



Annual Report 2008/2009





Vision for the City Of Hobart

In 2025 Hobart will be a City that:

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



Mission Statement

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

Values

The Hobart City Council will:

Leadership

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

Equity

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

Community Involvement

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

Responsiveness

be responsive to the needs and aspirations of the community

Excellence

ensure continuous improvement in the delivery of all its services

Front Cover: Sailing on the River Derwent courtesy of Tourism Tasmania and Andrei Jewell



Lord Mayor's Message



As Lord Mayor, I am pleased to present to you the Annual Report for 2008/2009 on behalf of my fellow Aldermen, the General Manager and staff of the Hobart City Council.

It has been a very busy year for a number of reasons, not the least being a significant change in the management structure when General Manager, Mr Brent Armstrong retired after 24 years with the Council. As a firm believer in the principles of good governance Mr Armstrong enjoyed the respect of all Aldermen and staff.

In an era of significant change in local government, Mr Armstrong used this respect to introduce stability and direction for the Hobart City Council on the operational front. Under his tenure, he contributed significantly to the achievement of a prudent financial position with yearly rate increases consistently kept to a minimum.

One of the greatest accolades able to be gained by any organisation in Australia, was the SAI Global Business Excellence Gold Award and Excellence Medal which Mr Armstrong and his team were able to achieve, gaining national and international recognition.

The current senior management team is headed by General Manager, Nick Heath, formerly Deputy General Manager and Director of the Executive Management Division. The new Deputy General Manager is Heather Salisbury who is also Director of Community Development.

The Council was delighted to appoint Mr Heath to the position of General Manager and looks forward to working with him and his team to further advance the governance and performance of the Council into the future.

During the year, because of widespread concerns over the State Government's consideration of the construction of a new Royal Hobart Hospital on the railyards' site at the waterfront, Council took the position of community advocate, conducting a household survey and a series of public forums. The Council was pleased with the Government's eventual decision to remain with redevelopment of the present site.

In April 2009 a devastating earthquake struck Hobart's Italian Sister City L'Aquila, killing an estimated 300 people. The quake damaged or destroyed some 10,000 to 15,000 buildings that dated from as far back as the 15th century. The Council joined with the local Abruzzi Association to raise funds towards the rebuilding of a significant heritage building of the L'Aquila Council's choice. The Sister City relationship with L'Aquila is quite special and strengthened by strong family ties through the number of people from the region making their homes in Hobart from the 1940s and 1950s. Just 18 months ago we celebrated our tenth anniversary by sending a small delegation to the historic town.

In December, in a spirit of reconciliation, the Council apologised for actions it initiated to ban the attendance of the Tasmanian Gay Law Reform Group at Salamanca Market. This was to mark the 20th anniversary of what has become the nation's biggest act of gay rights civil disobedience. In 1988 the Council prohibited attendance of the Group at the Market and Council's action culminated in the arrest of supporters of the Group. As part of the anniversary, the Council hosted a reception in the Town Hall to offer an apology to all those affected by the events of 20 years ago.

The Council's largest infrastructure development, the construction of a new seawall at Sandy Bay and associated works, has been well received by the community. The area now boasts increased car parking, improved amenities and new lighting along the promenade.

One major change to Council's responsibilities has been the loss of water and sewerage infrastructure to the new regional authority, Southern Water. The Council has taken significant steps to ensure the community has been kept abreast of this State Government initiative and is hopeful that our ratepayers will not be disadvantaged in the longer term.

Hobart's on-road bike lane project on Argyle and Campbell Street follows on from the successful on-road trial bicycle lane which was installed on Argyle Street in late 2007.

The project undertaken by the Council is a component of the Hobart Principal Bicycle Network and forms part of the Hobart Regional Arterial Bicycle Network. The Council provided funding for the project in partnership



with the Australian Government Roads to Recovery Program and the State Government, via the Trails and Bikeways Program of Sport and Recreation Tasmania.

The Council won the Local Government Award in the 2009 Tasmanian Awards for Environmental Excellence. The Council's entry, 'A Decade of Climate Action,' outlined the Council's climate change action since 1999 when it first committed to a climate change program.

In winning the Award, the Hobart City Council became one of nine finalists nationwide for the prestigious 2009 Banksia Environmental Awards.

North Hobart has now undergone a complete transformation. Ten years ago the Hobart City Council embarked on a major project to revitalise the North Hobart central area. That task is now complete and the community is entitled to be proud of what has been achieved in that time. The Council and the North Hobart community worked together to develop a plan to improve the streetscape in Elizabeth Street between Federal Street and Burnett Street. The staged construction commenced in 1999 and was totally funded by the Council.

Tasmanians scooped the pool in this year's City of Hobart Art Prize. The outcome of the judges' decisions spoke volumes for the high calibre of contemporary art practice within Tasmania. The 2009 \$15,000 acquisitive prize winner for drawing was Hobart artist, Mary Scott, while the 2009 \$15,000 acquisitive prize winner for sculpture also went to a Hobart artist, Tricky Walsh. The \$7,500 non-acquisitive Moorilla Prize was awarded to another Hobart artist, Cath Robinson.

The Council was proud to be involved with the Errol Flynn Centenary Celebration Committee. This event at the State Cinema in North Hobart, was arranged to unveil the first star of Hobart's Walk of Fame, which commemorated the centenary of Errol Flynn's birth. Errol Flynn was born in Hobart in 1909 and went on to become one of Hollywood's most dashing leading men during the 1930s and 1940s. The plaque will remain as an enduring reminder of Tasmania's most famous and debonair son.

The Hobart City Council has endorsed a new Economic Development Strategy to guide our economic development focus for the next five years. One of the key strategies will be an Inner City Development Plan to manage the continued evolution of the CBD and to guide future investment in public and private infrastructure.

The Council thanks the members of our community for their input and active participation in various programs and strategies, and for their part in helping to shape Hobart for the future. We look forward to continuing to engage with you through the 2009/2010 financial year.

Alderman Rob Valentine
Lord Mayor





General Manager's Message



On taking up the appointment from Brent Armstrong on 29 November, 2008, I regard it as an honour to serve the City of Hobart as General Manager.

During his 24 years of service, Brent had a significant impact on both the city and the Council. He will long be remembered for his tremendous contribution to the Council and the wider community and, as the architect of change, he instilled a culture of professionalism throughout the organisation.

For ten years Brent pursued with great passion the continuous improvement initiative through all areas of Council, creating a level of excellence which culminated in the Council winning two prestigious national Awards.

Brent's immense ability to set the Council on a course where it is now nationally recognised as an organisation of excellence is a great tribute to his inspired leadership and people skills. His legacy will live on, safe in the knowledge that his contribution will share the limelight with all the former General Managers and Town Clerks of the Council.

In having such a solid organisational improvement culture and philosophy firmly in place, it is now opportune to focus on those items of long-term significance. In putting forward my vision for the future, I see that my role as General Manager is to build a sustainable organisation that has the will, capacity and support to play a major role on 'big ticket' items such as climate change, urban development, social inclusion, economic development and sustainable transport for our city.

While Hobart may be the nation's smallest capital city, it plays an important role participating in the national agenda. We need to continually strive to build a stronger relationship with the Australian Government. The current global financial crisis poses issues for all tiers of government, industries and businesses. It is in our best interests to take advantage of available partnership programs and opportunities to support and benefit our local community.

We also believe we have a fundamentally important role as advocate on major community concerns as evidenced by the public forums we hosted in relation to the proposed relocation of the Royal Hobart Hospital.

The Hobart City Council also has an important role in the promotion of tourism, which brings more people to our capital city. Major events such as the Taste Festival, and the highly successful brand 'Hobart, The way life should be' ... are typical examples.

In a move designed to strengthen tourism in the southern region, the Hobart City Council has incorporated the Tasmanian Travel and Information Centre into Council operations. The Centre assists more than a quarter of a million local, national and international visitors each year and provides critical support to Tasmania's tourism industry and the many tourism operators.

The Council spends \$1.3 million annually on tourism-related activities and has a vested interest in attracting more people to our region and our city.

As an organisation of excellence, the Council has set new goals in its continuous improvement journey and has now introduced Excellence Hobart, which focuses on important areas such as benchmarking, systems improvement, innovation and building our capacity as an employer of choice.

With the loss of sewerage and water operations to Southern Water, the Council transferred 50 staff along with assets of \$450 million. Of the 50 employees, 20 had more than 10 years' service, while 10 had more than 20 years of service.

These employees were involved in all areas of the Council's water and sewerage operations and Southern Water is very fortunate in gaining their expertise, experience and professionalism. Our loss is their gain.

Finally, I want to thank the Aldermen for their support and their concern for the future well-being of our city. I also thank the directors and employees for their support and professionalism and for their dedication to the Council and the community.

N.D. Heath
General Manager



Council Aldermen



Lord Mayor Alderman Rob Valentine

MACS

Committee membership

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

Representations

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



Deputy Lord Mayor Alderman Eva Ruzicka

Committee membership

Strategic Governance (Chairman), Finance and Corporate Services, City Services, Parks and Customer Services. Development and Environmental Services (to 1 September 2008)

Representations

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



Alderman Darlene Haigh

Committee membership

Development and Environmental Services (Chairman), Strategic Governance

Representations

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



Alderman Marti Zucco

Committee membership

Community Development (Chairman), Finance and Corporate Services

Representations

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



Alderman Jeff Briscoe

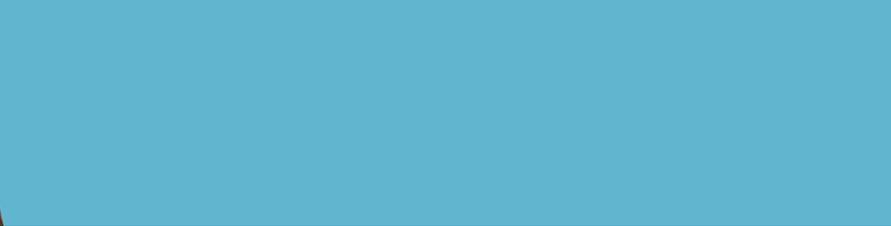
BSc (Hons), Dip Ed, TTC, Mhum, LLB (Hons)

Committee membership

Parks and Customer Services (Chairman), Community Development

Representations

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



Alderman Dr Peter Sexton

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

Committee membership

Parks and Customer Services, Community Development, Strategic Governance

Representations

Carols By The Bay, Christmas Pageant Organising Committee (Chairman), Heritage Account Special Committee, Southern Water Owner Representative (proxy), Wellington Park Management Trust



Alderman Dr John Freeman

MBBS, FRACP

Committee membership

Finance and Corporate Services (Chairman), City Services

Representations

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



Alderman Ron Christie

Committee membership

City Services (Chairman), Parks and Customer Services

Representations

Alcohol and Other Drug Strategy Reference Group, Carols By The Bay (Chairman), City of Hobart Eisteddfod Society Inc., Festivals and Tourism Special Committee, Sandy Bay Residents' and Traders' Traffic Committee, Southern Tasmanian Local Government Tourism Group, Southern Waste Strategy Authority (to 15 December 2008), Wellington Park Management Trust (Deputy member)



Alderman Helen Burnet

Committee membership

Development and Environmental Services, Community Development

Representations

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



Alderman Philip Cocker

Committee membership

City Services, Finance and Corporate Services

Representations

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



Alderman Elise Archer

Committee membership

City Services, Finance and Corporate Services

Representations

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



Alderman Bill Harvey

Committee membership

Community Development, Parks and Customer Services, Strategic Governance, Development and Environmental Services Committee (from 1 September 2008)

Representations

Dr Edward Hall Environment Awards Judging Panel, Festivals and Tourism Special Committee, Greenhouse Reference Group, Hobart Bicycle Advisory Committee, Sandy Bay Residents' and Traders' Traffic Committee, Southern Waste Strategy Authority (from 15 December 2008), Tasmania Polar Network, Wellington Park Management Trust



Organisational Structure

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



General Manager
Nick Heath



Deputy General Manager
Community Development Division
Director – Heather Salisbury



City Services Division
Director – Andrew Tompson



Civic Solutions Division
Director – Mike Street



Corporate Services Division
Director – John Warner



Development and Environmental
Services Division
Director – Neil Noye



Financial Services Division
Director – David Spinks



Parks and Customer
Services Division
Director – Roger Viney



Strategy and
Governance Division
Director – Gary Randall



Reporting Performance

The Annual Report is divided into seven sections reflecting the Future Directions statements that make up the vision for Hobart expressed in the 2008–2013 Strategic Plan. This is the first year of reporting against this plan.

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

The format of this Annual Report is to identify the major strategic areas and the results that Council is seeking

to achieve through the Strategic Plan and to align the actions and initiatives outlined in the Annual Plan with those results. Performance in progressing the annual work program is indicated.

During 2008/2009, an internally focussed Corporate Plan was developed to ensure the organisation has the capacity required to deliver the outcomes in the Strategic Plan 2008–2013.

From 2009/2010, the Corporate Plan will be measured in a similar manner to the Strategic Plan 2008–2013 and reported in future Annual Reports.





Future Directions	Outcomes to be achieved
<p><i>Offers opportunities for all ages and a city for life</i></p> <p>In 2025, Hobart will be a city that provides opportunities for education, employment and fulfilling careers; a city that is able to retain its young people and provide a lifestyle that will encourage all ages to see the city as a desirable location and lifelong home.</p>	<ul style="list-style-type: none"> 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
<p><i>Is recognised for its natural beauty and quality of environment</i></p> <p>In 2025 Hobart will be a city that respects the natural beauty of Mt 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.</p>	<ul style="list-style-type: none"> the natural beauty of Mt Wellington, the Derwent River, bushland surrounds and foreshore locations is highly valued community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced 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
<p><i>Is well governed at a regional and community level</i></p> <p>In 2025 Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region. Partnerships will be created with governments, the private sector and local communities to achieve significant regional, city and community goals.</p>	<ul style="list-style-type: none"> 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
<p><i>Achieves good quality development and urban management</i></p> <p>In 2025 Hobart will be a city that remains unique in its own right, protecting its built heritage and history while pursuing quality development, the principles of sustainable cities and the reduction of ecological impacts. It will value access to the waterfront, foreshores, public and open spaces and continue to enjoy the benefits of scale and proximity.</p>	<ul style="list-style-type: none"> 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



Future Directions	Outcomes to be achieved
<p><i>Is highly accessible through efficient transport systems</i></p> <p>In 2025 Hobart will be a city that maintains its convenience and accessibility through the greater use of transport alternatives and an effective road and travel network.</p> <p>An integrated approach to transport planning within the city and across the wider metropolitan region will be the result of improved public transport options, cycle ways and walking tracks linking open spaces for transport and recreation, the availability of adequate parking for commuters and shoppers, the take-up of sustainable transport options, the reduction of through traffic and the management of a safe and efficient road network.</p>	<ul style="list-style-type: none"> • 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
<p><i>Builds strong and healthy communities through diversity, participation and empathy</i></p> <p>In 2025 Hobart will be a city that reflects a spirit of community and tolerance. By valuing diversity and encouraging participation by all ages in the life of their community, a friendly and compassionate society will underpin a safe and healthy city.</p>	<ul style="list-style-type: none"> • 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
<p><i>Is dynamic, vibrant and culturally expressive</i></p> <p>In 2025 Hobart will be a city that is a destination of choice and a place for business. Clever thinking and support for creativity will help build a strong economic foundation, and entertainment, arts and cultural activities promote the distinctive character of the city. Lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart.</p>	<ul style="list-style-type: none"> • 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 opportunities, and strong communities will ensure a vibrancy and way of life that is Hobart

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 23 November 2009.

Comments and suggestions may be forwarded to the General Manager, Hobart City Council, GPO Box 503 Hobart 7001, or to hcc@hobartcity.com.au by close of business, Friday 20 November 2009.



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.

✓ Completed → Underway X No Action

Outcome to be achieved: Opportunities for education, employment and fulfilling careers and retaining our young people

2008/2009 Actions/Initiatives	Performance
Commence implementation of the new Economic Development Strategy	✓
Implement new University of Tasmania student bursary program	✓
Commence 'Let's Read' initiative for 0–5 year olds	✓
Expand and enhance service delivery under the Commonwealth-funded Connections Program for young people disconnected from mainstream education	✓

Outcome to be achieved: Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home

2008/2009 Actions/Initiatives	Performance
Develop a range of arts and cultural programs to support the new focus for Youth ARC activities	✓
Develop the role of Boombox as a safe, underage venue for young people	✓
Develop and deliver an event/activity for young people as part of the Taste Festival	✓
Develop and distribute a youth-friendly version of the Council's Youth Strategy	→
Further enhance consultation networks for Futures Youth Advisory Committee	→
Develop linkages with Southern Tasmania Skateboard Association to deliver significant events at skate parks	✓
Develop an equal access checklist for all Council presented events	→
Distribute and promote the Family Information Pack	✓



Future Direction 2 Is recognised for its natural beauty and quality of environment

In 2025 Hobart will be a city that respects the natural beauty of Mt Wellington, the 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.

✓ Completed → Underway X No Action

Outcome to be achieved: The natural beauty of Mt Wellington, the Derwent River, bushland surrounds and foreshore locations is highly valued

2008/2009 Actions/Initiatives	Performance
Replacement of the sea wall and promenade at lower Sandy Bay	✓
Implement the Cornelian Bay Management Plan – conduct a community consultation on a draft traffic and foreshore landscape development plan	→
Continue planning for the improvement of the Hobart Cenotaph – install new light poles in ANZAC Parade	✓
Continue the implementation of the Leonard Wall Valley Street Reserve Landscape Plan	→
Introduce ‘bush birthday parties’ on weekends at Waterworks Reserve	→
Develop Bushcare volunteer policies and procedures and introduce a training program for all volunteers	→
Introduce a Bushcare volunteer uniform	✓
Seek external funding opportunities to support bushcare group initiatives and implement current grant funded projects	✓
Conduct a migrant seminar on Hobart’s bushland	✓



✓ Completed → Underway X No Action

Outcome to be achieved: Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced

2008/2009 Actions/Initiatives	Performance
Investigate the scope for a study to identify and protect strategic public views within the City	X
Review of Precinct 30B of the City of Hobart Planning Scheme 1982 as a pilot to identify the scope for special area provisions being included in the new City of Hobart Planning Scheme	→
Construction of Stage 2 of the North South Track on Mt Wellington	→
Plan for Stage 3 of the North South Track on Mt Wellington	→
Maintain and upgrade fire trails in accordance with fire management plans	✓
Implementation of Stage 1 the Soldiers Memorial Avenue Cross Roads extension	✓
Upgrade the Summit Track at Knocklofty Reserve and Icehouse Track at Wellington Park	✓
Restore the historic Beaumaris Zoo fence	→
Resurface Joggers Loop at Queens Domain	✓
Install seating along Soldiers Memorial Avenue	✓
Amend the City of Hobart Planning Scheme to protect the landscape and visual values of the estuary in lower Sandy Bay (precinct 33)	✓

Outcome to be achieved: The physical environment has been conserved in a way that ensures we have a healthy and attractive city

2008/2009 Actions/Initiatives	Performance
Revision of the Queens Domain Management Plan	→
Prepare a management plan for Bicentennial Park	X
Review the Council's Bushland Fire Management Strategy	→
Review future use options for the Porter Hill residence	✓
Undertake works in accordance with the Playground Development Strategy – Caldew Park upgrade, soft-fall upgrades and equal access assessments for selected Hobart parks	✓
Complete the planning for the redevelopment of the Lower Sandy Bay All Access Playground	✓
Plan for the replacement of the public conveniences located in St Davids Park and Franklin Square	✓
Undertake the upgrade of electronic scoreboard at the North Hobart Oval	→
Upgrade irrigation at Mt Nelson Oval	✓
Conduct the maintenance management program of hydraulics infrastructure	✓
Undertake the Knocklofty reservoir improvement project	✓

Outcome to be achieved: The physical environment has been conserved in a way that ensures we have a healthy and attractive city (*continued*)

2008/2009 Actions/Initiatives	Performance
Replacement of the King Street trunk water main (not commenced due to transfer to Southern Water)	X
Electrical upgrade of the Newlands pump station	✓
Replacement of the Salamanca Place pump station (not completed due to transfer to Southern Water)	→
Replacement of the two main pumps at Sandy Bay sewerage pump station	✓
Evaluate future solid waste options	→
Investigate options to collect and compost food from large businesses	✓
Investigate the possible relocation of the Macquarie Point Wastewater Treatment Plant	✓
Maintain and manage National Association of Testing Authorities (NATA) accreditation to ensure provision of quality assured analytical services in microbiological and chemical testing at the Selfs Point Laboratory	✓
Implement initiatives to reduce and manage litter, solid waste, liquid waste and graffiti	✓
Implement a strategic plan for the McRobies Gully Waste Management Centre	→
Implement the Environmental Management Plan and System for the waste management centre	✓
Implement changes to increase the capacity and product quality of the green waste composting facilities	✓
Undertake an assessment with a view to implementing an environmental management system for the Hotmix Plant and for Cleary's Gate Depot	→

Outcome to be achieved: Better understanding of climate change and its potential effect on the natural and built environment and strategies developed

2008/2009 Actions/Initiatives	Performance
Publish a 10-year State of the Environment Report 2008	→
Develop a climate change strategy	✓
Introduce rate rebate scheme for energy efficiency, solar hot water and roof insulation	✓
Investigate the concept and feasibility of a Sustainability Rebate for ratepayers and developers	✓
Manage and develop the Dr Edward Hall Environmental Awards	✓
Undertake a trial of energy efficient street lighting	✓



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.

✓ Completed → Underway X No Action

Outcome to be achieved: An integrated approach to the planning and development of the wider metropolitan region

2008/2009 Actions/Initiatives	Performance
Undertake a review of standard conditions for planning applications and approvals	→
Conduct a public information campaign on the effect of water and sewerage reforms	✓
Participate in the development of an agreement with the State Government and other Local Government authorities in pursuing a regional land use strategy	✓
Participate in any steering group overseeing the development of a regional land use strategy	✓

Outcome to be achieved: Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals

2008/2009 Actions/Initiatives	Performance
Work with the operators of the Domain Tennis Centre to refurbish the spectators' facilities	→
Work with the operators of the Tasmanian Hockey Centre in the refurbishment of the facility	✓
Work with the operators of the Southern Tasmanian Netball Centre to plan for the expansion of the indoor facilities at the Centre	✓
Actively participate in the Southern Tasmanian Councils Authority meetings and pursue the development of a regional approach to planning and development	✓
Participate in the development of an agreement with the State Government and other Local Government authorities in pursuing a regional land use strategy	✓
Participate in any steering group overseeing the development of a regional land use strategy	✓
Provide community advocacy and a program of consultation for the State Government's decision to construct a new Royal Hobart Hospital on the railyards site	✓
Participation on the State Government/Hobart City Council Joint Steering Committee for redevelopment of Princes Wharf Shed No. 1	✓

Outcome to be achieved: Development of technologies that give young people opportunities to contribute to planning and development in the city

2008/2009 Actions/Initiatives	Performance
Adopt a new electronic tracking system to streamline planning applications and approvals	→
Further enhance Council's web page to provide better access to planning-related information	→
Investigate and evaluate the adoption of an online development application lodgement system	→



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

✓ Completed → Underway X No Action

Outcome to be achieved: The city remains unique in its own right, protecting its built heritage and history

2008/2009 Actions/Initiatives	Performance
Undertake community consultation on the new draft City of Hobart Planning Scheme	→
Review the Pipeline Track Conservation Plan and its implementation	→
Launch and promote the book 'Growing with Strength: A history of the Hobart City Council 1846–2000'	✓
Report on the Holy Trinity Church and Conservation Management Plan	✓
Provide heritage input into the review of the Queens Domain Management Plan	→
Launch and promote the book 'Hobart Tramways'	✓
Review the heritage fund and explore further funding opportunities for protection of heritage	X
Report on the implementation of the Battery Point Slipyards Conservation Management Plan and the opportunities for a Slipyards 'living heritage' project	✓



Outcome to be achieved: Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued

2008/2009 Actions/Initiatives	Performance
Develop the Council's Public Art Master Plan	→
Implement public art initiatives including projects for Lower Sandy Bay and Battery Point	→
Promote recycling and waste education within the community	✓
Complete a feasibility study into the opportunities for the use of recycled effluent within the Nyrstar Hobart Zinc Smelter	✓
Develop opportunities for biosolids reuse as part of the Australasian Biosolids Partnership	→
Improve water infrastructure for – Lenah Valley Augmentation scheme, Tolmans Hill reservoir and connections to major customers (not completed due to transfer to Southern Water)	→
Improve sewerage infrastructure for – Royal Tasmanian Botanical Gardens pumping station and the Kooyong Glen sewerage scheme	✓
Improve stormwater outfalls onto beaches	→
Improve stormwater infrastructure into unserviced areas	→
Undertake embankment stabilisation of New Town Rivulet (Tower Road bridge)	✓
Completion of North Hobart streetscape revitalisation project	✓
Completion Murray Street revitalisation project – refurbishment of Murray Street frontage to St David's Cathedral	✓

Outcome to be achieved: Access to the waterfront, foreshores, public and open space is valued

2008/2009 Actions/Initiatives	Performance
Conduct community consultation on providing improved public access to the Battery Point foreshore	✓
Establish 'Adopt-a-Waterway' program in Hobart	→



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.

✓ Completed → Underway X No Action

Outcome to be achieved: Convenience and accessibility through the greater use of sustainable transport alternatives and an effective road and travel network

2008/2009 Actions/Initiatives	Performance
Review and update the Streetscape Master Plan to include principal pedestrian walking corridors	→
Identify locations that require improved equal access to all pedestrians, including those with disabilities, and implement necessary works	→
Implement the Roads to Recovery Program	✓
Consider design requirements of cyclists on any project on roads identified on the Principal Bicycle Network	✓
Construct Argyle Street/Campbell Street bicycle lanes project	✓
Undertake community consultation on the concept/feasibility for the city to southern boundary cycle and pedestrian link	✓
Construct additional levels on Centrepark car park and increase parking supply in Argyle Street car park	→
Adopt a Sustainable Transport Strategy	→

Outcome to be achieved: An integrated approach to transport and planning within the city and across the wider metropolitan region

2008/2009 Actions/Initiatives	Performance
Respond to community requests for alterations to the supply of off-street parking restrictions and management of kerbside parking restrictions	✓
Maintain infrastructure associated with the fee collections and metering of off-street and on-street parking	✓
Monitor vehicular parking in all suburban areas, including the Queens Domain Regatta Grounds and TCA car park in order to gauge the affect of commuter parking on residential and recreational areas	→
Conduct an audit on the residential parking permit system	→



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.

✓ Completed → Underway X No Action

Outcome to be achieved: A spirit of community

2008/2009 Actions/Initiatives	Performance
Implement a children and families sector framework	✓
Implement a child and family focus in the Community Grants Program	✓
Launch and implement the Council's revised Positive Ageing Strategy 2008	→
Continue to work with key stakeholders to progress the redevelopment of the 50 & Better Centre	→
Implement the 2008-2013 Dog Management Policy and Strategy	✓
Implement and review Council's Equal Access Strategy in consultation with Council's Access Advisory Committee	→
In partnership with the Access Advisory Committee, develop a theatre-based arts and disability project that enhances opportunities for participation in community life by people with disabilities	✓

Outcome to be achieved: Diversity is valued and there is participation by all in their community

2008/2009 Actions/Initiatives	Performance
Develop a community diversity policy	→
Develop a Social Inclusion Plan and policy framework	→
Investigate potential sister city relationship with Brest, France	✓
Develop community asset mapping system	✓



Outcome to be achieved: A friendly and compassionate society

2008/2009 Actions/Initiatives	Performance
Use the Social Inclusion Plan to identify and respond to priority issues of the disadvantaged within the community	→
Participate in the working groups for the Tripartite Partnership Agreement for Population Ageing in Tasmania	✓
Partner with the local Abruzzi Association to raise funds toward the rebuilding of a significant heritage building in L'Aquila of the Council's choice resulting from the April 2009 earthquake	✓

Outcome to be achieved: A safe and healthy city

2008/2009 Actions/Initiatives	Performance
Implement and review the customer service satisfaction survey results for The Hobart Aquatic Centre	✓
Develop personal training and rehabilitation programs at The Hobart Aquatic Centre	✓
Participate in the national Cities for Safe and Healthy Communities initiative as a foundation Council	✓
Review and update an emergency management plan for a significant rain event; provide input to flood action plans for the major rivulets	→
Activation of City Hall as a community flu clinic in response to swine influenza pandemic	✓
Participate in the operations of the Southern Regional Emergency Management Committee and the Southern Regional Community Recovery Committee	✓
Develop and implement a community awareness campaign based around the 'Let's get Ready Sydney' program model	→
Develop and implement an awareness strategy for the Hobart Community Recovery Plan	✓
Finalise the operational plans for wet weather emergencies	→
Undertake a review of existing lighting and CCTV coverage and improve performance where appropriate in the city	→



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.

✓ Completed → Underway X No Action

Outcome to be achieved: A destination of choice and a place for business

2008/2009 Actions/Initiatives	Performance
Conduct 2008 Hobart Exceptional Customer Service Awards	✓
Manage, develop and promote the Hobart Advantage Card loyalty program to individuals and businesses	✓
Oversee the transfer of the Tasmanian Travel and Information Centre to Council ownership	✓
Develop a marketing plan including the re-branding of Salamanca Market and the development, design and implementation of an interactive website	→

Outcome to be achieved: Clever thinking and support for creativity will help build a strong economic foundation

2008/2009 Actions/Initiatives	Performance
Develop a memorandum of understanding with the University of Tasmania that focuses on the University's importance of the Hobart and regional community	✓



Outcome to be achieved: 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

2008/2009 Actions/Initiatives	Performance
Develop and implement the new Taste Festival	✓
Implement a new Christmas decoration program	✓
Develop and implement the 20th Anniversary City of Hobart Art Prize	✓
Deliver a program of exhibitions at the Council's Carnegie Gallery	✓
Implement the recommendations of the review of busking and entertainment activities at Salamanca Market	→
Progress the implementation of the recommendations of the Salamanca Market Business Sustainability reports	→
Continue to develop and enhance operational processes and risk management systems associated with Salamanca Market	✓
Continue to implement new tented structure compliance management systems for Salamanca Market	✓
Trial free shuttle service to Salamanca Market during the peak summer events period	✓
Stage the 2008 Carols by the Bay	✓
Stage the 2008 Myer Hobart Christmas Pageant	✓



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.

The Environmental Health Unit comprises of a Manager Environmental Health, one Senior Environmental Health Officer, four Environmental Health Officers, two part-time Environmental Health Officers, one technical support officer, one trainee Environmental Health Officer, two Medical Officers of Health (shared contract position) and two registered immunisation nurses. The Unit operated on a budget of \$688,831 and generated an income of \$232,800.

The Public Health Services and Environmental Monitoring Services programs address a range of functions under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial & Cremation Act 2002* and *Environmental Management & Pollution Control Act 1994*. These functions include:

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

Basic statistics reflecting the general level of activity throughout the 2008/2009 year include:

Food Businesses Registered	784
Food Business Inspections and Assessments	720
Persons Immunised	3302
Places of Assembly Licensed	134
Public Health Risk Activity Businesses Registered (tattooing, acupuncture, ear/body piercing)	19
Cooling Towers/Warm Water Systems Registered	32
Recreational and Bathing Waters Sampled (swimming beaches, public swimming pools/spas)	429
Public Health Nuisances and Pollution Complaints Investigated	338
After Hours Public Events Monitored	114
Businesses /Community Groups provided with Food Handler Training	67



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

Outcome to be achieved: A safe and healthy city

2008/2009 Actions/Initiatives	Performance
• Develop a pandemic influenza emergency management plan	✓
• Review the criteria for the risk classification of food businesses	✓
• Develop and utilise a comprehensive and user-friendly food handler training package	✓
• Undertake a risk assessment of all licensed places of assembly	→
• Develop a program for the identification of Level 1 activities in the municipal area	→
• Review and amend best practice procedures for conducting public and school-based immunisation programs	✓
• Install improved public signage at Derwent River swimming beaches	✓
• Improve procedure for assessing requests for fire hazard reduction burns on private land	✓



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

Pandemic influenza planning, preparedness and response capability is a significant responsibility for local government. In response to a declared pandemic by the World Health Organization, and an escalating incidence of the local population becoming infected with the H1N1 human swine influenza virus in June, the Council was called upon by the State Government to activate its plan for the establishment of a flu clinic in the City Hall. The City Hall was subsequently fitted out in accordance with the approved plan and the flu clinic operated as a community assessment and triage facility for seventeen (17) consecutive days. A number of Council staff volunteered to participate in the operation of the clinic both during normal working hours and at weekends. The City Hall flu clinic was then formally closed when the State response to the influenza pandemic went into the Protect Phase. The Council remains on standby to re-activate the flu clinic in the City Hall if so required by the State Government. The nature of the influenza pandemic was closely monitored by international, national and Tasmanian health agencies.

A Public Health Emergency Management Plan has been developed and approved for implementation. This Plan focuses on addressing a broad range of public and environmental health effects that could impact on the community following a significant emergency incident. It also contains an influenza pandemic sub-plan. The Plan can be activated on the direction of the Director of Public Health for specific public health emergency actions as well as be used as a guide for Council's public health support role in general emergency situations. It incorporates the roles and responsibilities of Council's environmental health officers primarily in the response and recovery phases of emergency events. The Plan complements the Hobart Emergency Management Plan.

The Council is a participating member of the Derwent Estuary Program and supports all the efforts to improve the water quality in the Derwent Estuary. The Council's

Environmental Health Officers are actively involved in taking regular water samples from the swimming beaches at sites along Nutgrove and Little Sandy Bay beaches during the designated swimming season (December to March inclusive). Sanitary surveys of the relevant catchment areas are undertaken if there are unexplained elevated levels of indicator bacteria in the recreational waters. Improved public signage has been erected at the designated sampling sites along the beaches. These new signs provide the public with a water quality rating as well as a general warning not to swim after rainfall or near stormwater pipes and rivulet outfalls. Background water quality sampling is also undertaken at non-swimming sites such as Marieville Esplanade and Cornelian Bay to monitor the water quality at these public recreation areas.

Food safety surveillance and monitoring is a major activity undertaken by Council environmental health officers. Some of the key areas include food business inspections and assessments, food sampling, correct labelling of locally manufactured products, investigation and resolution of food-related complaints, investigating alleged food poisoning incidents, providing food handler education to food businesses, stallholders, community groups and students. An important component of food surveillance is ensuring compliance with the national Food Safety Standards. A total of 60 complaints were received alleging unclean food businesses or poor hygiene or food handling practices. There were 17 complaints received alleging the purchase or consumption of contaminated or adulterated food. These figures represent a reduction in the overall number of food-related complaints when compared with last year. The range of enforcement tools available to Council officers for ensuring food businesses achieve and maintain satisfactory compliance with the Standards are quite extensive and effective when utilised.



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:	\$359,614.00
Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses):	\$103,307.11

Meeting Attendance Section 72 (1) (cc)

	Council		City Services Committee		Community Development Committee		Development and Environmental Services Committee		Finance and Corporate Services Committee		Parks and Customer Services Committee		Strategic Governance Committee	
	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member
Total meetings held	23		18		13		24		18		13		16	
Alderman Valentine	20		4		1		19		3		2		13	
Alderman Ruzicka	23	15			2		5*	7*	18		10		15	
Alderman Haigh	23		2				24		5		1		15	
Alderman Zucco	20		2	13					14		1			1
Alderman Briscoe	21		1	8					2	13				1
Alderman Sexton	19		2	9			1		4	5			9	
Alderman Freeman	20	11			1		1	16			3			4
Alderman Christie	20	16			5				1	11				1
Alderman Burnet	20		7	12			21		5		2			1
Alderman Cocker	20	15					3	16			1			4
Alderman Archer	22	16			4		1*	1	18		3			10
Alderman Harvey	21		8	13			19*	4*		7	11		15	

Meetings include Special Meetings and Special Joint Meetings.

Note

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

Legend

* Refer table below

Development and Environmental Services Committee Membership Details

* Deputy Lord Mayor Alderman Ruzicka	Member until 1 September 2008 only (maximum of 5 meetings)
*Alderman Archer	Member for the meeting 21 July 2008 only
*Alderman Harvey	Member since 15 September 2008 only (maximum of 19 meetings)



Grants, Assistance and Benefits Provided Section 77 (1)

Detail	GST inclusive amount
10 Days on the Island – Events and Festivals Grant – In-kind	1,616
60th Intersvarsity Choral Festival – Venue Costs – Cultural Grant – Cash	1,938
Anglicare Tasmania – Family Social Inclusion Project – Community Grant – Cash	2,200
Antarctic Tasmania – Events and Festivals Grant – Cash	7,700
ANZAC Day Commemorative Committee – Anzac Day – Community Grant – Cash and In-Kind	21,646
Artisans of Florence-Teknoart – Leonardo da Vinci Exhibition – Cultural Grant – Cash	5,500
Athletics South – Trophy Donation City to Casino Fun Run & Walk – Community Grant – Cash	57
Australian Red Cross – Victorian Bushfire Appeal – Donation – Cash	50,000
Beerfest Tasmania – Events and Festivals Grant – Cash	2,000
Bethlehem House Homeless Men's Assistance Centre – Equipment Hire – Cash	250
Boer War Memorial Fund – Donation to the Australian Boer War Memorial – Cash	2,000
Catholic Women's League – Community Grant – Rent assistance	28,094
Crime Stoppers – Crime Stoppers 2008/2009 – Donation – Cash	1,100
Crime Stoppers – Crime Stoppers Youth Challenge – Community Grant – Cash	2,750
Cycling South – Funding Contribution – Cash	11,000
Dept of Environment, Parks, Heritage & the Arts – Derwent Estuary Program 2008/2009 – Cash	39,083
Dept of Environment, Parks, Heritage & the Arts, Tasmanian Living Writers' Week 2008 – Events and Festivals Grant – Cash	2,200
Dept of Police & Public Safety – Southern Regional Unit of the State Emergency Service – Cash	18,221
Derwent Sailing Squadron – Annual Grant – Rent Assistance	7,300
Domain Tennis Centre – Grant for Refurbishment of six Courts – Cash and In-kind	106,810
Errol Flynn Society – Errol Flynn Centenary Celebrations – Cultural Grant – Cash	3,000
Estia Greek Festival of Hobart – Events and Festivals Grant – Cash	2,200
Festival of Voices – Festival Bonfire and Big Sing – Events and Festivals Grant – Cash	2,200
GLC Inc – TasPride Festival – Photo Exhibition – Community Grant – Cash	3,000
Goulburn Street Primary School – Community Grant – Cash	1,100
Heritage and Conservation Grants – Cash	29,900
Hobart Jazz Club – Hot August Jazz – Events and Festivals Grant – Cash	2,200
Hobart Playback Theatre – Voices of Children and Families – Community Grant – Cash	4,500
Hobart Police & Community Youth Club – Hands Across Hobart Cheerleading Program – Community Grant – Cash	3,300
Hockey South – Funding Contribution – Cash	66,000
Holyoake – Drums for Drumbeat Program – Community Grant – Cash	2,750
Human Rights Week Organising Committee – 2008 Human Rights Week – Community Grant – Cash	530
IHOS Opera – Young Singers Program – Cultural Grant – Cash	4,950
Island Brass Academy – Concert and Master Class Series – Cultural Grant – Cash	1,815
Island Magazine – Gwen Harwood Poetry Prize – Cultural Grant – Cash	1,600



Grants, Assistance and Benefits Provided Section 77 (1)

(continued)

Detail	GST inclusive amount
Kickstart Arts – 2008/2009 Program – Cultural Grant – Cash	3,300
Lady Gowrie Tasmania – Community Grant – Cash	3,190
L'Aquila Sister City – Earthquake Recovery Assistance – Donation – Cash	25,000
Lipscombe Community Child Care – 'Integrated Health' – Community Grant – Cash	3,758
Mature Artists Dance Experience – PANE Project – Cultural Grant – Cash	2,000
Mental Health Council of Tasmania – Mental Health Week 2008 – Community Grant – Cash	1,540
North Hobart Football Club – In-kind	8,580
Odd and Even Makers Market – Sponsorship – Cultural Grant – Cash	500
Plane Tree Studio – Specialist Skills Training – Community Grant – Cash	2,200
Point to Pinnacle – 2008 Point to Pinnacle Run and Walk – Events and Festivals Grant – Cash	2,000
Polish Association – Family Carers Information Forum – Community Grant – Cash	550
Primary Schools Dance Event – Community Grant – Cash	1,860
R Lucien Simon – Lasagne Western – Cultural Grant – Cash	2,000
Robotics Tasmania – RoboCup Junior Tasmania 2008 State Finals Robotics Competition – Events and Festivals Grant – Cash	1,650
Rosny College – RACT Insurance Challenge – Events and Festivals Grant – Cash	1,650
Royal Hobart Regatta – Cultural Grant – In-kind	22,045
Royal Tasmanian Botanical Gardens – Annual Grant – Community Grant – Cash	11,330
Royal Tasmanian Botanical Gardens – Tulip Festival – Events and Festivals Grant – Cash	2,750
Royal Yacht Club of Tasmania – Annual Grant – Rent Assistance	17,531
Royal Yacht Club of Tasmania – Trophy Donation for Sydney to Hobart Yacht Race – Community Grant – Cash	580
RSPCA – Annual Grant – Cash	5,190
Salamanca Arts Centre – Arts Program – Cultural Grant – Cash	57,414
Salamanca Arts Centre – Events and Festivals Grant – Cash	2,000
Salamanca Arts Centre – Sing Salamanca – Cultural Grant – Cash	13,200
Sandy Bay Regatta – Cultural Grant – In-kind	1,195
Schools Youth Leadership Conference – Community Grant – Cash	250
Source Community Wholefoods – Source Centre – Community Grant – Cash	320
South Hobart Progress Association – Bonfire & Fireworks Night – Community/Cultural Grant – Cash	2,000
Southern Coastcare Association of Tasmania – Funding Contribution – Cash	200
St David's Cathedral Foundation – Heritage & Conservation Contribution – Cash	119,077
St Mary's Cathedral Restoration – Heritage & Conservation Contribution – Cash	100,000
Surf Life Saving Tasmania – Subsidy for Bathing Pavilion – Cash	1,100
T3 Events – Hobart International Triathlon – Events and Festivals Grant – Cash	21,642
Targa Tasmania – In-kind	1,915
Tasmanian Canine Defence League – Funding Contribution – Cash	71,751



Grants, Assistance and Benefits Provided Section 77 (1)

(continued)

Detail	GST inclusive amount
Tasmanian Convention Bureau – Annual Grant – Cash	62,700
Tasmanian Cricket Association – Events and Festivals Grant – Cash	5,500
Tasmanian International Storytelling Festival – Events & Festivals Grant – Cash	2,200
Tasmanian Museum and Art Gallery – Annual Grant – Cultural Grant – Cash	14,630
Tasmanian Museum and Art Gallery – Hobart Gallery Guide – Funding Contribution – Cash	500
Tasmanian Symphony Orchestra – Annual Grant – Cultural Grant – Cash	10,120
Tasmanian Theatre Company – Community Enrichment Program – Cultural Grant – Cash	3,300
Tasmanian Travel and Information Centre – Funding Contribution – Cash	92,400
Tasmanian Writers’ Centre – Hobart City International Residency Program – Cultural Grant – Cash	5,500
Tasmanian Youth Orchestra – Cultural Grant – Cash	3,200
Tasmanians with Disabilities – Community Grant – Rent assistance	21,405
Tasmania’s South Regional Tourism Association – Funding Contribution – Cash	74,240
Terrapin Puppet Theatre – ‘Articulate’ – Cultural Grant – Cash	3,300
The Chamber Music Association of Tasmania – Musica Viva Hobart Concerts 2009 – Cultural Grant – Cash	3,355
The City of Hobart Eisteddfod Society Inc – Sponsorship for 2008 Eisteddfod – Cultural Grant – Cash and In-kind	10,344
The Colour Circle Inc – 2008/2009 Community Grant – Cash	2,970
Theatre Royal – Annual Grant – Cultural Grant – Cash	7,370
Town Crier – Cash	1,500
University of Tasmania – Gearing Up Expo – Community Grant – Cash	2,008
University of Tasmania – Scholarships – Community Grant – Cash	17,500
Wellington Park Management Trust – Regulations Awareness Program – Cash	24,200
Wide Angle Tasmania – Hobart Tropfest Award 2009 – Cultural Grant – Cash	2,750
Wooden Boat Festival – Events and Festivals Grant – Cash	11,000
Young Achievement Australia – 2008/2009 Hobart YAA Program – Community Grant – Cash	5,500
Grease Trap Installation/Upgrade Rebates	112,447
Rate Remissions – Pensioners Net Expenditure	58,459
Rate Remissions – Water Efficient Device Rebates	29,023
Solar Hot Water Rebate	78,972
Ex-Aldermen Fuel Expense	11,300
TOTAL	1,629,469

Detail

Ex Aldermen of the Hobart City Council who have served a minimum period of two terms (and a former Town Clerk) are entitled to draw up to 108 litres of petrol per calendar month from the Council's supply, retain their Gold Pass and leave a vehicle in a metred area (at a 75% discount) and free of charge in any off street car park operated by the Council.

Remission of hire charges for Council Halls, sports fields and parks during 2008/2009 totalled \$5,689.50 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 2008/2009 financial year.

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor(s)
1461: Design, Supply and Commissioning of an LED Bud Lighting System for Salamanca Place	22/09/08 to 22/11/09	Not applicable	\$182,397	Southern Lighting and Distribution Pty Ltd
1467: Registration of Contractors to Undertake Landscape Horticultural and Bush Land Works	18/07/08 to 30/04/09	12 months	\$1,026,000 (estimated)	Multi use list (various contractors)
1470: Lease of Electronic and Pin Loaded Gym Equipment to the Hobart Aquatic Centre	05/08/08 to 04/08/11	Not applicable	\$153,170	Life Fitness Australia The Fitness Generation
1472: The Hobart Aquatic Centre Café Refurbishment	03/09/09 to 02/10/09	Not applicable	\$145,272	CDC Development Pty Ltd
1477: Beer Provider for the Taste Festival	01/12/08 to 31/01/10	Up to 2 years	\$165,000 (estimated)	J Boag and Son
1484: Supply of Compostable Cutlery and Crockery for the Taste Festival	18/08/08 to 17/08/10	Up to 2 years	\$237,000 (estimated)	Corporate Express Australia Ltd
1492: Provision of Recycling Services as McRobies Gully Waste Management Centre	01/08/08 to 31/07/10	Up to 3 years	\$320,000 (estimated)	Veolia Environmental Services (Australia) Ltd
1498: Provision of IVR and Internet Account Payment Services	14/07/08 to 29/10/09	Not applicable	\$300,000 (estimated)	Commonwealth Bank of Australia
1502: Annual Slurry Sealing Program	01/12/08 to 28/02/09	Not applicable	\$288,616 (estimated)	Downer EDI Works Pty Ltd



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

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor(s)
1506: Shredding of Green Waste and McRobies Gully Waste Management Centre	13/10/08 to 12/10/10	24 months	\$374,000 (estimated)	Barwicks Landscape Supplies Pty Ltd
1509: Supply of Contract Labour Hire Personnel to Civic Solutions	03/02/09 to 02/02/11	12 months	\$3,500,000 (estimated)	Skilled Group Ltd
1510: Provision of Mobile Phone Services	14/11/08 to 13/11/12	24 months	\$495,000 (estimated)	Total Communications Pty Ltd
1512C: Design, Document and Administer the Lenah Valley Water Supply Augmentation Project	09/12/08 to 08/10/09	Base term only as extended to enable completion	\$145,430	GHD Pty Ltd
1515: Cleaning of the Argyle Street Car Park	01/11/08 to 31/10/10	Up to 2 years	\$351,000 (estimated)	Curtisey Cleaning Services
1516: Cleaning of the Hobart Central Car Park	01/11/08 to 31/10/10	Up to 2 years	\$213,200 (estimated)	Curtisey Cleaning Services
1518: Provision of Contract Administrative Personnel	19/02/09 to 18/02/12	Up to 2 years	\$1,130,000 (estimated)	Manpower Services (Australia) Pty Ltd
1521: Supply and Delivery of Sand for Asphalt	12/12/08 to 11/12/09	12 months	\$117,150 (estimated)	Duggans Pty Ltd
1522: Line Marking – Argyle/Campbell Street Bicycle Lanes	07/07/09 to 11/08/09	Not applicable	\$156,405	Maintenance Systems Pty Ltd
1523: Franklin Square Public Toilet Facilities Refurbishment	07/07/09 to 11/08/09	Not applicable	\$340,331	CDC Development Pty Ltd
1525: Supply and delivery of 1,000 metres of Ductile Iron Cement Lined Pipe	11/03/09 to 14/04/09	Not applicable	\$123,000	Tyco Water Pty Ltd
1529: Annual Inspection and Reporting of Asbestos Containing Materials in Council Buildings	07/05/09 to 06/05/14	5 years	\$247,320	Noel Arnold and Associates Pty Ltd



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

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor(s)
1532: Supply and Delivery of One Compact Street Sweeper	28 days from date of delivery	Not applicable	\$159,787	MacDonald Johnston Pty Ltd
1533: Supply and Delivery of One Suction Street Sweeper	28 days from date of delivery subject to supplier's invoice	Not applicable	\$238,663	MacDonald Johnston Pty Ltd
1535: Registration of Hire Rates – Trucks (15 and 22.5 Tonne)	01/05/09 to 30/04/11	12 months	\$300,000	Multi use list (various contractors)
1539: St Davids Park Public Facilities Refurbishment	22/04/09 to 28/06/10	Not applicable	\$177,881	Geoff Anderson Pty Ltd
1540: Supply and Delivery of Topsoil and Top Dressing Sand	29/06/09 to 28/06/10	Up to 2 years	\$163,600 (estimated)	AR and HK Rooke Cartage Contractors
1544: Supply and Delivery of Red Gravel (Decomposed Dolerite)	07/07/09 to 30/06/11	24 months	\$100,000 (estimated)	Jenkins Hire Pty Ltd
1545: Manufacture and Supply of Ready-Mixed Concrete	07/07/09 to 30/06/11	24 months	\$837,000 (estimated)	Boral Construction Materials Group Ltd
1546: Provision of Services – Cash Collection from Parking Meters	24/06/09 to 30/06/11	Up to 2 years	\$422,600 (estimated)	Care Park Pty Ltd
1549: Refurbishment of Lenah Valley RSLA Hall – 188A Lenah Valley Road	24/06/09 to 23/09/09	Not applicable	\$277,750	Geoff Anderson Pty Ltd
1552: Supply and Delivery of One Ride-On Reel Mower	28 days from date of delivery	Not applicable	\$107,236	KBE Machinery

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



Statement of Land Donated Section 177

The Council has agreed to gift the air rights to the Liverpool Street car park to the Hobart City Mission/Fairbrother Construction for the affordable housing initiative.

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

Total remuneration package	Number of employees
\$240,000 – \$259,999	1
\$140,000 – \$159,999	7
\$120,000 – \$139,999	1

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

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

Strategic Issues

In order to ensure that residents receive a water supply that complies with national standards and guidelines, the Council employs asset management, water conservation and water-sensitive urban design objectives and drinking water quality monitoring programs.

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

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

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

The Council has examined the water mains in the New Town and Lenah Valley areas to enable supply to new subdivisions and ensure a reliable supply. Public consultation, engineering design and documentation, statutory approvals and public tendering have now been completed for the construction of a proposed reservoir off Pottery Road to augment the supply in the Lenah Valley area.



Water and Sewerage Reform

The water and sewerage sector in Tasmania is being reformed by the State Government through the Ministerial Water and Sewerage Taskforce that was established in 2006. In accordance with new legislation, responsibility for water and sewerage services will transfer from the Council to the new local government owned regional authority, Southern Water, on 1 July 2009. More information about the reforms can be found on the Department of Treasury and Finance website www.treasury.tas.gov.au.

Pricing Guidelines

DETERMINATION OF FULL COST RECOVERY LEVELS

Cost item	Lower limit (Minimum business viability) \$'000	Upper limit (Maximum allowable revenue) \$'000
Operation and maintenance	8,821	8,821
Administration and overheads	492	492
Externalities	-	-
Taxes & tax equivalents (other than Income Tax)	97	97
Cost of asset consumption	1,688	2,107
Interest and dividends paid	369	
Cost of capital		10,209
TOTAL	11,467	21,726

Cost of Asset Consumption

- (a) Lower limit – Infrastructure Renewals Annuity calculation using a discount rate of 8.515%
- (b) Upper limit – reported depreciation, based on current replacement values of assets

Weighted average cost of capital

8.515% real pre-tax rate, applied to net asset value.

COST RECOVERY AND RATE OF RETURN PERFORMANCE

	\$'000
Revenue from fixed charges	11,539
Revenue from volume-based charges	605
Council CSO payments	22
Other Revenue	37
Total Revenue	12,203
Average Asset Valuation (written-down replacement value)	119,899
Real rate of return on assets, % p.a. (c)	0.57%

(c) Real rate of return on assets = Earnings before interest and tax / Average Asset Value



Public Interest Disclosure Act 2002

Council's Guidelines for dealing with matters under the Public Interest Disclosure Act 2002 are available for viewing on Council's homepage at www.hobartcity.com.au or a copy can be made available by contacting the Director Strategy and Governance on 6238 2717.

Photo Acknowledgements

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FINANCIAL REPORT

Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to and forming part of the Financial Statements

1	Summary of Significant Accounting Policies	42
2	Changes in Accounting Policy	47
3	Functions / Activities of the Council	49
4	Employee Costs	50
5	Depreciation and Amortisation	50
6	Finance Costs	50
7	Other Expenses	50
8	Significant Items	50
9	Grants and Donations	51
10	Asset Sales	52
11	Investments in Associates	52
12	Asset Revaluations	53
13	Rates Received in Advance	53
14	Restricted Assets	53
15	Cash	54
16	Inventories	54
17	Financial Instruments	54
18	Receivables	58
19	Assets Classified as Held for Sale	58
20	Investment Property	58
21	Property, Plant and Equipment	59
22	Plant and Equipment	59
23	Land and Buildings	60
24	Land Improvements	60
25	Infrastructure Plant	60
26	Pipes, Drains and Rivulets	60
27	Roads and Bridges	60
28	Other Structures	61
29	Capital Work in Progress	61
30	Other Property Plant and Equipment	61
31	Payables	61
32	Trust, Deposits, Retention	61
33	Employee Benefits	62
34	Unearned Revenue	63
35	Loans	63
36	Provision for Landfill Restoration	63
37	Reserves	63
38	Reconciliation of Accrual-Based Results with Cash Flows	64
39	Financing Facilities	64
40	Commitments for Expenditure	65
41	Contingent Liabilities	65
42	Subsequent Events	65
43	Pecuniary Interests	67
44	Significant Business Activities	67

Balance Sheet

as at 30 June 2009

	Note	2008/09 \$'000	2007/08 \$'000
Current Assets			
Cash and Cash Equivalents	15	40,282	45,595
Inventories	16	328	305
Receivables	18	3,630	3,741
Prepayments		68	47
Total Current Assets		44,308	49,688
Non-Current Assets			
Receivables	18	245	285
Investment Property	20	24,407	11,550
Investments in Associates	11	68,390	64,966
Property, Plant and Equipment	21-30	968,332	906,695
Total Non-Current Assets		1,061,374	983,496
Total Assets		1,105,682	1,033,184
Current Liabilities			
Payables	31	5,147	7,853
Trust, Deposits, Retention	32	1,894	1,814
Employee Benefits	33	8,434	7,948
Unearned Revenue	34	216	237
Loans	35	6,490	1,756
Total Current Liabilities		22,181	19,608
Non-Current Liabilities			
Deferred Liabilities		45	45
Employee Benefits	33	15,183	5,942
Loans	35	11,664	13,913
Provision for Landfill Restoration	36	7,740	7,000
Total Non-Current Liabilities		34,632	26,900
Total Liabilities		56,813	46,508
Net Assets		1,048,869	986,676
Equity			
Reserves	37	778,155	722,827
Retained earnings		270,714	263,849
Total Equity		1,048,869	986,676

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

Income Statement

For the Year Ended 30 June 2009

	Note	2008/09 ACTUAL \$'000	2008/09 BUDGET \$'000	2007/08 ACTUAL \$'000
Expenses				
Employee Benefits	4	(40,426)	(39,542)	(37,049)
Materials and Services		(28,291)	(22,876)	(24,809)
Depreciation and Amortisation	5	(20,719)	(21,111)	(20,475)
Finance Costs	6	(1,488)	(1,474)	(1,435)
Purchase Bulk Water		(7,220)	(7,000)	(6,785)
State Fire Commission Levies		(6,202)	(6,202)	(6,447)
Other Expenses	7	(4,863)	(4,345)	(5,913)
Total Expenses		(109,209)	(102,550)	(102,913)
Revenues				
Rates and Charges		67,875	67,745	64,951
Grants and Donations	9	5,480	2,543	3,438
Fines		4,771	4,250	3,954
Contributed Property, Plant and Equipment		963	-	2,252
Rendering of Services		20,128	19,558	18,499
Interest		2,718	2,885	3,187
Rents		1,924	1,961	2,043
Other		694	-	890
Total Revenues		104,553	98,942	99,214
Surplus/(Deficit) before Gains and Losses				
		(4,656)	(3,608)	(3,699)
Net Gain/(Loss) on Disposal of Assets	10	(191)	-	(165)
Share of Net Profits of Associates	11	673	900	913
Net PP&E Revaluation Increments	12	1,186	-	3,540
Revaluation Increment on Investment Property	20	12,857	-	-
Surplus/(Deficit) for year		9,869	(2,708)	589

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

Statement of Changes in Equity

For the Year Ended 30 June 2009

	Note	Total		Retained Earnings		Reserves	
		2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000
Balance at beginning of period		986,676	810,638	263,849	278,031	722,827	532,607
Asset revaluations	12	54,223	183,537	-	-	54,223	183,537
Share of other equity movements of associates	11	7,039	1,687	-	-	7,039	1,687
Defined-benefit superannuation plan actuarial gains/(losses)	33	(8,938)	(9,775)	(8,938)	(9,775)	-	-
Surplus/(deficit) for year		9,869	589	9,869	589	-	-
Transfers to reserves	37	-	-	(32,133)	(25,335)	32,133	25,335
Transfers from reserves	37	-	-	38,067	20,339	(38,067)	(20,339)
Balance at end of period		1,048,869	986,676	270,714	263,849	778,155	722,827

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

Cash Flow Statement

For the Year Ended 30 June 2009

	Note	2008/09 ACTUAL \$'000	2008/09 BUDGET \$'000	2007/08 ACTUAL \$'000
Cash Flows from Operating Activities				
<i>Receipts</i>				
Rates		67,818	67,745	64,924
Rendering of services (inclusive of GST)		22,331	21,209	20,117
Interest		2,667	2,885	2,898
Grants (inclusive of GST)		3,721	2,622	2,509
Rents (inclusive of GST)		2,109	2,146	2,262
Fines		3,829	3,635	3,138
Other receipts (inclusive of GST)		4,137	3,630	2,919
		<u>106,612</u>	<u>103,872</u>	<u>98,767</u>
<i>Payments</i>				
Employee costs		(39,637)	(39,542)	(36,949)
Payments to suppliers (inclusive of GST)		(35,054)	(28,421)	(27,992)
Interest		(1,015)	(1,016)	(999)
Other payments (inclusive of GST)		(16,602)	(15,932)	(15,730)
		<u>(92,308)</u>	<u>(84,911)</u>	<u>(81,670)</u>
Net Cash Flow from Operating Activities	38	<u>14,304</u>	<u>18,961</u>	<u>17,097</u>
Cash Flows from Investing Activities				
<i>Proceeds</i>				
Grants		1,838	-	833
Dividends		4,288	900	963
Sales of Property		70	-	173
Sales of Plant and Equipment		745	745	743
		<u>6,941</u>	<u>1,645</u>	<u>2,712</u>
<i>Payments</i>				
Employee Costs capitalised		(2,907)	(2,600)	(2,397)
Materials/Services/Contracts capitalised		(22,212)	(24,570)	(8,669)
Property		(343)	-	(59)
Plant and Equipment		(3,581)	(4,232)	(2,653)
		<u>(29,043)</u>	<u>(31,402)</u>	<u>(13,778)</u>
Net Cash Flow from Investing Activities	38	<u>(22,102)</u>	<u>(29,757)</u>	<u>(11,066)</u>
Cash Flows from Financing Activities				
Proceeds from Borrowings	35	4,242	4,242	1,000
Repayment of Borrowings	35	(1,757)	(1,756)	(898)
Net Cash Flow from Financing Activities		<u>2,485</u>	<u>2,486</u>	<u>102</u>
Net Increase (Decrease) in cash held		(5,313)	(8,310)	6,133
Cash Held at the Beginning of the Year		45,595	45,595	39,462
Cash held at the End of the Year	15	<u>40,282</u>	<u>37,285</u>	<u>45,595</u>

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

Notes to and forming part of the Financial Statements

1. Summary of Significant Accounting Policies

a) Local Government Reporting Entity

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

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

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

b) Basis of Preparation

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

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

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

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

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

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

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

c) Revenue Recognition

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

Rates, Grants, Donations and Other Contributions

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

Rendering of Services

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

Sale of Assets

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

Fines

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

Rents, Interest and Dividends

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

d) Cash and cash equivalents (Note 15)

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

e) Inventories (Note 16)

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

Notes to and forming part of the Financial Statements

1. Summary of Significant Accounting Policies *continued*

f) Financial Assets (Notes 11 and 18)

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

Investments in subsidiaries are measured at cost.

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

All other financial assets are classified as "loans and receivables" and are recorded at amortised cost less impairment. The collectibility of debts is assessed at year-end and an allowance is made for impairment. In respect of parking offences, accounts are regarded as impaired when they are lodged with a collection agency.

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

g) Employee Benefits (Note 33)

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

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

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

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

In determining "pre-conditional" long service leave entitlements, the amount of cash outflows required to be made by Council in the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

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

Superannuation

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

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

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

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

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

h) Provisions

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

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

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

Notes to and forming part of the Financial Statements

1. Summary of Significant Accounting Policies *continued*

i) Investment Property (Note 20)

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

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

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

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

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

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

The cost of property, plant and equipment constructed by Council includes the cost of all materials, direct labour and related labour overheads consumed in the construction.

Revaluations

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

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

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

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

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

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

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

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

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

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

Notes to and forming part of the Financial Statements

Depreciation

All items of property, plant and equipment having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Land is considered to have an unlimited useful life and therefore is not depreciated. In general, residual values for road assets are assumed to be zero.

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

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

	Years		Years
Buildings	35-150	Bridges	50-250
Infrastructure Plant	5-100	Sealed Roads	
Plant and Equipment		- Base	20-85
- Heavy Vehicles	5-25	- Surface	10-50
- Fleet Vehicles	3-10	Unsealed Road Surfaces	100
- Minor Plant	2-25	Footpaths, Kerb & Gutter	30-70
- Computer Equipment	3-5	Cycleways and Tracks	25-75
- Furniture	2-50	Sewer Mains	20-100
Reservoirs	10-80	Sewerage Outfalls	80-120
Stormwater Mains	10-135	Water Mains	25-100
Irrigation	10-80	Playground Equipment	5-30
Rivulets	20-150	Trees	50-250
Fountains	10-80	External Playing Surfaces	10-100

Leased Assets

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

Leases under which Council assumes substantially all the risks and benefits of ownership are classified as finance leases and are capitalised.

A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent

rentals are written off as an expense in the period in which they are incurred. Capitalised lease assets are amortised on a straight-line basis over the term of the relevant lease, or where it is likely that Council will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of lease payments are charged as an expense of the period.

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

Land under Roads

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

l) Financial Liabilities (Notes 31 and 35)

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

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

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

m) Heritage Account (Notes 14 and 15)

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

On 15 December 1999, Council established the required Heritage Account with Perpetual Trustees Tasmania Limited, and the Minister transferred an amount of \$1,216,205 to that account. At 30 June 2009, the balance of the Heritage Account had accumulated to \$1,406,443.

Notes to and forming part of the Financial Statements

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

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

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

Revenues, expenses and assets have been recognised net of GST where that GST is recoverable from the ATO. Where an amount of GST is not recoverable from the ATO, it has been recognised as part of the

cost of acquisition of an asset or part of an item of expense to which it relates. Receivables and payables have been stated with the amount of GST included. The net amount of GST recoverable from the ATO has been included as part of receivables.

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

o) **Water and Sewerage Reforms**

The impact of water and sewerage reforms is discussed at note 42.

Notes to and forming part of the Financial Statements

2. Changes in accounting policies

a) Current and previous periods

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

AASB 2008-10 Amendments to Australian Accounting Standards: Reclassification of Financial Instruments permits the reclassification of certain non-derivative financial assets. As Council does not intend to reclassify its financial assets in the current period, there has been no financial impact on Council's Financial Statements.

AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31. The primary focus of this Standard has been on relocating, where necessary, the requirements in AASs 27, 29 and 31, substantively unamended (with some exceptions), into topic-based Standards. The Standard has had no material financial impact on Council's Financial Statements.

AASB 2009-3 Amendments to Australian Accounting Standards – Embedded Derivatives clarifies the requirements in AASB 139 and Interpretation 9 in relation to the treatment of embedded derivatives within a host contract that is reclassified out of the fair value through profit or loss category. The Standard has had no financial impact on Council's Financial Statements.

AASB Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction provides general guidance on how to assess the limit in AASB 119 Employee Benefits paragraph 58 on the amount of the surplus that can be recognised as an asset. It also explains how the defined benefit surplus (asset) or deficiency (liability) may be affected when there is a statutory or contractual minimum funding requirement. The Interpretation has had no material financial impact on Council's Financial Statements.

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

b) Future periods

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

AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 is a revised Standard to be applied in reporting periods beginning on or after 1 January 2009. This standard eliminates the option of expensing borrowing costs directly attributable to the construction or production of qualifying assets, instead requiring capitalisation. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 is a revised Standard to be applied in reporting periods beginning on or after 1 January 2009. The Standard will not have a financial impact on Council's Financial Statements but will require a number of changes in disclosures.

AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 is a revised Standard to be applied from reporting periods beginning on or after 1 January 2009. This Standard changes the term "general purpose financial report" to "general purpose Financial Statements" and the term "financial report" to "Financial Statements", where appropriate, in Australian Accounting Standards (including Interpretations) and the *Framework* to better align with IFRS terminology. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2008-3 Amendments to Accounting Standards arising from AASB 3 and AASB 127 is a revised Standard to be applied to annual reporting periods beginning on or after 1 July 2009. The focus of the Standard is to reduce alternatives in accounting for subsidiaries in consolidated Financial Statements and in accounting for investments in the separate Financial Statements of a parent. The Standard will not have a material financial impact on Council's Financial Statements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project is a revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on Council's Financial Statements.

Notes to and forming part of the Financial Statements

2. Changes in accounting policies *continued*

AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* is a revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* is a revised Standard to be applied from reporting periods beginning on or after 1 January 2009. The Standard removes the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate and to include recognising a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, as an indication that the investment in the subsidiary, jointly controlled entity or associate may be impaired. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2008-11 *Amendments to Australian Accounting Standard - Business Combinations Among Not-for-Profit Entities* is a revised Standard to be applied from reporting periods beginning on or after 1 July 2009. The Standard specifies the accounting requirements for restructures of local governments. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners* is a revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. The amendments are in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners and the disclosure requirements for dividends that are declared after the reporting period but before the Financial Statements are authorised for issue, respectively. The Standard will not have a material financial impact on Council's Financial Statements.

AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* is a revised Standard to be applied from annual reporting periods beginning on or after 1 January 2009. In respect of not-for-profit public sector entities, this Standard amends AASB 123 by reintroducing the option to expense borrowing costs in the period in which they are incurred and thereby allow an entity to choose whether it expenses or capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments* is a revised Standard to be applied from annual reporting periods beginning on or after 1 January 2009. The amendments require enhanced disclosures about fair value measurements and liquidity risk. The Standard will not have a financial impact on Council's Financial Statements.

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

AASB 2009-6 *Amendments to Australian Accounting Standards* is a revised Standard to be applied from annual reporting periods beginning on or after 1 January 2009. The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. The Standard will not have a financial impact on Council's Financial Statements.

AASB 2009-7 *Amendments to Australian Accounting Standards* is a revised Standard to be applied from annual reporting periods beginning on or after 1 July 2009. The Standard makes amendments to a number of Australian Accounting Standards and Interpretations which are the result of editorial corrections by the AASB and by the International Accounting Standards Board (IASB). The Standard will not have a financial impact on Council's Financial Statements.

Notes to and forming part of the Financial Statements

3. Functions/Activities of the Council

		Expenses	Revenues			Assets
		\$'000	Grants \$'000	Other \$'000	Total \$'000	\$'000
Public Order and Safety	2008/09	6,322	0	6,517	6,517	14
	2007/08	6,644	16	6,465	6,481	49
Health	2008/09	1,500	0	431	431	5
	2007/08	1,415	0	432	432	23
Welfare	2008/09	2,702	152	181	333	4,206
	2007/08	2,712	231	162	393	1,959
Community Amenities	2008/09	20,484	57	10,720	10,777	125,391
	2007/08	19,944	215	10,705	10,920	108,480
Recreation and Culture	2008/09	22,934	452	5,782	6,234	217,527
	2007/08	21,779	201	5,394	5,595	187,140
Parking	2008/09	8,469	0	11,819	11,819	71,890
	2007/08	7,559	0	9,850	9,850	61,264
Transport	2008/09	12,483	3,293	565	3,858	269,159
	2007/08	12,424	1,799	1,435	3,234	263,762
Economic Services	2008/09	2,853	0	854	854	102
	2007/08	2,375	0	768	768	48
Water Supply	2008/09	11,855	4	12,199	12,203	122,623
	2007/08	11,176	0	12,199	12,199	117,175
Sewerage	2008/09	9,992	0	10,726	10,726	136,371
	2007/08	9,437	0	9,478	9,478	133,966
Other (Not Attributed)*	2008/09	9,615	1,522	39,279	40,801	158,394
	2007/08	7,448	976	38,888	39,864	159,318
Total	2008/09	109,209	5,480	99,073	104,553	1,105,682
	2007/08	102,913	3,438	95,776	99,214	1,033,184

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

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

PUBLIC ORDER AND SAFETY:-	fire prevention and emergency management.
HEALTH:-	food control, immunisation services and animal control.
WELFARE:-	childcare, youth services and aged care services.
COMMUNITY AMENITIES:-	solid waste management, stormwater drainage, public conveniences, street lighting, council-owned properties and administration of planning schemes.
RECREATION AND CULTURE:-	public halls, the Aquatic Centre, recreation centres, parks and reserves, the nursery, and festivals.
PARKING:-	car parks and on-street parking.
TRANSPORT:-	roads, footpaths, bridges, traffic signs and the Hot Mix Plant.
ECONOMIC SERVICES:-	Salamanca Market and tourism promotion.
WATER SUPPLY:-	purchase of bulk water, water reticulation and water quality control.
SEWERAGE:-	reticulation, treatment and discharge of liquid waste and sewage effluent.

Notes to and forming part of the Financial Statements

4. Employee Costs

	Notes	2008/09 \$'000	2007/08 \$'000
Gross Wages and Salaries		35,570	32,553
Less: Amounts Capitalised		(1,981)	(1,573)
Leave payments		(2,665)	(2,319)
		<u>(4,646)</u>	<u>(3,892)</u>
Wages and Salaries expensed		30,924	28,661
Leave Entitlements		2,939	3,588
Defined-benefit superannuation plan	33	1,578	1,041
Other superannuation		2,727	1,425
Workers Compensation Insurance		272	578
Payroll Tax		2,451	2,262
Aldermanic Allowances		359	251
Redundancy payments		102	67
Labour Overheads Capitalised		(926)	(824)
		<u>40,426</u>	<u>37,049</u>
Number of Employees (Full-time equivalent)		597	581

5. Depreciation and Amortisation

	2008/09 \$'000	2007/08 \$'000
Land Improvements	1,595	1,543
Buildings	1,728	1,731
Infrastructure Plant	1,069	1,022
Plant and Equipment	2,250	2,210
Pipes, Drains and Rivulets	5,279	5,327
Roads and Bridges	6,350	6,490
Other Structures	2,448	2,152
	<u>20,719</u>	<u>20,475</u>

6. Finance Costs

	2008/09 \$'000	2007/08 \$'000
Interest on Loans	1,030	999
Finance Cost associated with Landfill Restoration Provision	458	436
	<u>1,488</u>	<u>1,435</u>

7. Other Expenses

	Notes	2008/09 \$'000	2007/08 \$'000
Pensioner Rate Remissions		1,229	1,131
Less: Reimbursements from Government	9	(1,170)	(1,014)
		<u>59</u>	<u>117</u>
Other Rate Remissions		79	52
Grants and Specific Purpose Benefits		1,380	954
Directors Fees		8	8
Auditor's Remuneration - Review of the Financial Report		38	34
Other Audit Fees		59	46
Bad and Doubtful Debts		820	941
Assets Written-off		1,000	2,284
Obsolete Stock		7	-
Fringe Benefits Tax		209	305
Land Tax		1,204	1,172
		<u>4,863</u>	<u>5,913</u>

8. Significant Items

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

	Notes	2008/09 \$'000	2007/08 \$'000
Revenues			
Contributed Property, Plant and Equipment		963	2,252
Capital Grants	9	1,838	833
Commonwealth Financial Assistance Grants received in advance		617	-
		<u>3,418</u>	<u>3,085</u>
Expenses			
Asset write-offs	7	(1,000)	(2,284)
Defined-benefit superannuation plan	4	(1,578)	(1,041)
Additional landfill restoration provisions recognised	36	(611)	(127)
Government Duty		(691)	-
Adjustment to Employee Sick Leave entitlements	4	-	(606)
		<u>(3,880)</u>	<u>(4,058)</u>
Gains / (Losses)			
Net Gain / (Loss) on Disposal of Assets	10	(191)	(165)
Share of Net Profits / (Losses) of Associates	11	673	913
Revaluation Increment on Investment Property	20	12,857	-
Net PP&E Revaluation Increments	12	1,186	3,540
		<u>14,525</u>	<u>4,288</u>
Effect of significant items on surplus / (deficit) for year		<u>14,063</u>	<u>3,315</u>

Notes to and forming part of the Financial Statements

9. Grants And Donations

	Notes	2008/09 \$'000	2007/08 \$'000	Notes	2008/09 \$'000	2007/08 \$'000
a) Provided by Government						
<i>for Recurrent Purposes</i>						
Commonwealth Financial Assistance Grants		3,064	2,265			
National Illicit Drug Strategy (NIDS)		-	48			
Partnership Outreach Education Model project		140	140			
Pensioner Rate Remission Grants	7	1,170	1,014			
Employment Creation Initiatives		35	17			
Fuel Tax Credit Scheme		110	76			
Water and sewerage reforms – transitional funding		218	-			
Miscellaneous		63	48			
		<u>4,800</u>	<u>3,608</u>			
<i>for Capital Purposes</i>						
Roads to Recovery Program		504	236			
Bicycle Lanes in Argyle and Campbell Streets		280	-			
Blackspot Program		70	65			
Other roadworks		40	-			
Community Water Grants		-	210			
Greater Hobart Integrated Bicycle Network Plan		-	50			
New Town Rivulet / John Turnbull Park Rehabilitation		5	45			
Lenah Valley RSL Hall upgrade		236	-			
Unitas Safer Travel Speeds project		355	-			
Soldiers Memorial Avenue		38	36			
Sandy Bay all access playground		50	-			
Miscellaneous		38	37			
		<u>1,616</u>	<u>679</u>			
		<u>6,416</u>	<u>4,287</u>			
b) Other						
<i>for Recurrent Purposes</i>						
Miscellaneous					12	11
					<u>12</u>	<u>11</u>
<i>for Capital Purposes</i>						
Provision of Public Open Space					80	78
Unitas Safer Travel Speeds project					88	-
Miscellaneous					54	76
					<u>222</u>	<u>154</u>
					<u>234</u>	<u>165</u>
Total Grants and Donations					<u>6,650</u>	<u>4,452</u>
Less: Pensioner Rate Remission Grants netted against Remissions	7				(1,170)	(1,014)
Grants and Donations as per Income Statement					<u>5,480</u>	<u>3,438</u>
c) Conditions						
Grants and donations which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a particular manner, but had yet to be applied in that manner as at the reporting date:					604	573
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:					(616)	(633)
Net increase/(decrease) in assets subject to conditions					(12)	(60)
Assets subject to conditions at the beginning of the period					1,691	1,751
Assets subject to conditions at the end of the period					<u>1,679</u>	<u>1,691</u>

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

	2008/09 \$'000	2007/08 \$'000
<i>Plant & Equipment</i>		
Proceeds from sales	745	743
Less carrying amount of assets sold	(946)	(902)
Gain / (Loss) on disposal	(201)	(159)
<i>Land and Buildings</i>		
Proceeds from sales	70	173
Less carrying amount of assets sold	(60)	(179)
Gain / (Loss) on disposal	10	(6)
Total Gain / (Loss) on disposal of assets	(191)	(165)

11. Investments in Associates

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

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

Hobart Water is owned by the eight Councils in and around the greater Hobart area - namely Hobart, Glenorchy, Clarence, Kingborough, Brighton, Derwent Valley, Sorell and Southern Midlands Councils. Hobart City Council's ownership interest in the equity of the Joint Authority on 30 June 2009 was 27.840% (30 June 2008 27.844%), whilst its voting power was 4 votes out of a total of 21 votes. Council accounts for this ownership interest according to the equity method of accounting.

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

	2008/09 \$'000	2007/08 \$'000
<i>Summarised financial information of Hobart Water</i>		
Assets	358,106	326,452
Liabilities	(112,452)	(93,129)
Net Assets	245,654	233,323
Revenues	31,637	31,385
Net profit/(loss)	2,416	3,279
<i>Reconciliation of carrying amount of investment</i>		
Carrying amount of investment at beginning of year	64,966	63,329
Share of surplus / (deficit) for year	673	913
Share of asset revaluation	6,574	3,185
Share of actuarial gain/(loss) on Defined Benefit plan	28	(24)
Movement in percentage ownership	(9)	(1,028)
Dividends provided but not paid	446	(446)
Dividends received	(4,288)	(963)
Carrying amount of investment at end of year	68,390	64,966

Notes to and forming part of the Financial Statements

12. Asset Revaluations

	Notes	2008/09 \$'000	2007/08 \$'000
<i>PP&E Revaluations taken to Income Statement</i>			
Revaluation Increment on Reservoirs		694	267
Revaluation Increment on Wastewater Treatment Plants		492	2,620
Revaluation Increment on Other Infrastructure Plant		-	653
		1,186	3,540
<i>PP&E Revaluations taken to Asset Revaluation Reserve</i>			
Land		39,696	2,855
Buildings		-	67,668
Land Improvements		607	13,339
Infrastructure Plant		74	624
Pipes, Drains and Rivulets		6,368	73,118
Roads and Bridges		5,276	11,902
Other Structures		2,202	14,031
	37	54,223	183,537
Net PP&E Revaluation Increments	21	55,409	187,077
Revaluation Increment on Investment Property		12,857	-
		68,266	187,077

13. Rates Received in Advance

	Notes	2008/09 \$'000	2007/08 \$'000
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods.		280	317
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period.		(317)	(350)
Net increase (decrease) in prepaid rates		(37)	(33)

14. Restricted Assets

	Notes	2008/09 \$'000	2007/08 \$'000
a) Grants and Donations subject to Conditions			
Assets derived from grants and donations which were obtained on the condition that they be expended in a particular manner but had yet to be applied in that manner as at the reporting date were in respect of :			
- Contributions in lieu of Parking		428	428
- Contributions in lieu of Public Open Space		239	182
- Community Water Grants		41	192
- Lenah Valley RSL Hall Upgrade		234	-
- National Illicit Drug Strategy		16	68
- Partnership Outreach Education Model Project		38	79
- Stormwater improvement		-	24
- Wapping - Sculpture Walk		48	74
- Natural Heritage Trust Grants		2	65
- Roadworks		425	378
- Miscellaneous		208	201
	9	1,679	1,691
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)	1,406	1,604
Total Restricted Assets		3,085	3,295

Notes to and forming part of the Financial Statements

15. Cash

	2008/09 \$'000	2007/08 \$'000
a) Definition of Cash		
For the purpose of the Cash Flow Statement, the following items comprise the cash balance at the end of the period: -		
Investments		
Term Deposits	35,000	39,000
At Call	3,760	4,376
	<u>38,760</u>	<u>43,376</u>
Cash Advances	23	28
Cash at Bank	1,499	2,191
	<u>40,282</u>	<u>45,595</u>
b) Composition of Cash		
The following restrictions apply to the closing cash balance:		
- Provision of Public Open Space	239	182
- Provision of Parking Facilities	428	428
- Wapping - Sculpture Walk	48	74
- Roadworks	425	378
- Heritage Funding	1,406	1,604
- Other	539	629
	<u>3,085</u>	<u>3,295</u>
The remainder of the Cash balance has been ear-marked for:		
- Asset Replacement	4,550	5,172
- Other Capital Works	4,666	4,425
- Provision of Public Open Space	16	16
- Provision of Parking Facilities	15,651	17,627
- Loan Redemption	-	2,803
- Bushland Acquisition	222	172
- Refundable Deposits	1,772	1,713
- Settlement of Payables	5,147	7,853
- Other	-	600
- Unallocated	5,173	1,919
	<u>37,197</u>	<u>42,300</u>
	<u>40,282</u>	<u>45,595</u>

16. Inventories

	2008/09 \$'000	2007/08 \$'000
Stock	330	305
Less: Provision for Obsolete Stock	(2)	-
	<u>328</u>	<u>305</u>

17. Financial Instruments

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

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

a) Credit Risk

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

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

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

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

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

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

In relation to amounts owed to Council in respect of unpaid rates, there is generally no credit risk as s137 of the *Local Government Act 1993* empowers Councils to sell properties as a means of recovering rates outstanding.

Notes to and forming part of the Financial Statements

17. Financial Instruments *continued*

b) Interest Rate Risk

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

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

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

	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			
2007/08							
<i>Financial Assets</i>							
Cash and cash equivalents	6,567	39,000	-	-	28	45,595	7.87%
Receivables	872	26	-	-	3,128	4,026	1.01%
	<u>7,439</u>	<u>39,026</u>	<u>-</u>	<u>-</u>	<u>3,156</u>	<u>49,621</u>	
Weighted Average Interest Rate	7.82%	7.97%	0.00%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	7,853	7,853	N/A
Loans	-	1,756	4,119	9,794	-	15,669	6.53%
	<u>-</u>	<u>1,756</u>	<u>4,119</u>	<u>9,794</u>	<u>7,853</u>	<u>23,522</u>	
Weighted Average Interest Rate	0.00%	6.47%	5.99%	6.77%			
<i>Net Financial Assets / (Liabilities)</i>	7,439	37,270	(4,119)	(9,794)	(4,697)	26,099	

Notes to and forming part of the Financial Statements

17. Financial Instruments *continued*

b) Interest Rate Risk

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

	30 June 2009		30 June 2008	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
<i>Financial Assets</i>				
Cash Advances	na	na	na	na
Cash at Bank and Investments	52	(52)	66	(66)
Receivables	10	(10)	9	(9)
	62	(62)	75	(75)
<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 2008.

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: -

	2009/10 \$'000	2010/11 - 2013/14 \$'000
Opening Balance for the period	40,282	38,584
Operating Inflows	88,856	398,257
Operating Outflows	(73,024)	(325,097)
Investing Outflows	(18,463)	(72,234)
Financing Inflows	1,000	4,000
Financing Outflows	(67)	(1,550)
Closing Balance for the period	<u>38,584</u>	<u>41,960</u>

Notes to and forming part of the Financial Statements

d) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

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

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

	2008/09		2007/08	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<i>Financial Assets</i>				
Cash Advances	23	23	28	28
Cash at Bank and Investments	40,259	40,259	45,567	45,567
Receivables	3,875	3,875	4,026	4,026
	44,157	44,157	49,621	49,621
<i>Financial Liabilities</i>				
Payables	5,147	5,147	7,853	7,853
Loans	18,154	18,479	15,669	15,485
	23,301	23,626	23,522	23,338

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

Notes to and forming part of the Financial Statements

18. Receivables

	2008/09 \$'000	2007/08 \$'000
Rates	1,060	1,003
Parking Fines	6,859	6,404
Trade Receivables	1,136	1,264
Accrued interest on investments	586	535
Wages and salaries paid in advance	202	61
Other Debtors	681	1,080
	<u>10,524</u>	<u>10,347</u>
Less Allowance for Impairment	(6,649)	(6,321)
	<u>3,875</u>	<u>4,026</u>
Current	3,630	3,741
Non-Current	245	285
	<u>3,875</u>	<u>4,026</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*
2009	1,136	580	-	241	-	41	1	245	28
2008	1,264	608	1	255	-	240	3	140	17

Parking Fines

	Total \$'000	Parking Meter and Voucher			Traffic Infringements		
		0-14 days \$'000	14+ days \$'000	14+ days \$'000	0-28 days \$'000	28+ days \$'000	28+ days \$'000
			PDNI*	CI*		PDNI*	CI*
2009	6,859	62	149	5,138	56	65	1,389
2008	6,404	59	98	4,817	34	44	1,352

Rates

	Total \$'000	90+ days \$'000
		PDNI*
2009	1,060	1,060
2008	1,003	1,003

* PDNI - past due not impaired
CI - considered impaired

19. Assets Classified as Held for Sale

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

20. Investment Property

	2008/09 \$'000	2007/08 \$'000
At cost	-	1,800
At Valuer-General's 2009 valuation of market value	24,407	-
At Valuer-General's 2002 valuation of market value	-	9,750
	<u>24,407</u>	<u>11,550</u>

Notes to and forming part of the Financial Statements

21. Property, Plant and Equipment

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

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

22. Plant and Equipment

	2008/09 \$'000	2007/08 \$'000
At Cost	26,065	25,007
Less: Accumulated Depreciation	(12,440)	(11,653)
	13,625	13,354

Notes to and forming part of the Financial Statements

23. Land and Buildings

	2008/09 \$'000	2007/08 \$'000
Land		
At market value – 2009	428	-
At market value – 2008	-	7,764
At Valuer-General's valuation of market value – 2009	150,087	-
At Valuer-General's valuation of market value – 2002 indexed to 30 June 2008	-	102,687
	<u>150,515</u>	<u>110,451</u>
Buildings		
At replacement cost – 2009	26	-
At replacement cost – 2008	206,803	206,803
	206,829	206,803
Less: Accumulated Depreciation	(71,093)	(69,365)
	<u>135,736</u>	<u>137,438</u>
	<u>286,251</u>	<u>247,889</u>

24. Land Improvements

	2008/09 \$'000	2007/08 \$'000
At replacement cost – 2009	670	-
At replacement cost – 2008 indexed to 31 March 2009	59,983	-
At replacement cost – 2008	-	60,346
	60,653	60,346
Less: Accumulated Depreciation	(28,469)	(26,889)
	<u>32,184</u>	<u>33,457</u>

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

25. Infrastructure Plant

	2008/09 \$'000	2007/08 \$'000
At replacement cost – 2009	10,887	-
At replacement cost – 2000 indexed to 30 June 2008	-	7,518
At replacement cost – 2008 indexed to 31 March 2009	38,062	-
At replacement cost – 2008	-	41,378
	48,949	48,896
Less: Accumulated Depreciation	(20,468)	(20,357)
	<u>28,481</u>	<u>28,539</u>

26. Pipes, Drains and Rivulets

	2008/09 \$'000	2007/08 \$'000
At replacement cost – 2009	5,460	-
At replacement cost – 2008 indexed to 31 March 2009	597,967	-
At replacement cost – 2008	-	588,650
	603,427	588,650
Less: Accumulated Depreciation	(323,366)	(311,349)
	<u>280,061</u>	<u>277,301</u>

27. Roads and Bridges

	2008/09 \$'000	2007/08 \$'000
At replacement cost – 2009	26,246	-
At replacement cost – 2008	-	22,767
At replacement cost – 2004 indexed to 31 March 2009	392,864	-
At replacement cost – 2004 indexed to 30 June 2008	-	384,683
	419,110	407,450
Less: Accumulated Depreciation	(166,532)	(157,320)
	<u>252,578</u>	<u>250,130</u>

Notes to and forming part of the Financial Statements

28. Other Structures

	2008/09 \$'000	2007/08 \$'000
At replacement cost – 2008 indexed to 31 March 2009	83,300	-
At replacement cost – 2008	-	84,136
At replacement cost – 2009	22,403	-
At replacement cost – 2005	-	1,141
At replacement cost – 2005 indexed to 30 June 2008	-	11,791
	105,703	97,068
Less: Accumulated Depreciation	(51,278)	(47,278)
	54,425	49,790

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

29. Capital Work in Progress

	2008/09 \$'000	2007/08 \$'000
CBD Revitalisation - Murray Street	705	-
CBD Revitalisation - Victoria Street	1,001	58
North Hobart Revitalisation	643	127
Road and Bridge works	625	789
Footpath, Kerb and Gutter works	354	417
University access / Churchill Avenue Roundabout	462	-
Traffic Management works	513	82
Sandy Bay Sewer Pump Station No. 2	248	18
Sewer Mains	365	46
Lenah Valley Water Supply augmentation	394	-
Water Mains	450	486
Stormwater Mains	334	177
Sandy Bay Beach Sea Wall	2,507	2,342
Bud Light replacement	182	-
Parks and Gardens works	646	107
Town Hall refurbishment	3,800	22
Centrepont Car Park - additional floors	5,366	-
Soldiers Memorial Avenue - Crossroads Reinstatement Stage 1A	-	103
Franklin Square Public Conveniences refurbishment	127	-
Remote monitoring of in-sewer stations	-	99
Street Lighting replacements	8	60
Other	954	727
	19,684	5,660

30. Other Property, Plant and Equipment

	2008/09 \$'000	2007/08 \$'000
Valuation Roll		
At Cost	469	624
Less: Accumulated Depreciation	-	(624)
	469	-
Valuables		
At market value - 2009	6	-
At market value - 2008	-	1
At independent valuation of market value - 2005	568	574
	574	575
	1,043	575

31. Payables

	2008/09 \$'000	2007/08 \$'000
Trade Creditors	1,057	763
Accrued plant and equipment purchases	119	286
Accrued capital expenditure	355	1,241
GST payable	257	389
Accrued Interest Expense	15	-
Bulk Water Purchases	177	1,596
Energy Costs	316	219
Payroll Tax	867	849
Workers Compensation Insurance	61	370
Fringe Benefits Tax	54	52
Other Accrued Expenses	1,869	2,088
	5,147	7,853

32. Trust, Deposits, Retention

	2008/09 \$'000	2007/08 \$'000
Refundable Infrastructure Bonds	1,657	1,527
Contract Retention monies	14	40
Other	223	247
	1,894	1,814

Notes to and forming part of the Financial Statements

33. Employee Benefits

	2008/09 \$'000	2007/08 \$'000
Wages and salaries	669	578
Annual leave (including loading)	2,751	2,748
Long service leave	4,390	4,178
Sick leave	1,759	1,700
Superannuation contributions	1,145	889
Defined-benefit superannuation plan	12,903	3,797
	23,617	13,890
Current	8,434	7,948
Non-Current	15,183	5,942
	23,617	13,890

Superannuation

Council makes the following defined-contributions to superannuation:

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

In respect of those full-time and part-time employees who commenced employment with Council prior to 11 March 2003, Council also contributes to a defined-benefit superannuation plan. Based on actuarial advice, Council increased its level of contributions from 8.5% of wages and salaries to 10.5% of wages and salaries from 1 July 2009, and has agreed to increase the contribution rate to 13% of wages and salaries from 1 July 2010. In addition, Council agreed to make lump sum contributions of \$0.5M per annum commencing in the 2009/10 financial year. Employee contributions are 6% of wages and salaries. Employees are entitled to benefits on resignation, retirement, disability or death. The fund provides a defined-benefit based on years of service and final average salary. An actuarial assessment of the fund was carried out by Mr. David Quinn-Watson, FIAA on 24 September 2009 for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. This assessment revealed the following: -

Key assumptions: -	30 June 2009 %	30 June 2008 %
Discount Rate – gross of tax	5.45	6.40
Discount Rate – net of tax	4.60	5.40
Expected Return on plan assets	7.10	6.35
Expected rate of salary increase	3.20	4.00

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

	2008/09 \$'000	2007/08 \$'000
Current Service Cost	1,853	1,866
Interest Cost	2,296	2,128
Expected return on plan assets	(2,571)	(2,953)
	1,578	1,041

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

	2008/09 \$'000	2007/08 \$'000
Actuarial (gains) / losses incurred during the period and recognised in the statement of changes in equity	8,938	9,775
Cumulative actuarial (gains) / losses recognised in the statement of changes in equity	12,977	4,039

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

	2008/09 \$'000	2007/08 \$'000
Present value of defined-benefit obligation	46,372	45,734
Fair value of plan assets	(33,469)	(41,937)
Net liability / (asset) arising from defined-benefit plan	12,903	3,797

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

	2008/09 \$'000	2007/08 \$'000
Opening defined-benefit obligation	45,734	41,247
Current Service Cost	1,853	1,866
Interest Cost	2,296	2,128
Member contributions and transfers from other funds	995	882
Actuarial (gains) / losses	791	2,158
Benefits and tax paid	(5,297)	(2,547)
Closing defined-benefit obligation	46,372	45,734

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

	2008/09 \$'000	2007/08 \$'000
Opening fair value of plan assets	41,937	46,415
Expected return on plan assets	2,571	2,953
Actuarial gains / (losses)	(8,147)	(7,618)
Employer contributions	1,410	1,852
Member contributions and transfers from other funds	995	882
Benefits paid	(5,297)	(2,547)
Closing fair value of plan assets	33,469	41,937

Notes to and forming part of the Financial Statements

34. Unearned Revenue

	2008/09 \$'000	2007/08 \$'000
The Hobart Aquatic Centre memberships paid in advance	195	188
Other	21	49
	<u>216</u>	<u>237</u>

35. Loans

	2008/09 \$'000	2007/08 \$'000
Loans outstanding at beginning of year	15,669	15,567
Loans renegotiated	1,242	-
New borrowings	3,000	1,000
	<u>19,911</u>	<u>16,567</u>
Redemptions	(1,757)	(898)
Loans outstanding at end of year	<u>18,154</u>	<u>15,669</u>
Current	6,490	1,756
Non-Current	11,664	13,913
	<u>18,154</u>	<u>15,669</u>

36. Provision for Landfill Restoration

	2008/09 \$'000	2007/08 \$'000
Balance at beginning of year	7,000	6,900
Additional provisions recognised	611	127
Expenditure incurred	(329)	(463)
Unwinding of discount and effect of changes in the discount rate	458	436
Balance at end of year	<u>7,740</u>	<u>7,000</u>

37. Reserves

Note	Balance 30/6/08 \$'000	Transfers to Reserves \$'000	Transfers from Reserves \$'000	Balance 30/6/09 \$'000
Asset Replacement	5,172	18,786	(19,408)	4,550
Bushland Fund	172	50	-	222
Debt Redemption	2,803	514	(3,317)	-
Parking Fund	17,867	12,603	(14,420)	16,050
Contributions in Lieu of Parking	428	-	-	428
Contributions in Lieu of Public Open Space	199	79	(23)	255
Heritage Account	1,604	29	(227)	1,406
Share of Hobart Water Reserves	61,886	7,039	-	68,925
Asset Revaluation	632,096	54,223	-	686,319
Other	600	72	(672)	-
	<u>722,827</u>	<u>93,395</u>	<u>(38,067)</u>	<u>778,155</u>

Asset Replacement Reserve

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

Bushland Fund

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

Debt Redemption

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

Parking

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

Heritage Account

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

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

Share of Hobart Water Reserves

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

Asset Revaluation Reserve

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

Other Reserves

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

Notes to and forming part of the Financial Statements

38. Reconciliation of Accrual-Based Results with Cash Flows

	2008/09 (\$'000)			2007/08 (\$'000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	104,553			99,214		
Expenses / Expenditure	(109,209)	(27,990)		(102,913)	(14,948)	
Gains / (Losses)	14,525			4,288		
Surplus / (Deficit) for year	9,869			589		
Dividends received from Associates		4,288			963	
Items not involving Cash:						
Depreciation and Amortisation	20,719			20,475		
Carrying Value of Assets Sold	1,006			1,081		
Asset Write-downs	1,000			2,284		
Assets received for no consideration	(963)			(2,252)		
Asset Revaluation Adjustments	(14,043)			(3,540)		
Share of Net Profits / (Losses) of Associates	(673)			(913)		
Re-classification of Revenues						
Capital Grants	(1,838)	1,838	-	(833)	833	-
Sales of Assets	(815)	815	-	(916)	916	-
Changes in Operating Assets & Liabilities:						
(Increase) / Decrease in Receivables	151	-	151	(255)	-	(255)
(Increase) / Decrease in Stock	(23)	-	(23)	21	-	21
(Increase) / Decrease in Prepayments	(21)	-	(21)	(37)	-	(37)
Increase / (Decrease) in Payables	(1,653)	(1,053)	(2,706)	1,383	1,170	2,553
Increase / (Decrease) in Employee Entitlements	789	-	789	100	-	100
Increase / (Decrease) in Unearned Revenue	(21)	-	(21)	(139)	-	(139)
Increase / (Decrease) in Landfill Restoration Provision	740	-	740	100	-	100
Increase / (Decrease) in Other Liabilities	80	-	80	(51)	-	(51)
Net Cash Inflow / (Outflow)	14,304	(22,102)		17,097	(11,066)	

39. Financing Facilities

	2008/09 \$'000	2007/08 \$'000
Un-used credit card facilities	260	260
	260	260

Notes to and forming part of the Financial Statements

40. Commitments for Expenditure

	2008/09 \$'000	2007/08 \$'000
a) Capital Expenditure contracted for at the reporting date but not recognised in the Financial Report as liabilities:		
Construction of a Seawall at Long Beach Sandy Bay	594	3,155
Centrepoint Carpark Redevelopment	2,358	-
Argyle Street Carpark Redevelopment	19,404	19,404
Franklin Square Public Toilet refurbishment	133	-
Plant and Equipment purchases	925	937
Other	329	315
	23,743	23,811
Expected timing of these commitments is as follows: -		
Not longer than one year	9,839	4,407
Longer than one year and not longer than two years	-	5,500
Longer than two years and not longer than five years	13,904	5,500
Longer than five years	-	8,404
	23,743	23,811
b) Operating Lease commitments at the reporting date not recognised in the Financial Report as liabilities:		
Not longer than one year	124	88
Longer than one year and not longer than two years	76	4
Longer than two years and not longer than five years	90	2,996
Longer than five years	3	6,990
	293	10,078

41. Contingent Liabilities

	2008/09 \$'000	2007/08 \$'000
Council is currently acting as guarantor for the following loans:		
New Town Cricket Club	50	50
Buckingham Bowls Club	70	70
Hockey South Inc.	1,500	2,000
Southern Tasmanian Netball Association	757	757
	2,377	2,877

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

42. Subsequent Events

Water and Sewerage Reforms

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.

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

Income Statement

The income statement impact will predominantly result in the water and sewerage activities as detailed in notes 3 (Functions/Activities of the Council) and 44 (Significant Business Activities) transferring to the new corporations. Some minor impacts will also occur to other functions/activities.

Council will in future derive returns from the new corporations, mainly in the form of dividends. However, at the time of preparing the financial statements it is not possible to determine the level of such returns.

Balance Sheet

The following tables summarise the Balance Sheet impact. They show that assets totalling approximately \$327.5M will transfer to the new corporations, together with liabilities totalling approximately \$15.2M. Included in the assets transferring is Council's equity-accounted investment in Hobart Water. In return for these transfers, Council will receive a share of the equity of Southern Water.

Notes to and forming part of the Financial Statements

	Total council balance 30 June 2009 \$'000	Transfers on 1 July 2009 \$'000	Net council balance at 1 July 2009 \$'000
Current Assets			
Cash and cash equivalents	40,282	-15	40,267
Receivables	3,630		3,630
Prepayments	68		68
Inventories	328	-13	315
Other assets	0		0
Total Current Assets	44,308	-28	44,280
Non Current Assets			
Property, plant and equipment			
- Land	150,515	-9,840	140,675
- Buildings	135,736	-1,729	134,007
- Plant and equipment	13,625	-890	12,735
- Land improvements	32,184		32,184
- Water	119,574	-119,574	0
- Sewerage	125,448	-125,448	0
- Roads and bridges	252,578		252,578
- Work in Progress	19,684	-1,564	18,120
- Other	118,988		118,988
Receivables	245		245
Investment Property	24,407		24,407
Investment in Hobart Water	68,390	-68,390	0
Investment in Southern Water	0	312,276	312,276
Total Non-Current Assets	1,061,374	-15,159	1,046,215
Total Assets	1,105,682	-15,187	1,090,495
Current Liabilities			
Payables	5,147	-15	5,132
Loans	6,490	-6,423	67
Employee Benefits			
- Accrued wages and salaries	669		669
- Accrued leave entitlements	6,688	-479	6,209
- Other	1,077	-99	978
Other liabilities	2,110		2,110
Total Current Liabilities	22,181	-7,016	15,165
Non Current Liabilities			
Loans	11,664	-7,108	4,556
Employee Benefits			
- Accrued leave entitlements	2,212	-171	2,041
- Defined-benefit superannuation plan	12,903	-883	12,020
- Other	68	-9	59
Provisions for Landfill Restoration	7,740		7,740
Other liabilities	45		45
Total Non Current Liabilities	34,632	-8,171	26,461
Total Liabilities	56,813	-15,187	41,626
Net Assets	1,048,869	0	1,048,869
Equity			
Retained earnings	270,714	231,078	501,792
Reserves	778,155	-231,078	547,077
Total Equity	1,048,869	0	1,048,869

Notes to and forming part of the Financial Statements

Reconciliation of 'assets transferred' to 'assets disclosed in Note 3':-

	2008/09 \$'000
Total assets per activity:-	
Water	122,623
Sewerage	136,371
Other	68,526
	<u>327,520</u>
Less receivables not transferred	57
Total assets transferred	<u><u>327,463</u></u>

Tasmanian Travel and Information Centre (TTIC)

On July 1 2009, Council purchased the assets and liabilities of the Tasmanian Travel and Information Centre (TTIC). This was the culmination of a number of years of negotiation.

The TTIC is involved in promoting Tasmania, and providing a service to visitors to Hobart – a service which complements Council's strategic vision.

Income Statement

The TTIC has incurred only a small operating deficit in recent years, so the impact on Council's income statement will be minimal.

Balance Sheet

Council has acquired assets totalling approximately \$0.8M and liabilities totalling approximately \$0.66M, resulting in a net Balance Sheet impact of \$0.14M. Assets are mainly comprised of cash and receivables, whilst liabilities mainly consist of amounts owing to travel operators.

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

43. Pecuniary Interests

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

44. Significant Business Activities

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

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

	2008/09 \$'000	2007/08 \$'000
Water Supply		
Revenues		
Rates	11,539	11,197
User Fees and Charges	627	653
Grants and Donations	4	-
Contributed Property, Plant and Equipment	33	306
Other Income	-	43
	<u>12,203</u>	<u>12,199</u>
Expenses		
Employee Costs	(500)	(463)
Materials and Contracts	(1,101)	(803)
Depreciation	(1,967)	(1,915)
Interest	(369)	(343)
Purchase of Water	(7,220)	(6,785)
Land Tax	(66)	(74)
Engineering and Administrative Overheads	(492)	(492)
Other	(140)	(301)
	<u>(11,855)</u>	<u>(11,176)</u>
Gains / (Losses)		
Plant and Equipment sales	(6)	(16)
	<u>(6)</u>	<u>(16)</u>
Operating Profit / (Loss)	342	1,007
Competitive Neutrality Costs		
Opportunity Cost of Capital	10,209	9,770
Income Tax	93	293
Council Rates	31	30
	<u>10,333</u>	<u>10,093</u>

Notes to and forming part of the Financial Statements

	2008/09 \$'000	2007/08 \$'000		2008/09 \$'000	2007/08 \$'000
Sewerage			On-Street Parking		
Revenues			Revenues		
Rates	9,033	8,026	User Fees and Charges	3,851	3,470
User Fees and Charges	1,396	1,072	Fines	3,899	2,998
Contributed Property, Plant and Equipment	295	378		7,750	6,468
Other Income	2	2	Expenses		
	10,726	9,478	Employee Costs	(2,584)	(2,316)
Expenses			Materials and Contracts	(860)	(822)
Employee Costs	(1,927)	(1,864)	Depreciation	(190)	(198)
Materials and Contracts	(3,102)	(2,569)	Engineering and Administrative Overheads	(703)	(703)
Depreciation	(2,821)	(2,740)	Other	(24)	(5)
Interest	(362)	(343)		(4,361)	(4,044)
Purchase of Water	(138)	(138)	Gains / (Losses)		
Land Tax	(81)	(88)	Plant and Equipment sales	(8)	-
Engineering and Administrative Overheads	(1,289)	(1,289)		(8)	-
Other	(272)	(406)	Operating Profit / (Loss)	3,381	2,424
	(9,992)	(9,437)	Competitive Neutrality Costs		
Gains / (Losses)			Opportunity Cost of Capital	111	134
Plant and Equipment sales	9	(5)	Income Tax	1,014	727
	9	(5)		1,125	861
Operating Profit / (Loss)	743	36			
Competitive Neutrality Costs			The Hobart Aquatic Centre		
Opportunity Cost of Capital	11,510	11,277	Revenues		
Income Tax	203	-	User Fees and Charges	3,777	3,627
Council Rates	67	64	Other Income	254	234
	11,780	11,341		4,031	3,861
			Expenses		
Off-Street Parking			Employee Costs	(2,213)	(2,126)
Revenues			Materials and Contracts	(2,187)	(2,058)
User Fees and Charges	4,069	3,382	Insurance	(35)	(35)
	4,069	3,382	Administration	(61)	(61)
Expenses			Land Tax	(32)	(23)
Employee Costs	(880)	(806)	Other	(15)	(8)
Materials and Contracts	(970)	(1,121)		(4,543)	(4,311)
Depreciation	(453)	(451)	Operating Profit / (Loss) Before Depreciation	(512)	(450)
Land Tax	(301)	(315)	Depreciation	(668)	(674)
Engineering and Administrative Overheads	(813)	(812)	Operating Profit / (Loss)	(1,180)	(1,124)
Other	(691)	(10)	Competitive Neutrality Costs		
	(4,108)	(3,515)	Opportunity Cost of Capital	2,172	1,977
Operating Profit / (Loss)	(39)	(133)	Council Rates	69	67
Competitive Neutrality Costs				2,241	2,044
Opportunity Cost of Capital	5,558	4,199			
Council Rates	374	360			
	5,932	4,559			

Certification by General Manager

FOR THE REPORTING PERIOD ENDED 30 JUNE 2009

In my opinion:

1. The Financial Report, consisting of a Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements numbered 1 to 44, fairly represent the financial position of the Hobart City Council as at 30 June 2009 and the results of its operations and cash flows for the year then ended in accordance with applicable Accounting Standards and,
2. The Financial Report has been prepared in accordance with the requirements of Section 84 of the *Local Government Act 1993*.

Signed at Hobart this 22 day of September 2009.



(N D Heath)
General Manager



INDEPENDENT AUDIT REPORT

To the Aldermen of Hobart City Council

Financial Report for the Year Ended 30 June 2009

Report on the Financial Report

I have audited the accompanying financial report of Hobart City Council (Council), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independence

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

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

Auditor's Opinion

In my opinion the financial report of Hobart City Council:

- (a) presents fairly, in all material respects, the financial position of Hobart City Council as at 30 June 2009, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL
HOBART
4 November 2009



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