

Hobart City Council

2005/06 annual report



Hobart
The way life should be.

Vision For The City Of Hobart

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

Mission Statement

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



Strategic Outcomes

Hobart will be a City that:

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

Values

The 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
Quality	ensure continuous improvement in the delivery of all its services

Lord Mayor's Message

In presenting the Hobart City Council Annual Report for 2005-2006 it gives me a great deal of pleasure to highlight key programs and initiatives, particularly the historic decision to preserve a significant part of the Hobart skyline in perpetuity.

Following the decision of the Council to use Bicentennial funds to purchase a large tract of hillface bushland on Mt Nelson, the Council in partnership with the Australian Government has now acquired Porter Hill from noted architect Esmond Dorney. This land will become part of the Bicentennial Park which is strategically important for the future of the City to protect the natural, cultural and scenic values of the area.

On the planning front, the Council has recently concluded its largest consultative project ever undertaken to plan for the City's future. Known as the Vision 2025 Project, more than 1000 submissions were received from a broad range of people, industry, organisations, students and other stakeholders on how they see the future of the City. The Council endorsed a set of future direction statements developed from those submissions as the 20 Year Vision for Hobart and will now build a Strategic Plan around them. We are very appreciative of the strong community support for development of the vision and would like to thank everyone who made a contribution.

The launch of a new destination brand, *Hobart The way life should be*, has had a significant impact over the past year. Recent research has shown that the Brand has received wide acceptance in building an awareness and profile of Hobart. The City's lifestyle is the key quality that sets it apart from others.

While domestic recycling services have been under regular review for the past three years, the Council is pleased to be introducing a new fortnightly residential wheelie bin recycling service. The move to include cardboard also addresses a long standing intention of the Council to expand the range of materials collected.

We also congratulate this year's recipients of the Citizen of the Year Awards. The Hobart City Council Citizen of the Year Award was shared by 88 year old Mrs Marie Ducat who has given more than 50 years of service to Meals on Wheels, and Mr Liberatore Allocca. As a committed worker in the local community for many years, Mr Allocca migrated to Tasmania in 1969. He is president of the San Carlos Association and the Australian Italian Club. The Young Citizen of the Year was presented to Habte Weldemarian, a tireless worker for the Ethiopian community in Tasmania. Habte came to Australia as a refugee and has become an example to all refugees for his dedication, drive, initiative, and his involvement in the local community.

As Australia's first City to install parking meters, Hobart has now moved into the age of electronic on-street parking control with the introduction of the latest style of multi-bay meters. While the new meters improve the city's streetscape, the multi-bay meters also provide greater flexibility allowing for shorter parking periods where the Council determines the need.

Another first for the Council was the introduction of the free Hobart Advantage Card offering instant benefits at participating Hobart businesses. By signing up for the new card, shoppers receive offers equating to at least 10% of their purchase. The Hobart City Council is proud to be the State's first council to offer shoppers the ability to drive their dollar further through the introduction of the loyalty program.

After a lengthy search the Council has appointed a new Town Crier. Mr Aldo Fabian has taken over this public task from the world's oldest Town Crier, Vic Garth who unfortunately passed away last year. Mr Fabian has considerable theatrical experience and a firm understanding of the role of Town Crier. He will be seen around the CBD, Salamanca and the Docks talking with people, promoting Hobart, and where necessary will act as tourist guide.

The Council has established an Economic Development Advisory Forum with a number of the City's academic, business and industry achievers. This 'think-tank' looks at the big ticket issues for the City, and to date has provided advice to Council on economic development strategy, city marketing and branding.

The future management of foreshore areas has been a priority of the Council with a Management plan for Cornelian Bay allowing for wide ranging public input. Council has also addressed the redevelopment of the Lower Sandy Bay Foreshore by implementing a Master Plan to provide extensive recreational opportunities.

These are only a few of the many significant initiatives undertaken during the past twelve months.

In commending this Annual Report to you, I would like to thank the Aldermen and the Council staff who have worked tirelessly in this milestone year to secure the future of our City through the major land purchase and the 2025 Vision Project.

Alderman Rob Valentine
Lord Mayor



General Manager's Message

During the financial year ending June 2006, further gains were made in reshaping and refining the operations of the Council.

The organisational year theme was "Pursuing Sustainability" and as mentioned in last year's Annual Report a major thrust of pursuing this issue of long term sustainability has been to lift our planning horizon from a five year outlook to one of at least twenty years.

The cornerstone of our work on behalf of the community is of course the Strategic Plan and 'the Vision 2025' project, mentioned in more detail by the Lord Mayor in his message. This now provides the basis upon which a comprehensive strategic outlook for the next two decades can be built as we move forward.

In line with this extended strategic view for the City, our planning for replacement of the City's assets – with a total replacement value of some \$1.3 billion – is similarly being thoroughly reviewed and we anticipate having asset management plans drafted for all asset classes by the early part of next calendar year. This project will embrace a financial strategy to ensure the continued sustainability of Hobart.

Another major project which has been undertaken is a full risk assessment of our activities. The operators of the insurance pool which handles insurances for all Councils in Tasmania and Victoria, runs an annual assessment of how each Council is performing in regard to eliminating risk in their various activities. It has been pleasing to note that Hobart has been at, or very near to, the top of the assessment results over a number of years. Nevertheless we decided to undertake more work in this area by developing a Corporate Risk Management Framework to facilitate the identification and monitoring of the risks associated with the work of the corporation.

There are two major elements to our continuous improvement programme. The first of these; the Australian Business Excellence Framework [ABEF] has been part of our work culture for almost a decade and it has provided a focus for the systematic revision of our procedures across the board. This year we have been preparing for a self assessment of our activities in preparation for another external evaluation in 2007.

Coupled with the ABEF work, I indicated in last year's Annual Report that it was planned for all Council activities to be Quality Assured to the International Standard for Quality Management Systems (AS/NZS ISO 9001: 2000) by December 2006.

This project remains on course for a December completion and will greatly assist our employees in continuing to deliver quality outcomes for the community.

Finally, It would be remiss of me not to thank the Aldermen for their role as the elected representatives of the community and to gratefully acknowledge the support and commitment to the City of the directors and employees.

Brent Armstrong
General Manager



Brent Armstrong
General Manager



Council Aldermen

Lord Mayor Alderman Rob Valentine

MACS.

Committee Membership

Council (Chairman), Strategic Governance.

Representations

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



Deputy Lord Mayor Alderman Eva Ruzicka

Committee Membership

Finance and Corporate Services, Strategic Governance, City Services and Parks and Customer Services.

Representations

Audit Committee, Battery Point Sullivans Cove Community Association - Hall Sub-Committee, City of Hobart Eisteddfod Society Inc. (proxy), Cornelian Bay Working Group (Proxy), Corporate History of the Hobart City Council, 50 & Better Centre Advisory Committee, Friends of Soldiers Walk Inc., Glebe Residents' Traffic Committee, Heritage Account Special Committee, Hobart City Council Access Advisory Committee (Chairman), 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 Board (proxy), Southern Waste Strategy Authority, (proxy), Stopping Places Project Working Group, Tasmanian Library Advisory Board, Tasmanian Polar Network, , West Hobart Local Area Traffic Management Committee (proxy).



Alderman Lyn Archer

Committee Membership

Development and Environmental Services (Chairman), Community Development and City Services.

Representations

Battery Point Advisory Committee (Chairman), Heritage Account Special Committee, North Hobart Focus Group, Sandy Bay Residents' and Traders' Traffic Committee, Targa Liaison Committee.



Alderman Darlene Haigh

Committee Membership

Finance and Corporate Services and Development and Environmental Services.

Representations

Hobart City Safe Inc., Hobart Emergency Management Committee (Chairman), Lenah Valley Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee, North Hobart Focus Group (Chairman), Sandy Bay Residents' and Traders' Traffic Committee, West Hobart Local Area Traffic Management Committee, West New Town Local Area Traffic Management Committee.



Council Aldermen



Alderman Marti Zucco

Committee Membership

Community Development (Chairman), Finance and Corporate Services.

Representations

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



Alderman Jeff Briscoe

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

Committee Membership

Strategic Governance (Chairman) Development and Environmental Services, Community Development, Parks and Customer Services.

Representations

Cornelian Bay Working Group (proxy), Corporate History of the Hobart City Council Steering Committee (Chairman), Dr Edward Hall Environment Awards Judging Panel (Chairman), Drug and Alcohol Strategy Reference Group, Festivals and Tourism Special Committee, Greenhouse Reference Group, Heritage Account Special Committee, (Hobart) City Safe Inc. (proxy), Hobart City Council Public Art Special Committee, Lenah Valley Residents' Traffic Committee, Mount Stuart Residents' Traffic Committee (proxy), Sandy Bay Residents' and Traders' Traffic Committee, Southern Tasmanian Councils Board Natural Resource Management Sub-Committee, West Hobart Local Area Traffic Management Committee.



Alderman Eric Hayes AO

Committee Membership

Strategic Governance, Finance and Corporate Services.

Representations

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



Alderman Dr Peter Sexton

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

Committee Membership

Parks and Customer Services (Chairman), Strategic Governance.

Representations

Christmas Pageant Organising Committee (Chairman), Domain Tennis Centre Incorporated Board of Management, Hobart Cenotaph Reference Group, Wellington Park Management Trust.

Council Aldermen

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, Development and Environmental Services.

Representations

City of Hobart Eisteddfod Society Inc., Drug and Alcohol Strategy Reference Group, Festivals and Tourism Special Committee, Hobart Emergency Management Committee, Salamanca Arts Centre Incorporated Executive Committee, Sandy Bay Residents' and Traders' Traffic Committee, Southern Waste Strategy Authority.



Alderman Helen Burnet (elected March 2005)

Committee Membership

Development and Environmental Services, Parks and Customer Services, Community Development.

Representations

Dr Edward Hall Environment Awards Judging Panel, Drug and Alcohol Strategy Reference Group, Festivals and Tourism Special Committee, 50 & Better Centre Advisory Committee, Hobart Bicycle Advisory Committee, Hobart City Council Access Advisory Committee, Lenah Valley Residents' Traffic Committee, Queens Domain Advisory Committee (proxy), Southern Tasmanian Councils Board Natural Resource Management Sub-Committee, Wellington Park Management Trust.



Alderman Philip Cocker (elected October 2005)

Committee Membership

City Services, Community Development.

Representations

Greenhouse Reference Group, Hobart Bicycle Advisory Committee, Tasmanian Polar Network.



Alderman Patsy Jones (resigned October 2005)

Committee Membership

Policy and Intergovernment, Development and Environmental Services, City Services.

Representations

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



Organisational Structure

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



Measuring Success

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

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

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

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

The measures report on each of the 20 key strategic areas in the plan, which in turn are consolidated to demonstrate progress in each of the 6 strategic outcomes.

	Strategic Outcome	Key Strategies
	A Liveable City	<ul style="list-style-type: none"> • Community Safety • Community & Cultural Development • Community Health • Transportation • Planning and Development Standards
	Management of the Environment	<ul style="list-style-type: none"> • Environmental Management • Natural Resource Management • Environmental Services
	Protection of our Heritage	<ul style="list-style-type: none"> • Cultural Heritage
	Growth of the Economy	<ul style="list-style-type: none"> • Economic Development • Sustainable Development Planning
	Gateway to Tasmania	<ul style="list-style-type: none"> • Integrated Tourism Development • Sport and Recreation
	Management of Resources	<ul style="list-style-type: none"> • Capital City leadership • Communication and Consultation • Customer Service • Infrastructure Planning and Management • Services Delivery • Organisational Management • Financial Performance

Reporting Performance

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. Effectively a work program of actions.

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.

The report is divided into six sections based on the Strategic Outcomes in the 2001-2005 Strategic Plan (updated 2003):

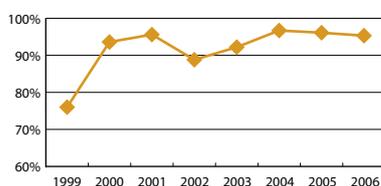
Strategic Outcome	Key Strategies
Liveable City	<ul style="list-style-type: none"> • Community Safety • Community & Cultural Development • Community Health • Transportation • Planning and Development Standards
Management of the Environment	<ul style="list-style-type: none"> • Environmental Management • Natural Resource Management • Environmental Services
Protection of our Heritage	<ul style="list-style-type: none"> • Cultural Heritage
Growth of the Economy	<ul style="list-style-type: none"> • Economic Development • Sustainable Development Planning
Gateway to Tasmania	<ul style="list-style-type: none"> • Integrated Tourism Development • Sport and Recreation
Management of Resources	<ul style="list-style-type: none"> • Capital City leadership • Communication and consultation • Customer Service • Infrastructure Planning and Management • Services Delivery • Organisational Improvement • Financial Performance



KEY STRATEGY: COMMUNITY HEALTH

Results to be achieved	2005/06 actions/initiatives	Performance
High standard of public health and clean drinking water	<ul style="list-style-type: none"> Implement tracking database for backflow prevention devices (re protection of water supply). 	✓
Commercial premises are clean and the food prepared there is safe	<ul style="list-style-type: none"> Undertake random food business audits to assess their level of compliance with Food Safety Standards Review and update public information on temporary food outlet standards for stalls and tents at community markets and fairs. 	✓ ✓
A reduction in noise and other environmental pollutants	See Environmental Management Strategy	
A better informed community on drug related matters	<ul style="list-style-type: none"> Update and implement Council's drug and alcohol strategy and undertake initiatives including off site immunisation to target youth, sourcing funds for harm reduction messages in public toilets and investigate the development of a Municipal Alcohol Plan. 	→

Community Health Strategy - Achievement of Targets



Slight downturn reflects reduced compliance with public bathing water quality standards



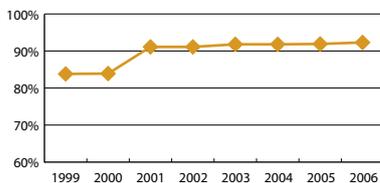
KEY STRATEGY: COMMUNITY AND CULTURAL DEVELOPMENT

Results to be achieved	2005/06 actions/initiatives	Performance
A City in which all people have equal access to facilities, services and activities	• Promote and implement Council's Equal Access Strategy, in consultation with Council's Access Advisory Committee.	✓
	• Develop and implement a process for access improvement monitoring and reporting.	✓
	• Provide advice in relation to access issues at the Town Hall, including - an air curtain to Macquarie Street entrance; and - review of signage in the public areas of the Town Hall.	✓ ✓ ✓
	• Continue to investigate lift options in the Carnegie Building.	→
	• In partnership with the Access Advisory Committee, organise Council's event for International Day of People with a DisAbility and identify community development opportunities with this sector.	✓
A harmonious community in which all people are valued and can be active participants in community life	• Participate in 2006 National Youth Week.	✓
	• Implement update of the Youth Strategy.	✓
	• Explore funding opportunities for a life skills program for young offenders or those at risk of offending.	✓
	• Continue to work with key stakeholders particularly through the 50 & Better Centre Advisory Committee and the Centre Redevelopment Reference Group to progress the redevelopment of the 50 & Better Centre.	✓
	• Implement a revised model for the provision of the food service at the 50 & Better Centre.	✗
	• Promote the 50 & Better Centre and develop collaborative programs with government agencies and community organisations.	→
	• Participate in Seniors Week through a joint presentation of the Health Ageing Network South Gardening Project, and the provision and review of a Seniors Week concert.	✓
	• Celebrate Adult Learners Week through a forum promoting learning opportunities at the 50 & Better Centre.	✓
	• Investigate further intergenerational activities with Youth Services.	✓
	• Implement outcomes of review of Vacation Care Program in relation to new State licensing requirements, Quality Assurance (QA) requirements and utilisation of program, including exploring alternate model of delivery.	✓
	• Promote Children's Services to ensure maximum utilisation in all program areas.	✓
	• Explore community development opportunities with co-located service Good Beginnings Australia.	→
	• Identify implications of the Department of Education's curriculum document "Essential Learnings" on Children's Services programs.	→
	• Explore opportunities for involvement of older people in Children's Services activities and events, including a playgroup at the 50 & Better Centre in Children's Week.	✗
	• Undertake research to guide Council's role in relation to mental health issues and building community resilience.	✗

KEY STRATEGY: COMMUNITY AND CULTURAL DEVELOPMENT

Results to be achieved	2005/06 actions/initiatives	Performance
A City in which people are actively involved in shaping the community to meet its own needs.	<ul style="list-style-type: none"> • Develop a program of activities at the North Hobart Cultural Park and Skate Park in partnership with key stakeholders and businesses. • Implement Stage 1 of the Social Plan (Community Profile). • Review and update the Council's Positive Ageing Strategy, in line with the Tasmanian Plan for Positive Ageing 2006-2011. 	<p>✓</p> <p>→</p> <p>→</p>
A City which values its creativity and cultural life and which celebrates its cultural diversity.	<ul style="list-style-type: none"> • Consolidate Council's existing activities into a Cultural Diversity Strategy. • Implement the Council's Public Art Strategy. • Review the Council's Arts and Cultural Strategy. • Develop and implement enhanced visual art activities associated with the Hobart Summer Festival. 	<p>→</p> <p>✓</p> <p>X</p> <p>✓</p>
Hobart as a vibrant place to live and visit	See Integrated Tourism Development	

Community and Cultural Development Strategy - Achievement of Targets



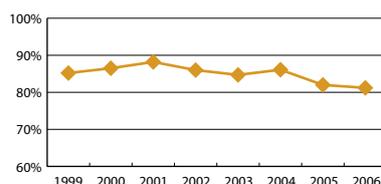
High level of satisfaction with cultural development and special events



KEY STRATEGY: TRANSPORTATION

Results to be achieved	2005/06 actions/initiatives	Performance
Improved road safety	<ul style="list-style-type: none"> Respond to complaints/requests from the community, Council and other authorities. Provide advice to the community on traffic engineering matters. 	✓ ✓
Car parking supply to more closely match demand	<ul style="list-style-type: none"> Investigate adequacy of supply of parking in Hobart. Continue monitoring commuter parking needs for Hobart. 	→ →
Improved facilities for pedestrians, traffic and parking in suburban shopping centres	<ul style="list-style-type: none"> Maintain provision of parking facilities for vulnerable users, such as the elderly and people with disabilities. 	→
An efficient system for the movement of people and goods	<ul style="list-style-type: none"> Plan, design and implement projects necessary to meet the needs of road users. Provide traffic analysis for development applications to meet Council or statutory deadlines. 	→ ✓
A revitalised CBD and commercial areas	<ul style="list-style-type: none"> Continue monitoring short-term shopper parking demands for Hobart CBD and suburban shopping centres and means for improving supply of parking. 	→
Effective management of on and off street parking	<ul style="list-style-type: none"> Review existing enforcement agreements with private car parks. Create a database of permit holders (residential, metered space, disability.) Maintain the application of appropriate pricing policies for the use of all public car park facilities. Continue management of: Resident Parking Schemes; all kerbside parking under delegated authority from the State Government; on-street parking facilities for people with disabilities. Continue replacement of obsolete mechanical parking meters with electronic meters. Continue monitoring resident parking needs for areas of Hobart. 	✓ → → → ✓ ✓
Improved facilities for cyclists, pedestrians and other road users	<ul style="list-style-type: none"> Continue implementing an inspection regime that identifies potential public hazards in Council's road reserves. Execute road infrastructure capital works. 	✓ ✓
Improved traffic management in suburban areas	<ul style="list-style-type: none"> Monitor vehicular parking in all suburban areas, including the Queen's Domain Regatta Grounds and the TCA car. Review coverage of all city and suburban parking areas. 	→ ✓
Improved management of commercial and industrial through- traffic	<ul style="list-style-type: none"> Collect relevant transport data (such as volume, speed, origin/destination, accidents) to assist effective planning to meet future transportation requirements of the community. 	→
Safe and effective control of traffic for special events	<ul style="list-style-type: none"> Plan, design and implement traffic management works for special events in Hobart. 	✓

Transportation Strategy - Achievement of Targets

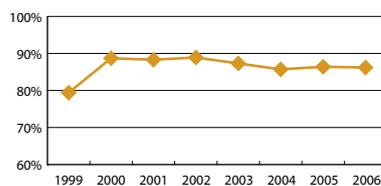


Slight reduction in the written down value of roads and footpaths relative to the replacement value

KEY STRATEGY: PLANNING AND DEVELOPMENT STANDARDS

Results to be achieved	2005/06 actions/initiatives	Performance
More efficient and effective development approval and enforcement systems	<ul style="list-style-type: none"> Assist in the development of the new Planning Scheme by: producing base plans; developing planning scheme map series; developing map production tools; providing information on infrastructure capacity for the City. 	→
	<ul style="list-style-type: none"> Evaluate current building and plumbing legislation approval process and amend procedures with supporting work instructions. 	✓
	<ul style="list-style-type: none"> Refine and align new building and plumbing legislation operational procedures with development control tracking system. 	→
	<ul style="list-style-type: none"> Review development control tracking system data and develop reporting and statistical module. 	→
	<ul style="list-style-type: none"> Ascertain the level of client satisfaction of the development process through direct public surveys. 	✓
	<ul style="list-style-type: none"> Evaluate current enforcement process and amend procedures with supporting work instructions. 	→
	<ul style="list-style-type: none"> Standardise method for preparing evidence prior to legal enforcement. 	✓
	<ul style="list-style-type: none"> Integrate existing compliance data with Geographic Information System. 	✓
	<ul style="list-style-type: none"> Investigate and evaluate a potential on-line development application system. 	✓
	<ul style="list-style-type: none"> Maintain and improve the cadastral property base and other core infrastructure data within the Geographic Information system. 	✓
	<ul style="list-style-type: none"> Administration and approval of Strata Plans, Staged Development Schemes and their amendments. 	→
	<ul style="list-style-type: none"> Preparation of hydraulic systems capacity information for Planning Scheme. 	✓
	<ul style="list-style-type: none"> Continue the development of 'help' brochures for development lodgement and make them available on Council's internet site. 	→
	<ul style="list-style-type: none"> Seek legislative reform to improve development assessment process. 	→
	<ul style="list-style-type: none"> Facilitate greater community awareness of Council's role within the Resource Management and Planning System of Tasmania. 	→
	Protection of amenity	<ul style="list-style-type: none"> Continue to refine procedures/work instruction in line with continual improvement principles.
<ul style="list-style-type: none"> Initiate consultation process on a draft revised Battery Point Planning Scheme (BPPS) following the outcome of draft amendments 1/2004 (BPPS) and 3/2004 (CoHPS). 		X
Building development that is sympathetic to existing heritage	<ul style="list-style-type: none"> Progress the development of a 3D computer model for the City. 	→
	<ul style="list-style-type: none"> Continue to promote and support the progression of the Southern Tasmanian Councils Partnership schedules concerning regional planning and infrastructure issues. 	✓
Protection of amenity	<ul style="list-style-type: none"> Complete the Mt Nelson Zoning Review and incorporate the outcomes into the preparation of the new City of Hobart Planning Scheme. 	→
	<ul style="list-style-type: none"> Complete Draft new City of Hobart Planning Scheme. 	→
Building development that is sympathetic to existing heritage	<ul style="list-style-type: none"> Complete Urban Design Principles Project Stage 2 – Detailed Standards and Guidance. 	→

Planning and Development Standards Strategy - Achievement of Targets



Reduction in the perception of quality of development and public spaces, improvement on applicant satisfaction with the assessment process

STRATEGIC OUTCOME: Management of our Environment

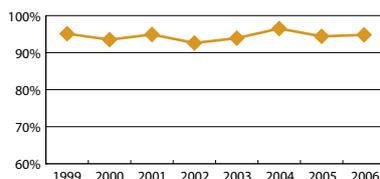
Hobart will be a City that protects and conserves its environment and natural beauty

- ✓ COMPLETED
- UNDERWAY
- ✗ NO ACTION

KEY STRATEGY: ENVIRONMENTAL MANAGEMENT

Results to be achieved	2005/06 actions/initiatives	Performance
A clean and healthy Derwent River and waterways	• Develop a program to undertake sanitary surveys of swimming beaches in response to unsatisfactory water quality testing results.	✓
	• Operate and maintain the wastewater treatment plants at a high standard and conform within the guidelines set down by Department of Primary Industries, Water and Environment.	✓
	• Assist in monitoring facilities and sampling programs of trade waste businesses.	✓
	• Investigate removal of sewage contamination from the Hobart Rivulet, Providence Gully Rivulet and Sandy Bay Rivulet.	→
	• Complete the Catchment Management Plan for the Hobart Rivulet.	→
	• Construct stormwater reticulation into unserved areas.	→
	• Publication and Launch of Water Sensitive Urban Design Guidelines.	→
	• Completion of Draft Cornelian Bay Management Plan.	✓
Enhanced water quality to meet established objectives	• See Community Health Strategy	
High quality air	• Completion of Air Quality Project Stage 2	✓
	• Launch of targeted Woodheater Smoke Awareness campaign.	✓
A reduction in the level of pollution	• Review the protocol for drafting formal notices under Environmental Management and Pollution Control Act to ensure that accuracy and relevance of details are maintained.	✓
	• Develop a basic survey format to assess the operational status of existing on-site waste disposal systems in unsewered areas.	→
Reduction in greenhouse gas to meet targets	• Report on Review of Local Action Plan under Cities for Climate Protection Program	→
Increased energy efficiency	• Submission for funding of a Hobart Solar Cities project.	✗
Maintenance of bio-diversity	• Progress the Council decisions on the recommendations of the 'Enviro' funded "Derwent Estuary Penguin Project, Management Recommendations and Guidelines, 2005"	✓
Maintenance of important landscape values	• See Natural Resource Management Strategy	

Management of the Environment Strategy - Achievement of targets

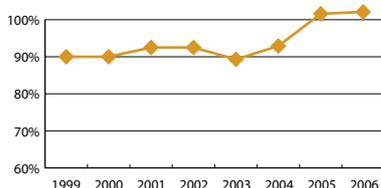


Indicates a steady performance

KEY STRATEGY: NATURAL RESOURCE MANAGEMENT

Results to be achieved	2005/06 actions/initiatives	Performance
Useful open space networks	• Draft Hobart Urban Trails Network Plan	→
	• Complete the Draft Cornelian Bay Management Plan.	✓
Protection and enhancement of bushland and natural environment	• Complete the Bushland Strategy	→
	• Prepare a management plan for Bicentennial Park	→
	• Prepare a fire management plan for Bicentennial Park	→
	• Develop landscape plans for Ancanthe Park and Providence Gully Reserve	→
	• Finalise a name for "Valley Street Reserve"	✓
	• Develop a landscape plan for Beaumaris Zoo	✓
	• Commence the implementation of a landscape plan for "Leonard Wall/Valley Street Reserve"	✓
	• Complete stage 3, Wellington Park signage upgrade	✓
	• Complete a policy and procedures manual for the operation of the Bushcare Program	→
	• Implement Envirofunds Grants for Wellington Park, Knocklofty Reserve, Cornelian Bay, Truganni Reserve	✓
	• Seek external funding opportunities to support Bushcare Group initiatives	✓
	• Develop and implement plans with Local Bushcare Groups, which are consistent with broader catchment management plans and policies as part of the "Greater Hobart Stewardship Funding Program"	✓
	• Complete Environmental Planning input into the preparation of a new City of Hobart Planning Scheme.	→

Natural Resource Management Strategy - Achievement of Targets



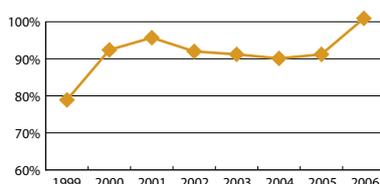
Increase in bushland volunteer hours



KEY STRATEGY: ENVIRONMENTAL SERVICES

Results to be achieved	2005/06 actions/initiatives	Performance
A clean City	• Facilitate works detailed in the City Cleansing Service Level Agreement	✓
	• Remove graffiti in accordance with community expectations and Council's resolutions	✓
	• Update the City Cleansing Service Level Agreement to take into consideration new assets that require cleaning	✓
	• Identify areas that require additional cleansing as a result of developments or upgrading	✓
Improved waste management including resource recovery and reuse	• Continue to promote waste oil reuse and recycling in the region.	✓
	• Promote waste education within schools and community groups.	✓
	• Prepare long-term Waste Minimisation and Resource Recovery Plan for Council consideration.	→
	• Undertake an analysis of recycling behaviour in Hobart.	→
	• Undertake a review of Council recycling and waste management services and report on findings.	→
	• Prepare Solid Waste Minimisation and Management Strategy for the commercial and industrial sectors including an evaluation of service delivery to the commercial sector.	→
	• Evaluate options and implement a strategic plan for future solid waste disposal.	→
	• Investigate options to collect and compost food waste from large businesses.	X
Best practice environmental management practices and programs	• Investigate and implement cost effective changes to increase the capacity and product quality of the green waste and composting facilities at McRobies Gully.	✓
	• Continue to implement the Environmental Management Plan and Environmental Management System for the Waste Management Centre.	✓
	• Prepare an Annual Report on the Waste Management Centre for submission to the Department of Primary Industries, Water and Environment.	→
	• Benchmark the Waste Management Centre disposal operations against other landfills.	X
	• Continue improvements to the surface water management system at the Waste Management Centre.	✓
	• Maintain management system (quality and environmental management) in order to achieve industry best practice in wastewater treatment and achieve NATA accreditation for the Selfs Point Laboratory.	→
	• Promotion of the Bushfire Planning Guidelines 2005	✓
Effective domestic animal control	• Implementation of Bushfire Risk Management Study (DoTARs) outcomes.	X
	• Promote responsible dog ownership in the community and school awareness programs.	✓
	• Review the formal complaint process for barking nuisances.	X

Environmental Services Strategy - Achievement of targets



Increase in waste to landfill, recycling collected at kerbside, improved performance of the waste water treatment plants

STRATEGIC OUTCOME: Protection of our Heritage

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

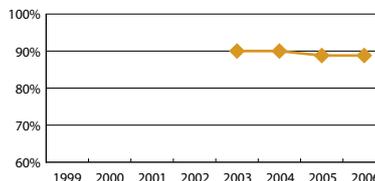
- ✓ COMPLETED
- UNDERWAY
- ✗ NO ACTION

KEY STRATEGY: CULTURAL HERITAGE

Results to be achieved	2005/06 actions/initiatives	Performance
New development that acknowledges, and is sympathetic to, the City's existing and evolving historic character and setting	<ul style="list-style-type: none"> • Complete Draft new City of Hoart Planning Scheme 	→
Long term conservation of heritage sites including buildings, streetscapes and cultural landscapes	<ul style="list-style-type: none"> • Implement recommendations of the Soldiers' Walk Memorial Avenue Management Plan. • Complete Mount Stuart/Lenah Valley Heritage Review – publication; implementation of recommendations • Undertake New Town Heritage Study. • City Hall – Conservation Plan develop program for implementation of strategies. 	<ul style="list-style-type: none"> ✓ → → →
A well developed awareness and understanding of Hobart's unique and diverse cultural heritage.	<ul style="list-style-type: none"> • History of the Corporation – Stage 5 – publication • Pipeline Track – review of Conservation Plan • Complete draft Gregory Street Urban Design Guidelines • Complete Macquarie Street Townscape Report Stage 3 • Cornelian Bay – publication of historical research and interpretation project. 	<ul style="list-style-type: none"> → → ✓ ✓ ✓



Cultural Heritage Strategy- Achievement of Targets



Maintains previous years results

STRATEGIC OUTCOME: Growth of our Economy

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

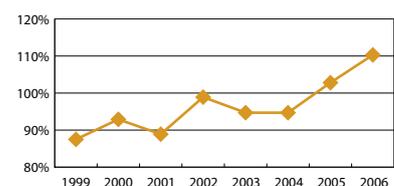
- ✓ COMPLETED
- UNDERWAY
- ✗ NO ACTION

KEY STRATEGY: ECONOMIC DEVELOPMENT

Results to be achieved	2005/06 actions/initiatives	Performance
Business investment is attracted to the City	<ul style="list-style-type: none"> • Identify sites for key strategic development opportunities within the city and as appropriate prepare site development plans. • Further the city infrastructure capacity review project. • Develop and implement a Council land Strategy that examines current land holdings, future purchase and possible sale of surplus land. 	<ul style="list-style-type: none"> → ✓ →
Recognition of Hobart as the island state's principal gateway, centre of government and premier business district	<ul style="list-style-type: none"> • Utilise the results from the Gaps and Opportunities analysis to develop future economic development strategies. 	<ul style="list-style-type: none"> ✓
An active and viable Central Business District	<ul style="list-style-type: none"> • Incorporate the outcomes the Central Area Zoning Review into the preparation of the new City of Hobart Planning Scheme using the Simplified Planning Scheme 'Template' 	<ul style="list-style-type: none"> ✓
Promotion of the City as an attractive place to live, work, invest and learn	<ul style="list-style-type: none"> • Implement city wide marketing plan, including action plans and the city's branding statements • Develop specific promotions in line with the marketing plan • Undertake research to determine appropriate target markets and to assess the success of the marketing plan and campaigns • Undertake regular perception surveys 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓
There are established links and networks for economic growth	<ul style="list-style-type: none"> • Continue to work with agencies to promote and facilitate new business and industry. • Support the Economic Development Advisory Forum 	<ul style="list-style-type: none"> → ✓
Greater employment and training opportunities	<ul style="list-style-type: none"> • Ensure the Commonwealth contractual arrangements and guidelines for the Job Placement, Employment and Training (JPET) contract and the National Illicit Drug Strategy (NIDS) Project contract are met, and develop a strategic approach to promote the long-term viability of the Programs. • Explore funding opportunities for a life skills program for young offenders or those at risk of offending. 	<ul style="list-style-type: none"> ✓ ✓
There are opportunities for young people to remain in the State	<ul style="list-style-type: none"> • Develop and implement youth development initiatives, including a CD project with schools, youth business enterprise, and intergenerational project opportunities in conjunction with Aged Services. 	<ul style="list-style-type: none"> →



Economic Development Strategy - Achievement of Targets

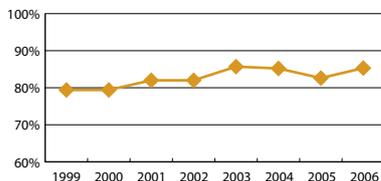


Increase in real growth from completed developments, slight reduction in value of building permits issued

KEY STRATEGY: SUSTAINABLE DEVELOPMENT

Results to be achieved	2005/06 actions/initiatives	Performance
Integrated and sustainable land use, development and infrastructure provision	• Continue development and implementation of objectives defined in the Local Government Spatial Information Toolkit.	→
	• Complete collection and assessment of Parks walking track data.	→
Protection and enhancement of environmental, social and cultural values	• Commence the review of the Queens Domain Management Plan	→
A protected skyline and landscapes	• See Natural Resource Management Strategy	
Sustainable use and development of natural and physical resources	• Develop the Adopt-a-Waterway pilot program.	→

Sustainable Development Strategy - Achievement of Targets



Slight improvement through performance of wastewater treatment plants



STRATEGIC OUTCOME: Gateway to Tasmania

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

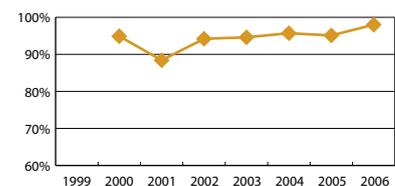
- ✓ COMPLETED
- UNDERWAY
- ✗ NO ACTION

KEY STRATEGY: INTEGRATED TOURISM DEVELOPMENT

Results to be achieved	2005/06 actions/initiatives	Performance
Increased tourism visitation and expenditure	<ul style="list-style-type: none"> • Undertake the development of a user-friendly event delivery guide for Hobart City Council event clients and grant recipients. 	→
	<ul style="list-style-type: none"> • Continue to develop and maintain Salamanca Market presence on the Council's website and explore use of a Market web cam as a promotional tool. 	→
	<ul style="list-style-type: none"> • Integrate Salamanca Market with the Council's Hobart Brand. 	→
	<ul style="list-style-type: none"> • Participate in the implementation of the Hobart Tourism and Major Events Strategy 	→
High standard of infrastructure and planning	<ul style="list-style-type: none"> • Address the implications of the Tasmanian Building Act 2000 and the Building Act Regulations 2004 in relation to temporary structures on Council events, including the Taste of Tasmania and Salamanca Market, and those events supported by Council. 	✓
More people are attracted to Hobart thereby retaining the City's vitality	<ul style="list-style-type: none"> • Support the 2006 Melbourne Commonwealth Games & Queen's Baton Relay and associated community event in Hobart. 	✓
	<ul style="list-style-type: none"> • Stage and evaluate the second Carols by the Bay concert at Sandown Park. 	✓
	<ul style="list-style-type: none"> • Conduct major event to commemorate Victory in the Pacific (VP) Day. 	✓
	<ul style="list-style-type: none"> • Investigate a database management system for mailing lists for events and related activities. 	→
	<ul style="list-style-type: none"> • Evaluate the future staging of the Taste of Tasmania (The Taste) within the context of the Hobart Summer Festival and possible changes to The Taste's current location. 	✓
Development that builds on and does not compromise Hobart's unique experience, location and quality	See Planning and Development Standards Strategy	



Integrated Tourism Development Strategy - Achievement of Targets

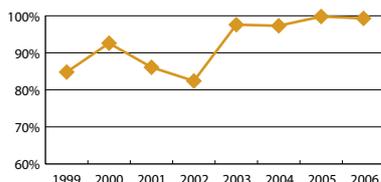


Increase in people attending selected events and percentage of visitors to Tasmania who visited Hobart

KEY STRATEGY: SPORT AND RECREATION

Results to be achieved	2005/06 actions/initiatives	Performance	
A City in which all people have equal access to facilities, services and activities	<ul style="list-style-type: none"> Undertake repairs to the athletics track at the Domain Athletics Centre 	✓	
	<ul style="list-style-type: none"> Extend the Sandy Bay Patenque Court 	✓	
	<ul style="list-style-type: none"> Construct new scoreboard at New Town Oval 	✓	
	<ul style="list-style-type: none"> Replace protective netting at Clare Street Oval 	→	
	<ul style="list-style-type: none"> Undertake first stage of drainage upgrading at West Hobart Oval 	✓	
	Tattersall's Hobart Aquatic Centre (THAC)		
	<ul style="list-style-type: none"> Develop a whole of Centre marketing plan including primary, secondary and promotional initiatives. 	✓	
	<ul style="list-style-type: none"> Conduct a promotion to collect email addresses of members and regular users to allow more frequent and targeted communication. 	✓	
	<ul style="list-style-type: none"> Develop a customer (parents) feedback system after school aquatic education programs. 	→	
	<ul style="list-style-type: none"> Establish Member Focus Group. 	✓	
	<ul style="list-style-type: none"> Develop detailed work instructions for Centre inspections and presentation. 	✓	
	<ul style="list-style-type: none"> Tender the lease of electronic cardio equipment. 	✓	
	<ul style="list-style-type: none"> Redevelop circuit area to leg weights and stretching area. 	✓	
	<ul style="list-style-type: none"> Commence the redevelopment of the Customer Service area including the retail area. 	✓	
	<ul style="list-style-type: none"> Tender 3 to 5 year plant mechanical and electrical maintenance contract. 	✓	
	<ul style="list-style-type: none"> Review child care facilities and services to improve efficiencies and services provided to the Centre's users. 	✓	
	<ul style="list-style-type: none"> Expand coverage of the existing CCTV system to include the pool halls. 	✓	
	<ul style="list-style-type: none"> Design and construct new pedestrian walkway along the car park. 	✓	
	<ul style="list-style-type: none"> Review operations of the car park and implement any required changes to promote more equitable access to the Centre for all users. 	✓	
	<ul style="list-style-type: none"> Establish a working party with Swimming Australia to plan and implement the Australian Short Course Swimming Championships in August/September 2006. 	→	
<ul style="list-style-type: none"> Review the current THAC membership categories and pricing structure with a view to introducing membership/s that promote better utilisation of the gym facilities and increased membership. 	→		
<ul style="list-style-type: none"> Review After School Aquatic Education Program with a view to increasing the number of places available. 	✓		
<ul style="list-style-type: none"> Review opportunities for better utilisation of the Centres facilities and programs in those periods when there is capacity. 	→		

Sport and Recreation Strategy - Achievement of Targets



Maintains previous years results

STRATEGIC OUTCOME: Management of our Resources

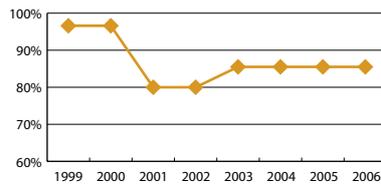
Hobart will be a City that prudently manages its affairs and the delivery of quality affordable services

- ✓ COMPLETED
- UNDERWAY
- ✗ NO ACTION

KEY STRATEGY: CAPITAL CITY LEADERSHIP

Results to be achieved	2005/06 actions/initiatives	Performance
Positive leadership of the capital City in accordance with Council's Values	<ul style="list-style-type: none"> Undertake a major review of the Hobart City Council Strategic Plan 	→
Strategic alliances enhanced and new partnerships developed	<ul style="list-style-type: none"> Develop key partnerships to assist Council to market Hobart as the Capital City. 	→
Effective regional relationships and co-operative regional development	<ul style="list-style-type: none"> Actively participate on the Southern Tasmanian Councils Authority 	✓
National and international recognition of Hobart as Tasmania's capital City	<ul style="list-style-type: none"> Participate in the Council of Capital City Lord Mayors 	✓

Capital City Leadership Strategy - Achievement of Targets



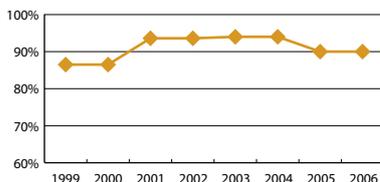
Maintains previous years results



KEY STRATEGY: COMMUNICATION AND CONSULTATION

Results to be achieved	2005/06 actions/initiatives	Performance
Greater community involvement in City planning and activities	<ul style="list-style-type: none"> Undertake broad community consultation to develop a 20 year Vision for the City 	✓
Effective collection of information for strategic planning and decision making	<ul style="list-style-type: none"> Review Community Survey results and implement improvements 	✓
A better informed community on Council matters	<ul style="list-style-type: none"> Continue to develop communication tools such as Capital City News, Hobart Focus and the Council's Directory of Services Develop and monitor appropriateness of web site content and presentation Maintain ongoing relationships with the media Oversee the co-ordination of press releases, media events and public relations Involvement and monitoring of procedures in line with Council's communications and marketing guidelines. Work with the marketing support group to review the community consultation process 	✓ ✓ ✓ ✓ ✓ →

Communication and Consultation Strategy - Achievement of Targets



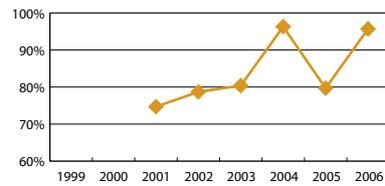
Maintains previous years results



KEY STRATEGY: CUSTOMER SERVICES

Results to be achieved	2005/06 actions/initiatives	Performance
High quality customer service standards	<ul style="list-style-type: none"> • Continue to monitor performance through statistics gathering and analysis i.e. Taste of Tasmania ticket sales • Continue to survey customers for feedback on services • Review and distribute the Customer Service Charter in accordance with the Local Government Act 1993 	<p>✓</p> <p>✓</p> <p>✓</p>

Customer Services Strategy - Achievement of Targets



Improvement in handling complaints and requests within agreed timeframes



KEY STRATEGY: INFRASTRUCTURE PLANNING AND MANAGEMENT

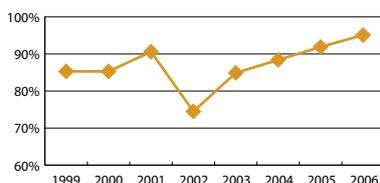
✓ COMPLETED
 → UNDERWAY
 x NO ACTION

Results to be achieved	2005/06 actions/initiatives	Performance
Improved management to maximise the performance of existing infrastructure assets	<ul style="list-style-type: none"> Continue development of processes to capture all projects related data and complete asset related financial transactions. 	→
	<ul style="list-style-type: none"> Continue the redevelopment of playgrounds in accordance with the Playground Development Strategy: refurbishment of the Princes Park Playground, upgrade of the playground at Waterworks Reserve 	✓
	<ul style="list-style-type: none"> Continue the landscaping of the Hobart Rivulet Linear Park utilising "Work for the Dole Program" 	✓
	<ul style="list-style-type: none"> Undertake the second stage refurbishment of the landscaping along the Macquarie Street frontage of St David's Cathedral 	✓
	<ul style="list-style-type: none"> Implement the Landscape Master Plan at New Town Bay 	✓
	<ul style="list-style-type: none"> Undertake internal refurbishment of the Public Convenience Facilities located at the Life Saving Pavilion Sandy Bay 	✓
	<ul style="list-style-type: none"> Provision of new Public Convenience Facilities at Mt Stuart Park and Cornelian Bay 	→
	<ul style="list-style-type: none"> Continue audit of all trade waste sites and recording information in database. 	✓
	<ul style="list-style-type: none"> Ensure all premises discharge trade waste in compliance with a special plumbing permit and meeting sewer admission limits. 	→
	<ul style="list-style-type: none"> Establish new trade waste agreements with Category 2 and 3 dischargers. 	→
	<ul style="list-style-type: none"> Renew the existing Trade Waste Agreements with Category 3 dischargers. 	→
	<ul style="list-style-type: none"> Assessment and issuing of special plumbing (trade waste) permits with Category 0 and 1 trade waste dischargers. 	→
	<ul style="list-style-type: none"> Develop and implement a trade waste tracking system for monitoring grease arrestor pump-out and disposal. 	→
	<ul style="list-style-type: none"> Hydraulic infrastructure renewals by trenchless technology. 	→
	<ul style="list-style-type: none"> Replacement of the Collins Street sewage pump station. 	✓
	<ul style="list-style-type: none"> Smoke testing in city sewerage catchment to remove stormwater from the sewerage system. 	x
	<ul style="list-style-type: none"> Automation and telemetry upgrade of Arthur Street Reservoir. 	✓
	<ul style="list-style-type: none"> Sandy Bay Rivulet Ridgeway Park erosion study. 	✓
	<ul style="list-style-type: none"> Preparation of hydraulic incident notification plan. 	✓
	<ul style="list-style-type: none"> Kooyong Glen, Wellesley Street, Davey and Darcy Streets infrastructure schemes. 	→
<ul style="list-style-type: none"> Salamanca sewer siphon refurbishment. 	✓	
<ul style="list-style-type: none"> Salamanca sewage pump station replacement. 	→	
<ul style="list-style-type: none"> Implementation of zone metering strategy. 	→	
Strategic asset management to meet the City's needs now and into the future	<ul style="list-style-type: none"> Maintain close working relationship with national, state and local government agencies as well as 'peak-body' organisations of the progressing of asset management in the local government environment. 	→
	<ul style="list-style-type: none"> Update the Road Infrastructure Asset Management Plan. 	→

KEY STRATEGY: INFRASTRUCTURE PLANNING AND MANAGEMENT

Results to be achieved	2005/06 actions/initiatives	Performance
	<ul style="list-style-type: none"> • Ensure works by third parties (ie gas installation) are carried out in accordance with Council's requirements. • Identify capital works to be carried out in conjunction with the gas infrastructure installation. • Maintain and update the statutory records of public sewer stormwater and water infrastructure on the Detail Sheets, Water Sheets and the Geographic Information System. • Maintain the Council's Statutory Property Plan and Statutory Highways Plan. • Commence construction for refurbishment of the Town Hall Annexe • Ensure compliance with Statutory provisions and obligations in relation to public infrastructure mapping • Maintain the Survey Control network of the City. • Develop an Asset Management Plan for Council's wastewater treatment plants. • Preparation of hydraulic asset management plans. • Water meter strategy implementation. • Implementation of the Sandy Bay Foreshore Master Plan • Monitor the issues associated with the development of the waterfront to progress the development of a Master Plan for Salamanca Lawns • Progress the planning associated with the improvement of inland access issues through the Battery Point Precinct • Progress the development of a Master Plan for the Cornelian Bay Foreshore • Further develop a Floral Strategy for Hobart • Using the previous audit of lighting in selected major Parks and Sporting Facilities, prepare a development strategy • Continue the planning for the establishment of an Access-for-All Playground at Lower Sandy Bay • Continue planning for the improvement of the Hobart Cenotaph in close consultation with major stakeholders 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ → ✓ ✓ ✓ → → → ✓ ✓ ✓ ✓ ✓ ✓ ✓
Development of a long term funding strategy for infrastructure management	<ul style="list-style-type: none"> • Maintain the 10 year capital works program for new asset projects. • Work in conjunction with Asset Management Steering Committee and Asset Management Task Force developing corporate asset management strategies and plans for both long (20 year) and short (5 year) terms. • Execute Road Infrastructure capital works. • Commence preparation of a 20 year asset management plan for Corporate property 	<ul style="list-style-type: none"> ✓ → ✓ ✓
An attractive City with a quality lifestyle	<ul style="list-style-type: none"> • Commence Strategic Urban Detail Policy for Civic Works • Under Grounding Power; Strategic Priorities Project 	<ul style="list-style-type: none"> → ✓

Infrastructure Planning and Management Strategy - Achievement of Targets

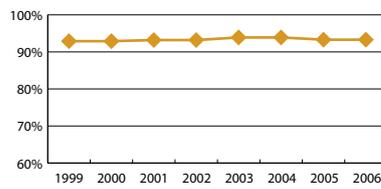


Progress in developing a comprehensive asset management strategy

KEY STRATEGY: SERVICE DELIVERY

Results to be achieved	2005/06 actions/initiatives	Performance
Quality and efficiency in the delivery of essential services and infrastructure projects	<ul style="list-style-type: none"> Facilitate Road Infrastructure maintenance works in accordance with the Road Maintenance Service Level Agreement. 	→
	<ul style="list-style-type: none"> Update the Road Maintenance Service Level Agreement to take into consideration the maintenance required on new Council assets and other new maintenance activities. 	✓
	<ul style="list-style-type: none"> Implement Service Level Agreement auditing tools. 	→
	<ul style="list-style-type: none"> Provide engineering surveys to facilitate the design and implementation of the Council's capital works program. 	→
	<ul style="list-style-type: none"> Review and improve the Service Level Agreements in Hydraulic Engineering Unit. 	→

Service Delivery Strategy - Achievement of Targets



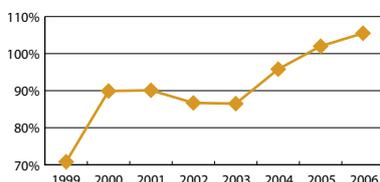
Maintains previous years results



KEY STRATEGY: ORGANISATIONAL MANAGEMENT

Results to be achieved	2005/06 actions/initiatives	Performance
An organisation of excellence which embraces the principles of quality, best practice and continuous improvement	<ul style="list-style-type: none"> Facilitate and monitor implementation of the Australian Business Excellence 2000 feedback Report 	✓
	<ul style="list-style-type: none"> Obtain quality assurance certification to (AS/NZS ISO 9001:2000) to all areas of the organisation 	→
	<ul style="list-style-type: none"> Continue improvement of data auditing to meet financial requirements. 	→
	<ul style="list-style-type: none"> To continue to progress the Process Improvement Programme 	→
	<ul style="list-style-type: none"> Develop and implement quality assurance (AS/NZS ISO 9001:2000) for relevant Community Development activities. 	→
	<ul style="list-style-type: none"> Maintain participation in Quality Assurance Scheme in Family Day Care in conjunction with revised Quality Practices guidelines. 	✓
	<ul style="list-style-type: none"> Implement requirements relating to new State Standards in Family Day Care. 	✓
	<ul style="list-style-type: none"> Implement outcomes of review of Vacation Care Program in relation to new State licensing requirements, Quality Assurance (QA) requirements and utilisation of program, including exploring alternate model of delivery. 	✓
	<ul style="list-style-type: none"> Develop and implement formalised project management strategies and processes for the delivery of Council presented events as part of whole-of-Division QA outcomes, including a complete set of operating procedures/manuals for Council presented events. 	→
	<ul style="list-style-type: none"> Obtain quality assurance certification to (AS/NZS ISO 9001:2000) for the Marketing Unit 	✓
	<ul style="list-style-type: none"> Promote an understanding of the Australian Business Excellence Framework principles of business excellence and their relationship to Council values 	✓
	<ul style="list-style-type: none"> Assess and implement opportunities identified in the Australian Business Excellence 2005 Feedback Report 	✓
	<ul style="list-style-type: none"> Proceed to gain NISA Accreditation for the Hobart Regional Plant Nursery 	✓
	<ul style="list-style-type: none"> Obtain quality assurance certification under (AS/NZS ISO 9001:2000) for all areas of the Development & Environmental Services Division 	✓
<ul style="list-style-type: none"> Address risk management opportunities under the Australian Business Excellence Framework 	✓	
The best possible service is provided at the lowest possible cost with consideration of: <ul style="list-style-type: none"> - Best value (quality and price) - Council's desire to continue being a major employer - The long term interests of the community 	<ul style="list-style-type: none"> Commence a program of upgrading and automating the irrigation system at the Hobart Regional Plant Nursery 	✓
	<ul style="list-style-type: none"> Continue to optimise Selfs Point and Macquarie Point Wastewater Treatment Plants to deliver the highest practicable standard of wastewater treatment at the lowest cost of the community. 	✓
	<ul style="list-style-type: none"> Complete the review of Building Surveying service delivery and implement agreed outcomes. 	✓
	<ul style="list-style-type: none"> Oversee a review of all Council business activities for the purposes of NCP 	→
Trained, informed and motivated staff	<ul style="list-style-type: none"> Provide appropriate risk management training 	✓
Procedures in place to ensure business continuity	<ul style="list-style-type: none"> Develop a Corporate Risk Register. Establish risk management and business continuity plans on the Intranet 	✓ →

Organisational Management Strategy - Achievement of Targets

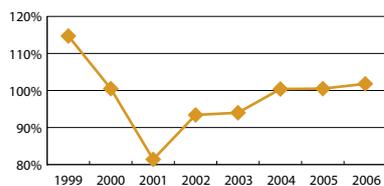


Increase in employees engaged in quality assured activities

KEY STRATEGY: FINANCIAL PERFORMANCE

Results to be achieved	2005/06 actions/initiatives	Performance
Continued financial viability of the Council in accordance with a long term financial strategy	• Water Reform Package Rebate Scheme, RTBG project, tariff review.	→
	• Increase the provision for asset depreciation by 2.5% per annum	✓
	• Maintain net operational expenditure (less new services and programmes) at 0.1% less than CPI	✓
	• Implement Full Cost Attribution as stage one of Council's 20 year financial plan	✓
	• Implement International Financial Reporting Standards (IFRS)	✓
	• Continue to lower the level of outstanding sundry and rate debtors	→
		→

Financial Performance Strategy - Achievement of Targets



High standard of performance in management of finances.



Statement of Activities Under Section 21

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

Public Health Statement Section 72 (1)(ab)

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

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

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

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

This Unit comprises of Manager Environmental Health, Senior Environmental Health Officer, 5 Environmental Health Officers, 2 Medical Officers of Health (shared contract position) and 2 registered immunisation nurses (part-time). The Unit operated on a budget of \$549,843 and generated an income of \$106,268. The delivery of public and environmental health activities also falls in part across other Council Units. For simplicity their cost components have not been included.

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

- Food Safety
- Notifiable Diseases
- Immunisations
- Places of Assembly
- Public Health Risk Activities
- Unhealthy Premises
- Cooling Towers
- Water Quality
- Public Health Nuisances
- Pollution Incidents

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

Food Premises Registered	695
Notifiable diseases Investigated	27
Persons Immunised	2252
Places of Assembly Licensed	153
Public Health Risk Activities Registered (tattooing, acupuncture, ear/body piercing)	21
Cooling Towers Registered	34
Bathing Water Samples Taken (public swimming pools/spas)	355
Recreation Water Samples Taken (Derwent River)	222
Pollution/Environmental Nuisance Complaints Investigated	355

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

Results to be achieved	2005/06 actions/initiatives	Performance
High standard of public health and clean drinking water	<ul style="list-style-type: none"> Determine relevant agency roles and responsibilities for assessing & enforcing public health standards in public accommodation buildings. Incorporate capacity to manage epidemics into Public Health Emergency Contingency Plan. 	<p>✓</p> <p>→</p>
Commercial premises are clean and the food prepared there is safe	<ul style="list-style-type: none"> Identify, assess and license nightclubs & other entertainment venues as places of assembly. Develop a Food Safety Management Strategy. Identify, assess & register all domestic premises associated with food preparation for sale at Salamanca Market. Undertake random food business audits to ensure consistency in compliance and enforcement actions. 	<p>→</p> <p>→</p> <p>→</p> <p>✓</p>
A reduction in noise and other environmental pollutants	<ul style="list-style-type: none"> Undertake sanitary surveys of swimming beaches affected by elevated bacteria levels in Derwent River. Progress initiatives with the State Government to improve air quality in the Hobart municipal area. 	<p>✓</p> <p>✓</p>

Throughout the year the Council took the opportunity to make formal comment on a number of pieces of State legislation and ancillary documents that were being reviewed. They included the Environmental Management & Pollution Control Act 1994, draft Noise Regulations, Legionella guidelines and Management of Water Quality guidelines. All internal Council documents utilised during food business inspections and assessments were also reviewed and amended as necessary to further improve consistency of use and accuracy of record keeping.

The food stalls inspection program by Council environmental health officers at the Salamanca Market was modified from a weekly assessment to a monthly rotational system. The rationale for this change is to create a more manageable Saturday workload so that more proactive time can be spent with a smaller number of stallholders every weekend. The Market is regularly inspected to ensure stallholders are in compliance with national food safety standards for temporary food outlets.



The introduction of the new National Health & Medical Research Council Guidelines For Managing Risks In Recreational Water in 2005 provided a more risk-based approach to managing water quality. The new guideline ranks beaches according to their risk essentially based on the frequency of elevated bacteria levels. Nutgrove Beach (western end) ranked poorly under the guidelines as did the non-swimming beaches at Marieville Esplanade and Cornelian Bay. The Director of Public Health subsequently required all poorly ranked beaches around the state to be appropriately signed for public information. Public warning signs were erected at Nutgrove Beach (west), Marieville Esplanade and Cornelian Bay. A comprehensive sanitary survey was undertaken at Nutgrove Beach that has resulted in subsequent and ongoing investigations into this catchment area. Some of the investigations include identifying potential sources of pollution, a dog-use survey, testing for human/animal pollution, assessing catchment infrastructure, monitoring storm events, analysing storm events data and refining the sampling program. Results to date indicate that there are no obvious sources of pollution in the catchment area affecting the water quality at the western end of Nutgrove Beach. The water quality monitoring program recommences in November.

A series of notifiable disease outbreaks occurred in Hobart in late 2005 involving the food poisoning bacteria salmonella. Unfortunately a number of persons were affected after eating foods that had been inadvertently contaminated with the bacteria after attending pre-christmas work and family functions. Several food businesses were involved in these incidents and Council environmental health officers worked closely with officers from the Department of Health & Human Services by sampling suspect foods and investigating the food handling activities of these businesses. Tests eventually indicated the suspect foods that affected consumers involved ready-to-eat foods containing raw egg products such as mayonnaise, tartare sauce and hollandaise sauce. It was determined that foods became infected with salmonella through cross-contamination from dirty eggs. The Director of Public Health subsequently issued public media statements confirming this and issued raw egg fact sheets to councils for distribution to all businesses that used eggs. Businesses were encouraged to only use clean best quality eggs, to store them correctly and to take food hygiene precautions when using eggs as food ingredients. Food handler training, cleansing and sanitising practices and food handling and storage techniques were improved at those businesses involved in the salmonella outbreaks to the satisfaction of Council officers.

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:	\$236,903.00
Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses):	\$72,584.00

"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 for such absence.

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**		Policy and Intergovernment Committee***
		Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member
Total Meetings Held	26	16		19		34		25		18		10		6
Alderman Valentine	26		6		3		10		14		9	9		5
Alderman Ruzicka	26	10*	4		5	12*	17	14*	9	18		10		6
Alderman Archer	22	12*		15*		29			12		5		8	2
Alderman Haigh	25	4*	3		2	8*	9	25		3*	6		7	5
Alderman Zucco	21		2	14		9*	12	11*	6		5		2	4
Alderman Briscoe	26		8	15*		31			8	10*		10		5
Alderman Hayes	25	4*	1	6	4		3	24			4	10		5
Alderman Sexton	24		1				2	8*	5	13		9		4
Alderman Freeman	18	9*			2		4	18		3*	4		2	4
Alderman Christie	26	16		9*	7	21*	5		13	17			7	5
Alderman Burnet	25		11	10*		19*	6	9*	8	12	2		7	4
Alderman Cocker	15*	12*		9*			3	5*			6		6	
Alderman Jones	9*	3*				12*			6*		3*			5

Committee Meetings include Special Meetings and Special Joint Meetings.

* Refer opposite page

** The Strategic Governance Committee held its first meeting on 8 November 2005

*** Policy and Intergovernment Committee was disbanded October 2005. All sitting Aldermen were members of this Committee.



		Committee Membership Details
*Alderman Ruzicka	City Services Committee	Member since 14/11/2005 (maximum of 12 meetings)
	Development and Environmental Services Committee	Member until 24/10/2005 (maximum 12 meetings)
	Finance and Corporate Services Committee	Member since 21/11/2005 (maximum of 15 meetings)
*Alderman Archer	City Services Committee	Member since 14/11/2005 (maximum of 12 meetings)
*Alderman Haigh	City Services Committee	Member until 26/10/2005 (maximum of 4 meetings)
	Development and Environmental Services Committee	Member from 20/3/2006 (maximum of 10 meetings)
	Parks and Customer Services Committee	Member until 13/10/2005 (maximum of 5 meetings)
*Alderman Zucco	Development and Environmental Services Committee	Member until 24/10/2005 (maximum 12 meetings)
	Finance and Corporate Services Committee	Member since 21/11/2005 (maximum of 14 meetings)
*Alderman Briscoe	Parks and Customer Services Committee	Member since 17/11/2006 (maximum of 13 meetings)
*Alderman Hayes	City Services Committee	Member until 26/10/2005 (maximum of 4 meetings)
	Community Development Committee	Member until 11/10/2005 (maximum of 9 meetings)
*Alderman Sexton	Finance and Corporate Services Committee	Member until 24/10/2006 (maximum of 10 meetings)
*Alderman Freeman	Parks and Customer Services Committee	Member until 13/10/2006 (maximum of 5 meetings)
*Alderman Christie	Community Development	Member until 11/10/2005 (maximum of 9 meetings)
	Development and Environmental Services Committee	Member since 7/11/2005 (maximum of 22 meetings)
*Alderman Burnet	Community Development Committee	Member since 14/11/2005 (maximum of 10 meetings)
	Development and Environmental Services Committee	Member since 7/11/2005 (maximum of 22 meetings)
	Finance and Corporate Services Committee	Member until 24/10/2006 (maximum of 10 Meetings)
	Parks and Customer Services Committee	Member since 17/11/2005 (maximum of 13 meetings)
*Alderman Cocker (was elected to Council 28 October 2005)	City Services Committee	Member since 14/11/2005 (maximum of 12 meetings)
	Community Development Committee	Member since 14/11/2005 (maximum of 10 meetings)
	Council	Elected to Council 28/10/2005 (maximum of 16 meetings)
*Alderman Jones (resigned from Council 28 October 2005)	City Services Committee	Member until 26/10/2005 (maximum of 4 meetings)
	Development and Environmental Services Committee	Member until 17/10/2005 (maximum of 12 meetings)

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

Total remuneration package	Number of employees
\$200,000 - \$220,000	1
\$120,000 - \$140,000	8

Grants, Assistance and Benefits Provided Section 77 (1)

Detail	GST inclusive amount
Antarctic Tasmania - 2006 Antarctic Winter Festival - Events and Festivals Grant - Cash	7,700
ANZAC Day Commemorative Committee - Anzac Day - Cultural Grant - Cash & In-kind	12,024
Australian F1 Superboat Series - Superboat Grand Prix - Events and Festivals Grant - Cash	3,300
Centacare Tasmania - Sudanese Women's Community "Stitch Program" - Community Grant - Cash	3,850
Charity 48 Hr Relay - 2006 Charity Relay - Community Grant - Cash & In-kind	1,594
City to Casino Fun Run - Trophy - Community Grant - In-kind	50
Crime Stoppers - Crime Stoppers 2006/2007 - Community Initiative - Cash	1,100
Cycling South - Funding Contribution - Cash	19,800
Dept of Health & Human Services - Community Rehabilitation Unit Falls Prevention Seminar - Community Grant - Cash	220
Dept of Police & Public Safety - Southern Regional Unit of the State Emergency Service - Cash	16,500
Dept of Tourism Parks Heritage & the Arts - Claiming Ground Public Art Conference - Cultural Grant - Cash	3,300
Dept of Primary Industry, Water & Environment - Southern Coastal Values Data Project - Cash	500
Dept of Primary Industry, Water & Environment - Derwent Estuary Program 2005/06 - Cash	34,953
Derwent Sailing Squadron - Annual Grant - Cash	1,825
Devonport Triathlon Assoc. - 2006 Hobart International Triathlon - Events and Festivals Grant - Cash & In-kind	22,601
Diabetes Australia Tasmania - Get a Life Expo - Community Grant - Cash	1,200
Estia Greek Festival of Hobart - Estia Greek Festival - Events and Festivals Grant - Cash	2,750
Festival of Voices - Finale Event for Festival of Voices - Events and Festivals Grant - Cash	16,500
Friends of Musica Viva Tasmania Inc - Friends of Musica Viva Tasmania Concert Program 2006 - Cultural Grant - Cash	2,000
Geocentric Pty Ltd - XPD Expedition Race - Events and Festivals Grant - Cash	3,300
Glenorchy City Council - 'Operation Bounce Back' - Community Initiative - Cash	1,650
Heritage & Conservation Grants - Cash	57,471
Hobart Athletic Club - Bikes & Spikes Event - Community Grant - In-kind	460
Hobart Cat Centre - Funding Contribution - Cash	18,227
Hobart Chamber Orchestra - Concert Series 2006 - Cultural Grant - Cash	1,500
Hobart College - Flip Out Project - Community Grant - Cash	1,100
Hobart Police & Community Youth Club - Integrated Community Activities - Community Grant - Cash	3,300
Hobart United FC - Training Lights - Community Grant - Cash	1,600
Human Rights Week Organising Committee - Human Rights Week - Community Grant - Cash	1,150
Huonville Primary School - Student Conference - Community Initiative - Cash	275
IHOS Opera - IHOS Music Theatre Laboratory - Cultural Grant - Cash	4,400
In-flight - Press Campaign - Cultural Grant - Cash	1,000
Is Theatre Ltd - Backspace Theatre Residency - Cultural Grant - Cash	5,500

Detail	GST inclusive amount
Is Theatre Ltd - Mature Artists Dance Theatre - Cultural Grant - Cash	1,650
Joan Wright - Australian National Choral Fest - Community Initiative - Cash	500
Kickstart Arts - Grant for Power 2006 - Cultural Grant - Cash	3,850
Machine Laundry Café - Tropfest Award - Cultural Grant - Cash	1,100
Mary's Grange Reachout Programme - Promotional Drive - Community Grant - Cash	1,518
Metro Point to Pinnacle - 2005 Point to Pinnacle Run - Events and Festivals Grant - Cash	1,000
Migrant Resource Centre - Bonzabella - Community Grant - Cash	1,100
New Town High School - Renovation Blitz - Community Grant - Cash	1,650
North Hobart Football Club Inc - Publication of Book - Community Grant - Cash	2,200
Peoples Choice Award - City of Hobart Art Prize - Cash	1,000
Polish Association in Hobart Inc - Celebration of International Volunteer Day - Community Grant - Cash	825
Premier's Disaster Relief Appeal - Cyclone Larry Disaster Relief Appeal - Community Grant - Cash	20,000
Relationships Australia - Bridges for Culturally & Linguistically Diverse Men Project - Community Grant - Cash	1,540
Rosny College - Human Powered Vehicle Event - Events and Festivals Grant - Cash	2,200
Rotary Club of Hobart - Charity Sail Day Community Service Fundraising - Community Initiative - Cash	200
Royal Hobart Regatta - Cultural Grant - In-kind	25,393
Royal Tasmanian Botanical Gardens - Annual Grant 2005-06 - Community Grant - Cash	10,274
Royal Yacht Club of Tasmania - Trophies Sydney to Hobart Yacht Race - Community Grant - In Kind	616
RSPCA - Annual Grant - Cash	5,160
Salamanca Arts Centre - Arts Program 2005/06 - Cultural Grant - Cash	52,206
Salamanca Arts Centre - For the Term of His Natural Life - Cultural Grant - Cash	13,200
Sandy Bay Regatta - Cultural Grant - In-kind	1,923
South Hobart Progress Association - 2006 Bonfire & Fireworks Night - Community Grant - Cash	2,000
South Hobart Progress Association - Saunders Cres Precinct Local Area Study - Community Initiative - Cash	2,750
St Vincent de Paul Society - Annual Wood Run - Community Grant - Cash	1,139
Targa Tasmania - In-kind	14,750
Tasmanian Canine Defence League - Funding Contribution - Cash	66,143
Tasmanian Centre for Global Learning - Youth Ambassador Conference - Community Grant - Cash	3,850
Tasmanian Convention Bureau - Annual Grant - Cash	60,500
Tasmanian Environment Centre - Environmental Home Expo - Community Grant - In-kind	2,121
Tasmanian Environment Centre - The Edge of Knocklofty Garden Guides - Community Grant - Cash	2,393
Tasmanian Media Awards - 2006 Tasmanian Media Awards - Community Initiative - Cash	400
Tasmanian Museum and Art Gallery - Annual Grant 2005-06 - Cultural Grant - Cash	13,200

Detail	GST inclusive amount
Tasmanian Pacing Club - Sponsorship 2006 Inter Dominion - Events and Festivals Grant - Cash	11,000
Tasmanian Symphony Orchestra - Annual Grant 2005-06 - Cultural Grant - Cash	9,229
Tasmanian Travel & Information Centre - Funding Contribution - Cash	35,200
Tasmanian Writers Centre - Hobart City Writers Residencies - Cultural Grant - Cash	4,400
Tasmania's South Regional Tourism Association - Funding Contribution - Cash	68,921
Terrapin Puppet Theatre - Puppetry Summit - Cultural Grant - Cash	3,300
The Australian Script Centre - Living Writers Week - Cultural Grant - Cash	2,200
The City of Hobart Eisteddfod Society Inc - Sponsorship for 2006 Eisteddfod - Cultural Grant - Cash & In-kind	10,862
The Mountain Festival - Mountain Festival - Events and Festivals Grant - Cash	10,450
The Playhouse Theatre - 'Peter Pan' - Cultural Grant - Cash	2,200
Theatre Royal Management Board - Annual Grant 2005-06 - Cultural Grant - Cash	6,589
Tsunami Relief - Donation for BIPU sewage systems - Aceh - Community Grant - Cash	2,000
University of Tasmania - Scholarships - Community Grant - Cash	7,000
Volunteering Tasmania Inc - Corporate Volunteering in Tasmania Brochure - Community Grant - Cash	1,100
Wellington Park Management Trust - Regulations Awareness Programme - Cash	12,210
Rate Remissions - 240L Wheelie Bins	64,300
Ex Aldermen Fuel Expense	12,722
TOTAL	834,733

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

Remission of hire charges for Council Halls granted during 2005/2006 totalled \$4,489.00 GST Inclusive



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

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

Contract	Contract Period	Extension option	Contract Sum (for term of contract incl extension options)	Contractor
Provision of Recycling Services at McRobies Gully Waste Management Centre	1/8/06 - 31/7/08		\$100,000 (\$50,000 pa)	Collex Pty Ltd 75 Mornington Road, MORNINGTON
Construction of a Baby Change Facility at the Hobart Central Car Park	15/5/06 – 13/8/06		\$95,082.73	Hansen & Yuncken Pty Ltd 39 Patrick Street, HOBART
Volunteer Duties – Clean Team – Taste of Tasmania	27/12/05 – 4/1/06	Annual option to include 2006/07 + 2007/08 Taste of Tasmania	\$60,000 (\$20,000 pa)	Tasmanian Football League Umpires Association C/- Ol Australia, Suite 7, 332 Main Road GLENORCHY
THAC Maintenance of Mechanical Services	30/11/05 – 29/11/08		\$163,299.99 (\$54,433.33 pa)	TCM Air Conditioning & Electrical Engineers 90 Charles Street MOONAH
Supply & Delivery of a Gang Ride-on Reel Mower	22/7/05 – 19/10/05		\$90,636.36	KBE Machinery PO Box 440 KINGS MEADOWS
Lease of Electronic Gym Equipment – Fitness Domain	1/11/05 – 31/10/08		\$129,660.54 (\$43,220.18 pa)	Life Fitness 144 Highbury Road BURWOOD VIC
New Year's Eve Fireworks Display	31/12/05 – 1/1/06	Annual option for 2006 + 2007 NYE Display	\$54,545.46 (\$18,181.82 pa)	Bright Star Fireworks 84 Hopkins Street MOONAH
Supply and Delivery of One Small Suction Sweeper	17/11/05 – 16/4/06		\$87,750.00	MacDonald Johnstone Engineering 65 - 73 Nantilla Road CLAYTON NORTH VIC
Supply and Delivery of One 4 Tonne Excavator	17/11/05 – 25/3/06		\$68,480.00	Tas Farm Equipment 1080 Cambridge Road CAMBRIDGE
Supply and Delivery of One 13.5 Tonne Excavator	17/11/05 – 25/3/06		\$185,809.00	Hitachi Construction Machinery (Australia) Pty Ltd 9 - 15 Penbury Place ROCHERLEA
Supply and Delivery of One Backhoe Loader	21/12/05 – 23/3/06		\$140,362.72	Komatsu Australia Pty Ltd 1095 Cambridge Road CAMBRIDGE
Supply and Installation of Multi-Bay Off Street Parking Meters in the Hobart Central Business District	1/10/05 – 30/3/06		\$858,500.00	Reino International Pty Ltd Unit 15, 39 Herbert Street ST LEONARDS
Long beach Bathing Pavilion Public Convenience Facilities Refurbishment	1/11/05 – 28/2/06		\$103,481.00	Hansen & Yuncken Pty Ltd 39 Patrick Street HOBART

Supply and Delivery of Geosynthetic Clay Liner – Hobart City Council's McRobies Gully Landfill Site	15/12/05 – 14/4/06		\$64,090.90	Purple Pig 8A Lampton Avenue DERWENT PARK
Annual Resealing Program	1/2/06 – 31/3/06		\$100,000	Roadways Pty Ltd Jackson Street GLENORCHY
Annual Slurry Sealing Program	1/1/06 – 30/4/06		\$135,575.45	Emoleum PO Box 116 ROSNY PARK
Hobart City Council's Queens Domain Athletic Track – Synthetic Surface Repairs – Stage 2	1/1/06 – 30/6/06		\$61,531.00	Wm Loud (Aust) Pty Ltd 135 Market Street SOUTH MELBOURNE
Hobart City Council's Selfs Point Laboratory – Nitrogen Analyser	21/12/05 – 31/3/06		\$71,210.00	Ai Scientific 10-22 Hornibrook Esplanade CLONTARF QLD
Registration of Contractors to undertake landscape, horticultural and bushland works	1/1/06 – 31/12/06	Twelve Month option	\$932,740.00 (\$466,370.00 pa approx)	Various Contractors registered for the work
Registration of Hire Rates – Trucks	1/4/06 – 31/3/08	Twelve Month Option	\$381,000.00 (\$127,000 pa)	Various Contractors registered for the work
Hire of Excavators	1/4/06 – 31/3/08	Twelve Month Option	\$600,000.00 (\$200,000 pa)	Hazell Bros 8b Lampton Avenue DERWENT PARK
Hire of Backhoes	1/4/06 – 31/3/08	Twelve Month Option	\$231,000.00 (77,000 pa)	F & P Stokely Pty Ltd 58-62 Feltham Street NORTH HOBART
Cash Collection from Parking Meters	1/6/06 – 30/6/07	Two x Twelve Month Options	\$312,024.70 (\$101,197 pa)	Care Park Pty Ltd Level 5, 370 St Kilda Road MELBOURNE
Supply and delivery of five manual 6 tonne GVM trucks	13/4/06 – 1/8/06		\$152,194.55	CJD Equipment Pty Ltd 10B Duncan Street MONTROSE
Refurbishment of the Customer Services Area – Tattersall's Hobart Aquatic Centre	13/4/06 – 30/8/06		\$66,430.00	Hansen & Yuncken Pty Ltd 39 Patrick Street HOBART
Demolition of existing and construction of new public convenience facilities – Cornelian Bay	24/5/06 – 29/8/06		\$123,919.18	P & C Management (Tas) Pty Ltd 207 Campbell Street HOBART
Installation of geosynthetic clay liner to Council's McRobies Gully Landfill Site	12/4/06 – 11/8/06		\$216,477.07	J Duncan Contracting 14 Chatterton Court AUSTINS FERRY
Supply and Delivery of Topsoil and Top dressing Sand	1/6/06 – 31/5/07	Two x Twelve Month Options	\$144,000.00 (\$48,000 pa)	A R & H K Rooke Cartage Contractors 20 Church Street RICHMOND
Construction of public facilities in Mount Stuart Park	26/5/06 – 31/8/06		\$53,875.83	P & C Management (Tas) Pty Ltd 207 Campbell Street HOBART
Supply and Delivery of Mobile Garbage Bins	21/6/06 – 31/3/07		\$1,019,100.00	Waste & Recycling Supplies (SA) P/L PO Box 930 GLENELG SA

Statement of Land Donated under Section 177

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

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

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

Strategic issues

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

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

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

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

Water Reform

The Government Prices Oversight Commission prepared a document for the Tasmanian State Government titled "Urban Water Pricing Guidelines for Local Government in Tasmania" that is consistent with the CoAG water reforms. The latest revision of this guideline document is January 2003.

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

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

The Council will further consider approaches to and proposals for the various issues as they are developed. The Water Reform Package document can be viewed on the Council's web-page www.hobartcity.com.au.

Pricing Guidelines

DETERMINATION OF FULL COST RECOVERY LEVELS

Cost item	Lower limit	Upper limit
	(Minimum business viability)	(Maximum allowable revenue)
	\$'000	\$'000
Operation and maintenance	7,533	7,533
Administration and overheads	490	490
Externalities	-	-
Taxes & tax equivalents (other than Income Tax)	92	92
Cost of asset consumption	948	1,458
Interest and dividends paid	346	
Cost of capital		7,193
TOTAL	9,409	16,766

Cost of Asset Consumption

- (a) Lower limit - Infrastructure Renewals Annuity calculation using a discount rate of 8.77%
- (b) Upper limit - reported depreciation, based on current replacement values of assets

Weighted average cost of capital

8.77% real pre-tax rate, applied to net asset value.



Pricing Guidelines

COST RECOVERY AND RATE OF RETURN PERFORMANCE

	\$'000
Revenue from fixed charges	11,093
Revenue from volume-based charges	599
Council CSO payments	22
Other Revenue	88
Total Revenue	11,802
<hr/>	
Average Asset valuation: written-down replacement value	82,013
<hr/>	
Real rate of return on assets, % p.a. (c)	2.72%
<hr/>	
(c) Real rate of return on assets = Earnings before interest and tax/Average Asset Value	



Public Interest Disclosure Act 2002

Councils Guidelines for dealing with matters under the Public Interest Disclosure Act 2002 are available for viewing on Councils homepage at www.hobartcity.com.au or a copy can be made available by contacting the Director Executive Management on 62382717.

Photo Acknowledgements

Simon Birch, Nick Osborne, J Barry Laurence Studio, Eddie Safarik



Financial Report

General Purpose Financial Report
For the year ended 30 JUNE 2006

Financial Report

Index

Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to and forming part of the Financial Statements

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

BALANCE SHEET

	Notes	2005/06 \$,000	2004/05 \$,000
Current Assets			
Cash and Cash Equivalents	15	32,506	20,303
Inventories	16	327	284
Receivables	18	3,398	3,378
Assets classified as Held for Sale	19	-	1,144
Prepayments		45	252
Total Current Assets		36,276	25,361
Non-Current Assets			
Receivables	18	300	251
Employee Benefits	33	4,041	-
Investment Property	20	11,550	9,788
Investments in Associates	11	40,783	40,139
Property, Plant and Equipment	21-30	681,926	647,775
Total Non-Current Assets		738,600	697,953
Total Assets		774,876	723,314
Current Liabilities			
Payables	31	4,657	5,558
Trust, Deposits, Retention	32	1,850	1,499
Employee Benefits	33	6,851	7,172
Unearned Revenue	34	319	305
Loans	35	870	1,051
Total Current Liabilities		14,547	15,585
Non-Current Liabilities			
Deferred Liabilities		45	45
Employee Benefits	33	1,814	2,905
Loans	35	14,568	9,638
Provision for Landfill Restoration	36	6,893	6,511
Total Non-Current Liabilities		23,320	19,099
Total Liabilities		37,867	34,684
Net Assets		737,009	688,630
Equity			
Reserves	37	459,492	409,548
Retained earnings		277,517	279,082
Total Equity		737,009	688,630

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

Financial Report

INCOME STATEMENT

	Note	2005/06 ACTUAL \$,000	2005/06 BUDGET \$,000	2004/05 ACTUAL \$,000
Expenses				
Employee Benefits	4	(31,602)	(33,388)	(31,661)
Materials and Services		(22,763)	(20,045)	(21,161)
Depreciation and Amortisation	5	(20,732)	(20,556)	(20,655)
Finance Costs	6	(1,121)	(1,112)	(1,144)
Purchase Bulk Water		(6,326)	(6,800)	(6,543)
State Fire Commission		(4,914)	(4,914)	(4,847)
Other Expenses	7	(6,618)	(4,101)	(3,844)
Total Expenses		(94,076)	(90,916)	(89,855)
Revenues				
Rates and Charges		59,336	59,448	57,200
Grants and Donations	9	5,736	2,997	5,075
Fines		3,776	3,781	3,056
Contributed Property, Plant and Equipment		708	-	610
Rendering of Services		17,442	17,057	16,639
Interest		1,721	885	1,225
Rents		2,044	1,934	1,942
Other		529	-	630
Total Revenues		91,292	86,102	86,377
Net Gain / (Loss) on Disposal of Assets	10	3,274	-	(37)
Share of Net Profits / (Losses) of Associates	11	1,189	900	861
Net Asset Revaluation Increments / (Decrements)	12	-	-	(23)
Surplus / (Deficit) for year		1,679	(3,914)	(2,677)

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

STATEMENT OF CHANGES IN EQUITY

	Note	Total		Retained Earnings		Reserves	
		2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
		\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Balance at beginning of period		688,630	625,036	279,082	280,919	409,548	344,117
Asset revaluations	12	42,049	63,637	-	-	42,049	63,637
Share of other equity movements of associates	11	443	1,843	(211)	269	654	1,574
Defined-benefit superannuation plan actuarial gains/(losses)	33	4,208	791	4,208	791	-	-
Surplus/(deficit) for year		1,679	(2,677)	1,679	(2,677)	-	-
Transfers to reserves	37	-	-	(34,055)	(22,706)	34,055	22,706
Transfers from reserves	37	-	-	26,814	22,486	(26,814)	(22,486)
Balance at end of period		737,009	688,630	277,517	279,082	459,492	409,548

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



Financial Report

CASH FLOW STATEMENT

	Note	2005/06 ACTUAL \$,000	2005/06 BUDGET \$,000	2004/05 ACTUAL \$,000
Cash Flows from Operating Activities				
<i>Receipts</i>				
Rates		59,260	59,448	57,229
Rendering of services (inclusive of GST)		19,065	18,545	18,096
Interest		1,637	885	1,213
Government grants (inclusive of GST)		2,199	1,934	2,062
Rents (inclusive of GST)		2,263	2,153	2,137
Fines		2,978	3,151	2,410
Dividends		988	900	824
Other receipts (inclusive of GST)		2,427	1,822	3,260
		90,817	88,838	87,231
<i>Payments</i>				
Employee costs		(32,847)	(33,388)	(31,226)
Payments to suppliers (inclusive of GST)		(25,789)	(23,409)	(23,746)
Interest		(741)	(1,112)	(797)
Other payments (inclusive of GST)		(13,592)	(14,019)	(13,013)
		(72,969)	(71,928)	(68,782)
Net Cash Flow from Operating Activities	38	17,848	16,910	18,449
Cash Flows from Investing Activities				
<i>Proceeds</i>				
Government Grants		3,641	1,232	1,736
Sales of Property		4,586	-	941
Sales of Plant and Equipment		534	534	599
		8,761	1,766	3,276
<i>Payments</i>				
Employee Costs		(2,499)	(2,500)	(2,412)
Materials/Services/Contracts		(8,212)	(11,355)	(6,968)
Property		(5,800)	(5,150)	(3,009)
Plant and Equipment		(2,644)	(3,395)	(3,366)
		(19,155)	(22,400)	(15,755)
Net Cash Flow from Investing Activities	38	(10,394)	(20,634)	(12,479)
Cash Flows from Financing Activities				
Proceeds from Borrowings	35	5,800	6,150	1,000
Repayment of Borrowings	35	(1,051)	(1,175)	(1,940)
Net Cash Flow from Financing Activities		4,749	4,975	(940)
Net Increase (Decrease) in cash held		12,203	1,251	5,030
Cash Held at the Beginning of the Year		20,303	20,303	15,273
Cash held at the End of the Year	15	32,506	21,554	20,303

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 Tattersall's Hobart Aquatic Centre.

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

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

b) Basis of Preparation

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, Urgent Issues Group Interpretations and the *Local Government Act 1993*.

Council changed its accounting policies on 1 July 2004 to comply with Australian Equivalents to International Financial Reporting Standards (AEIFRS). The transition to AEIFRS has been accounted for in accordance with AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, with 1 July 2004 as the date of transition. Reconciliations explaining the transition to AEIFRS as at 1 July 2004 and 30 June 2005 are provided at note 1(o) 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information for the year ended 30 June 2005, and in the preparation of the opening AEIFRS balance sheet as at 1 July 2004. AASB 119 *Employee Benefits* issued in December 2004 has been adopted by Council, even though the standard is not required to be applied until annual reporting periods beginning on or after 1 January 2006.

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.

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.

Financial Report

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

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 ten percent of total accumulated sick leave entitlements at the reporting date because this amount is payable to employees on retirement or resignation.

Superannuation

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

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

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

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

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

h) Provisions

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

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

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

Provision for Landfill Restoration (Note 36)

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

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

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

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

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

Acquisition

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

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

Revaluations

Plant and equipment, and the valuation roll, are valued at cost. All other property, plant and equipment is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Unless otherwise specified, valuations have been carried-out by Council officers. Where progressive revaluations have been employed for items of property, plant and equipment, revaluation of the particular asset class is completed within a three-year period. Earthworks are not included in the valuation of road assets.

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

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

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

Depreciation

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

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

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

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

Leased Assets

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

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

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

Transitional Provisions relating to Asset Recognition

In accordance with the transitional provisions of AAS27 *Financial Reporting by Local Governments*, Council has elected not to recognise land under roads as an asset in the Balance Sheet.

l) Financial Liabilities (Notes 31 and 35)

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

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

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

m) Heritage Account (Notes 14 and 15)

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

On the 15th December 1999, Council established the required Heritage Account with Perpetual Trustees Tasmania Limited, and the Minister transferred an amount of \$1,216,205 to that account. At 30 June 2006, the balance of the Heritage Account had accumulated to \$1,591,674.

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*.

Financial Report

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) First-time adoption of Australian Equivalents to International Financial Reporting Standards

Following the adoption of Australian Equivalents to International Financial Reporting Standards (AEIFRS) Council has prepared and presented its first financial report in compliance with the AEIFRS framework for the financial year ended 30 June 2006.

This is the first financial report prepared on the basis of AEIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AEIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within the AEIFRS that are applicable to not-for-profit entities.

With certain exceptions, Council has recorded transactions and events as though AEIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first-time adoption of AEIFRS apply retrospectively and have been adjusted against retained earnings at 1 July 2004, being the opening balance sheet date for the comparative period.

Reconciliations of the AEIFRS surplus/(deficit), assets, liabilities and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in the tables below.

(a) Reconciliation of Assets, Liabilities and Equity as presented under AGAAP to that under AEIFRS

	Notes	30 June 2005 ** \$,000	1 July 2004 * \$,000
Total Assets under previous AGAAP		723,227	660,605
AEIFRS impact on Assets			
Assets classified as Held for Sale	(iii)	1,144	100
Property, Plant and Equipment	(iii)	(1,144)	(175)
Investments in Associates	(iv)	112	(1,768)
Investment Property	(v)	9,788	10,638
Property, Plant and Equipment	(v)	(9,788)	(10,638)
Other		(25)	(25)
Total Assets under AEIFRS		723,314	658,737
Total Liabilities under previous AGAAP		26,963	25,506
AEIFRS impact on Liabilities			
Employee Benefits - Superannuation	(i)	1,186	2,024
Provision for Landfill Restoration	(ii)	6,511	6,150
Other		24	21
Total Liabilities under AEIFRS		34,684	33,701
Total Equity under previous AGAAP		696,264	635,099
AEIFRS impact on Equity			
Asset Revaluation Reserve	(iv)	(1,228)	(1,228)
Asset Revaluation Reserve	(vi)	(1,286)	(1,286)
Other Reserves	(iv)	36,834	35,260
Retained Earnings		(41,954)	(42,809)
Total Equity under AEIFRS		688,630	625,036

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

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



(b) Reconciliation of Surplus/(Deficit) under AGAAP to that under AEIFRS

Year Ended 30 June 2005	Notes	\$,000
Surplus/(Deficit) under previous Australian GAAP		(2,472)
<u>AEIFRS impact on Revenues</u>		
Dividends	(iv)	(824)
Proceeds from Sale of Plant and Equipment	(vii)	(599)
Proceeds from Sale of Property	(vii)	(942)
Asset Revaluation Increments	(vii)	(173)
		(2,538)
<u>AEIFRS impact on Expenses</u>		
Employee Benefits - Superannuation	(i)	47
Finance Cost - Provision for Landfill Restoration	(ii)	(361)
Carrying Value of Plant and Equipment sold	(vii)	628
Carrying Value of Property sold	(vii)	1,025
Asset Revaluation Decrements	(vii)	196
Other		(3)
		1,532
<u>AEIFRS impact on Gains/(Losses)</u>		
Adjust Carrying Value of Property sold	(iii)	75
Share of Net Profits/(Losses) of Associates	(iv)	861
Proceeds from Sale of Plant and Equipment	(vii)	599
Proceeds from Sale of Property	(vii)	942
Carrying Value of Plant and Equipment sold	(vii)	(628)
Carrying Value of Property sold	(vii)	(1,025)
Asset Revaluation Increments	(vii)	173
Asset Revaluation Decrements	(vii)	(196)
		801
Total AEIFRS impact on Surplus/(Deficit)		(205)
Surplus/(Deficit) under AEIFRS		(2,677)

(i) Defined-benefit Superannuation Plan

A defined-benefit obligation, included in the provision for employee benefits, of \$2.024M was recognised on 1 July 2004 on transition to AEIFRS. Under previous AGAAP, contributions to defined-benefit superannuation plans were expensed when due and payable and no assets or liabilities were recognised in relation to the plans.

For the financial year ended 30 June 2005, the defined-benefit obligation decreased by \$0.838M. Adjustments were made to recognise actuarial gains of \$0.791M directly in retained earnings, and to decrease employee benefit expenses by \$0.047M.

In order to apply this accounting treatment in the transition to AEIFRS, Council has elected to "early adopt" AASB 119 *Employee Benefits* issued in December 2004.

(ii) Provision for Landfill Restoration

Council has recognised a present obligation to rehabilitate the McRobies Gully landfill site following completion of land filling. Accordingly, a provision of \$6.15M representing the present value of the expected future cash outflows was recognised on 1 July 2004 on transition to AEIFRS.

For the financial year ended 30 June 2005, the provision increased by a further \$0.361M due to the unwinding of the discount, with a corresponding finance cost being recognised in expenses.

(iii) Assets classified as Held for Sale

AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* requires an entity to classify a non-current asset as held for sale if its carrying amount will be recovered principally through its sale rather than through continued use. A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. In addition, depreciation ceases when an asset has been classified as held for sale.

The effect of this change in accounting policy resulted in the reclassification of an asset from "property, plant and equipment" to "assets held for sale" on 1 July 2004 on transition to AEIFRS, and required a write-down at that time of \$0.075M. As a result of this write-down on 1 July 2004, the reported loss incurred on disposal of this asset during 2004/05 under previous AGAAP is no longer a loss under AEIFRS.

At 30 June 2005, two car parks with a total carrying value of \$1.144M were reclassified from "Property, plant and equipment" to "Assets held for sale". This reclassification had no other effect on the financial statements.

(iv) Investments in Associates

AEIFRS requires Council's ownership interest in the Hobart Regional Water Authority (Hobart Water) to be classified as a financial asset. This asset was previously treated as a non-current asset and revalued every three years.

Financial Report

Council has elected to account for its ownership interest in Hobart Water in accordance with AASB 128 *Investments in Associates* which requires the investment to be accounted for using the equity method.

Remeasurement of the asset on 1 July 2004 on transition to AEIFRS resulted in a decrease in value of \$1.768M. At the same time, a balance of \$1.228M included in Council's asset revaluation reserve resulting from previous revaluations of the asset was transferred to retained earnings. An amount of \$35.26M was also transferred from retained earnings to reserves to reflect Council's proportionate interest in the reserves of Hobart Water.

During the financial year ended 30 June 2005, Council recognised a share of Hobart Water's net profit of \$0.861M in its income statement, and a share of Hobart Water's other equity movements of \$1.843M directly in equity. Dividends of \$0.824M recognised as revenue under previous AGAAP was instead credited to the carrying amount of the investment as required by the equity method.

The combined effect of these entries was an increase of \$1.88M in the carrying value of the investment between 1 July 2004 and 30 June 2005.

(v) Investment Property

AASB 101 *Presentation of Financial Statements* requires "investment property" to be disclosed separately on the face of the Balance Sheet. Accordingly, assets with a total carrying value of \$10.638M were reclassified from "property, plant and equipment" to "investment property" on 1 July 2004 on transition to AEIFRS. This reclassification had no other effect on the financial statements.

(vi) Asset Revaluation Reserve

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

Council has previously elected to use the deemed cost option in respect of plant and equipment. As a result, amounts totalling \$1.286M held in the asset revaluation reserve in respect of these assets on 1 July 2004 on transition to AEIFRS have been transferred to retained earnings.

(vii) Gains and Losses

The AEIFRS *Framework for the Preparation and Presentation of Financial Statements* defines "gains and losses" separately from "revenues" and "expenses". As a result, some items previously reported in revenues and expenses on a gross basis are grouped and reported on a net basis under AEIFRS.

Council has identified line items associated with asset sales and asset revaluations as items which should be reported on a net basis in the income statement separately from revenues and expenses. The share of net profits/(losses) of associates is also reported separately on a net basis.

In accordance with this decision, "proceeds from sale of plant and equipment" (\$0.599M), "proceeds from sale of property" (\$0.942M) and "asset revaluation increments" (\$0.173M) have all been removed from revenues previously reported for the financial year ended 30 June 2005. Correspondingly, "carrying value of plant and equipment sold" (\$0.628M), "carrying value of property sold" (\$1.025M) and "asset revaluation decrements" (\$0.196M) have all been removed from expenses previously reported for the financial year ended 30 June 2005.

(c) Restated AEIFRS Cash Flow Statement for the year ended 30 June 2005

The cash flow statement presented under AEIFRS for the financial year ended 30 June 2005 shows operating cash flows inclusive of GST, rather than disclosing GST as separate line items as was the case under previous AGAAP.

There are no other material differences between the cash flow statement presented under AEIFRS and the cash flow statement previously presented for the financial year ended 30 June 2005.

2. CHANGES IN ACCOUNTING POLICIES

a) Current and previous periods

As explained in note 1 above, Council changed its accounting policies on 1 July 2004 to comply with Australian Equivalents to International Financial Reporting Standards (AEIFRS).

b) Future periods

Council has not yet applied the following Australian Accounting Standards and UIG interpretations that have been issued but are not yet effective. These will be applied from their application date.

AASB 7 Financial instruments disclosures

This standard requires new disclosures in relation to financial instruments. The standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The standard requires disclosure of the significance of financial instruments for an entity's financial position and performance, as well as qualitative and quantitative information about exposure to risks arising from financial instruments.

This standard is not expected to have any material impact on Council.

UIG Interpretation 4 Determining whether an Arrangement contains a Lease

This interpretation deals with arrangements that comprise a transaction, or a series of linked transactions, that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 *Leases*. The interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

At the reporting date, Council has not entered into any arrangements as specified in the interpretation, resulting in no impact when the interpretation is first applied.

3. FUNCTIONS/ACTIVITIES OF THE COUNCIL

		Expenses	Revenues			Assets
		\$,000	Grants \$,000	Other \$,000	Total \$,000	\$,000
Public Order and Safety	2005/06	5,040	38	4,661	4,699	16
	2004/05	4,862	0	4,684	4,684	0
Health	2005/06	1,534	0	266	266	88
	2004/05	1,149	0	282	282	94
Welfare	2005/06	2,912	879	200	1,079	1,846
	2004/05	2,036	911	209	1,120	1,158
Community Amenities	2005/06	19,451	24	9,022	9,046	79,584
	2004/05	16,234	130	7,933	8,063	83,793
Recreation and Culture	2005/06	19,577	1,151	5,599	6,750	135,328
	2004/05	17,541	98	6,378	6,476	114,046
Parking	2005/06	7,048	0	8,639	8,639	30,207
	2004/05	6,206	0	7,756	7,756	28,726
Transport	2005/06	14,744	2,539	504	3,043	239,193
	2004/05	14,547	1,606	582	2,188	231,135
Economic Services	2005/06	1,941	0	792	792	43
	2004/05	1,429	0	762	762	113
Water Supply	2005/06	9,891	45	11,757	11,802	84,112
	2004/05	10,149	6	11,002	11,008	79,914
Sewerage	2005/06	7,944	4	8,188	8,192	95,238
	2004/05	7,255	0	7,388	7,388	91,658
Other (Not Attributed)*	2005/06	3,994	1,056	35,928	36,984	109,221
	2004/05	8,447	2,324	34,326	36,650	92,677
Total	2005/06	94,076	5,736	85,556	91,292	774,876
	2004/05	89,855	5,075	81,302	86,377	723,314

* 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.

Financial Report

4. EMPLOYEE COSTS

	Note	2005/06 \$,000	2004/05 \$,000
Gross Wages and Salaries		29,761	28,576
Less :Amounts Capitalised		(1,640)	(1,583)
Leave payments		(2,228)	(2,223)
		<u>(3,868)</u>	<u>(3,806)</u>
Wages and Salaries expensed		25,893	24,770
Leave Entitlements		1,927	2,473
Defined-benefit superannuation plan	33	1,104	1,899
Other superannuation		717	820
Workers Compensation Insurance		539	345
Payroll Tax		1,990	1,931
Aldermanic Allowances		237	213
Redundancy payments		54	39
Labour Overheads Capitalised		(859)	(829)
		<u>31,602</u>	<u>31,661</u>
Number of Employees (Full-time equivalent)		584	584

5. DEPRECIATION AND AMORTISATION

	2005/06 \$,000	2004/05 \$,000
Land Improvements	722	721
Buildings	2,122	2,200
Infrastructure Plant	1,506	1,356
Plant and Equipment	2,126	2,209
Pipes, Drains and Rivulets	3,663	3,382
Roads and Bridges	8,734	8,870
Other Structures	1,731	1,610
Other	128	307
	<u>20,732</u>	<u>20,655</u>

6. FINANCE COSTS

	2005/06 \$,000	2004/05 \$,000
Interest on Loans	739	783
Finance Cost associated with Landfill Restoration Provision	382	361
	<u>1,121</u>	<u>1,144</u>

7. OTHER EXPENSES

	Note	2005/06 \$,000	2004/05 \$,000
Pensioner Rate Remissions		1,146	1,124
less : Reimbursements from Government	9	(1,070)	(1,042)
		<u>76</u>	<u>82</u>
Grants and Specific Purpose Benefits		694	596
Directors Fees		16	16
Auditor's Remuneration - Review of the Financial Report		25	21
Auditor-General's Remuneration - Review of the Financial Report		-	3
Other Audit Fees		47	42
Bad and Doubtful Debts		810	565
Assets Written-off		3,883	1,518
Obsolete Stock		3	1
Fringe Benefits Tax		162	184
Land Tax		902	816
		<u>6,618</u>	<u>3,844</u>

8. SIGNIFICANT ITEMS

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

	Note	2005/06 \$,000	2004/05 \$,000
Revenues			
Distribution of Wapping Implementation Project funds	9	-	1,143
Porter Hill Land acquisition grant	9	1,000	-
Roads to Recovery Program grants	9	1,259	332
		<u>2,259</u>	<u>1,475</u>
Expenses			
Asset write-offs	7	(3,883)	(1,518)
		<u>(3,883)</u>	<u>(1,518)</u>
Gains / (Losses)			
Net Gain / (Loss) on Disposal of Assets	10	3,274	(37)
Share of Net Profits / (Losses) of Associates	11	1,189	861
Net Asset Revaluation Increments / (Decrements)	12	-	(23)
		<u>4,463</u>	<u>801</u>
Effect of significant items on surplus/(deficit) for year		<u>2,839</u>	<u>758</u>

9. GRANTS AND DONATIONS

	Note	2005/06 \$,000	2004/05 \$,000
a) Provided by Government			
<i>for Recurrent Purposes</i>			
Childcare Services		629	707
Grants Commission		814	775
Equalisation Grants			
Natural Heritage Trust			
- Restoration of Knocklofty Reserve		-	82
National Illicit Drug Strategy (NIDS)		22	40
Pensioner Rate Remission Grants	7	1,070	1,042
Employment Creation Initiatives		302	278
Energy Grants Credits Scheme		79	86
Transition and Pathways Project		61	-
Miscellaneous		123	14
		3,100	3,024
<i>for Capital Purposes</i>			
Roads to Recovery Program		1,259	332
Other roadworks		1,272	1,273
Porter Hill Land acquisition		1,000	-
Hobart Major Rivulets - Natural Disaster Mitigation Project		19	26
On-Line Development Application Lodgement System		-	60
Stormwater recycling at Botanical Gardens		45	-
Miscellaneous		46	45
		3,641	1,736
		6,741	4,760

b) Other

<i>for Recurrent Purposes</i>			
Distribution of Wapping Implementation Project funds		-	1,143
Distribution of Sullivans Cove Advisory Committee funds		19	-
Miscellaneous		17	9
		36	1,152
<i>for Capital Purposes</i>			
Provision of Public Open Space		20	27
Provision of Parking Facilities		-	172
Miscellaneous		9	6
		29	205
		65	1,357
Total Grants and Donations		6,806	6,117
less : Pensioner Rate Remission Grants netted against Remissions	7	(1,070)	(1,042)
Grants and Donations as per Income Statement		5,736	5,075
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 :			
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 :			
		853	662
		(450)	(317)
		403	345
		1,215	870
Assets subject to conditions at the end of the period	14	1,618	1,215

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.



Financial Report

10. ASSET SALES

	2005/06 \$,000	2004/05 \$,000
<i>Plant & Equipment</i>		
Proceeds from sales	534	599
Less carrying amount of assets sold	(664)	(628)
Gain / (Loss) on disposal	(130)	(29)
<i>Land and Buildings</i>		
Proceeds from sales	4,586	942
Less carrying amount of assets sold	(1,182)	(950)
Gain / (Loss) on disposal	3,404	(8)
Total Gain / (Loss) on disposal of assets	3,274	(37)

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 2006 was 28.763%, 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: -

	2005/06 \$,000	2004/05 \$,000
<i>Summarised financial information of Hobart Water</i>		
Assets	195,925	192,232
Liabilities	(55,631)	(52,614)
Net Assets	140,294	139,618
Revenues	27,220	25,640
Net profit/(loss)	4,134	2,995
<i>Reconciliation of carrying amount of investment</i>		
Carrying amount of investment at beginning of year	40,139	38,259
Share of surplus / (deficit) for year	1,189	861
Share of asset revaluation	443	1,843
Dividends received	(988)	(824)
Carrying amount of investment at end of year	40,783	40,139

12. ASSET REVALUATIONS

	Note	2005/06 \$,000	2004/05 \$,000
<i>Asset Revaluations taken to Income Statement</i>			
Revaluation Increment / (Decrement) on Valuables		-	50
Revaluation Increment / (Decrement) on Drainage Structures		-	7
Revaluation Increment / (Decrement) on Playground Equipment		-	116
Revaluation Increment / (Decrement) on Reservoirs		-	(196)
		-	(23)
<i>Asset Revaluations taken to Asset Revaluation Reserve</i>			
Land		17,149	14,520
Pipes, Drains and Rivulets		10,932	19,706
Roads and Bridges		13,968	11,682
Other Structures		-	17,848
Other		-	(119)
	37	42,049	63,637
Net Asset Revaluation Increments / (Decrements)		42,049	63,614

13. RATES RECEIVED IN ADVANCE

	2005/06 \$,000	2004/05 \$,000
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods	264	201
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period.	(201)	(193)
Net increase (decrease) in prepaid rates	63	8

14. RESTRICTED ASSETS

Note	2005/06 \$,000	2004/05 \$,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 :		
- Childrens Services	47	37
- Contributions in lieu of Parking	428	428
- Contributions in lieu of Public Open Space	100	80
- On Line Development Application Lodgement System	27	60
- Cultural Park	-	3
- Wapping - Sculpture Walk	75	75
- Natural Heritage Trust Grants	45	74
- Roadworks	487	223
- Miscellaneous	409	235
9	1,618	1,215
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)	1,592
	1,592	1,512
Total Restricted Assets	3,210	2,727

15. CASH

	2005/06 \$,000	2004/05 \$,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	20,000	12,000
At Call	10,787	6,209
	30,787	18,209
Cash Advances	13	23
Cash at Bank	1,706	2,071
	32,506	20,303
b) Composition of Cash		
The following restrictions apply to the closing cash balance :		
- Provision of Public Open Space	100	80
- Provision of Parking Facilities	428	428
- Childrens Services	47	37
- Wapping - Sculpture Walk	75	75
- Roadworks	487	223
- Heritage Funding	1,592	1,512
- Other	481	372
	3,210	2,727
The remainder of the Cash balance has been ear-marked for :		
- Asset Replacement	2,492	368
- Other Capital Works	3,680	2,089
- Provision of Public Open Space	16	16
- Provision of Parking Facilities	12,748	7,593
- Bicentenary Projects	-	322
- Loan Redemption	1,408	731
- Bushland Acquisition	75	33
- Settlement of Payables	4,657	5,558
- Other	456	384
- Unallocated	3,764	482
	29,296	17,576
	32,506	20,303

16. INVENTORIES

	2005/06 \$,000	2004/05 \$,000
Stock	330	285
Less :Provision for Obsolete Stock	(3)	(1)
	327	284



Financial Report

17. FINANCIAL INSTRUMENTS

a) Credit Risk Exposures

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

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

b) Interest Rate Risk Exposures

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

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

2005/06	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			
Financial Assets							
Cash Advances	-	-	-	-	13	13	N/A
Investments	12,493	20,000	-	-	-	32,493	5.81%
Receivables	1,340	26	-	-	2,332	3,698	1.80%
	13,833	20,026	-	-	2,345	36,204	
Weighted Average Interest Rate	6.24%	5.89%	0.00%	0.00%			
Financial Liabilities							
Payables	-	-	-	-	4,657	4,657	N/A
Loans	-	4,770	4,977	5,691	-	15,438	6.86%
	-	4,770	4,977	5,691	4,657	20,095	
Weighted Average Interest Rate	0.00%	8.20%	6.16%	6.36%			
Net Financial Assets / (Liabilities)	13,833	15,256	(4,977)	(5,691)	(2,312)	16,109	

2004/05	Floating Interest Rate \$,000	Fixed Interest Maturing in :			Non-Interest Bearing \$,000	Total \$,000	Weighted Average Interest Rate
		1 year or less \$,000	Over 1 to 5 years \$,000	More than 5 years \$,000			
Financial Assets							
Cash Advances	-	-	-	-	23	23	N/A
Investments	8,280	12,000	-	-	-	20,280	5.65%
Receivables	1,274	26	-	-	2,329	3,629	1.71%
	9,554	12,026	-	-	2,352	23,932	
Weighted Average Interest Rate	6.35%	5.72%	0.00%	0.00%			
Financial Liabilities							
Payables	-	-	-	-	5,016	5,016	N/A
Loans	-	1,051	8,544	1,094	-	10,689	7.10%
	-	1,051	8,544	1,094	5,016	15,705	
Weighted Average Interest Rate	0.00%	6.71%	7.27%	6.09%			
Net Financial Assets / (Liabilities)	9,554	10,975	(8,544)	(1,094)	(2,664)	8,227	

c) Net Fair Value of Financial Assets and Liabilities

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

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

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

	2005/06		2004/05	
	Carrying Amount \$,000	Net Fair Value \$,000	Carrying Amount \$,000	Net Fair Value \$,000
Financial Assets				
Cash Advances	13	13	23	23
Cash at Bank and Investments	32,493	32,493	20,280	20,280
Receivables	3,698	3,698	3,629	3,629
	36,204	36,204	23,932	23,932
Financial Liabilities				
Payables	4,657	4,657	5,558	5,558
Loans	15,438	15,647	10,689	11,050
	20,095	20,304	16,247	16,608

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

18. RECEIVABLES

	2005/06 \$,000	2004/05 \$,000
Rates	1,470	1,394
Parking Fines	5,135	5,120
Accrued interest on investments	151	67
Wages and salaries paid in advance	67	69
Other Debtors	1,889	2,019
	8,712	8,669
Less Provision for Doubtful Debts	(5,014)	(5,040)
	3,698	3,629
Current	3,398	3,378
Non-Current	300	251
	3,698	3,629

19. ASSETS CLASSIFIED AS HELD FOR SALE

	2005/06 \$,000	2004/05 \$,000
Car Park at 177 Macquarie Street	-	456
Car Park at Montpelier Retreat	-	688
	-	1,144

20. INVESTMENT PROPERTY

	2005/06 \$,000	2004/05 \$,000
At Cost	1,800	-
At Valuer-General's 2002 valuation of market value	9,750	9,788
	11,550	9,788

21. PROPERTY, PLANT AND EQUIPMENT

	Note	Carrying Amount 30/6/2005 \$,000	Additions \$,000	Disposals \$,000	Net Revaluation Adjustments \$,000	Depreciation \$,000	Carrying Amount 30/6/2006 \$,000
Plant and Equipment	22	13,311	2,620	(992)	-	(2,126)	12,813
Land	23	75,094	4,000	-	17,149	-	96,243
Buildings	23	70,930	350	(1,089)	-	(2,122)	68,069
Land Improvements	24	17,109	631	(63)	-	(722)	16,955
Infrastructure Plant	25	23,604	1,052	(37)	-	(1,506)	23,113
Pipes, Drains and Rivulets	26	184,615	1,638	(33)	10,932	(3,663)	193,489
Roads and Bridges	27	222,149	3,889	(812)	13,968	(8,734)	230,460
Other Structures	28	33,417	1,607	(76)	-	(1,731)	33,217
Capital Work in Progress	29	5,401	1,463	-	-	-	6,864
Other	30	2,145	-	(1,314)	-	(128)	703
		647,775	17,250	(4,416)	42,049	(20,732)	681,926

Financial Report

22. PLANT AND EQUIPMENT

	2005/06 \$,000	2004/05 \$,000
At Cost	24,620	28,771
<u>less: Accumulated Depreciation</u>	(11,807)	(15,460)
	12,813	13,311

23. LAND AND BUILDINGS

	2005/06 \$,000	2004/05 \$,000
Land		
At Cost	7,640	3,640
At Valuer-General's 2002 valuation of market value indexed to 30 June 2006	88,603	-
At Valuer-General's 2002 valuation of market value indexed to 30 June 2005	-	71,454
	96,243	75,094
Buildings		
At Cost	859	562
At Council's 2002 valuation of current replacement cost	167,877	171,295
	168,736	171,857
<u>less: Accumulated Depreciation</u>	(100,667)	(100,927)
	68,069	70,930
Totals		
At cost	8,499	4,202
At valuation	256,480	242,749
	264,979	246,951
<u>less: Accumulated Depreciation</u>	(100,667)	(100,927)
	164,312	146,024

24. LAND IMPROVEMENTS

	2005/06 \$,000	2004/05 \$,000
At Cost	3,998	3,507
At Council's 2002 valuation of current replacement cost	19,492	19,597
At Council's 2001 valuation of current replacement cost	13,979	13,934
	37,469	37,038
<u>less: Accumulated Depreciation</u>	(20,514)	(19,929)
	16,955	17,109

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

25. INFRASTRUCTURE PLANT

	2005/06 \$,000	2004/05 \$,000
At Cost	6,538	5,519
At Council's 2002 progressive valuation of current replacement cost	7,947	7,722
At Council's 2001 progressive valuation of current replacement cost	1,500	1,500
At Council's 2000 progressive valuation of current replacement cost	5,273	5,283
At Independent 2000 progressive valuation of current replacement cost	27,575	27,575
	48,833	47,599
<u>less: Accumulated Depreciation</u>	(25,720)	(23,995)
	23,113	23,604

26. PIPES, DRAINS AND RIVULETS

	2005/06 \$,000	2004/05 \$,000
At Cost	15,248	13,612
At Council's 2001 valuation of current replacement cost indexed to 30 June 2006	391,388	-
At Council's 2001 valuation of current replacement cost indexed to 30 June 2005	-	366,561
At Council's 2002 progressive valuation of current replacement cost	16,153	16,153
	422,789	396,326
<u>less: Accumulated Depreciation</u>	(229,300)	(211,711)
	193,489	184,615

27. ROADS AND BRIDGES

	2005/06 \$,000	2004/05 \$,000
At Cost	11,386	7,429
At Council's 2004 valuation of current replacement cost indexed to 30 June 2006	346,449	-
At Council's 2004 valuation of current replacement cost indexed to 30 June 2005	-	325,959
	357,835	333,388
<u>less: Accumulated Depreciation</u>	(127,375)	(111,239)
	230,460	222,149

28. OTHER STRUCTURES

	2005/06 \$,000	2004/05 \$,000
At Cost	3,377	1,709
At Council's 2005 valuation of current replacement cost	76,332	76,738
	79,709	78,447
<u>less: Accumulated Depreciation</u>	(46,492)	(45,030)
	33,217	33,417

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

	2005/06 \$,000	2004/05 \$,000
Cleary's Gates Depot - Office Refurbishment	-	105
Road and Bridge works	2,055	1,994
Footpath, Kerb and Gutter works	452	458
Traffic Management works	11	275
Sewer Mains	1,406	863
Water Mains	293	148
Stormwater Mains	239	91
Parks and Gardens works	312	19
Salamanca Market Electrical Upgrade	-	69
Mt. Wellington Pinnacle site - improvements to public amenities	182	175
Centrepont Car Park - replacement of access and control equipment	-	96
Selfs Point Wastewater Treatment Plant works	93	134
McRobies Gully Refuse Disposal Site - Surface Water Management	-	214
McRobies Gully Refuse Disposal Site - General works	11	11
Replacement of On-street parking equipment	1,072	70
Trackwork	-	30
Other	738	649
	6,864	5,401

30. OTHER PROPERTY, PLANT AND EQUIPMENT

	2005/06 \$,000	2004/05 \$,000
Planning Schemes		
At Cost	-	8
At Council's 2005 valuation of current replacement cost	-	1,578
	-	1,586
<u>less: Accumulated Depreciation</u>	-	(961)
	-	625
Management Plans		
At Cost	-	1,226
<u>less: Accumulated Depreciation</u>	-	(545)
	-	681
Valuation Roll		
At Cost	624	624
<u>less: Accumulated Depreciation</u>	(495)	(367)
	129	257
Valuables		
At Independent 2005 valuation of market value	574	582
	574	582
Totals		
At cost	624	1,858
At valuation	574	2,160
	1,198	4,018
<u>less: Accumulated Depreciation</u>	(495)	(1,873)
	703	2,145

During the period, Council de-recognised all items of property, plant and equipment classified as either a "planning scheme" or a "management plan" on the basis that such items failed to satisfy the recognition criteria for property, plant and equipment.



Financial Report

31. PAYABLES

	2005/06 \$,000	2004/05 \$,000
Trade Creditors	272	585
Accrued plant and equipment purchases	203	136
Accrued capital expenditure	103	852
GST payable	173	213
Accrued Interest Expense	91	93
Bulk Water Purchases	1,530	1,515
Energy Costs	223	228
Payroll Tax	697	692
Workers Compensation Insurance	258	99
Fringe Benefits Tax	40	45
Superannuation contributions	-	107
Other Accrued Expenses	1,067	993
	4,657	5,558

32. TRUST, DEPOSITS, RETENTION

	2005/06 \$,000	2004/05 \$,000
Refundable Infrastructure Bonds	1,492	869
Contract Retention monies	78	56
Other	280	574
	1,850	1,499

33. EMPLOYEE BENEFITS

	2005/06 \$,000	2004/05 \$,000
Assets		
Defined-benefit superannuation plan	4,041	-
	4,041	-
Current	-	-
Non-Current	4,041	-
	4,041	-
Liabilities		
Wages and salaries	950	859
Annual leave (including loading)	2,567	2,658
Long service leave	3,383	3,676
Sick leave	993	910
Superannuation contributions	772	788
Defined-benefit superannuation plan	-	1,186
	8,665	10,077
Current	6,851	7,172
Non-Current	1,814	2,905
	8,665	10,077

Superannuation

Council contributes to a defined-contribution superannuation plan - 3% of gross wages and salaries in respect of all employees, and a further 3% in respect of temporary employees.

Council also contributes 8.5% of gross wages and salaries to a defined-benefit superannuation plan in respect of all permanent employees who commenced employment with Council prior to 11th March 2003. Employee contributions are 6% of gross wages and salaries. All employees are entitled to benefits on resignation, retirement, disability or death. This fund provides a defined-benefit based on years of service and final average salary.

Key assumptions used are: -

	30 June 2006 %	30 June 2005 %
Discount Rate – gross of tax	5.80	5.10
Discount Rate – net of tax	4.93	4.30
Expected Return on plan assets	6.35	7.00
Expected rate of salary increase	4.00	4.00

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

	2005/06 \$,000	2004/05 \$,000
Current Service Cost	2,124	2,516
Interest Cost	1,508	1,555
Expected return on plan assets	(2,528)	(2,172)
	1,104	1,899

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

	2005/06 \$,000	2004/05 \$,000
Actuarial (gains) / losses incurred during the period and recognised in the statement of changes in equity	(4,208)	(791)
Adjustments recognised in the statement of changes in equity for restrictions on the defined-benefit asset	-	-
	(4,208)	(791)
Cumulative actuarial (gains) / losses recognised in the statement of changes in equity	(4,999)	(791)

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

	2005/06 \$,000	2004/05 \$,000
Present value of defined-benefit obligation	37,100	36,658
Fair value of plan assets	(41,141)	(35,472)
Net liability / (asset) arising from defined-benefit plan	(4,041)	1,186

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

	2005/06 \$,000	2004/05 \$,000
Opening defined-benefit obligation	36,658	32,795
Current Service Cost	2,124	2,516
Interest Cost	1,508	1,555
Member contributions and transfers from other funds	1,090	668
Actuarial (gains) / losses	(2,365)	1,237
Benefits and tax paid	(1,915)	(2,113)
Closing defined-benefit obligation	37,100	36,658

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

	2005/06 \$,000	2004/05 \$,000
Opening fair value of plan assets	35,472	30,771
Expected return on plan assets	2,528	2,172
Actuarial gains / (losses)	1,843	2,028
Employer contributions	2,123	1,946
Member contributions and transfers from other funds	1,090	668
Benefits paid	(1,915)	(2,113)
Closing fair value of plan assets	41,141	35,472

34. UNEARNED REVENUE

	2005/06 \$,000	2004/05 \$,000
Tattersall's Hobart Aquatic Centre memberships paid in advance	208	192
Rents Paid in Advance	5	3
Other	106	110
	319	305

35. LOANS

	2005/06 \$,000	2004/05 \$,000
Loans outstanding at beginning of year	10,689	11,629
New borrowings	5,800	1,000
	16,489	12,629
Redemptions	(1,051)	(1,940)
Loans outstanding at end of year	15,438	10,689
Current	870	1,051
Non-Current	14,568	9,638
	15,438	10,689

36. PROVISION FOR LANDFILL RESTORATION

	2005/06 \$,000	2004/05 \$,000
Balance at beginning of year	6,511	6,150
Additional provisions recognised	-	-
Expenditure incurred	-	-
Unwinding of discount and effect of changes in the discount rate	382	361
Balance at end of year	6,893	6,511



Financial Report

37. RESERVES

	Note	Balance 30/6/05 \$,000	Transfers To Reserves \$,000	Transfers from Reserves \$,000	Balance 30/6/06 \$,000
Asset Replacement		368	12,362	(10,238)	2,492
Bushland Fund		33	50	(9)	74
Bicentenary Fund		322	5,800	(6,122)	-
Debt Redemption		731	1,728	(1,051)	1,408
Parking Fund		7,798	13,888	(8,659)	13,027
Contributions in Lieu of Parking		428	-	-	428
Contributions in Lieu of Public Open Space		97	20	-	117
Heritage Account		1,512	135	(55)	1,592
Share of Hobart Water Reserves		36,834	654	-	37,488
Asset Revaluation	12	361,041	42,049	(680)	402,410
Other		384	72	-	456
		<u>409,548</u>	<u>76,758</u>	<u>(26,814)</u>	<u>459,492</u>

Asset Replacement Reserve

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

Bushland Fund

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

Bicentenary Fund

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

Debt Redemption

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

Parking

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

Heritage Account

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

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

Share of Hobart Water Reserves

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

Asset Revaluation Reserve

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

Other Reserves

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

38. RECONCILIATION OF ACCRUAL-BASED RESULTS WITH CASH FLOWS

	2005/06 (\$,000)			2004/05 (\$,000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	91,292			86,377		
Expenses / Expenditure	(94,076)	(18,473)		(89,855)	(16,743)	
Gains / (Losses)	4,463			801		
Surplus / (Deficit) for year	1,679			(2,677)		
Dividends received from Associates	988			824		
Items not involving Cash:						
Depreciation and Amortisation	20,732			20,655		
Carrying Value of Assets Sold	1,846			1,578		
Asset Write-downs	3,883			1,518		
Assets received for no consideration	(708)			(610)		
Asset Revaluation Adjustments	-			23		
Share of Net Profits / (Losses) of Associates	(1,189)			(861)		
Re-classification of Revenues						
Government Grants	(3,641)	3,641	-	(1,736)	1,736	-
Sales of Assets	(5,120)	5,120	-	(1,540)	1,540	-
Changes in Operating Assets & Liabilities:						
(Increase) / Decrease in Receivables	(69)	-	(69)	(388)	-	(388)
(Increase) / Decrease in Stock	(43)	-	(43)	(53)	-	(53)
(Increase) / Decrease in Prepayments	207	-	207	(10)	-	(10)
Increase / (Decrease) in Payables	(219)	(682)	(901)	818	988	1,806
Increase / (Decrease) in Employee Entitlements	(1,245)	-	(1,245)	(108)	-	(108)
Increase / (Decrease) in Unearned Revenue	14	-	14	77	-	77
Increase / (Decrease) in Landfill Restoration Provision	382	-	382	361	-	361
Increase / (Decrease) in Other Liabilities	351	-	351	578	-	578
Net Cash Inflow / (Outflow)	17,848	(10,394)		18,449	(12,479)	

39. FINANCING FACILITIES

	2005/06 \$,000	2004/05 \$,000
Un-used bank overdraft	100	100
Un-used credit card facilities	-	-
Un-used loan facilities	-	5,150
	100	5,250



Financial Report

40. COMMITMENTS FOR EXPENDITURE

	2005/06 \$,000	2004/05 \$,000
<i>a) Capital Expenditure contracted for at the reporting date but not recognised in the Financial Report as liabilities:</i>		
Tramcar Motors	27	27
Supply & Delivery of Mobile Garbage Bins	1,121	-
New Town Bay Wetlands Development	29	42
Cogeneration Unit for Macquarie Point WWTP	-	6
Centrifuge for Sells Point WWTP	7	55
Baby change facilities for the Hobart Central Car Park	105	-
Public Convenience Facilities at Cornelian Bay	136	-
Plant and Equipment purchases	438	86
Other	184	21
	2,047	237

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

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

	2005/06	2004/05
Not longer than one year	75	30
Longer than one year and not longer than two years	67	29
Longer than two years and not longer than five years	41	39
Longer than five years	-	-
	183	98

41. CONTINGENT LIABILITIES

	2005/06 \$,000	2004/05 \$,000
Council is currently acting as guarantor for the following loans:		
New Town Cricket Club	50	50
Tasmanian Sports Federation Inc.	70	70
Buckingham Bowls Club	70	-
Southern Tasmanian Netball Association	770	770
	960	890

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

42. SUBSEQUENT EVENTS

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

43. PECUNIARY INTERESTS

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

44. SIGNIFICANT BUSINESS ACTIVITIES

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

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

Water Supply

	2005/06 \$,000	2004/05 \$,000
REVENUES		
Rates	11,093	10,357
User Fees and Charges	621	488
Grants and Donations	45	6
Other Income	43	157
	11,802	11,008
EXPENSES		
Employee Costs	(543)	(490)
Materials and Contracts	(665)	(688)
Depreciation	(1,456)	(1,323)
Interest	(346)	(346)
Purchase of Water	(6,325)	(6,543)
Land Tax	(64)	(41)
Engineering and Administrative Overheads	(490)	(435)
Other	(2)	(283)
	(9,891)	(10,149)
GAINS / (LOSSES)		
Plant and Equipment sales	(7)	(8)
	(7)	(8)
OPERATING PROFIT / (LOSS)		
	1,904	851
COMPETITIVE NEUTRALITY COSTS		
Opportunity Cost of Capital	7,193	6,164
Income Tax	563	297
Council Rates	28	27
	7,784	6,488

Sewerage

	2005/06 \$,000	2004/05 \$,000
REVENUES		
Rates	7,330	6,600
User Fees and Charges	776	647
Grants and Donations	4	-
Other Income	82	141
	8,192	7,388
EXPENSES		
Employee Costs	(1,453)	(1,393)
Materials and Contracts	(2,171)	(2,469)
Depreciation	(2,309)	(2,194)
Interest	(287)	(296)
Purchase of Water	(121)	(112)
Land Tax	(76)	(49)
Engineering and Administrative Overheads	(1,495)	(661)
Other	(32)	(81)
	(7,944)	(7,255)
GAINS / (LOSSES)		
Plant and Equipment sales	(7)	7
	(7)	7
OPERATING PROFIT / (LOSS)	241	140
COMPETITIVE NEUTRALITY COSTS		
Opportunity Cost of Capital	8,195	6,846
Income Tax	54	30
Council Rates	60	58
	8,309	6,934

Off-Street Parking

	2005/06 \$,000	2004/05 \$,000
REVENUES		
User Fees and Charges	3,143	3,084
	3,143	3,084
EXPENSES		
Employee Costs	(747)	(749)
Materials and Contracts	(920)	(644)
Depreciation	(752)	(757)
Interest	-	(2)
Land Tax	(273)	(204)
Engineering and Administrative Overheads	(471)	(459)
Other	-	(21)
	(3,163)	(2,836)
GAINS / (LOSSES)		
Property Sales	3,356	-
	3,356	-
OPERATING PROFIT / (LOSS)	3,336	248
COMPETITIVE NEUTRALITY COSTS		
Opportunity Cost of Capital	2,477	2,223
Income Tax	895	-
Council Rates	353	357
	3,725	2,580



Financial Report

On-Street Parking

	2005/06 \$,000	2004/05 \$,000
REVENUES		
User Fees and Charges	2,493	2,309
Fines	3,003	2,363
	5,496	4,672
EXPENSES		
Employee Costs	(2,301)	(2,256)
Materials and Contracts	(629)	(641)
Depreciation	(125)	(81)
Engineering and Administrative Overheads	(819)	(392)
Other	(11)	-
	(3,885)	(3,370)
GAINS / (LOSSES)		
Plant and Equipment sales	11	-
	11	-
OPERATING PROFIT / (LOSS)	1,622	1,302
COMPETITIVE NEUTRALITY COSTS		
Opportunity Cost of Capital	107	51
Income Tax	487	469
	594	520

Tattersall's Hobart Aquatic Centre

	2005/06 \$,000	2004/05 \$,000
REVENUES		
User Fees and Charges	3,402	3,372
Grants and Donations	5	86
Other Income	248	214
	3,655	3,672
EXPENSES		
Employee Costs	(1,922)	(1,920)
Materials and Contracts	(1,906)	(1,805)
Insurance	(35)	(28)
Interest	(10)	(23)
Administration	(61)	(61)
Land Tax	(19)	(16)
Other	(16)	(16)
	(3,969)	(3,869)
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION	(314)	(197)
Depreciation	(687)	(662)
OPERATING PROFIT / (LOSS)	(1,001)	(859)
COMPETITIVE NEUTRALITY COSTS		
Opportunity Cost of Capital	1,483	1,417
Council Rates	64	63
	1,547	1,480



CERTIFICATION BY GENERAL MANAGER

For the Reporting Period Ended 30 June 2006

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 2006 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 fourteenth day of September 2006.



(Brent Armstrong)
General Manager

INDEPENDENT AUDIT REPORT

To the Aldermen of the Hobart City Council

Financial Report for the Year Ended 30 June 2006

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report published in both the annual report and on the website of the Hobart City Council for the year ended 30 June 2006. The Council's General Manager is responsible for the integrity of both the annual report and the website.

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

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

Scope

The financial report and the General Manager's responsibilities

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the General Manager's declaration for the year ended 30 June 2006.

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

Audit approach

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

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

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

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

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

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

Independence

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

Audit Opinion

In my opinion the financial report presents fairly, in all material respects, in accordance with the *Local Government Act 1993* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of the Hobart City Council as at 30 June 2006, and the results of its operations, cash flows and changes in equity for the year then ended.

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL
HOBART
16 October 2006

