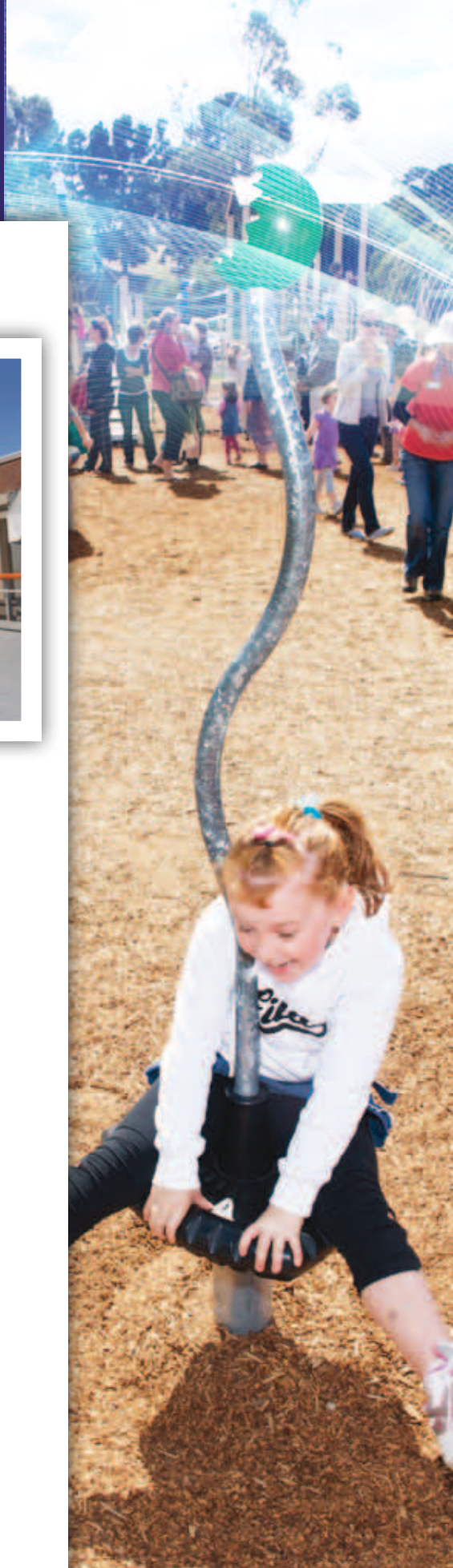
**Outcome 7.3**



Increase in community satisfaction with the contribution cultural activities, festivals, events and markets make to the overall vibrancy of the City, and the condition of sports grounds, parks, reserves and open spaces

2012/2013 Actions/Initiatives	Performance
Implement the Council's new Cultural Strategy.	✓
Pursue a new governance model and revised stallholder licence agreement for Salamanca Market.	✓
Produce a book documenting the social history of Salamanca Market.	→
Implement a new Salamanca Market website.	→
Enhance safety and emergency management processes at Salamanca Market.	→
Continue to develop the Taste Festival.	✓
Ongoing development of Carols by the Bay.	✓
Develop and implement an events strategy that defines the Council's role in the delivery, development and sector growth for events in Hobart.	→
Promote the Youth Arts & Recreation Centre as an arts and recreation hub for young people in the City.	✓
Review and implement the Hobart Recreation Management Plan ensuring that there are appropriate linkages for the strategic use of key Council facilities and venues.	✓
Undertake the installation of an improved drainage system at New Town Oval.	✓
Investigation options for the improvement of the playing surface at North Hobart Oval.	✓
Undertake a lighting upgrade at Clare Street Oval to ensure the minimum standard for training are met.	✓
Complete Stage 1 of the Soldiers Memorial Oval Precinct Plan - car park redevelopment.	→

Performance    ✓ Completed    → Underway    ✗ No Action



### Part III - 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 natural beauty of Mount Wellington, the Derwent River, bushland surrounds and foreshore locations is highly valued.

The Environmental Health Unit organisational structure comprises a Manager Environmental Health, Senior Environmental Health Officer, five full-time Environmental Health Officers, one part-time Environmental Health Officer, one part-time Immunisation Coordinator, one temporary trainee Environmental Health Officer, two Medical Officers of Health (shared contract position) and a pool of casual registered immunisation nurses.

The Environmental Health Unit's budget function programs identify a range of functions, programs and services that are resourced to meet the requirements of the Local Government Act 1993, Public Health Act 1997, Food Act 2003, Burial & Cremation Act 2002 and Environmental Management & Pollution Control Act 1994.

These activities include:

- Food safety
- Disease prevention and control
- Public health education and promotion
- Places of assembly
- Unhealthy premises
- Cooling towers and warm water systems
- Public health risk activities
- Immunisations
- Exhumations
- Onsite waste management
- Recreational and bathing water quality
- Public and environmental health complaints
- Air, water and solid pollution
- Public health emergency management
- Smoke free public places.



Operational statistics reflecting core public and environmental health activities during 2012-2013 (to 30 June) include:

Activity	Total
No. food business inspections / assessments completed	1836
No. formal notices issued to non-compliant food businesses	133
No. persons immunised at public and school immunisation clinics	2421
No. temporary places of assembly licensed and inspected	88
No. public/environmental health issues investigated and resolved	341
No. businesses registered / licensed annually	1137

The following specific actions were undertaken in accordance with the Hobart City Council Strategic Plan and the Environmental Health Unit Business Plan:

2012/13 Actions/Initiatives	Performance
Monitor recreational water quality at swimming beaches during swimming season (Dec – Mar inclusive).	✓
Facilitate the implementation of the State Government tobacco reforms at Council's public events and facilities.	✓
Participate with the EPA in managing the domestic wood smoke <i>Burn Brighter</i> project.	✓
Identify and survey butchers' shops manufacturing ready-to-eat meats.	✓
Undertake a sanitary survey of Nutgrove Beach catchment area to identify potential point sources of beach water pollution.	✓
Review currency of Public Health Emergency Management Plan incorporating influenza sub-plan.	✗

Performance   ✓ Completed   → Underway   ✗ No Action





The Council is an active participant in the State Government's Derwent Estuary Program and is committed to undertake weekly samples of recreational water from the Derwent River beaches throughout the annual summer swimming season (December - March inclusive). The sampling program is aimed at assessing the water quality at selected beach sites (Nutgrove Beach, Little Sandy Bay Beach, Marieville Esplanade) whilst endeavouring to identify any point sources of pollution that may be entering the estuary and adversely impacting on water quality. A total of 115 beach water samples were taken during the swimming season however there were no beach closures necessary due to poor water quality.

The Council participated in the Southern Regional Food Surveillance Program. The Program aims to ensure the manufacture and sale of food within the municipal area does not pose a risk to public health and that food meets the standards and quality demanded by the public. The Program also allows Council to identify food safety issues at a local level which may have broader community implications.

A summary of the samples taken and the number of local businesses involved in the program is indicated in the table below:

Food Samples	Number Businesses
Fresh fruit juice	2
Sushi	2
Raw egg products	2
Private water supply	1
Pest control measures - survey	3
Shucked oysters	3
Butchers' sanitising practices - survey	2
Food implement swabs	4
Skills and knowledge - survey	3
Cold BBQ chicken	2
Preservatives in minced meat	2
'Use by' labelling - survey	2

Council's Environmental Health Officers engaged with the Environment Protection Authority in a joint project titled *Burn Brighter* project. The project focused on how local residents could implement positive changes to improve wood heater use and to achieve a reduction in domestic wood smoke emissions in the City. Air quality was monitored, excessively smoky chimneys were identified and residents were informed and educated on how to reduce their wood smoke emissions. The project was conducted during the winter months (June – August). A total of 566 dwellings were engaged in the project in the suburb of West Hobart with 44 individual dwellings noted as having smoky chimneys.

The project outcomes revealed that 89 per cent of the residents identified with smoky chimneys altered their behaviour to improve wood heater operations and reduce wood smoke emissions. Owing to the success of the project, from an environmental and community engagement perspective, the program will be implemented again in 2013.

The Council has embarked on a program to review the management and operation of Level 1 activities throughout the city. Level 1 activities include those businesses, or any other activity, which may cause environmental harm by their operation or emissions and which are not managed by the State Government. The Council is working closely with the Environment Protection Authority on this issue with the aim of updating the existing 1996 Environmental Assessment Manual, reviewing the current environmental legislation and conducting statewide workshops to clarify the role and responsibilities of Local Government.

## 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: \$472,358

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$110,917

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

Total Meetings Held	Council	Community Development Committee		Development and Environmental Services Committee		Finance and Corporate Services Committee		Infrastructure Services Committee		Marketing and Events Committee		Parks and Customer Services Committee		Strategic Governance Committee	
	23	14		29		24		16		16		13		21	
	Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member
Alderman Thomas	21		5		3	1 <sup>^</sup>	13	1 <sup>^</sup>	5	1 <sup>^</sup>	5		3		15
Alderman Christie	19	12			4		12	15		15			8	20	
Alderman Zucco	18	9			5		9		7	12		8			10
Alderman Briscoe	18		1	26			7	11			3	12			3
Alderman Ruzicka	23		4	23		22		16			9		4	21	
Alderman Sexton	21	9			6	19			4		6	9			8
Alderman Burnet	20		7	24			12		10	13		10			12
Alderman Cocker	21		4		5	20		14			6		3	17	
Alderman Harvey	23	14		28			16		10		8	13			17
Alderman Hickey	22	13			5		14		6	14			3	15	
Alderman Foley	23		9	28		23			13		10		9	20	
Alderman Freeman	21		1		5	16		10		10			4		6

Meetings include Special Meetings and Special Joint Meetings

### Note

Where an Alderman may have been noted as not having been in attendance at a particular meeting, leave of absence for a specific purpose would generally have been requested by the Alderman and granted by the Council pursuant to Section 39 of the Local Government (Meeting Procedures) Regulations 2005.

### Legend

<sup>^</sup> Present as an ex-officio member

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

Total remuneration package	Number of employees
\$300,000 - \$319,999	1
\$200,000 - \$219,999	1
\$180,000 - \$199,999	5

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

Detail	Inclusive Amount
ANZAC Day Commemorative Committee - Anzac Day - Community Grant - Cash	3,550
Australian Institute of Architects - Sponsorship Architecture Week - Cash	3,000
Australian Wooden Boat Festival - Sponsorship for Australian Wooden Boat Festival 2013 - Cash	22,000
Buckingham Bowls Club - land tax relief	2,404
Buckingham Rowing Club Inc. - land tax relief	1,845
Budget Rent a Car Fun Run & Walk (formerly Grand Chancellor Budget Fun Run) - In-kind	620
Business Events Tasmania - Annual Grant - Cash	99,000
Caribou Publications Pty Ltd - Tasmanian Road Cycling Classic - Community Grant - Cash	13,200
Catholic Women's League - land tax relief	4,626
Chinese Community Association of Tasmania Inc - Grant - Cash	2,600
City to Casino Fun Run & Walk - Grant - Cash	70
Colony 47 - 2012 Christmas Lunch - Grant - Cash	500
Common Ground Tasmania - Public Art Project in foyer at 275 Liverpool Street - Cultural Grant - Cash	3,000
Craig Wellington Productions T/A The Hobart Comedy Festival - Marketing Assistance	5,500
Cycling South - Contribution to Ride to Work Day - Cash	1,100
Cycling South - Funding Contribution - Cash	12,100
Dark MOFO - Winterfeast Night Market - Cash Grant	100,000
Dept of Primary Industries, Parks, Water and Environment - Contribution to Derwent Estuary Program - Cash	52,388
Derwent Bowls Club - land tax relief	4,281
Derwent Sailing Squadron - Annual Grant - Rent Assistance and land tax relief	21,079
E Kalis Properties Pty Ltd - Development Assistance - In-kind	1,037
Festa Italia - Events and Festivals Grant - Cash	5,000
Festival of Voices Inc - Contribution to FoV for VOICEBOX - Cash plus Winter Wonderland	65,000

Families and Friends of the First AIF Inc - FFFAIF Headstone Project Grant - Cash	660
Flying Colours (Tas) Pty Ltd - Exhibition Catalogue - Cash	6,318
Greening Australia (Tas) Ltd - Sustainable Living Centre Foyer Display - Sponsorship - Cash	11,000
Heritage and Conservation Grants - Cash	326,353
Hobart Athletic Club - NewTown Bikes & Spikes - In kind	1,650
Hockey Tasmania Inc - Funding Contribution - Cash	66,000
Human Rights Week Organising Committee - Community Grant - Cash	600
Human Rights Week Organising Committee - Sponsorship - Human Rights Week Award Tasmania - Cash	1,000
Kenerly Caring for Kids - 48Hr Charity Relay Event - In-kind	1,900
Maritime Museum of Tasmania Inc. - land tax relief	2,264
Mental Health Carers Tasmania - Mental Health Week Event - Cash	2,000
Mount Stuart Community Service Association Inc. - land tax relief	573
Musica Viva Tasmania - Cultural Grant - Cash	3,300
New Town Cricket Club Inc. - land tax relief	46
New Town Croquet Club Inc. - land tax relief	1,180
New Town Senior Citizens Club - land tax relief	1,800
North Hobart Football Club - Annual Grant - Rent Assistance	9,031
Planning Institute of Australia Inc - 2013 Tasmania Awards for Planning Excellence - Sponsorship - Cash	3,300
Royal Hobart Regatta - Cultural Grant - In-kind	17,991
Royal Tasmanian Botanical Gardens - Annual Grant - Community Grant - Cash	11,363
Royal Yacht Club of Tasmania - Trophy Donation for Sydney to Hobart Yacht Race - Community Grant - Cash and land tax relief	20,674
Salamanca Arts Centre - Arts Program - Cultural Grant - Cash	63,161
Sandy Bay Croquet Club - land tax relief	8,888
Sandy Bay Regatta Association - Annual Grant - Cash and In-kind and land tax relief	35,319
Sandy Bay Rowing Club - land tax relief	1,343
Southern Tasmanian Netball Association Inc. - land tax relief	3,978
State Emergency Service - Southern Regional Volunteer SES Unit - Annual Contribution - Cash	19,856
Surf Life Saving Tasmania - Annual Grant - Rent Assistance	1,100
Sorell Council - 2013 Bushfire Assistance - Community Grant - Cash	16,500
Southern Hobart Badminton Association Inc. - land tax relief	2,738
Southern Student Leaders' Conference - Grant - Cash	200
Tasman Council - 2013 Bushfire Assistance - Community Grant - Cash	16,500

Tasmanian Canine Defence League - Funding Contribution - Cash	54,832
Tasmanian Riding for the Disabled Association Inc. - land tax relief	148
Tasmanian Theatre Company - Cultural Grant - Cash	20,000
Tasmanian Museum and Art Gallery - Annual Grant - Cultural Grant - Cash	17,783
Tasmanian Symphony Orchestra - Annual Grant - Cultural Grant - Cash	11,237
Tasmanian Youth Parliament 2012 - Grant - Cash	200
Tasmanians with Disabilities - Community Grant - In-kind	23,640
Ten Days on the Island - DOT Exhibition and Symposium - Grant - Cash	16,470
The Board of Management of Hutchins School - land tax relief	782
The City of Hobart Eisteddfod Society Inc - Sponsorship for 2012/13 Eisteddfod - Cultural Grant - Cash and In-kind	7,621
The Friends' School - land tax relief	776
The Scout Association of Australia - land tax relief	820
The Scout Association of Australia (Sea Scouts) - land tax relief	567
The St Virgils College - land tax relief	990
The Tasmanian University Union Inc. - land tax relief	1,305
Theatre Royal - Annual Grant - Cultural Grant - Cash	8,955
University of Tasmania - Sponsorship - Gearing Up Expo - Cash	2,189
Wellington Park Management Trust - Regulations Awareness Program - Cash	24,444
Young Tasmanian and Young Migrant Youth Leadership Challenge - Grant - Cash	1,650
Natural Gas Rebate	13,250
Rate Remissions - Pensioners Net Expenditure	40,126
Solar Hot Water Rebate	47,111
Ex-Aldermen Fuel Expense	5,464
<b>TOTAL</b>	<b>1,382,842</b>
Richard Crawford Pty Ltd – Operator of Mawson's Skate - Rent Assistance	28,945
<b>REVISED TOTAL</b>	<b>1,411,787</b>

#### Detail

Remission of hire charges for Council halls, sports fields and parks granted during 2012-2013 totalled \$24,342.55, 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 the 2012/13 financial year.

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
Ref 5720Q: Supply and Delivery of 15 Tonne Hook Truck	Not applicable	Not applicable	\$169,258	Webster Trucks
Ref 5719Q: Supply and Delivery of 4 Tonne Excavator	Not applicable	Not applicable	\$104,750	Hitachi Construction Machinery
Ref 5703Q: Supply and Delivery of 8 Tonne Excavator	Not applicable	Not applicable	\$142,911	Kobelco Construction Machinery
Ref 5702Q: Supply and Delivery of 4, 7.5 Tonne Trucks	Not applicable	Not applicable	\$373,726	Hino Motor Sales
Ref 5695Q: Supply and Delivery of Track Type Crawler Loader	Not applicable	Not applicable	\$480,000	William Adams
Ref 5707: General Supply of Hardware and Associated Products	Until 30/04/2015	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5688: Supply of Metal Products	Until 30/09/2014	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5686: Supply of Signs, Traffic Management Equipment, Poles and Associated Items	Until 30/10/2014	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5684: Supply of Corporate Wardrobe	Until 30/06/2015	1 x 3 years	\$408,000 (estimated)	Leigh Kelly Agencies
Ref 5668: Supply of Personal Protective Equipment	Until 30/11/2014	1 x 3 years	Unable to estimate	Panel of multiple suppliers
Ref 5667: Supply of Personal Protective Clothing	Until 30/04/2015	1 x 3 years	\$296,000 (estimated)	TasWeld
Ref 5710: Supply and Installation of Energy Efficient Lighting in the Hobart Central Business District and The Hobart Aquatic Centre Car Park	Not applicable	Not applicable	\$546,068	White and McAllister
Ref 5697: Town Hall Main Switchboard Replacement	Practical completion date 08/07/2013	Not applicable	\$247,563	White and McAllister
Ref 5692: Waterworks Reserve Construction of Paths and Retaining Walls	Practical completion date 12/08/2013	Not applicable	\$148,680	Specialised Landscaping Services
Ref 5682: Sandy Bay Road Design and Construction of Energy Efficient Lighting	Practical completion date 23/05/2013	Not applicable	\$168,298	Gary Cannan Electrical Services
Ref 5677: Mt Stuart Hall Construction of Refurbishment Works	Practical completion date 30/04/2013	Not applicable	\$154,500	Tascon Constructions

Ref 5663: Demolition of Existing Improvements and Construction of the New Town Bay Centre for Rowing Education	Practical completion date 01/09/2013	Not applicable	\$2,340,000	Macquarie Builders
Ref 5650: Hobart Council Centre Electrical Services Upgrade Works (Low Voltage)	Practical completion date 03/05/2013	Not applicable	\$339,440	KLM Group
Ref 5637: North Hobart Oval Construction of Lighting Upgrade Works	Practical completion date 14/04/2014	Not applicable	\$288,820	KLM Group
Ref 5636: Railway Roundabout Fountain Construction of Remedial and Upgrading Works including Lighting, Hydraulics and Electrical	Not applicable	Not applicable	\$371,730	Tascon Constructions
Ref 5635: North Hobart Oval Replacement of Power Supply	Practical completion date 04/05/2013	Not applicable	\$163,840	KLM Group
Ref 5619: McRobies Gully Waste Management Centre Works for Construction of a Resource Recovery Centre	Practical completion date 12/09/2013	Not applicable	\$1,512,419	Hazell Bros Group
Ref 5618: Clare Street Oval Construction of Lighting Upgrade Works	Practical completion date 28/02/2013	Not applicable	\$147,990	Gary Cannan Electrical Services
Ref 5615: The Hobart Aquatic Centre Main Pool Hall Construction of Lighting Upgrade Works	Practical completion date 30/12/2012	Not applicable	\$432,660	KLM Group
Ref 5646: Taste Festival Provision and Installation and Removal of Temporary Structures	Not applicable	Not applicable	\$197,000 (estimated)	Weeding Hire / Pattis Hire
Ref 5683: The Hobart Aquatic Centre Routine and Responsive Maintenance of Control Systems	2 years	4 years (maximum)	\$547,140 (estimated)	TCM
Ref 5614: Retail Supply of Electricity	30 months	Not applicable	\$2,722,100 (estimated)	ERM Power
Ref 5620: Supply of Asphalt Products and Supply and Placement of Bituminous Surfacing of Roads and Footpaths and Slurry Sealing of Roads	1 year	3 years (maximum)	>\$3,000,000	Roadways / Downer EDI
Ref 5621: Supply and Delivery of Aggregates	3 years	2 years	\$2,134,400 (estimated)	Hazell Bros Group
Ref 5633: Supply and Delivery of Topsoil	36 months	Not applicable	\$150,000 (estimated)	AR and HK Rooke
Ref 5638: Salamanca Square Public Convenience Cleaning and Security	1 year	1 year	\$202,210 (estimated)	Tedmanson Investments
Ref 5640: Recovery of Parking and Traffic Infringements	1 year	2 years (maximum)	\$219,000 (estimated)	Tasmanian Collection Services
Ref 5643: Registration of Hire Rates for Trucks	Until 27/07/2014	Not applicable	\$212,500 (estimated)	Panel of multiple suppliers
Ref 5644: Hire of Excavators	2 years	Not applicable	Unable to estimate	Panel of multiple suppliers
Ref 5645: Standing Offer for Consultant Services Electrical Engineering	3 years	Not applicable	Unable to estimate	Panel of multiple suppliers

Ref 5657: Hobart Council Centre Routine and Responsive Maintenance of Mechanical Services	2 years	2 years (maximum)	\$356,000 (estimated)	Klimate Solutions
Ref 5660: Manufacture and Supply of Rewady0Mixed Concrete	2 years	2 years	\$293,470 (estimated)	Boral Materials Group
Ref 5665: Standing Offer for Consultant Services Civil and Structural Engineering	3 years	Not applicable	Unable to estimate	Panel of multiple suppliers
Ref 5670: McRobies Gully Waste Management Centre Shredding of Green Waste	3 years	1 year	\$640,000 (estimated)	Barwicks Wholesale/ Retail Landscape Supplies
Ref 5716: Argyle Street Car Park Provision of Security Services	2 years	2 years (maximum)	\$228,324 (estimated)	
Ref 5717: Collection of Monies from Parking Meters and Voucher Machines	3 years	3 years (maximum)	\$984,624 (estimated)	Care Park
Ref 5664: Development and Installation of a Development Assessment Management System	Not applicable	Not applicable	\$196,107.50	ICON Software Solutions
Ref 5661: Consultant Services Hobart Central Bus Interchange Project	Not applicable	Not applicable	\$175,100	Parsons Brinckerhoff
Ref 5651: Design and Delivery of a Health and Safety Culture Change Program	Not applicable	Not applicable	\$214,800	Injury Prevention Management

In accordance with Section 27 (2) there were no instance/s 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](http://www.hobartcity.com.au) or a copy can be made available by contacting the Director Corporate Services on 6238 2717.

### Photo Acknowledgements

Jonathon Wherrett  
 Sean Fennessey  
 Alastair Bett  
 Tony Lomas



## Part IV – Financial Report

# Hobart City Council

## General Purpose Financial Statements

### For The Year Ended 30 June 2013

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# Statement of Financial Position

as at 30 June 2013

	Notes	2012/13 \$'000	2011/12 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	17	30,539	37,192
Inventories	18	314	287
Receivables	20	5,041	2,655
Assets classified as Held for Sale	21	2,150	-
Prepayments		70	95
<b>Total Current Assets</b>		<b>38,114</b>	40,229
<b>Non-Current Assets</b>			
Receivables	20	228	220
Investment Property	22	25,038	24,538
Investment in Southern Water	13	198,252	198,290
Property, Plant and Equipment	23-32	742,514	705,653
<b>Total Non-Current Assets</b>		<b>966,032</b>	928,701
<b>Total Assets</b>		<b>1,004,146</b>	968,930
<b>Current Liabilities</b>			
Payables	33	7,829	6,222
Trust, Deposits, Retention	34	2,607	2,671
Employee Benefits	35	10,569	9,727
Unearned Revenue	36	577	415
Loans	37	1,013	774
<b>Total Current Liabilities</b>		<b>22,595</b>	19,809
<b>Non-Current Liabilities</b>			
Employee Benefits	35	11,254	19,113
Loans	37	13,316	11,829
Provisions	38	7,885	7,515
<b>Total Non-Current Liabilities</b>		<b>32,455</b>	38,457
<b>Total Liabilities</b>		<b>55,050</b>	58,266
<b>Net Assets</b>		<b>949,096</b>	910,664
<b>Equity</b>			
Reserves	39	558,911	527,949
Retained earnings		390,185	382,715
<b>Total Equity</b>		<b>949,096</b>	910,664

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

# Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	2012/13 ACTUAL \$'000	2012/13 BUDGET \$'000	2011/12 ACTUAL \$'000
<b>Recurrent Expenses</b>				
Employee Costs	4	(48,542)	(48,345)	(45,565)
Materials and Services		(25,194)	(25,877)	(24,271)
Depreciation and Amortisation	5	(16,871)	(16,131)	(15,974)
Finance Costs	6	(2,011)	(2,296)	(2,642)
State Fire Commission Levies		(7,928)	(7,927)	(7,401)
Other	7	(4,994)	(4,363)	(4,425)
		<b>(105,540)</b>	<b>(104,939)</b>	<b>(100,278)</b>
<b>Capital Expenses</b>				
Lenah Valley Water Supply Augmentation Project (LVWSAP)		-	-	(1,959)
Net loss on disposal of property, plant and equipment	10	(1,396)	-	-
Transfer of grant funds	11	(1,644)	-	-
Asphalt Plant closure	12	(930)	-	-
		<b>(3,970)</b>	<b>-</b>	<b>(1,959)</b>
<b>Total Expenses</b>		<b>(109,510)</b>	<b>(104,939)</b>	<b>(102,237)</b>
<b>Recurrent Income</b>				
Rates and Charges		67,178	66,600	62,985
Grants and Donations	9(a)	3,381	3,215	4,249
Fines		6,170	5,756	5,268
Rendering of Services		22,994	23,595	21,207
Distributions from Southern Water	13	1,976	2,100	2,245
Interest		1,788	1,144	1,762
Rents		2,960	2,879	2,766
		<b>106,447</b>	<b>105,289</b>	<b>100,482</b>
<b>Capital Income</b>				
Capital grants received specifically for new or upgraded assets	9(b)	160	676	9,081
Net gain on disposal of property, plant and equipment		-	-	6
Contributed property, plant and equipment		656	-	18
		<b>816</b>	<b>676</b>	<b>9,105</b>
<b>Total Income</b>		<b>107,263</b>	<b>105,965</b>	<b>109,587</b>
<b>Surplus / (Deficit)</b>	8	<b>(2,247)</b>	<b>1,026</b>	<b>7,350</b>
<b>Other Comprehensive Income</b>				
<i>Items that may be reclassified subsequently to surplus or deficit: -</i>				
Adjustment to fair value of Investment in Southern Water	13	(38)	-	434
<i>Items that will not be reclassified to surplus or deficit: -</i>				
Net PP&E revaluation increments / (decrements)	14	34,877	-	43,867
Defined-benefit superannuation plan actuarial gains / (losses)	35	5,840	-	(4,938)
<b>Total other comprehensive income</b>		<b>40,679</b>	<b>-</b>	<b>39,363</b>
<b>Comprehensive Income for the period</b>		<b>38,432</b>	<b>1,026</b>	<b>46,713</b>

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

## Statement of Changes in Equity

for the year ended 30 June 2013

	Note	Total		Retained Earnings		Reserves	
		2012/13 \$'000	2011/12 \$'000	2012/13 \$'000	2011/12 \$'000	2012/13 \$'000	2011/12 \$'000
Balance at beginning of period		910,664	863,951	382,715	384,767	527,949	479,184
Comprehensive Income for the period		38,432	46,713	3,593	2,412	34,839	44,301
Transfers to reserves	39	-	-	(42,519)	(33,181)	42,519	33,181
Transfers from reserves	39	-	-	46,396	28,717	(46,396)	(28,717)
Balance at end of period		<b>949,096</b>	910,664	390,185	382,715	558,911	527,949

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

# Statement of Cash Flows

for the year ended 30 June 2013

	Note	2012/13 ACTUAL \$'000	2012/13 BUDGET \$'000	2011/12 ACTUAL \$'000
<b>Cash Flows from Operating Activities</b>				
<i>Receipts</i>				
Rates		66,889	66,481	62,913
Rendering of services (inclusive of GST)		24,860	26,571	23,342
Interest		1,825	1,144	1,985
Grants (inclusive of GST)		3,425	3,220	4,826
Rents (inclusive of GST)		3,248	3,160	3,021
Fines		5,490	5,131	4,567
Distributions from Southern Water		2,096	2,100	2,119
Net GST refund (payment)		2,509	1,880	2,207
Other receipts (inclusive of GST)		38	62	637
		<u>110,380</u>	<u>109,749</u>	<u>105,617</u>
<i>Payments</i>				
Employee costs		(49,302)	(49,909)	(46,872)
Additional superannuation contributions resulting from actuarial review		(1,001)	(750)	(1,200)
Payments to suppliers (inclusive of GST)		(31,333)	(32,383)	(31,862)
Interest		(719)	(787)	(502)
Other payments (inclusive of GST)		(11,977)	(8,573)	(9,377)
		<u>(94,332)</u>	<u>(92,402)</u>	<u>(89,813)</u>
<b>Net Cash Flow from Operating Activities</b>	40	<b><u>16,048</u></b>	<b><u>17,347</u></b>	<b><u>15,804</u></b>
<b>Cash Flows from Investing Activities</b>				
<i>Proceeds</i>				
Grants		160	676	9,081
Sales of Property		160	-	-
Sales of Plant and Equipment		619	620	642
		<u>939</u>	<u>1,296</u>	<u>9,723</u>
<i>Payments</i>				
Employee Costs capitalised		(2,846)	(3,373)	(2,600)
Materials/Services/Contracts capitalised		(18,839)	(13,580)	(16,357)
Property		(60)	-	(250)
Plant and Equipment		(3,621)	(5,130)	(4,071)
		<u>(25,366)</u>	<u>(22,083)</u>	<u>(23,278)</u>
<b>Net Cash Flow from/(used in) Investing Activities</b>	40	<b><u>(24,427)</u></b>	<b><u>(20,787)</u></b>	<b><u>(13,555)</u></b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Borrowings	37	2,500	2,500	5,000
Repayment of Borrowings	37	(774)	(755)	(352)
<b>Net Cash Flow from/(used in) Financing Activities</b>		<b><u>1,726</u></b>	<b><u>1,745</u></b>	<b><u>4,648</u></b>
<b>Net Increase (Decrease) in cash held</b>		<b>(6,653)</b>	<b>(1,695)</b>	<b>6,897</b>
<b>Cash Held at the Beginning of the Year</b>		<b>37,192</b>	<b>37,192</b>	<b>30,295</b>
<b>Cash held at the End of the Year</b>	17	<b><u>30,539</u></b>	<b><u>35,497</u></b>	<b><u>37,192</u></b>

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

# Notes to and forming part of the Financial Statements

## 1 Summary of Significant Accounting Policies

### a) Local Government Reporting Entity

All funds through which Council controls resources to carry out its functions have been included in the financial statements of the Council. This includes Controlling Authorities which Council has established pursuant to s.29 of the *Local Government Act 1993*, namely 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. As a result, the financial report does not comply with International Financial Reporting Standards.

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. Significant assumptions and judgements were made in determining the values of employee provisions and superannuation liabilities (detailed in note 1(g)) and the fair value of property, plant and equipment, including useful lives and depreciation (detailed in note 1(k)).

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 17)

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 18)

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

## f) Financial Assets (Notes 13 and 20)

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 35)

*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% 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.

The expected return on plan assets is determined by weighting the expected long-term return for each asset class by the target allocation of assets for each class. Returns are net of investment tax and investment fees.

## 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 the 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.

## i) Investment Property (Note 22)

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.

# Notes to and forming part of the Financial Statements

## j) Non-current assets classified as held for sale (Note 21)

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 23-32)

### 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 recorded 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 surplus or deficit.

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 'council cost index' published annually by the Local Government Association of Tasmania (LGAT).

Unless otherwise specified, valuations have been carried-out by Council officers. Where progressive revaluations have been employed for items of property, plant and equipment, revaluation of the particular asset class is completed within a three-year period. Earthworks are not included in the valuation of road assets.

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

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

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

### Depreciation

All items of property, plant and equipment having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Land is considered to have an unlimited useful life and therefore is not depreciated. 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 periodically. The straight-line method is employed for all assets. Ranges of useful lives for major asset classes are: -

## Notes to and forming part of the Financial Statements

	Years		Years
Buildings	55-150	Bridges	25-220
Infrastructure Plant	5-100	Sealed Roads	
Plant and Equipment		- Base	50-150
- Heavy Vehicles	5-25	- Surface	14-30
- Fleet Vehicles	3-10	Rivulets	10-120
- Minor Plant	2-60	F'paths, Kerb & Gutter	15-75
- Computer Equipment	3-5	Cycleways and Tracks	10-120
- Furniture	2-65	Playground Equipment	5-50
Stormwater Mains	10-135	Fountains	10-80
Irrigation	10-80	External Playing Surfaces	10-110

### *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.

### *Monuments*

Council controls a number of monuments but has elected not to recognise these on the basis that they cannot be reliably measured.

### *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*.

# Notes to and forming part of the Financial Statements

## l) Financial Liabilities (Notes 33 and 37)

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 semi-annually in arrears, and interest expense is accrued at the contracted rate and included in payables.

## m) Heritage Account (Notes 16 and 17)

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.

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

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

## n) Goods and Services Tax (GST)

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

Cash flows are included in the 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) Budget

Estimated revenues and expenses in the Statement of Comprehensive Income, and estimated receipts and payments in the Statement of Cash Flows, represent original budget amounts, and are not audited.

## p) Rounding

Amounts shown in the financial statements are rounded to the nearest thousand dollars. This may result in minor variations between schedules.

# 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 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* - This Standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

### 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 and are relevant to its operations, but are not yet effective. These will be applied from their application dates.

*AASB 9 Financial Instruments* – This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. Council has not yet determined the potential financial impact of the Standard.

*AASB 13 Fair Value Measurement* – This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. Council has not yet determined the potential financial impact of the Standard.

*AASB 119 Employee Benefits* – This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard was issued in September 2011 and supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The main change relates to the accounting for Council's defined-benefit superannuation plan. The Standard requires the "expected return on plan assets" to be calculated using the discount rate applied to the plan's liabilities, rather than the projected return on the plan's assets. Since the discount rate is lower than the projected return, the expense recognised in profit or loss will be higher by around \$1.125 million. In addition to being calculated differently, the "expected return on plan assets" will also be reclassified from "employee costs" to "finance costs". Employee costs will therefore increase by around \$1.95 million, but finance costs will reduce by around \$0.825 million.

*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. It is not expected to have a financial impact.

*AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9* – This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard makes minor revisions. It is not expected to have a financial impact.

*AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* - This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard gives effect to many consequential changes arising from the issuance of new Standards. It is not expected to have a financial impact.

*AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* - This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.



## Notes to and forming part of the Financial Statements

*AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* - This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.

*AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* - This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard. It is not expected to have a financial impact.

*AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* - This Standard applies to annual reporting periods beginning on or after 1 January 2014. The Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. It is not expected to have a financial impact.

*AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* - This Standard applies to annual reporting periods beginning on or after 1 January 2013. The Standard makes amendments to a number of Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is not expected to have a financial impact.

c) **Voluntary changes in Accounting Policies and Accounting Estimates**

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

# 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	<b>2012/13</b>	<b>8,029</b>	<b>0</b>	<b>7,644</b>	<b>7,644</b>	<b>1</b>
	2011/12	7,510	0	7,116	7,116	1
Health	<b>2012/13</b>	<b>1,659</b>	<b>0</b>	<b>662</b>	<b>662</b>	<b>14</b>
	2011/12	1,696	0	511	511	13
Welfare	<b>2012/13</b>	<b>2,800</b>	<b>204</b>	<b>208</b>	<b>412</b>	<b>6,075</b>
	2011/12	2,799	145	209	354	5,573
Community Amenities	<b>2012/13</b>	<b>22,009</b>	<b>63</b>	<b>13,605</b>	<b>13,668</b>	<b>186,656</b>
	2011/12	21,372	35	12,291	12,326	180,421
Recreation and Culture	<b>2012/13</b>	<b>28,939</b>	<b>88</b>	<b>7,446</b>	<b>7,534</b>	<b>230,756</b>
	2011/12	26,921	25	6,903	6,928	223,585
Parking	<b>2012/13</b>	<b>9,881</b>	<b>0</b>	<b>16,563</b>	<b>16,563</b>	<b>93,828</b>
	2011/12	9,569	0	14,157	14,157	95,021
Transport	<b>2012/13</b>	<b>13,624</b>	<b>1,515</b>	<b>560</b>	<b>2,075</b>	<b>219,081</b>
	2011/12	12,713	2,460	801	3,261	196,018
Economic Services	<b>2012/13</b>	<b>4,482</b>	<b>150</b>	<b>1,717</b>	<b>1,867</b>	<b>1,374</b>
	2011/12	4,281	150	1,652	1,802	1,097
Other (Not Attributed)*	<b>2012/13</b>	<b>14,117</b>	<b>1,361</b>	<b>54,661</b>	<b>56,022</b>	<b>266,361</b>
	2011/12	13,417	1,434	52,593	54,027	267,201
Total	<b>2012/13</b>	<b>105,540</b>	<b>3,381</b>	<b>103,066</b>	<b>106,447</b>	<b>1,004,146</b>
	2011/12	100,278	4,249	96,233	100,482	968,930

Note - Capital expenses and capital income are not included.

\* Rates and charges for Stormwater, Solid Waste Management 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:- 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, and traffic signs.

ECONOMIC SERVICES:- Salamanca Market and tourism promotion.

## Notes to and forming part of the Financial Statements

### 4 Employee Costs

	Note	2012/13 \$'000	2011/12 \$'000
Gross Wages and Salaries		42,107	40,234
<u>Less</u> : Amounts Capitalised		(1,880)	(1,731)
Leave payments		(3,063)	(2,900)
		<u>(4,943)</u>	<u>(4,631)</u>
Wages and Salaries expensed		37,164	35,603
Leave Entitlements		4,060	3,285
Defined-benefit superannuation plan	35	(352)	(200)
Other superannuation		3,724	3,606
Workers Compensation Insurance		1,102	775
Payroll Tax		3,128	2,754
Aldermanic Allowances		473	447
Other Employee-related Expenses		209	164
Labour Overheads Capitalised		(966)	(869)
		<u><b>48,542</b></u>	<u>45,565</u>
Number of Employees (Full-time equivalent)		616	615

### 5 Depreciation and Amortisation

	Note	2012/13 \$'000	2011/12 \$'000
Land Improvements		963	946
Buildings		2,018	1,961
Infrastructure Plant		274	290
Plant and Equipment		2,370	2,254
Pipes, Drains and Rivulets		1,977	1,955
Roads and Bridges		6,575	6,290
Other Structures		2,627	2,211
Other		67	67
		<u><b>16,871</b></u>	<u>15,974</u>

### 6 Finance Costs

	Note	2012/13 \$'000	2011/12 \$'000
Interest on Loans		719	502
Landfill Restoration Provision		201	381
Defined-benefit superannuation scheme		1,091	1,759
		<u><b>2,011</b></u>	<u>2,642</u>

# Notes to and forming part of the Financial Statements

## 7 Other Expenses

	Note	2012/13 \$'000	2011/12 \$'000
Pensioner Rate Remissions		1,032	1,000
<i>less</i> : Reimbursements from Government	9	(992)	(956)
		40	44
Other Rate Remissions		60	(67)
Grants and Specific Purpose Benefits		1,088	697
Directors Fees		12	10
Auditor's Remuneration - Audit of the Financial Report		46	44
Other Audit Fees		82	80
Bad and Doubtful Debts		619	572
Assets Written-off		2,096	2,069
Obsolete Stock		(5)	7
Fringe Benefits Tax		360	350
Land Tax		596	619
		<b>4,994</b>	<b>4,425</b>

## 8 Underlying Result

Council's underlying result for the period is calculated by excluding those items included in profit or loss which are either capital in nature, non-recurring, or the result of contributions received in advance.

	Note	2012/13 \$'000	2011/12 \$'000
Surplus / (Deficit)		<b>(2,247)</b>	7,350
<i>exclude</i>			
Capital Grants	9	(160)	(9,081)
Lenah Valley Water Supply Augmentation Project (LVWSAP)		-	1,959
Loss on property disposal	10	984	-
Contributed Property, Plant and Equipment		(656)	(18)
Transfer of grant funds	11	1,644	-
Asphalt Plant closure	12	930	-
<i>adjust Financial Assistance</i>	9		
Grants received in advance			
2011/12 allocation received in 2010/11		-	719
2012/13 allocation received in 2011/12		1,518	(1,518)
2013/14 allocation received in 2012/13		(1,362)	-
<i>adjust Rates received in advance</i>	15		
2011/12 rates received in 2010/11		-	380
2012/13 rates received in 2011/12		390	(390)
2013/14 rates received in 2012/13		(405)	-
Underlying Surplus / (Deficit)		<b>636</b>	<b>(599)</b>

# Notes to and forming part of the Financial Statements

## 9 Grants and Donations

	Note	2012/13 \$'000	2011/12 \$'000
<b>a) Operating Grants</b>			
<i>provided by Government</i>			
Commonwealth Financial Assistance Grants		2,430	3,740
Pensioner Rate Remission Grants	7	992	956
Battery Point Foreshore Public Access-way		60	-
Hobart Central Bus Interchange Planning Project		100	-
Employment Creation Initiatives		32	44
Fuel Tax Credit Scheme		164	63
Still Gardening Program		171	132
Tasmanian Travel and Information Centre		150	150
Miscellaneous		78	46
		<u>4,177</u>	<u>5,131</u>
<i>other</i>			
Provision of Public Open Space		15	48
Provision of Parking Facilities		135	-
Miscellaneous		46	26
		<u>196</u>	<u>74</u>
		<u>4,373</u>	<u>5,205</u>
<u>less</u> : Pensioner Rate Remission Grants netted against Remissions	7	(992)	(956)
		<u><b>3,381</b></u>	<u>4,249</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009/10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that "to assist local Councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012/13 works programs", it would bring forward for payment to all councils in June 2012 the first two instalments of the 2012/13 grant pool. In the 2013/14 Budget, the Commonwealth announced it would continue this approach and bring forward for payment to all councils in June 2013 the first two instalments of the 2013/14 grant pool. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control.

The effects of the early receipt of Commonwealth Government Financial Assistance Grant instalments each year has resulted in five instalments being received in 2011/12, and four instalments (the norm) being received in 2012/13. In preparing its 2012/13 budget, Council assumed that the Commonwealth Government would continue its policy of making early payments of Financial Assistance Grants and budgeted to receive four instalments in 2012/13. Hence, there is only a minor variation from budget in 2012/13.

Future payments of Financial Assistance Grants remain at the Commonwealth's discretion.



## Notes to and forming part of the Financial Statements

	Note	2012/13 \$'000	2011/12 \$'000		Note	2012/13 \$'000	2011/12 \$'000
<b>b) Capital Grants</b>				<b>c) Conditions</b>			
<i>provided by Government</i>				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 :		865	7,436
Roads to Recovery Program		-	202	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 :		(2,587)	(1,182)
Blackspot Program		98	119	Net increase/(decrease) in assets subject to conditions		(1,722)	6,254
Accelerated Energy-efficient Street-light Roll-out		-	3,375	Assets subject to conditions at the beginning of the period		8,292	2,038
Hobart Central Bus Interchange Planning Project		-	75	<b>Assets subject to conditions at the end of the period</b>	16	<b>6,570</b>	<b>8,292</b>
New Town Bay Sport and Recreation Facilities		-	2,500				
Safer Travel Speeds Program		-	225				
Taste Festival - Cooking Kiosks		-	1,300				
Wellesley Park Sport and Recreation Facilities		-	1,200				
Miscellaneous		-	32				
		98	9,028				
<i>other</i>							
Forest Road upgrade		101	-				
TCA Ground Lighting		(50)	50				
Miscellaneous		11	3				
		62	53				
		<b>160</b>	9,081				
<b>Total Grants and Donations</b>		<b>3,541</b>	13,330				

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

Note	2012/13 \$'000	2011/12 \$'000
<i>Plant &amp; Equipment</i>		
Proceeds from sales	619	642
Less carrying amount of assets sold	(992)	(636)
Gain / (Loss) on disposal	<b>(373)</b>	6
<i>Land and Buildings</i>		
Proceeds from sales	1,860	-
Less carrying amount of assets sold	(2,883)	-
Gain / (Loss) on disposal	<b>(1,023)</b>	-
Total Gain / (Loss) on disposal of assets	<b>(1,396)</b>	6

## 11 Transfer of Grant Funds

In June 2012, Council received a grant of \$3,375,000 from the Commonwealth Government for the purpose of upgrading and replacing lighting with modern energy-efficient lighting. Some of these funds related to works required to be carried out by a neighbouring local government area. Accordingly, an amount of \$1,643,944 (including accrued interest) was transferred to the neighbouring Council during 2012/13.

## 12 Asphalt Plant Closure

Council resolved to cease operations at its Asphalt Plant during the current reporting period. In accordance with AASB 136 *Impairment of Assets*, carrying amounts of assets have been reduced to recoverable amounts. Resulting impairment losses have totalled \$796,545, of which \$130,260 has been recognised in surplus or deficit and \$666,285 has been recognised in other comprehensive income.

In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, Council has also recognised a provision for decommissioning and rehabilitation of the Asphalt Plant site. The estimated amount of \$800,000 has been recognised in surplus or deficit.

The total amount recognised in surplus or deficit for the period is therefore \$930,260.

## 13 Investments in Associates

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.

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 2013, 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 \$922.96M respectively (2012 \$923.138M).

The following table summarises the movements in the value of Council's investment in Southern Water: -

Note	2012/13 \$'000	2011/12 \$'000
Opening Balance	198,290	197,856
Fair value adjustment	(38)	434
Closing Balance	<b>198,252</b>	198,290

Fair value adjustments have been recognised in other comprehensive income.

# Notes to and forming part of the Financial Statements

## 14 Asset Revaluations

Note	2012/13 \$'000	2011/12 \$'000
Buildings	3,611	2,023
Land Improvements	562	(10,917)
Infrastructure Plant	(633)	22
Pipes, Drains and Rivulets	3,866	49,359
Roads and Bridges	5,061	2,935
Other Structures	22,410	445
39	<b>34,877</b>	43,867

## 15 Rates Received in Advance

Note	2012/13 \$'000	2011/12 \$'000
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods	405	390
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period.	(390)	(380)
<b>Net increase (decrease) in prepaid rates</b>	<b>15</b>	<b>10</b>

## 16 Restricted Assets

Note	2012/13 \$'000	2011/12 \$'000
<b>a) Grants and Donations subject to Conditions</b>		
Assets derived from grants and donations which were obtained on the condition that they be expended in a particular manner but had yet to be applied in that manner as at the reporting date were in respect of:		
- Accelerated Energy Efficient Street Light Roll Out	1,828	3,375
- Contributions in lieu of Parking	135	-
- Contributions in lieu of Public Open Space	94	165

- Hobart Central Bus Interchange Planning Project	78	75
- New Town Bay Sport and Recreation Facilities	2,492	2,500
- North Hobart Oval - Lighting and Power	-	396
- Public Art Program	-	9
- Roadworks	424	367
- Tasmanian Travel and Information Centre	113	-
- Wellesley Park Pavilion Refurbishment	89	90
- Wellesley Park - Sport & Recreation Facilities	1,170	1,200
- Miscellaneous	147	115
9	<b>6,570</b>	<b>8,292</b>

### 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)	1,334	1,519
<b>Total Restricted Assets</b>	<b>17(b)</b>	<b>7,904</b>	<b>9,811</b>

# Notes to and forming part of the Financial Statements

## 17 Cash

Note	2012/13 \$'000	2011/12 \$'000
<b>a) Definition of Cash</b>		
For the purpose of the Statement of Cash Flows, the following items comprise the cash balance at the end of the period: -		
Term Deposits	21,999	22,999
At Call	6,825	12,379
	<u>28,824</u>	<u>35,378</u>
Cash Advances	61	62
Cash at Bank	1,654	1,752
	<u><b>30,539</b></u>	<u>37,192</u>

## b) Composition of Cash

The following restrictions apply to the closing cash balance :

- Accelerated Energy Efficient Street Light Roll Out	1,828	3,375
- Provision of Public Open Space	94	165
- Provision of Parking Facilities	135	-
- Hobart Central Bus Interchange Planning Project	78	75
- New Town Bay Sport and Recreation Facilities	2,492	2,500
- North Hobart Oval - Lighting and Power	-	396
- Public Art Program	-	9
- Roadworks	424	367
- Tasmanian Travel and Information Centre	113	-
- Wellesley Park Pavilion Refurbishment	89	90
- Wellesley Park - Sport and Recreation Facilities	1,170	1,200
- Heritage Funding	1,334	1,519
- Other	147	115
	<u>7,904</u>	<u>9,811</u>

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The remainder of the Cash balance has been ear-marked for :

- Asset Replacement	15,856	12,931
- Other Capital Works	207	257
- Provision of Public Open Space	16	16
- Provision of Parking Facilities	-	9,614
- Bushland Acquisition	342	275
- Public Infrastructure Fund	1,491	-
- McRobies Gully Landfill Rehabilitation	1,504	713
- Asphalt Plant decommissioning and site rehabilitation	800	-
- Refundable Deposits	1,873	1,927
- Unallocated	546	1,648
	<u>22,635</u>	<u>27,381</u>
	<u><b>30,539</b></u>	<u>37,192</u>

# Notes to and forming part of the Financial Statements

## 18 Inventories

Note	2012/13 \$'000	2011/12 \$'000
The Hobart Aquatic Centre	43	44
Domain Quarry	109	69
Tasmanian Travel & Information Centre	18	17
Asphalt Plant	-	55
Other	144	102
	<b>314</b>	<b>287</b>

## 19 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 Waste Management Centre. 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 section 137 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			
<b>2012/13</b>							
<i>Financial Assets</i>							
Cash and cash equivalents	8,479	21,999	-	-	61	30,539	4.11%
Receivables	2,345	26	-	-	2,898	5,269	1.76%
	<u>10,824</u>	<u>22,025</u>	<u>-</u>	<u>-</u>	<u>2,959</u>	<u>35,808</u>	
Weighted Average Interest Rate	4.66%	4.41%	0.00%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	7,829	7,829	N/A
Loans	-	1,013	4,657	8,659	-	14,329	5.69%
	<u>-</u>	<u>1,013</u>	<u>4,657</u>	<u>8,659</u>	<u>7,829</u>	<u>22,158</u>	
Weighted Average Interest Rate	0.00%	5.52%	5.53%	5.79%			
<i>Net Financial Assets / (Liabilities)</i>	<b><u>10,824</u></b>	<b><u>21,012</u></b>	<b><u>(4,657)</u></b>	<b><u>(8,659)</u></b>	<b><u>(4,870)</u></b>	<b><u>13,650</u></b>	

	Floating Interest Rate \$'000	Fixed Interest Maturing in :			Non-Interest Bearing \$'000	Total \$'000	Weighted Average Interest Rate
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			
<b>2011/12</b>							
<i>Financial Assets</i>							
Cash and cash equivalents	14,131	21,999	1,000	-	62	37,192	4.99%
Receivables	940	26	-	-	1,909	2,875	0.96%
	<u>15,071</u>	<u>22,025</u>	<u>1,000</u>	<u>-</u>	<u>1,971</u>	<u>40,067</u>	
Weighted Average Interest Rate	4.43%	5.61%	5.10%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	6,222	6,222	N/A
Loans	-	774	3,556	8,273	-	12,603	5.79%
	<u>-</u>	<u>774</u>	<u>3,556</u>	<u>8,273</u>	<u>6,222</u>	<u>18,825</u>	
Weighted Average Interest Rate	0.00%	5.61%	5.62%	5.88%			
<i>Net Financial Assets / (Liabilities)</i>	<b><u>15,071</u></b>	<b><u>21,251</u></b>	<b><u>(2,556)</u></b>	<b><u>(8,273)</u></b>	<b><u>(4,251)</u></b>	<b><u>21,242</u></b>	

## Notes to and forming part of the Financial Statements

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 2013		30 June 2012	
	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
Other Cash and Cash Equivalents	86	(86)	142	(142)
Receivables	23	(23)	9	(9)
	<b>109</b>	<b>(109)</b>	151	(151)
<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 2012.

### 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: -

	FY14 \$'000	FY15 - FY18 \$'000
Opening Balance for the period	30,539	29,383
Operating Inflows	107,366	477,930
Operating Outflows	(91,157)	(410,404)
Investing Inflows	10,162	20,061
Investing Outflows	(28,891)	(98,140)
Financing Inflows	2,375	10,000
Financing Outflows	(1,011)	(6,901)
Closing Balance for the period	29,383	21,929

## 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: -

	2012/13		2011/12	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<i>Financial Assets</i>				
Cash Advances	61	61	62	62
Cash at Bank and Investments	30,478	30,478	37,130	37,130
Investment in Southern Water	198,252	198,252	198,290	198,290
Receivables	5,269	5,269	2,875	2,875
	<b>234,060</b>	<b>234,060</b>	238,357	238,357
<i>Financial Liabilities</i>				
Payables	7,829	7,829	6,222	6,222
Loans	14,329	15,279	12,603	13,877
	<b>22,158</b>	23,108	18,825	20,099

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

## Notes to and forming part of the Financial Statements

### 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
<b>2012/13</b>				
Available for sale financial assets	-	-	198,252	198,252
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	<b>198,252</b>	<b>198,252</b>
<b>2011/12</b>				
Available for sale financial assets	-	-	198,290	198,290
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	198,290	198,290

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

#### Reconciliation of level 3 fair value movements

	2012/13 \$'000	2011/12 \$'000
Opening Balance	198,290	197,856
Gains / (Losses) recognised in other comprehensive income	(38)	434
Closing Balance	<b>198,252</b>	198,290

# Notes to and forming part of the Financial Statements

## 20 Receivables

	2012/13 \$'000	2011/12 \$'000
Rates	1,313	1,024
Parking Fines	7,553	7,227
Trade Receivables	1,124	876
Accrued interest on investments	374	411
Wages and salaries paid in advance	140	151
Asset Sales	1,700	-
Other Debtors	425	289
	<u>12,629</u>	<u>9,978</u>
Less Allowance for Impairment	(7,360)	(7,103)
	<u><b>5,269</b></u>	<u>2,875</u>
Current	5,041	2,655
Non-Current	228	220
	<u><b>5,269</b></u>	<u>2,875</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*
2013	1,124	782	8	113	1	21	6	168	25
2012	876	492	-	176	1	26	-	135	46

### Parking Fines

	Parking Meter and Voucher				Traffic Infringements		
	Total \$'000	0-14 days \$'000	14+ days \$'000	14+ days \$'000	0-28 days \$'000	28+ days \$'000	28+ days \$'000
			PDNI*	CI*		PDNI*	CI*
2013	7,553	98	174	5,644	81	81	1,475
2012	7,227	73	129	5,414	86	77	1,448

### Rates

	Total \$'000	90+ days \$'000
		PDNI*
2013	1,313	1,313
2012	1,024	1,024

\* PDNI - past due not impaired

CI - considered impaired



# Notes to and forming part of the Financial Statements

## 21 Assets classified as held for sale

The following assets were classified as 'held for sale' at the reporting date: -

	2012/13 \$'000	2011/12 \$'000
Land	2,150	-
	<b>2,150</b>	-

## 22 Investment property

	2012/13 \$'000	2011/12 \$'000
At cost	631	131
At Valuer-General's 2009 valuation of market value	24,407	24,407
	<b>25,038</b>	24,538

## Notes to and forming part of the Financial Statements

### 23 Property, plant and equipment

	Note	Carrying Amount 30/6/2012 \$'000	Additions \$'000	Disposals \$'000	Net Revaluation Adjustments \$'000	Impairment Losses \$'000	Depreciation \$'000	Carrying Amount 30/6/2013 \$'000
Plant and Equipment	24	15,222	3,906	(987)	-	(1)	(2,370)	15,770
Land	25	142,399	60	(5,033)	-	-	-	137,426
Buildings	25	133,680	19,365	-	3,634	(23)	(2,018)	154,638
Land Improvements	26	20,180	605	(136)	562	-	(963)	20,248
Infrastructure Plant	27	3,156	206	(112)	11	(773)	(274)	2,214
Pipes, Drains and Rivulets	28	129,658	2,350	(326)	3,866	-	(1,977)	133,571
Roads and Bridges	29	183,193	5,689	(843)	5,061	-	(6,575)	186,525
Other Structures	30	41,858	2,284	(683)	22,410	-	(2,627)	63,242
Capital Work in Progress	31	35,396	(7,391)	-	-	-	-	28,005
Other	32	911	33	(2)	-	-	(67)	875
		<b>705,653</b>	<b>27,107</b>	<b>(8,122)</b>	<b>35,544</b>	<b>(797)</b>	<b>(16,871)</b>	<b>742,514</b>

	Note	Carrying Amount 30/6/2011 \$'000	Additions \$'000	Disposals \$'000	Net Revaluation Adjustments \$'000	Depreciation \$'000	Carrying Amount 30/6/2012 \$'000
Plant and Equipment	24	13,873	4,544	(941)	-	(2,254)	15,222
Land	25	142,149	250	-	-	-	142,399
Buildings	25	132,293	1,325	-	2,023	(1,961)	133,680
Land Improvements	26	31,403	888	(248)	(10,917)	(946)	20,180
Infrastructure Plant	27	3,333	91	-	22	(290)	3,156
Pipes, Drains and Rivulets	28	81,704	619	(69)	49,359	(1,955)	129,658
Roads and Bridges	29	183,842	3,276	(570)	2,935	(6,290)	183,193
Other Structures	30	40,264	3,633	(273)	445	(2,211)	41,858
Capital Work in Progress	31	26,781	9,219	(604)	-	-	35,396
Other	32	944	34	-	-	(67)	911
		<b>656,586</b>	<b>23,879</b>	<b>(2,705)</b>	<b>43,867</b>	<b>(15,974)</b>	<b>705,653</b>

### 24 Plant and equipment

	2012/13 \$'000	2011/12 \$'000
At Cost	28,925	27,802
<u>less</u> : Impairment Losses	(1)	-
<u>less</u> : Accumulated Depreciation	(13,154)	(12,580)
	<b>15,770</b>	<b>15,222</b>

# Notes to and forming part of the Financial Statements

## 25 Land and buildings

	2012/13 \$'000	2011/12 \$'000
<b>Land</b>		
At market value - 2012	-	1,493
At market value - 2013	1,553	-
At Valuer-General's valuation of market value - 2009	135,873	140,906
	<b>137,426</b>	<b>142,399</b>
<b>Buildings</b>		
At replacement cost - 2012	-	10,555
At replacement cost - 2013	29,924	-
At replacement cost - 2010 indexed to 31 March 2012	-	193,310
At replacement cost - 2010 indexed to 31 March 2013	199,099	-
	<b>229,023</b>	<b>203,865</b>
less : Impairment Losses	(23)	-
less : Accumulated Depreciation	(74,362)	(70,185)
	<b>154,638</b>	<b>133,680</b>
	<b>292,064</b>	<b>276,079</b>

## 26 Land improvements

	2012/13 \$'000	2011/12 \$'000
At replacement cost - 2012	-	42,801
At replacement cost - 2013	1,362	-
At replacement cost - 2012 indexed to 31 March 2013	42,978	-
	<b>44,340</b>	<b>42,801</b>
less : Accumulated Depreciation	(24,092)	(22,621)
	<b>20,248</b>	<b>20,180</b>

## 27 Infrastructure plant

	2012/13 \$'000	2011/12 \$'000
At replacement cost - 2012	-	3,140
At replacement cost - 2013	3,322	-
At replacement cost - 2009 indexed to 31 March 2012	-	536
At replacement cost - 2009 indexed to 31 March 2013	552	-
At replacement cost - 2008 indexed to 31 March 2012	-	3,354
At replacement cost - 2008 indexed to 31 March 2013	3,241	-
	<b>7,115</b>	<b>7,030</b>
less : Impairment Losses	(773)	-
less : Accumulated Depreciation	(4,128)	(3,874)
	<b>2,214</b>	<b>3,156</b>

## 28 Pipes, drains and rivulets

	2012/13 \$'000	2011/12 \$'000
At replacement cost - 2012	-	220,045
At replacement cost - 2013	3,004	-
At replacement cost - 2012 indexed to 31 March 2013	225,535	-
	<b>228,539</b>	<b>220,045</b>
less : Accumulated Depreciation	(94,968)	(90,387)
	<b>133,571</b>	<b>129,658</b>

## Notes to and forming part of the Financial Statements

### 29 Roads and Bridges

	2012/13 \$'000	2011/12 \$'000
At replacement cost - 2012	-	8,383
At replacement cost - 2013	13,998	-
At replacement cost - 2010 indexed to 31 March 2012	-	292,942
At replacement cost - 2010 indexed to 31 March 2013	299,708	-
	<u>313,706</u>	<u>301,325</u>
<u>less</u> : Accumulated Depreciation	<u>(127,181)</u>	<u>(118,132)</u>
	<b><u>186,525</u></b>	<b><u>183,193</u></b>

### 30 Other Structures

	2012/13 \$'000	2011/12 \$'000
At replacement cost - 2012	-	15,782
At replacement cost - 2013	117,466	-
At replacement cost - 2008 indexed to 31 March 2012	-	72,195
At replacement cost - 2009 indexed to 31 March 2012	-	2,245
	<u>117,466</u>	<u>90,222</u>
<u>less</u> : Accumulated Depreciation	<u>(54,224)</u>	<u>(48,364)</u>
	<b><u>63,242</u></b>	<b><u>41,858</u></b>

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.

### 31 Capital Work in Progress

	2012/13 \$'000	2011/12 \$'000
Road and Bridge works	4,456	2,908
Footpath, Kerb and Gutter works	5,963	4,578
Traffic Management works	1,119	1,087
Cornelian Bay Playground and Car Park upgrades	463	371
Mathers Place redevelopment	499	519
Stormwater Mains	1,029	2,249
Railway Fountain restoration	391	-
Parks and Gardens works	1,175	496
TCA ground lighting	302	145
North Hobart Oval lighting	451	-
Sporting Facility works	571	475
Town Hall refurbishment	509	538
Hobart Council Centre refurbishment	730	977
The Hobart Aquatic Centre (THAC) upgrades	575	267
City Hall electrical upgrade	-	119
Argyle Street Car Park redevelopment	1,014	16,263
Mount Wellington Pinnacle toilets	590	407
Lambert Park tracks	208	-
Knocklofty Reserve tracks	229	-
North South Track	102	53
McRobies Gully Diversion Drains	1,219	1,013
McRobies Gully Waste Transfer Station	3,913	549
McRobies Gully Waste Management Centre	339	510
Other	2,158	1,872
	<b><u>28,005</u></b>	<b><u>35,396</u></b>

# Notes to and forming part of the Financial Statements

## 32 Other property, plant and equipment

	2012/13 \$'000	2011/12 \$'000
<b>Valuation Roll</b>		
At Cost	469	469
<u>less : Accumulated Depreciation</u>	<u>(273)</u>	<u>(206)</u>
	196	263
<b>Valuables</b>		
At market value - 2012	-	80
At market value - 2013	111	-
At independent valuation of market value - 2005	568	568
	<u>679</u>	<u>648</u>
	<b>875</b>	<b>911</b>

## 33 Payables

	2012/13 \$'000	2011/12 \$'000
Trade Creditors	762	601
Accrued plant and equipment purchases	259	307
Accrued capital expenditure	2,413	781
GST payable	289	407
Additional superannuation contributions resulting from actuarial review	112	-
Energy Costs	510	491
Payroll Tax	1,207	1,003
Workers Compensation Insurance	716	525
Fringe Benefits Tax	85	85
Other Accrued Expenses	1,476	2,022
	<u>7,829</u>	<u>6,222</u>

## 34 Trust, deposits, retention

	2012/13 \$'000	2011/12 \$'000
Refundable Infrastructure Bonds	1,381	1,725
Deposits held for Travel Operators	712	698
Deposits held in respect of property sales	435	170
Other	79	78
	<u>2,607</u>	<u>2,671</u>

## 35 Employee benefits

	2012/13 \$'000	2011/12 \$'000
Wages and salaries	801	761
Annual leave (including loading)	3,536	3,204
Long service leave	5,512	5,029
Sick leave	2,507	2,325
Superannuation contributions	1,384	1,567
Defined-benefit superannuation plan	8,083	15,954
	<u>21,823</u>	<u>28,840</u>
Current	10,569	9,727
Non-Current	11,254	19,113
	<u>21,823</u>	<u>28,840</u>



# Notes to and forming part of the Financial Statements

## 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 10.5% of wages and salaries to 13% of wages and salaries from 1 July 2010. In addition, Council agreed to make lump sum contributions of \$0.5 million in both the 2009/10 and 2010/11 financial years, \$1.2 million in the 2011/12 financial year, and \$0.75 million in both the 2012/13 and 2013/14 financial years. Furthermore, Council has agreed to make contributions equal to 7% of benefit payments for members exiting the scheme from 1 July 2012. 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 30 July 2013 for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. This assessment revealed the following: -

Key assumptions	30 June 2013	30 June 2012
Discount Rate – gross of tax	3.50%	2.80%
Discount Rate – net of tax	3.00%	2.40%
Expected Return on plan assets	na	7.00%
Expected rate of salary increase	3.00%	3.50%

The amount included in expenses is as follows: -

	2012/13 \$'000	2011/12 \$'000
Employee Costs		
- Current Service Cost	1,616	2,066
- Expected return on plan assets	(1,968)	(2,266)
	<b>(352)</b>	(200)
Finance Costs		
- Interest Cost	<b>1,091</b>	1,759
Total	<b>739</b>	1,559

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

	2012/13 \$'000	2011/12 \$'000
Actuarial (gains) / losses incurred during the period and recognised in other comprehensive income	(5,840)	4,938
Cumulative actuarial (gains) / losses recognised in other comprehensive income	14,506	20,346

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

	2012/13 \$'000	2011/12 \$'000
Present value of defined-benefit obligation	45,560	49,939
Fair value of plan assets	(37,477)	(33,985)
Net liability / (asset) arising from defined-benefit plan	<b>8,083</b>	15,954

Movements in the net liability were as follows: -

	2012/13 \$'000	2011/12 \$'000
Opening liability	15,954	12,436
Expense recognised in surplus/ (deficit)	739	1,559
Actuarial (gains)/losses	(5,840)	4,938
Employer contributions	(2,770)	(2,979)
Closing liability	<b>8,083</b>	15,954

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

	2012/13 \$'000	2011/12 \$'000
Opening defined-benefit obligation	49,939	45,517
Current Service Cost	1,616	2,066
Interest Cost	1,091	1,759
Member contributions and transfers from other funds	811	851
Actuarial (gains) / losses	(3,409)	3,502
Benefits and tax paid	(4,488)	(3,756)
Closing defined-benefit obligation	<b>45,560</b>	49,939

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

## Notes to and forming part of the Financial Statements

	2012/13 \$'000	2011/12 \$'000
Opening fair value of plan assets	33,985	33,081
Expected return on plan assets	1,968	2,266
Actuarial gains / (losses)	2,431	(1,436)
Employer contributions	2,770	2,979
Member contributions and transfers from other funds	811	851
Benefits paid	(4,488)	(3,756)
Closing fair value of plan assets	<b>37,477</b>	33,985

Plan assets are invested in a "balanced" strategy with about three-quarters in "growth" asset classes (e.g. shares and property) and about one-quarter in "defensive" asset classes (e.g. fixed interest and cash). The table below shows the current benchmark (target) and actual asset allocations of fund assets (as advised by the Scheme administrators): -

	Benchmark Allocation %	as at 30 June 2013 %	as at 30 June 2012 %
Australian shares	34.9	30.8	30.4
International shares	29.2	32.4	29.7
Property	11.4	11.6	13.3
Fixed interest	13.6	12.8	14.4
Private Equity	0.8	0.8	1.0
Infrastructure	6.7	6.9	7.8
Cash	3.4	4.7	3.4
Total	100	100	100

### 36 Unearned revenue

	2012/13 \$'000	2011/12 \$'000
The Hobart Aquatic Centre memberships paid in advance	176	149
Salamanca Market rentals paid in advance	86	-
Animal Licences paid in advance	71	-
Food Premises registration fees paid in advance	179	167
Other	65	99
	<b>577</b>	415

### 37 Loans

	2012/13 \$'000	2011/12 \$'000
Loans outstanding at beginning of year	12,603	7,955
New borrowings	2,500	5,000
	15,103	12,955
Redemptions	(774)	(352)
Loans outstanding at end of year	<b>14,329</b>	12,603
Current	1,013	774
Non-Current	13,316	11,829
	<b>14,329</b>	12,603

### 38 Provisions

	2012/13 \$'000	2011/12 \$'000
<i>Rehabilitation of Landfill site</i>		
Balance at beginning of year	7,515	7,700
Additional provisions recognised	(183)	(128)
Expenditure incurred	(448)	(438)
Unwinding of discount and effect of changes in the discount rate	201	381
Balance at end of year	<b>7,085</b>	7,515
<i>Rehabilitation of Asphalt Plant site</i>		
Balance at beginning of year	-	-
Additional provisions recognised	800	-
Balance at end of year	<b>800</b>	-
Total Provisions	<b>7,885</b>	7,515

# Notes to and forming part of the Financial Statements

## 39 Reserves

	Note	Balance 30/6/12 \$'000	Transfers to Reserves \$'000	Transfers from Reserves \$'000	Balance 30/6/13 \$'000
Asset Replacement		12,931	21,794	(18,869)	15,856
Bushland Fund		275	50	18	343
Parking Fund		9,996	16,563	(26,559)	-
Public Infrastructure Fund		-	3,854	(608)	3,246
Contributions in Lieu of Parking		-	135	-	135
Contributions in Lieu of Public Open Space		181	15	(86)	110
Heritage Account		1,519	108	(292)	1,335
Fair Value Reserve	13	1,569	-	(38)	1,531
Asset Revaluation	14	501,478	35,543	(666)	536,355
		<b>527,949</b>	<b>78,062</b>	<b>(47,100)</b>	<b>558,911</b>

### Asset Replacement Reserve

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

### Bushland Fund

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

### 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. This reserve has been discontinued from 30 June 2013.

### Public Infrastructure Fund

Council has established a Public Infrastructure Fund to provide funding for the 15 priority projects identified in the Inner City Action Plan (ICAP).

### 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.

### Fair Value Reserve

Council maintains a fair value reserve in order to account for gains and losses on available-for-sale financial assets as required by AASB 139 *Financial Instruments: Recognition and Measurement*.

### Asset Revaluation Reserve

Council maintains an asset revaluation reserve in order to account for asset revaluation increments and decrements in accordance with AASB 116 *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

### 40 Reconciliation of accrual-based results with cash flows

	2012/13 (\$'000)			2011/12 (\$'000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	107,263			109,587		
Expenses / Expenditure	(109,510)	(26,950)		(102,237)	(23,985)	
<b>Surplus/(Deficit)</b>	<b>(2,247)</b>			<b>7,350</b>		
<b>Items not involving Cash:</b>						
Depreciation and Amortisation	16,871			15,974		
Carrying Value of Assets Sold	3,875			636		
Asset Write-downs	2,226			2,069		
Assets received for no consideration	(656)			(18)		
<b>Re-classification of Revenues</b>						
Capital Grants	(160)	160	-	(9,081)	9,081	-
Sales of Assets	(2,479)	2,479	-	(642)	642	-
<b>Changes in Operating Assets &amp; Liabilities:</b>						
(Increase) / Decrease in Receivables	(694)	(1,700)	(2,394)	460	-	460
(Increase) / Decrease in Stock	(27)	-	(27)	44	-	44
(Increase) / Decrease in Prepayments	25	-	25	(73)	-	(73)
Increase / (Decrease) in Payables	23	1,584	1,607	311	707	1,018
Increase / (Decrease) in Employee Entitlements	(1,177)	-	(1,177)	(791)	-	(791)
Increase / (Decrease) in Unearned Revenue	162	-	162	(31)	-	(31)
Increase / (Decrease) in Provisions	370	-	370	(185)	-	(185)
Increase / (Decrease) in Other Liabilities	(64)	-	(64)	(219)	-	(219)
<b>Net Cash Inflow / (Outflow)</b>	<b>16,048</b>	<b>(24,427)</b>		<b>15,804</b>	<b>(13,555)</b>	

### 41 Financing Facilities

	2012/13 \$'000	2011/12 \$'000
Un-used credit card facilities	324	352
	<b>324</b>	<b>352</b>

# Notes to and forming part of the Financial Statements

## 42 Commitments for Expenditure

	2012/13 \$'000	2011/12 \$'000
<b>a) Capital Expenditure contracted for at the reporting date but not recognised in liabilities:</b>		
Argyle Street Carpark redevelopment	-	2,136
McRobies Gully Waste Transfer Station construction	1,192	4,580
McRobies Gully Resource Recovery Centre upgrade	1,546	-
Anglesea Street Bridge demolition and replacement	128	379
Waterworks Reserve - Construct pathways and car park	127	-
Road Surfacing works	-	426
New Town Oval Subsurface Drainage	-	271
Plant and Equipment purchases	2,437	856
Other	511	994
	<b>5,941</b>	<b>9,642</b>
Expected timing of these commitments is as follows: -		
Not longer than one year	5,941	9,642
Longer than one year and not longer than two years	-	-
Longer than two years and not longer than five years	-	-
Longer than five years	-	-
	<b>5,941</b>	<b>9,642</b>
<b>b) Operating Lease commitments at the reporting date not recognised in liabilities:</b>		
Not longer than one year	1,374	177
Longer than one year and not longer than two years	1,402	124
Longer than two years and not longer than five years	3,940	323
Longer than five years	18,266	40
	<b>24,982</b>	<b>664</b>

Council's operating lease commitments mainly relate to Trafalgar Car Park.

## 43 Contingent Liabilities

	2012/13 \$'000	2011/12 \$'000
Council is currently acting as guarantor for the following loans:		
New Town Cricket Club	50	50
Hockey Tasmania Inc.	1,500	1,500
Southern Tasmanian Netball Association	631	631
	<b>2,181</b>	<b>2,181</b>

Council entered into agreements to provide financial assistance towards the redevelopment of the former Myer site in Liverpool Street. The amount and timing of payments is dependent upon a number of factors including when Myer commences trading from the Liverpool Street stage of the development, and the value of gross sales for the store. The agreement also provides for repayment of a proportion of the amount paid in the event that Myer vacates the site before the end of their 25-year lease with the owner of the property.

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

## 44 Subsequent events

From 1 July 2013 a new State-wide water and sewerage corporation trading as "TasWater", commenced in accordance with the Water and Sewerage Corporation Act 2012. TasWater will take over the water and sewerage services and assets currently operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It will also manage the billing, IT and payroll functions currently managed by the industry's service firm, Onstream.

Council holds an equal representation with all other councils. No change is expected to current investment treatment, with Council receiving a proportional share in the new corporation. Council will continue to derive returns in the form of dividends, guarantee fees and tax equivalents. Any changes to Council's investment in TasWater will be treated as a non-adjusting event and accounted for in the next financial year.

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

## 45 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.

# Notes to and forming part of the Financial Statements

## 46 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.

Council has also identified Off-street Parking, On-street Parking, The Hobart Aquatic Centre (THAC) and the Tasmanian Travel and Information Centre (TTIC) 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.

### Off-Street Parking

	2012/13 \$'000	2011/12 \$'000
<b>Revenues</b>		
User Fees and Charges	5,304	4,806
	<b>5,304</b>	4,806
<b>Expenses</b>		
Employee Costs	(732)	(793)
Materials and Contracts	(1,337)	(1,186)
Depreciation	(633)	(582)
Bad debts	(3)	(5)
Land Tax	(246)	(256)
Engineering and Administrative Overheads	(813)	(813)
Other	-	(3)
	<b>(3,764)</b>	(3,638)
<b>Operating Profit / (Loss)</b>	<b>1,540</b>	1,168
<b>Competitive Neutrality Costs</b>		
Opportunity Cost of Capital	5,661	5,089
Income Tax	370	262
Council Rates	307	294
	<b>6,338</b>	5,645

### On-Street Parking

	2012/13 \$'000	2011/12 \$'000
<b>Revenues</b>		
User Fees and Charges	5,122	4,125
Fines	6,137	5,226
	<b>11,259</b>	9,351
<b>Expenses</b>		
Employee Costs	(3,546)	(3,448)
Materials and Contracts	(1,027)	(1,038)
Depreciation	(194)	(218)
Bad debts	(609)	(498)
Engineering and Administrative Overheads	(703)	(720)
Other	(38)	(9)
	<b>(6,117)</b>	(5,931)
<b>Operating Profit / (Loss)</b>	<b>5,142</b>	3,420
<b>Competitive Neutrality Costs</b>		
Opportunity Cost of Capital	65	63
Income Tax	1,543	1,026
	<b>1,608</b>	1,089



## Notes to and forming part of the Financial Statements

### The Hobart Aquatic Centre

	2012/13 \$'000	2011/12 \$'000
<b>Revenues</b>		
User Fees and Charges	4,233	4,135
Rental Income	18	18
Other Income	257	239
	<b>4,508</b>	4,392
<b>Expenses</b>		
Employee Costs	(2,694)	(2,587)
Materials and Contracts	(2,188)	(2,193)
Insurance	(35)	(35)
Administration	(61)	(61)
Land Tax	(32)	(32)
Other	(22)	(87)
	<b>(5,032)</b>	(4,995)
<b>Operating Profit / (Loss) Before Depreciation</b>	<b>(524)</b>	(603)
Depreciation	(828)	(829)
<b>Operating Profit / (Loss)</b>	<b>(1,352)</b>	(1,432)
<b>Competitive Neutrality Costs</b>		
Opportunity Cost of Capital	2,146	1,952
Council Rates	60	57
	<b>2,206</b>	2,009

### Tasmanian Travel and Information Centre

	2012/13 \$'000	2011/12 \$'000
<b>Revenues</b>		
User Fees and Charges	724	686
Grants and Donations	150	150
Other Income	39	45
	<b>913</b>	881
<b>Expenses</b>		
Employee Costs	(833)	(835)
Materials and Contracts	(267)	(350)
Depreciation	(3)	(3)
Other	-	(1)
	<b>(1,103)</b>	(1,189)
<b>Operating Profit / (Loss)</b>	<b>(190)</b>	(308)
<b>Competitive Neutrality Costs</b>		
Opportunity Cost of Capital	2	2
	<b>2</b>	2

**HOBART CITY COUNCIL**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

**CERTIFICATION BY GENERAL MANAGER**

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 46, fairly represent the financial position of the Hobart City Council as at 30 June 2013 and the results of its operations and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including Australian Interpretations) 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 eighth day of August 2013.



(Nick Heath)

**General Manager**



## **Independent Auditor's Report**

**To the Aldermen of Hobart City Council**

**Hobart City Council**

**Financial Report for the Year Ended 30 June 2013**

### **Report on the Financial Report**

I have audited the accompanying financial report of Hobart City Council (Council), which comprises the statement of financial position as at 30 June 2013 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's declaration.

### **Auditor's Opinion**

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2013, and 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.

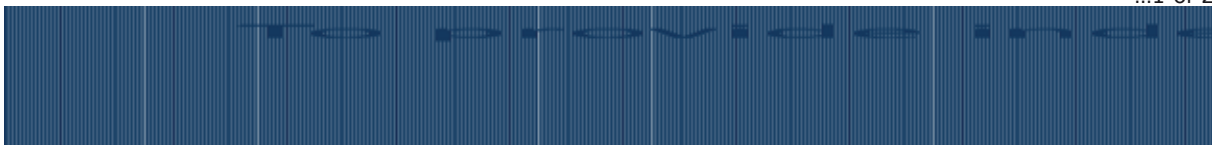
### *The Responsibility of the General Manager for the Financial Report*

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 a financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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

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

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

#### **Independence**

In conducting my audit, I have 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.

#### **Tasmanian Audit Office**



H M Blake  
**Auditor-General**

HOBART  
20 September 2013

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