

2013
2014
ANNUAL
REPORT



Public Interest Disclosure Act 2002

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Photo Acknowledgements

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PART I
About Council



Vision for the City of Hobart

In 2025 Hobart will be a city that:

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

Mission

Our mission is to ensure good governance of our capital city

Values

We're about people

We value people – our community, customers and colleagues

We're professional

We take pride in our work

We're enterprising

We look for ways to create value

We're responsive

We're accessible and focussed on service

We're inclusive

We respect diversity in people and ideas

We're making a difference

We recognise that everything we do shapes Hobart's future

Lord Mayor's message

What another remarkable year for the City of Hobart! On behalf of the Council it gives me great pleasure to highlight some of the more important achievements during the year.

Against a backdrop of uncertain economic indicators, both nationally and globally, and a tight financial market, Hobart appears to be holding its own. We're currently enjoying an exciting period of unprecedented development. After seven long years we have a green light for the Myer redevelopment. Planning is underway on the proposed Montpelier Retreat multi-use development in Salamanca. Construction is imminent on the University of Tasmania Melville Street student housing project, the University of Tasmania Academy of Creative Industries and Performing Arts, and has commenced on the Parliament Square redevelopment.

These projects signal a current and future confidence in our city, but they form only part of the overall picture. There is the Macquarie Wharf 1 and 2, the IMAS structure on Princes Wharf No. 2, the redeveloped Tasmanian Museum and Art Gallery, along with the proposed Royal Hobart Hospital redevelopment.

The City of Hobart has also witnessed a huge lift in tourist numbers mainly through events, arts and culture, and for the first time in many years, people moving through the city centre and the waterfront are activating our city at night. A great winter event this year was the hugely successful Dark Mofo.

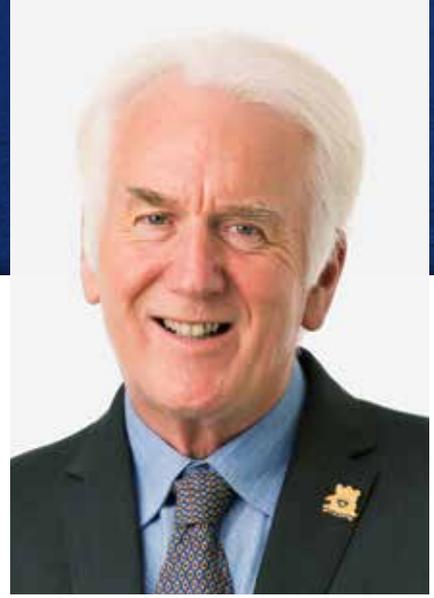
As our tourist numbers swell, so does the number of visiting cruise ships. In the past year we had 36 large vessels visit Hobart delivering more than 100,000 passengers and crew across the city centre, wider Hobart and throughout Southern Tasmania.

Works are scheduled for the redevelopment of Macquarie Wharf No. 1 as a new hotel, while plans have been outlined for a new hotel in Macquarie Street, again signalling great confidence in the City of Hobart.

These developments generate activity in the city and combined with major residential developments such as the K&D Brickworks subdivision, all contribute to the future prosperity and sustainability of the City of Hobart.

The City of Hobart has also embarked on creating meaningful links into China and Asia more broadly, with the aim of promoting and attracting direct foreign investment into the city. A healthy sign of confidence in terms of both development activity and property values has seen the City of Hobart's Assessed Annual Value rise by 1.44%.

Over the past year Stage 1 of the Sandy Bay Road Cycleway was completed. This project links cherished recreational facilities such as Sandown Park and Sandy Bay beaches with a number of schools, residential areas and the University of Tasmania campus. Hobart now has a generational investment in bicycle infrastructure for the benefit of the entire city. This project is an



integral part of the Council's vision to achieve sustainable transport outcomes and make Hobart a more liveable and people-friendly city.

We now have a new Master Plan for the Queens Domain setting out our goals as a community to reinstate what should be the city's premier park.

As the custodians of Council-controlled assets it is important that each generation sustains the quality of these through investment, rather than allowing them to deteriorate and become a financial drain into the future.

To achieve this aim \$25.2 million has been allocated to both new assets and asset renewal, together with separate infrastructure funding for Inner City Action Plan projects. These have involved specific projects such as the shared pedestrian and road works in Liverpool Street coinciding with the redevelopment of the Myer site. Other projects include the inner city cycleway in Morrison Street, Brooker Bridge to provide shared access for pedestrians and cyclists from Bathurst Street to the Domain, Collins Court Revitalisation, City Way Finding, the proposed Battery Point Walkway, as well as Network Operational Planning to closely look at pedestrian and traffic movement throughout the city.

Funding has also been allocated for the redevelopment of a new sports pavilion at Soldiers Memorial Oval, upgrading of visitor facilities at The Springs on kunanyi/Mt Wellington, improving

irrigation and drainage for South Hobart Oval, together with significant works for stormwater infrastructure in Collins and Macquarie Streets.

Major events and festivals are key drivers to increasing visitation to Hobart and to strengthening national and international awareness of Hobart as an exciting and 'must-visit' destination.

As part of the winter activation program there have been two standout successes – Dark Mofo and Festival of Voices. The value of the benefits of the Council's recent approach to festival and event investment is clearly demonstrated by the outcomes of these two key events staged over the 2013 winter period. Dark Mofo was an outstanding event attracting more than 80,000 people while the Festival of Voices was an important contributor to the cultural and economic vitality of Hobart during the normally quieter winter period, with significant benefits for local employment, and in particular the cultural, hospitality and accommodation sectors.

In balancing our investment in Council assets, it is imperative that our organisation is proactive, striving to be lean, smart and sustainable, minimising the costs to ratepayers whilst delivering what they need year in and year out.

As one important example, in services such as waste management, we have undertaken a review through the Waste Management Strategy 2010-2015 to provide the best service to our customers without increasing the

cost. This review has resulted in a number of creative changes that have broadened the spectrum of Council services at the McRobies Gully Waste Management Centre, such as a new transfer station and a redeveloped 'Tip Shop', while providing incentives such as free entry weekends for general mixed waste and green waste during the year.

As Aldermen of the City of Hobart, we are charged with helping the Council continue the momentum of positive improvements that will make our residents proud. We all share the same broad objectives to have a vibrant economy, a worthwhile job, with a safe and secure environment for residents, enjoying good public services and having in place effective governance systems for the future.

Our role is to continue to deliver vital services to our community, supported by financially sustainable and responsible budgetary policy and management.

In commending the Annual Report to you, I would also like to take this opportunity to thank all Aldermen, General Manager Nick Heath and staff for the significant achievements and progress in building a better community.

Alderman Damon Thomas
Lord Mayor



General Manager's message

I am pleased to present the year in review which has seen continued progress in all facets of our operations, particularly across three key priority areas – sustainability, planning for the future and work, health and safety.

Our focus on organisational and financial sustainability is about providing community value and is at the forefront of our thinking. The community is central to everything we do as we continue to make sure that we provide value for the ratepayers' dollar in these challenging economic times.

The organisation has worked hard to ensure that the burden of costs on residents is minimised. The Council acknowledges the cost of living pressures people face and has delivered an affordable and sustainable rate increase.

The Council is in a strong financial position. Financial performance has improved over recent years to a point where Council is now recording modest underlying surpluses. The organisation has satisfactory liquidity and cash flow, low debt, a low reliance on external funding and its asset renewal requirements are being satisfactorily funded.

The Council's new Strategic Plan is the blueprint that will carry the city forward into the future. The focus of the plan is to deliver results in response to the key directions set out in *Hobart 2025 – A Strategic Framework*.

To achieve our Vision, five key priority areas with plans and actions have been

identified. The Plan takes into account the challenges and opportunities that lie ahead whilst ensuring that a financially sustainable position is maintained. The key priority areas are:

- Economic Development, Vibrancy and Culture
- Urban Management
- Environmental and Natural Resources
- Strong, Safe and Healthy Communities
- Good Governance.

In March 2014, the Council approved the Hobart Draft Interim Planning Scheme 2014. The scheme extends over the areas covered by the current City of Hobart Planning Scheme 1982 and the Battery Point Planning Scheme 1979, in accordance with both the previous and new State Governments' policies of reducing the number of planning schemes in Tasmania.

Whilst most of the wording of the Hobart Scheme is common to the other interim schemes prepared by councils in the southern region, it does make 'local provisions' where these are considered essential for the needs of the City of Hobart. These include detailed provisions for the city centre that seek to deliver greater certainty for landowners through more prescriptive standards, whilst retaining heritage buildings.

Work health and safety is another priority for the Council and its employees. The Council is conscious that safe working practices apply equally to inside and outside workforces, visitors

to Council worksites and to the public at large. The Council's Safety Culture Change Program focuses on ensuring that everyone goes home healthy and safe, everyday.

Another important aspect of work health and safety is the uMake the Team initiative for employees which continues to build momentum by bringing our people together, building cross-divisional relationships, enhancing wellbeing and importantly, having a positive impact on employees.

In conclusion, as we look forward to a bright future, it is vital that sustainability remains a key goal of our organisation. A strong sustainability culture will enable us to continue to operate successfully over the long term and, most importantly, ensure that we remain relevant to the community.

Finally, I extend my thanks to the Lord Mayor and Aldermen, my Executive Leadership Team colleagues and all employees for their commitment and dedication in meeting the challenges of the past year.

N.D. Heath
General Manager



Council in focus

History of the Council

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

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

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

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

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

Council and Committee Meetings

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

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

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

Council Representatives

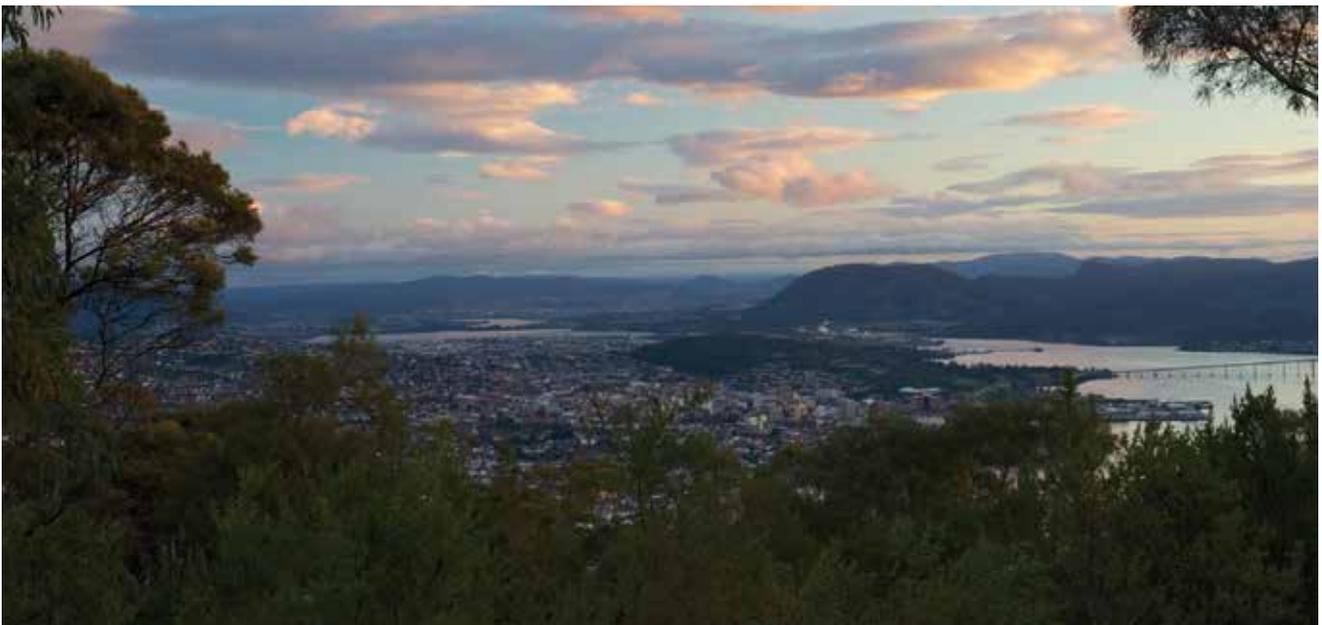
There are 12 Aldermen who represent the residents and businesses of the City of Hobart. They have specific powers, responsibilities and duties as set out in the *Local Government Act 1993*.

Audit Committee

The Audit Committee was established as a Special Committee of the Council on 23 August 1993 pursuant to Section 24 of the *Local Government Act 1993*. During 2010, Council resolved that the committee consist of five members, three Aldermen and two independent members, which collectively have a broad range of skills and experience relevant to the operations of the Council.

The Committee membership consists of Alderman Philip Cocker (Chairman), Alderman Marti Zucco, Alderman Sue Hickey and Ms Suzanne Baker and Mr David Hudson as independent members.

The Committee provides advice, independent assurance and assistance to the Council on the City of Hobart's risk, control and compliance framework, and its external accountability responsibilities. Activities relate to strategic risk management, internal and external audit, endorsement of the financial statements and organisational financial sustainability.



Council Aldermen



**Lord Mayor
Alderman Damon Thomas**

Committee Membership

Council (*Chairman*)

Representations

- Carols Organising Committee
- Cycling South Inc.
- Hobart Bicycle Plan Advisory Committee – *disbanded 16/12/2013*
- Hobart City Council/Launceston City Council – Memorandum of Understanding Joint Working Party
- Hobart Christmas Pageant Organising Committee
- Hobart Emergency Management Committee (*Municipal Chairperson*)
- Hobart City Council Access Advisory Committee
- Hobart Light Rail Taskforce
- Mayors for Peace
- Sandy Bay Residents' and Traders' Traffic Committee
- Sister Cities Australia
- Southern Tasmanian Councils' Authority (*Think South*) (*Chairman*)
- Tasmanian Water and Sewerage Corporation (*Owner Representative*)



**Deputy Lord Mayor
Alderman Ron Christie**

Committee Membership

Infrastructure Services Committee (*Chairman*)

Community Development Committee

Marketing and Events Committee

Strategic Governance Committee

Creative Hobart Special Committee – *established 24/2/2014*

Festivals and Tourism Special Committee

Representations

- Alcohol and Other Drugs Strategy Reference Group
- City of Hobart Eisteddfod Society Inc.
- Hobart Christmas Pageant Organising Committee
- Hobart Emergency Management Committee (*proxy*)
- North Hobart to the Waterfront Transit Links Working Group (*Chairman*)
- Salamanca Market Stallholders' Association Meetings with Council (*Chairman*)
- Sandy Bay Residents' and Traders' Traffic Committee
- Sister Cities Australia (*proxy*)
- Southern Tasmanian Councils' Authority (*Think South*) (*Lord Mayor's nominee*)



Alderman Marti Zucco

Committee Membership

Marketing and Events Committee
(*Chairman*)

Community Development Committee
Parks and Customer Services Committee
Audit Committee

Festivals and Tourism Special Committee
(*Joint Chairman*)

Representations

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



Alderman Jeff Briscoe

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

Committee Membership

Parks and Customer Services Committee
(*Chairman*)

Development and Environmental Services Committee

Infrastructure Services Committee

Creative Hobart Special Committee
– *established 24/2/2014*

Festivals and Tourism Special Committee
Heritage Account Special Committee

Hobart City Council Arts Advisory Special Committee – *disbanded 24/2/2014*

Representations

- Battery Point Foreshore Accessway Working Group (*Chairman*)
- Carols Organising Committee
- Friends of Soldiers Memorial Avenue
- Glebe Residents' Traffic Committee
- Hobart Bicycle Advisory Committee – *established 16/12/2013*
- Hobart Cenotaph Reference Group (*Chairman*)
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – *disbanded 24/2/2014*
- Lenah Valley Residents' Traffic Committee
- Queens Domain Advisory Committee (*Chairman*)
- Sister Cities Australia (*proxy*)
- Superannuation Policy Group
- West Hobart Residents' Traffic Committee



Alderman Eva Ruzicka

Committee Membership

Strategic Governance Committee
(*Chairman*)

Development and Environmental Services Committee

Finance and Corporate Services Committee

Infrastructure Services Committee

Heritage Account Special Committee

Representations

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



Alderman Dr Peter Sexton

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

Committee Membership

Community Development Committee

Finance and Corporate Services
Committee

Parks and Customer Services Committee

Creative Hobart Special Committee
(Chairman) – established 24/2/2014

Festivals and Tourism Special Committee
(Joint Chairman)

Hobart City Council Arts Advisory
Special Committee (Chairman)
– disbanded 24/2/2014

Representations

- Hobart City Council Arts
Advisory Committee –
Visual Arts Sub-Committee
– disbanded 24/2/2014
- Trustees of the Tasmanian
Museum and Art Gallery



Alderman Helen Burnet

Committee Membership

Development and Environmental
Services Committee (Chairman)

Parks and Customer Services Committee

Marketing and Events Committee

Creative Hobart Special Committee
– established 24/2/2014

Festivals and Tourism Special Committee

Hobart City Council Arts Advisory Special
Committee – disbanded 24/2/2014

Hobart City Council Public Art
Special Committee

Representations

- Battery Point Advisory Committee
(Chairman)
- Battery Point Foreshore Accessway
Working Group
- Coming Out Proud – Greater Hobart
Community Liaison Committee
- Cycling South Inc.
- Hobart Bicycle Advisory Committee
– established 16/12/2013
- Hobart Bicycle Plan Advisory
Committee (Chairman)
– disbanded 16/12/2013
- Hobart City Council Access
Advisory Committee (Chairman)
- Hobart City Council Arts
Advisory Committee –
Visual Arts Sub-Committee –
disbanded 24/2/2014
- Maritime Museum of Tasmania –
Management Committee



Alderman Philip Cocker

Committee Membership

- Finance and Corporate Services Committee (*Chairman*)
- Infrastructure Services Committee
- Strategic Governance Committee
- Audit Committee (*Chairman*)
- Creative Hobart Special Committee – *established 24/2/2014*
- Hobart City Council Arts Advisory Special Committee – *disbanded 24/2/2014*
- Hobart City Council Public Art Special Committee

Representations

- Battery Point Foreshore Accessway Working Group
- Cycling South Inc.
- Hobart Bicycle Advisory Committee (*Chairman*) – *established 16/12/2013*
- Hobart Bicycle Plan Advisory Committee – *disbanded 16/12/2013*
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – *disbanded 24/2/2014*
- Superannuation Policy Group (*Chairman*)
- Wellington Park Management Trust



Alderman Bill Harvey

Committee Membership

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

Representations

- Alcohol and Other Drug Strategy Reference Group (*Chairman*)
- Battery Point Foreshore Accessway Working Group
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – *disbanded 24/2/2014*
- Hobart Emergency Management Committee (*proxy*)
- Sandy Bay Residents' and Traders' Traffic Committee
- South Hobart Residents' Traffic Committee
- Southern Tasmanian Councils' Authority (*Think South*) (*Lord Mayor's nominee*)
- Southern Waste Strategy Authority
- Tasmania Polar Network (*proxy*)
- Wellington Park Management Trust



Alderman Sue Hickey

Committee Membership

- Community Development Committee
- Marketing and Events Committee
- Strategic Governance Committee
- Audit Committee
- Creative Hobart Special Committee – *established 24/2/2014*
- Festivals and Tourism Special Committee

Representations

- Carols Organising Committee
- Destination Southern Tasmania – Greater Hobart Reference Group Committee
- Hobart Christmas Pageant Organising Committee (*Chairman*)



Alderman Leo Foley

Committee Membership

Development and Environmental Services Committee

Finance and Corporate Services Committee

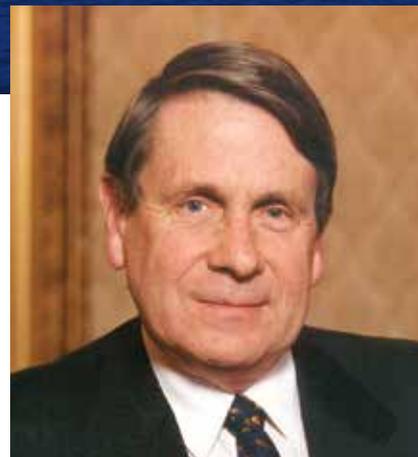
Strategic Governance Committee

Heritage Account Special Committee
(*Chairman*)

Hobart City Council Public Art Special Committee

Representations

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



Alderman Dr John W Freeman

MBBS, FRACP

Committee Membership

Finance and Corporate Services Committee

Infrastructure Services Committee

Marketing and Events Committee

Creative Hobart Special Committee
– *established 24/2/2014*

Hobart City Council Arts Advisory Special Committee – *disbanded 24/2/2014*

Representations

- Battery Point Foreshore Accessway Working Group
- Carols Organising Committee (*Chairman*)
- Hobart City Council Arts Advisory Committee – Visual Arts Sub-Committee – *disbanded 24/2/2014*
- Sandy Bay Walking and Cycling Project – Community Reference Group (*Chairman*)

Organisational structure

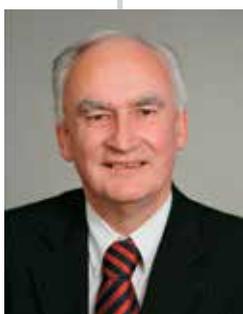
The Aldermen are the decision-making and policy-setting arm of the Council. In support of that role is the administration of the Council, overseen by the General Manager. In turn, the General Manager is supported by the Executive Leadership Team in the implementation of Council decisions and policies.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



General Manager
– Nick Heath



Deputy General Manager
– Heather Salisbury
Community Development
Division Director
(1 July 2013 to 25 October 2013)
Corporate Services Division Director
(from 28 October 2013)



Parks and Customer
Services Division Director
– Roger Viney



Development and
Environmental Services
Division Director
– Neil Noye



Corporate Services
Division Director
(1 July 2013 to 25 October 2013)
– Gary Randall



Financial Services
Division Director
– David Spinks



Infrastructure Services
Division Director
– Mark Painter



Acting Community
Development
Division Director
(from 28 October 2013)
– Philip Holliday

PART II
Reporting
Performance



Planning and Reporting Framework

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

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

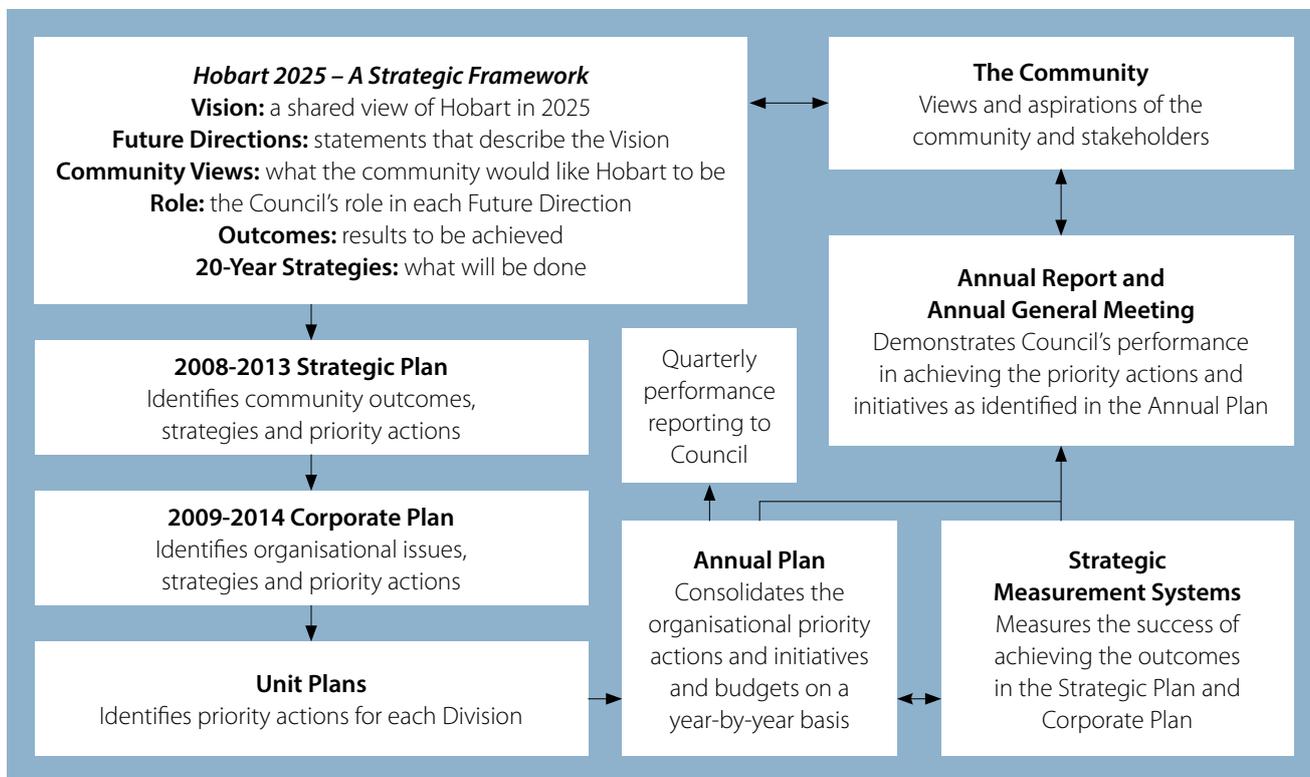
Council and the community through the Annual Report. The Annual Plan sets out all function areas' strategic priorities, as identified within the 2008-2013 Strategic Plan and 2009-2014 Corporate Plan and outlines the operational priorities and major actions for the given year.

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

The Council's Annual Report is designed to illustrate performance in achieving the objectives stated within the Annual Plan

and is divided into seven sections based on the Future Directions Statements that make up the vision for Hobart.

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





City of Hobart and Dark Mofo present

FUTURE HOBART 2014

2025 Vision – Future Directions

<p>FD1 – Offers opportunities for all ages and a city for life</p>	<p>1.1 Opportunities for education, employment and fulfilling careers and retaining our young people</p>	<p>1.2 Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home</p>		
<p>FD2 – Is recognised for its natural beauty and quality of environment</p>	<p>2.1 The natural beauty of Mount Wellington, the Derwent River and surrounds and foreshore locations is highly valued</p>	<p>2.2 Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced</p>	<p>2.3 The physical environment has been conserved in a way that ensures we have a healthy and attractive city</p>	<p>2.4 Better understanding of climate change and its potential effect on the natural and built environment and strategies developed</p>
<p>FD3 – Is well governed at a regional and community level</p>	<p>3.1 An integrated approach to planning and development of the wider metropolitan region</p>	<p>3.2 Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals</p>	<p>3.3 Development of technologies that give young people opportunities to contribute to planning and development in the city</p>	
<p>FD 4 – Achieves good quality development and urban management</p>	<p>4.1 The city remains unique in its own right, protecting its built heritage and history</p>	<p>4.2 Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued</p>	<p>4.3 Access to the waterfront, foreshores, public and open spaces is valued</p>	<p>4.4 Continues to enjoy the benefits of scale and proximity</p>
<p>FD5 – Is highly accessible through efficient transport systems</p>	<p>5.1 Convenience and accessibility through the greater use of transport alternatives and an effective road and travel network</p>	<p>5.2 An integrated approach to transport planning within the city and across the wider metropolitan region</p>		
<p>FD6 – Builds strong and healthy communities through diversity, participation and empathy</p>	<p>6.1 A spirit of community</p>	<p>6.2 Diversity is valued and there is participation by all in their community</p>	<p>6.3 A friendly and compassionate society</p>	<p>6.4 A safe and healthy city</p>
<p>FD7 – Is dynamic, vibrant and culturally expressive</p>	<p>7.1 A destination of choice and a place for business</p>	<p>7.2 Clever thinking and support for creativity will help build a strong economic foundation</p>	<p>7.3 Entertainment, arts and cultural activities promote the distinctive character of the city and lifestyle opportunities, and strong communities will ensure a vibrancy and way of life that is Hobart</p>	

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

Outcomes to be achieved

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

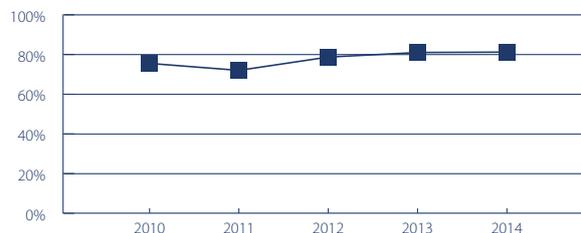
- The natural beauty of kunanyi/Mt Wellington, the River Derwent, bushland surrounds and foreshore locations is highly valued.
- Community connection to the natural environment through the protection of views, vistas, access and linkages is essential.
- The physical environment has been conserved in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

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

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

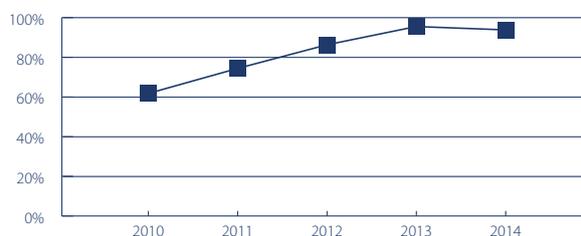
Progress in achieving our Future Direction Statement

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



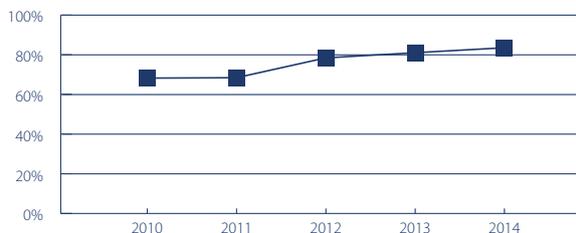
Community satisfaction in relation to the City's image and the vibrancy of the city, events and community programs, traffic management, access into and around the city and public transport together with increased turnover of short-term parking, increased investment in cultural activities, visits to The Hobart Aquatic Centre and completion of actions in the Youth Strategy and Positive Ageing Strategy offset by reduced investment in sport and recreation infrastructure.

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



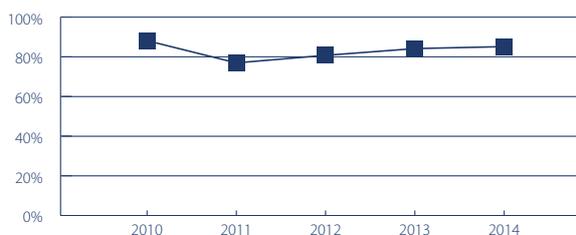
Community satisfaction with quality and management of our environment, foreshores and bushland, parks, playgrounds and major bushland reserves, improved service delivery, city cleanliness and visitation to kunanyi/Mt Wellington offset by decreased water quality in tributaries and investment in open space infrastructure. Improved community participation in waste management and Council's contribution to climate change through reduced greenhouse gas emissions, energy use and fuel efficiencies.

FD3 – Is well governed at a regional and community level



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

FD4 – Achieves good quality development and urban management



Community awareness of the City's heritage and interpretation programs for built heritage and history, satisfaction with infrastructure and services provided, access to the waterfront areas, parks, reserves and playgrounds offset by a decrease in the heritage grants provided and external funds sourced and the cessation of energy efficiency rebate program.

Future Directions

What the community would like Hobart to be in 2025

Is highly accessible through efficient transport systems

In 2025 Hobart will be a city that maintains its convenience and accessibility through the greater use of transport alternatives and an effective road and travel network. An integrated approach to transport planning within the city and across the wider metropolitan region will be the result of improved public transport options, cycleways and walking tracks linking open spaces for transport and recreation, the availability of adequate parking for commuters and shoppers, the take-up of sustainable transport options, the reduction of through traffic and the management of a safe and efficient road network.

Offers an increased range of transport options; an integrated multiform transport system between the city and suburbs; better public transport; more use of the river for access and transport; cycle infrastructure and pedestrian access providing linkages.

Builds strong and healthy communities through diversity, participation and empathy

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

Build on Hobart's friendliness, tolerance and diversity; greater community involvement; improved health system; a sense of community for young and old with no racism and sexism; no homeless people; more entertainment for young people; events and activities; a safe friendly, colourful and tolerant city.

Is dynamic, vibrant and culturally expressive

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

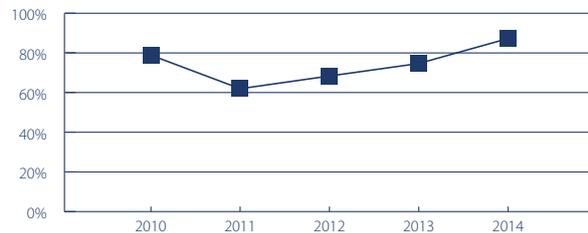
A centre of excellence; a vibrant city; a smart city; harmonious people; supporting niche industries; offering a vibrant waterfront lifestyle and entertainment, together with public and community art; the safest tourist destination; a hotspot for cultural and artistic endeavours; recognition of its Aboriginal heritage.

Outcomes to be achieved

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

Progress in achieving our Future Direction Statement

FD5 – Is highly accessible through efficient transport systems



Community satisfaction with the safety and maintenance of pedestrian areas and residential streets and traffic management together with an increase in short-term parking turnover, cycling infrastructure and implementation of the Sustainable Transport Strategy and support for regional integrated transport planning projects.

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

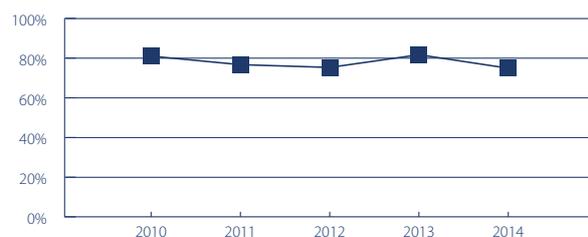
FD6 – A spirit of Community



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

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

FD7 – Is dynamic, vibrant and culturally expressive



General increase in community satisfaction with Hobart as being a preferred location to live; marketing and promotions of the city and the contribution of cultural activities, festivals, events and markets to the overall vibrancy of the city offset by a reduction in business confidence with Hobart as being a preferred location for business. Reduction in the value of building permits issued and events secured at The Hobart Aquatic Centre.

Future Direction 1

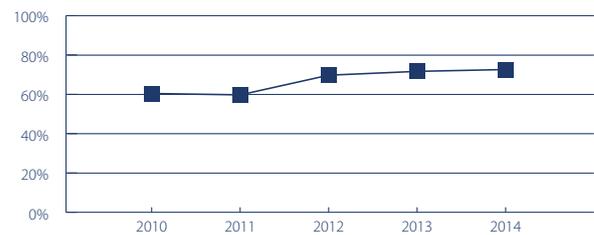
Offers opportunities for all ages and a city for life

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

Outcome to be achieved

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

Outcome 1.1



Positive results from community survey and completion of actions in the Youth and Positive Ageing Strategy along with an increase in university enrolments from outside the municipal area and bursaries provided.

2013/2014 Actions/Initiatives	Performance
Develop a new Economic Development Strategy and implement approved actions for 2013/14	✓
Explore Council's international relationships, specifically with cities in China and Korea	✓
Develop and support lifelong learning programs at Mathers and Criterion Houses	✓
Support the EdZone alternative education program at the Youth Arts and Recreation Centre	✓
Develop the Hobart City Council Internship Program in partnership with the University of Tasmania for the 2013 and 2014 academic years	✓
Work with potential stallholders to increase the number of small and emerging Tasmanian producers involved in The Taste of Tasmania	✓

Performance ✓ Completed → Underway ✗ No Action



Outcome to be achieved

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

Outcome 1.2



Community satisfaction in relation to the city's image and the vibrancy of the city, events and community programs, traffic management, access into and around the city and public transport together with increased turnover of short-term parking and investment in cultural activities, visitation to The Hobart Aquatic Centre offset by funding for equal access initiatives and sporting and recreation infrastructure.

2013/2014 Actions/Initiatives	Performance
Work with Music Tasmania, Edge Radio, Wide Angle Tasmania and ABC Open to develop music, media and screen-based opportunities for young people at Youth Arts and Recreation Centre	✓
Implement the Council's new Cultural Strategy – <i>Creative Hobart</i>	✓
Review and refine equal access initiatives for Council events	✓
Promote and distribute the revised Hobart Mobility Map	✓
Through the Inner City Action Plan (ICAP) Activation of Public Spaces Project (ICAP-AP15), further develop arts, cultural and recreational opportunities for children, young people and families in Hobart's public spaces:	
• National Youth Week 2014	✓
• Supporting Refugee Week events	✓
• Imagine, Build, Play project	✓
• Support Active Parks project development	✓
Review the Council's draft Housing Strategy	→

Performance ✓ Completed → Underway ✗ No Action

Future Direction 2

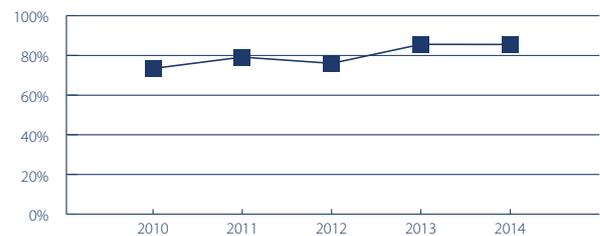
Is recognised for its natural beauty and quality of environment

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

Outcome to be achieved

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

Outcome 2.1



Community satisfaction in relation to the quality and management of our environment, foreshores and bushland together with growth in Bush Activities Adventure Program, visitation to kunanyi/Mt Wellington, and reduced water quality in our tributaries, decrease in volunteer hours in bushland areas.

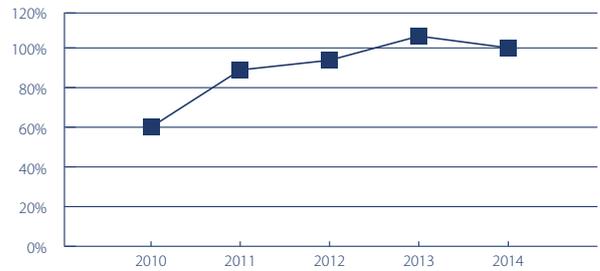
2013/2014 Actions/Initiatives	Performance
Implement stage 4 of the Cornelian Bay Master Plan – carpark works	✓
Develop a strategy to improve water quality, the health of waterways and their outfalls into the River Derwent, including:	
• Implement the Hobart Rivulet Catchment Management Plan	✓
• Undertake Sullivans Cove Catchment MUSIC model	✓
• Prepare the Minor Rivulets Catchment Management Plan	✓
Develop and deliver a community event to celebrate Parks Week 2014	✓
Undertake an initial scoping study for the development of a bushland interpretation strategy	✗

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved

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

Outcome 2.2



Completion of the new City of Hobart Planning Scheme offset by reduced investment in open space infrastructure.

2013/2014 Actions/Initiatives	Performance
Continue to implement the Hobart Rivulet Strategic Master Plan 2011 including:	
• Completion of the new section of Hobart Rivulet Park adjacent to the Christian City Church site	✓
• Coordinating the development of the Tara Street section of the rivulet park into a recreational climbing hub	→
Upgrade the Pinnacle observation shelter in Wellington Park kunanyi/Mount Wellington	✓
Upgrade park furniture at The Springs in Wellington Park	→
Replace the twin bridges on the Pipeline Track in Wellington Park	→
Construct the Tip Top Track with volunteer assistance	✓

Performance ✓ Completed → Underway ✗ No Action



Outcome to be achieved

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

Outcome 2.3



Slight increase in community satisfaction with the quality and management of parks, playgrounds and major bushland reserves together with overall improvements in service delivery and cleanliness of the city, improved participation in waste collection and recycling and growth in the Bush Adventures program offset by decreased water quality in tributaries, number of hectares for fire management burns and volunteer hours in bushland. Improved contribution to climate change through greenhouse gas emissions, energy and fuel efficiencies.

2013/2014 Actions/Initiatives	Performance
Finalise the concept plan for the playground at Soldiers Memorial Oval	✓
Finalise the construction of the carpark at Soldiers Memorial Oval	✓
Complete tree planting along Soldiers Memorial Avenue	✓
Upgrade the Marieville Esplanade playground	✓
Revitalise the gardens at St David's Park	→
Advance the use of technology in parks by developing a parks app	→
Prepare a master plan for Franklin Square	✓
Implement key recommendations in the Queens Domain Master Plan 2013, including:	
• The preparation of a Domain parking strategy	✓
• Preliminary investigations for the City to Gardens Way	→
Prepare a master plan for Fern Tree Park	→
Prepare a master plan for Ancanthe Park	→
Undertake a refurbishment of Site 9 at the Waterworks Reserve	✓
Prepare an overarching Catchment Management Plan for minor rivulets	✓
Implement the Accelerated Energy Efficient Street Light Roll Out project	→
Implement energy saving initiatives across Council operations, including:	
• Works at The Hobart Aquatic Centre	✓
• Upgrade to high efficiency lighting and heating at the Hobart Council Centre	→
• Heating efficiency upgrades at the Town Hall	→
Consider ways to reduce Council's energy consumption through the Energy Management Team	✓
Manage construction of the upgraded Resource Recovery Facility and Tip Shop	✓
Manage commissioning of the McRobies Gully Waste Transfer Station, and ensure adequate transition for all users and staff	✓
Rehabilitate 10,000m ² of landfill at the McRobies Gully Waste Management Centre	✓
Implement an e-waste (television and computer) recycling service in accordance with the National Waste Policy and product stewardship arrangements	✓

2013/2014 Actions/Initiatives (continued)	Performance
Implement stormwater reticulation asset replacement and waterways asset replacement projects including:	
• Lefroy Street stormwater renewal	✓
• Wignall Street stormwater renewal	→
Implement new asset projects including:	
• Gross litter traps and erosion control	✓
• Lovett Street stormwater extension	✗
Program and deliver the 2013/2014 works program, including:	
• Forest Road widening	✓
• Macquarie Street asphalt overlay (between Campbell Street and Brooker Highway)	✗
• Adelaide Street reconstruction (between Weld Street and Anglesea Street)	✓
Develop and plan the 2014/2015 works program	✓
Liaise with Aurora and NBN Co on the roll-out of the NBN in the Hobart municipal area, including reinstatement of infrastructure	✓
Support the Asset Management Steering Committee to implement initiatives within the Asset Management Development Program, which support the production of robust and reliable 20-year asset management plans	✓
Through the ICAP Upgrading Liverpool Street Project AP01, finalise the planning and commence construction of the Liverpool Street improvements between Elizabeth and Murray Streets	→
Review the Council's Fire Management Strategy	→
Review the Council's Bicentennial Park Fire Management Plan	✓
Implement Council's Sustainable Transport Strategy	→
Establish a 'Trackcare' community program based on the principles of the Bushcare program	✓
Develop an ongoing Community Inclusion/Bush Adventures partnership that results in greater utilisation of parks and bushland areas by a diversity of groups in the community, including older people	✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved

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

Outcome 2.4



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

2013/2014 Actions/Initiatives	Performance
Progressively implement Council's Climate Change Adaptation Plan	✓
Continue to implement, monitor and review organic waste trials as a part of the organic waste strategy	✓

Performance ✓ Completed → Underway ✗ No Action

Future Direction 3

Is well governed at a regional and community level

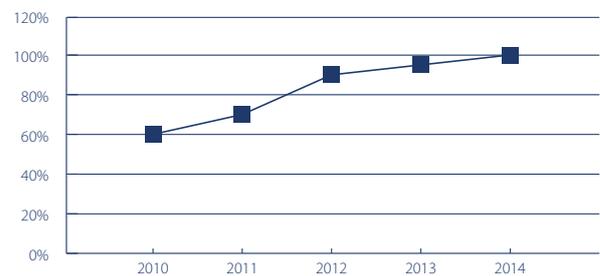
In 2025, Hobart will be a city that works effectively to lead an integrated approach to the planning and development of the metropolitan region.

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

Outcome to be achieved

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

Outcome 3.1



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

2013/2014 Actions/Initiatives	Performance
Develop the Council's second Strategic Plan 2014-2019	✓
Continue to participate in the Southern Tasmanian Councils Authority (STCA) Regional Planning initiative	✓

Performance ✓ Completed → Underway ✗ No Action



Outcome to be achieved

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

Outcome 3.2



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

2013/2014 Actions/Initiatives	Performance
Contribute to and oversee the City of Hobart's involvement and participation in Southern Tasmania Councils Authority initiated projects	✓
Actively participate in Council of Capital City Lord Mayors (CCCLM) and support projects that will benefit the city	✓

Performance ✓ Completed → Underway ✗ No Action



Future Direction 4

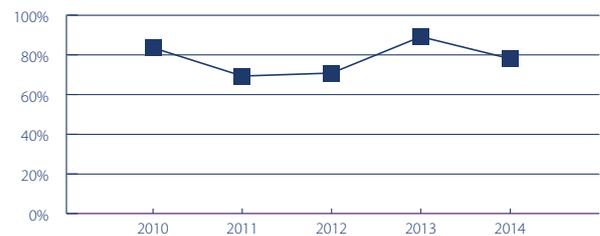
Achieves good quality development and urban management

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

Outcome to be achieved

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

Outcome 4.1



Community awareness of the city's heritage and interpretation programs for built heritage and history, increase in public art programs offset by decreases in the value of heritage grants provided and external funding sourced. The rebate scheme for solar heat pump and hot water ceased at 30 June 2013.

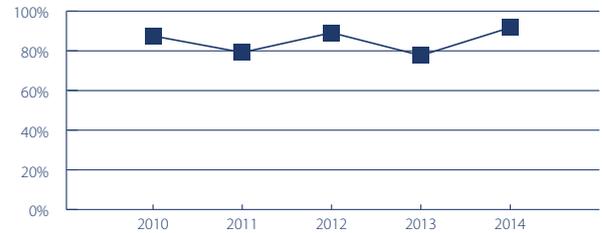
2013/2014 Actions/Initiatives	Performance
Review Hobart Draft Interim Planning Scheme 2014 following the completion of community engagement	✓
Complete revisions to the Hobart Draft Interim Planning Scheme 2014 for submission to the Tasmanian Planning Commission for its declaration as an interim planning scheme and its statutory notification and exhibition	✓
Declaration, notification and exhibition of declared Hobart Interim Planning Scheme	✗
Complete the draft new Sullivans Cove Planning Scheme	→
Develop a program for the use and promotion of the Porter Hill Dorney House	→
Complete the publication of <i>Celebrating Brickwork in Construction in Hobart</i>	→

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 4.2



Community satisfaction with the quality of infrastructure and services provided, increased public art activities and use of the Home Energy Tool Kit together with reduced net energy consumption by Council.

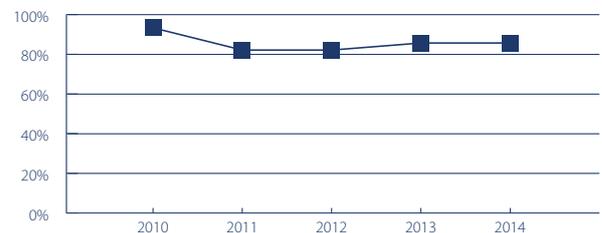
2013/2014 Actions/Initiatives	Performance
Work with State Government and the Local Government Association of Tasmania to clarify the role of Local Government in monitoring Level 1 Activities as defined under the <i>Environmental Management and Pollution Control Act 1994</i>	✓
Develop projects to enhance public convenience provision in the Salamanca area	→
Prepare the 2013 Overarching Asset Management Plan	✓
Implement the Council's public art program in the context of the Council's cultural strategy – <i>Creative Hobart</i>	✓
<ul style="list-style-type: none"> • Relocation of <i>Tidal Pools</i> to the Promenade, Lower Sandy Bay • New Town Rivulet Linear Park public art project • <i>Tree Widows</i> – Soldiers Memorial Avenue • <i>Soapbox</i> – Mathers Place billboard project 	<ul style="list-style-type: none"> ✓ → → ✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 4.3



Community satisfaction with access to the waterfront, foreshores and waterways, parks, reserves and playgrounds.

2013/2014 Actions/Initiatives	Performance
Prepare a Development Application for the Battery Point Foreshore Shared Public Access Way	✓

Performance ✓ Completed → Underway ✗ No Action

Future Direction 5

Is highly accessible through efficient transport systems

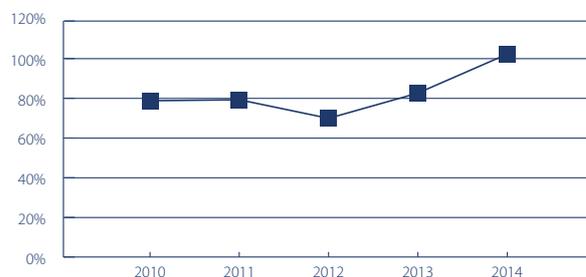
In 2025, Hobart will be a city that maintains its convenience and accessibility through greater use of transport alternatives and an effective road and travel network.

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

Outcome to be achieved:

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

Outcome 5.1



Community satisfaction with the safety and maintenance of pedestrian areas and residential streets, traffic management together with an increase in short-term parking turnover and further improvements to cycling infrastructure and initiatives from the Sustainable Transport Strategy.

2013/2014 Actions/Initiatives	Performance
Consider the design requirements of cyclists on any project on roads identified on the Principal Bicycle Network	✓
Through ICAP Improve Access from the City across Brooker Avenue to the Domain Project AP07.	→
Progress planning and design work to facilitate this outcome	
Implement the City of Hobart Sustainable Transport Strategy as it relates to public transport actions including:	
• Preparation of a 'one stop' sustainable transport web page	✗
• Installation of permanent bicycle counters on popular pathways	✓
Consider options for improving the amenity and functionality of the Elizabeth Street Bus Mall	→
Review the provision of the Hobart Hopper shuttle bus service linking the central Hobart area, Sullivans Cove and Salamanca Market	✓
Implement the 'Parking – A Plan for the Future' strategy, including:	
• Implement and review stage 1 of the installation of all-day parking meters and voucher machines on the Queens Domain	✓
• Undertake monitoring of the use of short-term parking in Sandy Bay and North Hobart shopping precincts, including investigating the potential for installing parking meters	✓
• Extend the installation of licence plate recognition into Hobart Central and Centrepoint carparks	✗
• Investigate options for automating the pensioner discount system in carparks	✓
• Install new parking infrastructure at The Hobart Aquatic Centre	✓
Work with the Department of Infrastructure Energy and Resources to identify projects applicable for funding under the 'Black Spot' programs, which will reduce the number of injuries on our roads	✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 5.2



All regional projects for integrated transport planning have been supported by Council.

2013/2014 Actions/Initiatives	Performance
Link land use and transport planning at a strategic level and pursue a regional approach to integrated transport planning that includes all spheres of government	✓
Report the recommendations of the Hobart Bus Interchange Planning Project	✓
Report the outcomes of the Department of Infrastructure, Energy and Resources Main Road Transit Corridor Plan	✓
Provide advice on possible impacts of major developments on transport systems	✓
Assess the effect on transport of proposed major developments inside the city's boundary	✓

Performance ✓ Completed → Underway ✗ No Action

Future Direction 6

Builds strong and healthy communities through diversity, participation and empathy

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

Outcome to be achieved:

6.1 A spirit of community.

Outcome 6.1



Community satisfaction with Council's support to community groups, residents feeling part of their community, provision and availability of community spaces.

2013/2014 Actions/Initiatives	Performance
Develop a new social inclusion strategy and associated community development strategies	✓
Deliver a program of integrated arts and crafts activities at Mathers House for people with disability	✓
Deliver a bushland activation program to increase access and participation by a diverse range of people including older people and people from culturally and linguistically diverse communities	✓
Review the Council's Dog Management Policy	✓
As part of ICAP Activation of Public Space ICAP- AP15, develop a city activation framework and deliver and support a range of activations that enhance the ambience and safety of public spaces in the city and generate participation by all sectors of the community	→

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 6.2



Increased community satisfaction with the provision of and participation in programs and Council's leadership role offset by lower satisfaction with community consultation processes undertaken, community involvement in decision making and Council's role as an advocate.

2013/2014 Actions/Initiatives	Performance
Host a cultural and linguistic diversity forum	✓
Deliver an event to celebrate International Day of People with a Disability	✓
Trial children and families community engagement strategies, in line with the new Tasmanian Government Children in Decision Making guidelines, in order to develop effective children and families projects	✓
Implement the Social Enterprise No Interest Loans Scheme	✓
Continue to utilise the Youth Arts and Recreation Centre's website and relevant social media technology to enhance young people's engagement and participation.	✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

6.3 A friendly and compassionate society.

Outcome 6.3



Community satisfaction with community participation coupled with an increase in the strategies developed with community groups.

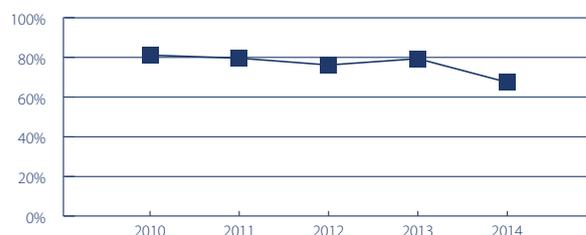
2013/2014 Actions/Initiatives	Performance
Continue to work with the Community Sector Reference Group to identify and address issues of disadvantage in the Hobart community	✓
Continue to provide information to the community on a range of social issues through:	
• City Guide website	→
• Online youth magazine, Platform Plus	✓
• Mathers Place What's On newsletter	✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

6.4 A safe and healthy city.

Outcome 6.4



Community satisfaction with standards of food premises, safe and well-maintained pedestrian, commercial and public areas, and condition of sporting facilities, parks, gardens and playgrounds offset by reduced community visitation to these areas and awareness of Council's role in emergency management. Improved visitation to The Hobart Aquatic Centre, participation in immunisation programs and Adopt-a-Waterway Program offset by decreased water quality in tributaries.

2013/2014 Actions/Initiatives	Performance
Review currency of Public Health Emergency Management Plan (which incorporates the influenza pandemic sub-plan)	✓
Update the Hobart Rivulet Flood Study	✓
Implement new Safety Emergency Management System for Salamanca Market	✓
Implement Temporary Structures Management System for Salamanca Market	→
Participate in emergency management planning and preparedness for the aged care industry project	✓
Upgrade lighting in Fitzroy Gardens	✓
Develop and implement the Graffiti Management Plan	✓
Develop the Safer Hobart Community Partnership website to better engage with Hobart businesses	✓
Investigate the development of a Safe Hub Chill Out Zone on Salamanca Lawns in conjunction with Tasmania Police	✓
Undertake relevant actions in line with the Council's established policy position on liquor licensing matters	✓
Investigate options to deliver an Active Parks program to be held in Hobart's parks and recreation facilities	✓

Performance ✓ Completed → Underway ✗ No Action

Future Direction 7

Is dynamic, vibrant and culturally expressive

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

Outcome to be achieved:

7.1 A destination of choice and a place for business.

Outcome 7.1



Increased community satisfaction with Hobart as being a preferred location to live along with increased business satisfaction with economic development offset by a reduction in confidence in Hobart being a preferred location for business. A significant reduction in the value of building permits due to timing of major developments and major events secured at The Hobart Aquatic Centre.

2013/2014 Actions/Initiatives	Performance
As part of the development of the new economic development strategy, investigate Council's role in investment attraction in the areas of retail, office, city living and international relationships	✓
Develop a retail strategy that addresses the future of retail in the inner city	✗
Continue to develop the Tasmanian Travel Information Centre (TTIC) new reservation system as part of TTIC Strategic Digital Plan	✓
Prepare a review of the Inner City Action Plan (ICAP+2013) for consideration by Council	✓
Continue the implementation of the ICAP following its review	→
Deliver the Hobart Exceptional Customer Service Awards	✓
Continue to develop and manage the cruise industry and cruise ship visits in Hobart and Tasmania through partnerships with key stakeholders (Tourism Tasmania and TasPorts)	✓
Develop and implement the City of Hobart brand strategy	→
Deliver the City of Hobart Guide website	→
Review existing retail city marketing programs as part of the development of a retail strategy for the City of Hobart	✗
Implement a customer information hub at Salamanca Market	✓
Implement Department of Development, Tourism and Arts Memorandum of Understanding actions as they relate to economic development	✓

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 7.2



Community and business satisfaction with the marketing and promotions of the city along with business satisfaction in the growth of creative and innovative businesses offset by ability to undertake cooperative initiatives with partners.

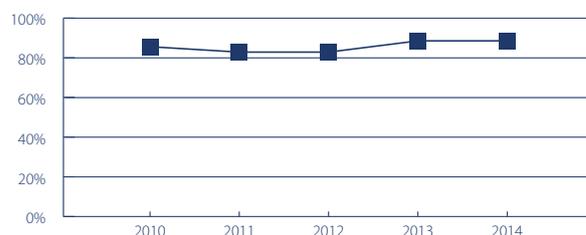
2013/2014 Actions/Initiatives	Performance
Stage a trial inner city mobile food van initiative as part of the ICAP Activation of Public Spaces Project (ICAP-AP15)	→
Review Salamanca Market casual trader operations	→

Performance ✓ Completed → Underway ✗ No Action

Outcome to be achieved:

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

Outcome 7.3



Community satisfaction with the contribution cultural activities, festivals, events and markets make to the overall vibrancy of the city, and the condition of sports grounds, parks, reserves and open spaces.

2013/2014 Actions/Initiatives	Performance
Implement the Council’s new cultural strategy – <i>Creative Hobart</i>	✓
Deliver the 25 th The Taste of Tasmania	✓
Deliver the Christmas Carols event	✓
Deliver the 25 th anniversary City of Hobart Art Prize	✓
Continue to work in partnership with key event partners in delivering major events and festivals for Hobart	✓
Develop a Council events strategy	✓
Continue to supports events, festival and activities that activate Hobart during the winter period, including specifically Dark Mofo and the Festival of Voices	✓
Continue the development of a three-year Christmas decoration program	→
Finalise the governance review of Salamanca Market	→
Review and implement the Hobart Recreation Management Plan ensuring that there are appropriate linkages for the strategic use of key Council facilities and venues	✓
Construct new rowing sheds and facilities at the New Town Bay rowing precinct	✓
Commence the redevelopment of the playing surface at North Hobart Oval	✓
Commence the redevelopment of the playing surface at Wellesley Park	✓
Redevelop the change rooms and other facilities at Wellesley Park	→
Continue to progress actions from the Hobart City Council, Department of Economic Development Tourism and Arts and TasPorts Tripartite Memorandum of Understanding	✓
Implement the transition of Carnegie Gallery space to the Maritime Museum of Tasmania	→
Investigate a sound shell as part of the implementation of the Queens Domain Master Plan	→

Performance ✓ Completed → Underway ✗ No Action

A scenic view of a park with a fountain, a statue, and a building in the background, framed by trees with autumn foliage. The fountain in the foreground has multiple jets of water spraying upwards. A statue on a pedestal stands in the middle ground. In the background, a large building with a prominent tower and a green dome is visible. The scene is set in a park with many trees, some of which have yellow and orange autumn leaves. In the foreground, two people are sitting on a green bench, and another person is sitting on a separate green bench to the right. The overall atmosphere is peaceful and scenic.

PART III
Legislative
Requirements

Statement of Activities Section 21

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

Public Health Statement Section 72 (1)(ab)

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

The Council's public health services and environmental monitoring services programs are undertaken and managed by the Environmental Health Unit of the Development and Environmental Services Division.

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

- A safe and healthy city
- The natural beauty of kunanyi/ Mount Wellington, the Derwent River, bushland surrounds and foreshore locations is highly valued.

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

The Environmental Health Unit's budget function programs identify a range of functions, programs and services that are resourced to meet the Council's obligations and responsibilities under the provisions of the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial and Cremation Act 2002*, *Land Use Planning and Approvals Act 1993* and *Environmental Management and Pollution Control Act 1994*.

These activities include:

- Food safety
- Disease prevention and control
- Public health education and promotion
- Places of assembly
- Unhealthy premises
- Cooling towers and warm water systems
- Public health risk activities
- Immunisations
- Contaminated sites
- Exhumations
- On site waste water management
- Recreational and bathing water quality
- Public and environmental health complaints
- Air, water and land pollution
- Public health emergency management
- Level 1 activities
- Smoke-free public places.

Operational statistics reflecting core public and environmental health activities during 2013–2014 include:

Activity	Total
No. food business inspections/assessments completed	1,700
No. formal notices issued to non-compliant food businesses	20
No. persons immunised at public and school immunisation clinics	6,075
No. temporary places of assembly licensed and inspected	75
No. public/environmental health issues investigated and resolved	37
No. businesses registered/licensed annually	973

The following specific actions were undertaken in accordance with the Hobart City Council Strategic Plan 2008–2013 and the Environmental Health Unit Plan:

2013/14 Actions/Initiatives	Performance
Review currency of Public Health Emergency Management Plan	→
Support and assist the State Government in the implementation of tobacco reforms at public events	✓
Facilitate the introduction, monitoring and enforcement of City of Hobart smoking bans	✓
Implement the City of Hobart domestic wood smoke reduction program during the winter months	✓
Consider participation in the annual Local Government Heart Foundation Healthy Community Awards	✓
Support the schools Canteen Awards program	✓
Work with the State Government to clarify the role of local government in monitoring Level 1 activities as defined under the <i>Environmental Management and Pollution Control Act 1994</i>	✓
Continue developing a draft Municipal Public Health Plan in consultation with relevant stakeholders	✓

Performance ✓ Completed → Underway ✗ No Action

Regulated Systems

Cooling towers and warm water systems are registered under the provisions of the *Public Health Act 1997* and must be maintained in accordance with the Guidelines for the Control of Legionella in Regulated Systems 2012. The aim of the identification and regulation of these systems is to monitor and improve the maintenance and operation of the systems, to minimise opportunities for the spread of *Legionella* and to assist in the tracing of possible sources of *Legionella* infection. Warm water systems are defined as systems that store water between 30-50 degrees Celsius. Certain premises with warm water systems such as aged care, health services and correctional facilities are required to manage the risks associated with them by undertaking a risk assessment of the systems to identify if any ongoing microbiological monitoring is required. City of Hobart Environmental Health Officers provide guidance to operators of these systems, when necessary, to ensure compliance with these requirements.

Unhealthy Premises

The *Public Health Act 1997* outlines the powers of authorised officers, and councils, in relation to addressing unhealthy premises. These powers are significant and allow for the service of formal notices and orders to address public health issues of concern that may occur as a result of persons occupying unhealthy premises. When assessing unhealthy premises, City of Hobart Environmental Health Officers must determine whether the premises are so unhealthy that no person can safely occupy them or whether the premises are in a condition that is, or is likely to become, offensive, injurious or prejudicial to health. The purpose of the Act is to protect health and reduce the incidence of preventable disease. The exercise of powers in relation to unhealthy premises should aim to rectify defects or remove persons from premises considered unsafe for human

occupation in order to prevent illness. The causes of unhealthy living conditions are often complex and it is not uncommon for officers to facilitate issues between tenants and building owners concerning the sources or causes of unhealthy conditions. Building owners are responsible for the provision of safe and structurally sound premises whereas tenants are responsible for managing their use of the premises in a manner that does not lead to unhealthy conditions. Incidents of hoarding and squalor are examples of extreme forms of unhealthy living conditions.

Food Festivals

City of Hobart Environmental Health Officers play a significant role at the annual The Taste of Tasmania by assessing and monitoring the operating standards of all the temporary food outlets. Upwards of 70 temporary food stalls can operate at the event. Health officers engage with the stallholders well in advance of the event to ensure that all the relevant aspects of food safety are understood and will be met during the festival. Food stalls are assessed and monitored from the time they start setting up at the venue until the last trading day of the event.

The City of Hobart Dark Mofo Winter Feast is now established as the annual winter food festival in Hobart. Although smaller in scale than The Taste of Tasmania, the event organisers often use less traditional methods of cooking and preparing food for the patrons through more challenging and innovative outdoor cooking methods and styles. Environmental Health Officers engage closely with event organisers prior to the event to ensure that the innovative and unique cooking methods planned for the festival do not compromise the public health and safety of the patrons.

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: \$486,211

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$92,441

Meeting Attendance Section 72 (1) (cc)

Total Meetings Held	Council	Community Development Committee		Development and Environmental Services Committee		Finance and Corporate Services Committee		Infrastructure Services Committee		Marketing and Events Committee		Parks and Customer Services Committee		Strategic Governance Committee	
	24	10		32		29		17		18		17		18	
	Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member
Alderman Thomas	23		1		8		21		5		7	2 [^]	4		10
Alderman Christie	22	9		1 [^]	10		24	16		15		4 [^]	11	18	
Alderman Zucco	19	7			7		11		5	16		10			8
Alderman Briscoe	24		3	29			12	13			7	16			6
Alderman Ruzicka	21		1	25		23		11			7		6	16	
Alderman Sexton	21	7			5	25			3		7	10			7
Alderman Burnet	18		2	21			17		8	7		10			5
Alderman Cocker	23		2		11	29		16			7		7	15	
Alderman Harvey	22	9		31			21		10		7	15			12
Alderman Hickey	22	8			9		18		5	17			6	16	
Alderman Foley	21		3	30		27			8		6		8	17	
Alderman Freeman	21				10	23		13		15			6		4

Meetings include Special Meetings and Special Joint Meetings

Note

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

Legend

[^] Present as an ex-officio member

Grants, Assistance and Benefits Provided Section 77 (1)

Detail	Inclusive Amount
AFL – North Melbourne Sponsorship	260,608
Alex Nielsen and Elizabeth Walsh – Heritage and Conservation Grant	7,000
Australian Health Promotion Association – Community Grant	550
Australian Institute of Architects – Sponsorship Architecture Week	2,750
Australian Institute of Landscape Architects – Sponsorship of TAS City Talks	500
Australian Red Cross – Donation to Typhoon Haiyan Appeal	25,000
Australian Solar Council – Environmental and Climate Change Grant	3,000
Australian Wooden Boat Festival – Tall Ships 2013 – Festivals and Events Grant and In-kind	17,040
Bernard Lee Yan – Heritage and Conservation Grant	7,500
Betty Golding and Arthur Warwick Golding – Heritage and Conservation Grant	3,500
Budget Fun Run and Walk – Community Grant	630
Business Events Tasmania – Annual Grant	99,000
Calbourne Nominees Pty Ltd – Heritage and Conservation Grant	5,000
Cancer Council – Big Girls Day Out – In-kind	400
Chinese Community Association of Tasmania Inc – Festivals and Events Grant	2,000
City to Casino Fun Run and Walk – Community Grant	75
COSMOS – Bowling Sponsorship	1,050
Crime Stoppers – Community Safety Cash Donation	400
Cycling Australia – Caterpillar Tour of Tasmania – Grant	16,500
Cycling Australia – Tour of Tasmania – In-kind	2,944
Cycling South – Contribution to Ride to Work Day	1,100
Cycling South – Funding Contribution	12,100
Department of Education – New Town High – Environmental and Climate Change Grant	1,100
Department of Primary Industries, Parks, Water and Environment – Contribution towards Hobart Rivulet Workshop	1,100
Department of Primary Industries, Parks, Water and Environment – Contribution to Derwent Estuary Program	53,645
Dermot Crean – Heritage and Conservation Grant	2,000
Derwent Sailing Squadron Inc. – Annual Grant	5,475
Domain Tennis Centre Inc. – Annual Maintenance Contribution	44,000
E Kalis Properties Pty Ltd – Development Assistance – Rate Remission	1,037

Detail	Inclusive Amount
Ellen Gordon – Heritage and Conservation Grant	5,000
Estia Greek Festival – Festivals and Events Grant – In-kind	14,862
Festa Italia – Festivals and Events Grant	5,500
Festival of Voices Inc. – Festivals and Events Grant	71,500
Global Learning – Vagina Monologues – Community Theatre Sponsorship	454
Goulburn Street Primary School Parent Association Inc. – Environmental and Climate Change Grant	4,992
Greening Australia (Tas) Ltd – Sustainable Living Centre Foyer Display – Sponsorship	33,000
Hobart Athletic Club – New Town Bikes and Spikes Carnival – In-kind	1,670
Hobart Baroque Pty Ltd – Hobart Baroque – Grant	30,000
Hobart Women's Health Centre – Waste to Wonderland – Grant	150
Hockey Tasmania Inc. – Funding Contribution	66,000
Human Rights Week Organising Committee – Human Rights Week – Sponsorship	1,000
JOM – Support for Malaysian Festival – Cash Donation	200
Lenah Valley School Association – Environmental and Climate Change Grant	3,600
Mental Health Carers Tasmania – Roads2Recovery Walk – Sponsorship	500
Mental Health Carers Tasmania – Pay It Forward Day – Sponsorship	200
Moorilla Estate Pty Ltd – Mona – Dark Mofo – Festivals and Events Grant and In-kind	201,000
Multicultural Womens Council of Tasmania – Environmental and Climate Change Grant	4,500
Narryna Heritage Museum Inc. – Heritage and Conservation Grant	5,000
National Breast Cancer – In-kind	1,050
Neville Dawson – Heritage and Conservation Grant	5,000
North Hobart Football Club Inc. – Annual Grant	7,573
Perkunas Sports Club – Cash Donation for Basketball Uniforms	100
Resource Work Co-operative Society Ltd – Environmental and Climate Change Grant	5,491
Robyn Wallace and John Rolley – Heritage and Conservation Grant	1,000
Royal Hobart Regatta – In-kind	22,312
Royal Tasmanian Botanical Gardens – Annual Grant	11,681
RSL (Tasmania) Hobart ANZAC Day Commemorative Committee – Community Grant and In-kind	32,078
Salamanca Arts Centre – Arts Program – Annual Grant – Cultural Grant	64,867
Salamanca Arts Centre – Public Encounters – Cultural Grant	13,200
Salamanca Square Inc. – Tropfest – In-kind	250

Detail	Inclusive Amount
Sandy Bay Regatta – Annual Grant and In-kind	21,570
Sorell Council – Contribution to Fire Affected Playground	16,500
South Hobart Community Garden – Environmental and Climate Change Grant	3,500
South Hobart Primary School – The Principal on the Corner Initiative – Community Grant	550
South Hobart Progress Association – South Hobart History Book Project	25,000
Southern Cross Care – Landfill Disposal Reimbursement	1,750
Southern Student Leaders' Conference – Huonville Primary School – Grant	100
St Vincent de Paul Society – Landfill Disposal Reimbursement	750
State Cinema Centenary Celebration – Grant	1,578
State Emergency Service – Southern Regional Volunteer SES Unit – Annual Contribution	20,213
Strata Corporation No. 107424 – Heritage and Conservation Grant	11,000
Sultan Holdings Pty Ltd – Development Assistance – Rate Remission	351,295
Surf Life Saving Tasmania Inc. – Annual Grant – Rent Assistance	1,100
Sustainable Living Tasmania Inc. – Environmental and Climate Change Grant	4,840
Sustainable Living Tasmania Inc. – Sustainable Living Festival 2013 – Festivals and Events Grant	3,333
Swanston Street Children's Centre Inc. – Heritage and Conservation Grant	5,000
Tasmanian Canine Defence League – Funding Contribution	123,188
Tasmanian Theatre Company – Cultural Grant	22,000
Tasmanian Museum and Art Gallery – Annual Grant – Cultural Grant	18,262
Tasmanian Reserve Forces Day Council – Community Grant	2,500
Tasmanian Symphony Orchestra – Annual Grant – Cultural Grant	11,540
The Black Scorpions Club – Cash Donation for Uniforms	100
The City of Hobart Eisteddfod Society Inc. – Sponsorship for 2013/14 Eisteddfod – Cultural Grant and In-kind	6,122
The Royal Yacht Club of Tasmania – Trophy Donation for Sydney to Hobart Yacht Race – Community Grant and In-kind	2,297
Theatre Royal – Annual Grant – Cultural Grant	9,196
Tropfest – In-kind	1,650
Try-a-skill – Donation	1,000
United Nations Youth Association Annual Conference – Grant	500
University of Tasmania – 2014 Internships in Architecture	20,000

Detail	Inclusive Amount
University of Tasmania – 2013 Architecture and Design Internships	7,000
University of Tasmania – Science Investigation Award – Grant	200
Wellington Park Management Trust – Contribution to Cultural Heritage Coordination	16,550
Wellington Park Management Trust – Archaeological Project Work	8,800
Wellington Park Management Trust – 2013/14 Contribution	27,129
Wellington Park Management Trust – Contribution to Revision of the Springs Master Plan	16,500
Wellington Park Management Trust – Contribution to Fern Tree Entry Node Master Plan	11,000
Wellington Park Management Trust – Contribution to Upgrade of the Twin Bridges on the Pipeline Track Project, Fern Tree	114,400
Windeward Bound – Young Tasmanian and Young Refugee Leadership Challenge – Grant	1,500
Ceiling Insulation Rebate	300
Native Vegetation Protection Rebate	200
Natural Gas Rebate	28,250
Solar and Heat Pump Hot Water Rebate	1,500
Rate Remissions – Pensioners Net Expenditure	40,193
Stormwater Removal Service Rate Remission	53,601
240L Wheelie Bin Rebate	119,880
Ex-Aldermen Fuel Expense	5,866
Remission of hire charges for Council halls, sports fields and parks	5,976
TOTAL	2,336,013

Grants, assistance and benefits provided under Section 77(1) of the *Local Government Act 1993* as disclosed above include amounts not recorded as expenses in Council's financial statements. As a result, the above total exceeds amounts disclosed in note 7 of the financial statements (refer page 74). Examples include revenue foregone and "in-kind" assistance.

Additional disclosures in relation to Council's Major Development Assistance Policy commitments are disclosed in note 45 of the financial statements (refer page 96).

Reduced Rentals

The City of Hobart owns numerous properties within its municipal area, some of which are leased to third parties. Many of these properties are leased on terms that include a discount in the rent payable by the lessee, in accordance with policies of the City of Hobart. In many instances the lessee provides all or some of the following - capital improvements, maintenance, access to the public, contribution back to the community and day-to-day management. For the purposes of being open and transparent the City of Hobart discloses these as grants. The value of these grants is not currently available for all these properties but valuations will be considered as leases are renewed.

Detail	Inclusive Amount	
Commercial		
Aurora Energy	Substation, Lansdowne Crescent, West Hobart	
DH Powell Pty Ltd	Slipyards, 18-44 Napoleon Street	5,100
Max Creese Pty Ltd	Slipyards, 18-44 Napoleon Street	3,660
Muir Engineering Pty Ltd	Slipyards, 18-44 Napoleon Street	3,000
Muir's Boatyard Pty Ltd	Slipyards, 18-44 Napoleon Street	5,400
Resource Work Cooperative	Resource Recovery Centre, McRobies Gully Waste Management Centre	27,945
Richard Crawford Pty Ltd	Mawson's Skate, Franklin Wharf	25,381
Taylor Brothers Holdings Pty Ltd	Slipyards, 18-44 Napoleon Street	6,300
Community Development		
Tasmanians With Disabilities Inc.	20 Creek Road, New Town	23,877

Detail	Inclusive Amount
Residential	
Residential/caretaker	24 Gardenia Grove, Sandy Bay
Residential/caretaker	89 Doyle Avenue, Lenah Valley
Residential/caretaker	Curators Cottage, TCA Ground, Queens Domain
Residential/caretaker	Mount Nelson Oval, 533 Nelson Road
Residential/caretaker	Regatta Grounds, McVilly Drive
Community Development	
Lenah Valley Community Hall Trustee	22 Creek Road, New Town
Maritime Museum of Tasmania	Carnegie Building, Argyle Street, Hobart
Mount Stuart Progress Association	Raymont Terrace, Mount Stuart
New Town Senior Citizens Club Inc.	18 Creek Road, New Town
Mount Nelson Community Hall	555 Nelson Road, Mt Nelson
Sandy Bay Senior Citizens Club	23 Lambert Avenue, Sandy Bay
South Hobart Progress Association Inc.	42 Darcy Street, South Hobart
The Catholic Women's League	108-110 Bathurst Street, Hobart
The Flower Room	108-110 Bathurst Street, Hobart

Detail

Parks, Recreation, Bushland and Reserves

Art Society of Tasmania	268 Lenah Valley Road, Lenah Valley
Athletics Tasmania	Athletic Centre, Queens Domain
Buckingham Bowls Club	4 St Johns Avenue, New Town
Derwent Bowls Club	Letitia Street, North Hobart
Domain Tennis Centre Incorporated	Davies Avenue, Queens Domain
Hobart Canine Obedience Club	Soldiers Memorial Oval, Queens Domain
Hobart City Band Inc.	TCA, Davies Avenue, Queens Domain
Hobart Districts Little Athletics Club	John Turnbull Park, New Town
Hobart Football Club Inc.	TCA, Davies Avenue, Queens Domain
National Trust of Australia	Mariners Cottage, Napoleon Street, Battery Point
New Town Bay Rowing Centre Inc.	Marine Esplanade, New Town
New Town Cricket Club	4 St Johns Avenue, New Town
New Town Croquet Club	4 St Johns Avenue, New Town
North Hobart Cricket Club	TCA, Davies Avenue, Queens Domain
Pakana Services	Shed and Crib Room, Waterworks Reserve
Polish Association in Hobart	22-24 New Town Road, New Town
Royal Hobart Bowls Club	1 Ellerslie Road, Battery Point
Royal Hobart Regatta Association	John Colvin Stand, McVilly Drive
Sandy Bay Croquet Club	Sandown Park, Long Point Road, Sandy Bay
Sandy Bay Regatta Association	Long Point Road, Sandy Bay
Sandy Bay Rowing Club	Marieville Esplanade, Sandy Bay
Sandy Bay Sailing Club	Long Point Road, Sandy Bay
South Hobart Badminton Association	101 Cascade Road, South Hobart
South Hobart Soccer Club Inc.	Wellesley Park, South Hobart
Southern Tasmania Netball Association	Main Road, New Town
Tasmanian Bridge Association	Marine Esplanade, New Town
Tasmanian Fire Service	Kalang Avenue, Lenah Valley
Tasmanian Hockey Centre	Tasmanian Hockey Centre, Bell Street, New Town
Tasmanian Riding for the Disabled Assoc.	500 Kalang Avenue, Glenorchy
Tasmanian Rugby Union Inc.	Rugby Park
The Board of Management of the Hutchins School	Marieville Esplanade, Sandy Bay
The Christ College Trust	Ham Common, Old Proctors Road
The Hobart Cat Centre Inc.	10 Sells Point Road, New Town
The Scout Association of Australia	Marieville Esplanade, Sandy Bay
The Scout Association of Australia (Tasmania)	617 Sandy Bay Road, Sandy Bay
Wireless Institute (REAST)	Upper Queens Domain
Yvonne Rees-Pagh	Cottage, Princes Park, Battery Point

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

In accordance with section 23 (5) of the Local Government (General) Regulations 2005, the following contracts to the value of \$100,000 or above, excluding GST, were entered into during the 2013/14 financial year.

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
Ref 5686: Supply of signs, Traffic Management Equipment, Poles and Associated Items – Panel Addition.	Until 30/10/14	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5689: Panel of Providers for Hire of Equipment	Until 30/09/15	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5690: Argyle Street Carpark Building Works	Practical completion date 19/12/13	Not applicable	\$1,484,350	Vos Construction and Joinery Pty Ltd
Ref 5698: Hobart Council Centre Amenities Upgrade	Practical Completion date 17/10/13	Not applicable	\$349,200	Tascon Constructions Pty Ltd
Ref 5701: Provision of Internal Audit Services 1/7/13 – 30/6/16	Until 21/07/16	Not applicable	\$194,355 (estimated)	N Carter and S.R Clutterbuck and J Doyle and H.J Gibson and D.M Johnson and A.M Leis and P Lyons and M.T Marshall and DJ McCarthy and D.I Thomson and I.M Wheeler Trading As Wise Lord Fergusson
Ref 5707: Supply of General Hardware and Associated Products – Panel Addition	Until 30/04/15	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5711: Panel for the Provision of Catering Services	Until 30/09/15	1 x 3 years	Unable to estimate	Panel of multiple suppliers
Ref 5712: Hobart Council Centre Davey and Despard Wing Heating Coil Installation	Practical completion date 24/6/14	Not applicable	\$195,207	White and McAllister (Contractors) Pty Ltd
Ref 5723: The Taste of Tasmania Infrastructure 2013	Until 08/01/14	Not applicable	\$107,896	Panel of multiple suppliers
Ref 5728: Taste Festival New Years Eve Fireworks	Until 01/01/14	3 x 1 years	\$259,600 (Estimated)	The Trustee For ShowFX Australia Unit Trust Trading As ShowFx
Ref 5732: Security at The Taste of Tasmania 2013	Until 08/01/14	Not applicable	\$134,943	Searson Buck Workforce Pty Limited
Ref 5738: Sandy Bay Cycleway Line Marking – Stage 1	Practical completion date 27/2/14	Not applicable	\$106,382	Statewide Linemarking (Tas) Pty Ltd

Contract	Contract Period	Extension Option	Contract Sum (for term of contract incl extension options)	Contractor
Ref 5740: Hobart Town Hall Air Conditioning Upgrade	Practical completion date 15/4/14	Not applicable	\$789,800	The Trustee For The Coragem Trust Trading As Klimate Solutions
Ref 5745: Receive and Sort Recyclable Material (Joint tender process with Clarence City Council and Glenorchy City Council)	5 Years	2 x 2 years	\$2,936,250 (estimated)	SKM Industries Pty Ltd
Ref 5750: Panel of Providers for Marketing Design Services	Until 15/4/16	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5761: Legal Services Panel	Until 30/06/16	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5777: Sandy Bay Cycleway Line Marking – Stage 2	Practical Completion date 20/8/14	Not applicable	\$322,627	Spectran Contracting Pty Ltd
Ref 5734: Panel of Providers for Supply of General Bus and Shuttle Services	Until 30/9/15	1 x 2 years	Unable to estimate	Panel of multiple suppliers
Ref 5565: Panel of Providers for Supply of Cleaning Products and Consumables	Until 30/4/15	1 x 2 years	Unable to estimate	Panel of multiple suppliers

In accordance with the section 23 (4) (b) there was one instance of extending a contract (entered into by Tender, where the Contract does not specify extensions) by an absolute majority.

Ref 5535: Responsive Maintenance of Electrical Installations	Until 30/6/15	Not applicable	\$1,300,000 (estimated)	White and McAllister (Contractors) Pty Ltd
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In accordance with Section 27 (2) there were no instance/s of 'non-application of public tender process'.

Statement of Land Donated Section 177

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

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

Total remuneration package	Number of employees
\$320,000 - \$339,999	1
\$300,000 - \$319,999	0
\$200,000 - \$219,999	1
\$180,000 - \$199,999	5

PART IV
Financial
Report



Hobart City Council

General Purpose Financial Statements

For The Year Ended 30 June 2014

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Statement of Financial Position

as at 30 June 2014

	Notes	2013/14 \$'000	2012/13 \$'000
Current Assets			
Cash and Cash Equivalents	17	33,108	30,539
Inventories	18	310	314
Receivables	20	5,217	5,041
Assets classified as Held for Sale	21	2,150	2,150
Prepayments		210	70
Total Current Assets		40,995	38,114
Non-Current Assets			
Receivables	20	225	228
Investment Property	22	25,038	25,038
Investment in TasWater	13	159,591	198,252
Property, Plant and Equipment	23-32	698,244	742,514
Total Non-Current Assets		883,098	966,032
Total Assets		924,093	1,004,146
Current Liabilities			
Payables	33	6,343	7,829
Trust, Deposits, Retention	34	2,583	2,607
Employee Benefits	35	10,588	10,569
Unearned Revenue	36	490	577
Loans	37	1,733	1,013
Total Current Liabilities		21,737	22,595
Non-Current Liabilities			
Employee Benefits	35	5,827	11,254
Loans	37	14,429	13,316
Provisions	38	7,410	7,885
Total Non-Current Liabilities		27,666	32,455
Total Liabilities		49,403	55,050
Net Assets		874,690	949,096
Equity			
Reserves	39	475,402	558,911
Retained earnings		399,288	390,185
Total Equity		874,690	949,096

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

Statement of Comprehensive Income

for the year ended 30 June 2014

	Note	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Recurrent Expenses				
Employee Costs	4	(51,187)	(49,191)	(50,510)
Materials and Services		(27,035)	(27,384)	(25,194)
Depreciation and Amortisation	5	(17,877)	(16,900)	(16,871)
Finance Costs	6	(1,171)	(2,160)	(43)
State Fire Commission Levies		(8,240)	(8,240)	(7,928)
Other	7	(4,333)	(5,660)	(4,994)
		(109,843)	(109,535)	(105,540)
Capital Expenses				
Net loss on disposal of property, plant and equipment	10	(447)	-	(1,396)
Transfer of grant funds	11	-	-	(1,644)
Asphalt Plant closure	12	-	-	(930)
		(447)	-	(3,970)
Total Expenses		(110,290)	(109,535)	(109,510)
Recurrent Income				
Rates and Charges		70,885	70,000	67,178
Grants and Donations	9(a)	2,138	3,129	3,381
Fines		5,923	6,121	6,170
Rendering of Services		24,920	24,452	22,994
Distributions from TasWater	13	2,930	2,945	1,976
Interest		1,350	820	1,788
Rents		3,354	2,948	2,960
Adjustment to Allowance for Impaired Fines	2(c)	2,267	-	-
		113,767	110,415	106,447
Capital Income				
Capital grants received specifically for new or upgraded assets	9(b)	2,054	600	160
Net gain on disposal of property, plant and equipment		-	3,537	-
Contributed property, plant and equipment		1,102	-	656
		3,156	4,137	816
Total Income		116,923	114,552	107,263
Surplus/(Deficit)	8	6,633	5,017	(2,247)
Other Comprehensive Income				
<i>Items that may be reclassified subsequently to surplus or deficit: -</i>				
Adjustment to fair value of investment in TasWater	13	(38,661)	-	(38)
<i>Items that will not be reclassified to surplus or deficit: -</i>				
Net PP&E revaluation increments / (decrements)	14	(47,027)	-	34,877
Defined-benefit superannuation plan actuarial gains / (losses)	35	4,649	-	5,840
Total other comprehensive income		(81,039)	-	40,679
Comprehensive Income for the period		(74,406)	5,017	38,432

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

Statement of Changes in Equity

for the year ended 30 June 2014

	Note	Total		Retained Earnings		Reserves	
		2013/14 \$'000	2012/13 \$'000	2013/14 \$'000	2012/13 \$'000	2013/14 \$'000	2012/13 \$'000
Balance at beginning of period		949,096	910,664	390,185	382,715	558,911	527,949
Comprehensive Income for the period		(74,406)	38,432	11,282	3,593	(85,688)	34,839
Transfers to reserves	39	-	-	(23,857)	(42,519)	23,857	42,519
Transfers from reserves	39	-	-	21,678	46,396	(21,678)	(46,396)
Balance at end of period		874,690	949,096	399,288	390,185	475,402	558,911

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

Statement of Cash Flows

for the year ended 30 June 2014

	Note	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Cash Flows from Operating Activities				
<i>Receipts</i>				
Rates		71,124	69,927	66,889
Rendering of services (inclusive of GST)		27,479	26,863	24,860
Interest		1,408	820	1,825
Grants (inclusive of GST)		2,196	3,131	3,425
Rents (inclusive of GST)		3,646	3,241	3,248
Fines		5,585	6,121	5,490
Distributions from TasWater		2,949	2,945	2,096
Net GST refund (payment)		2,332	2,006	2,509
Other receipts (inclusive of GST)		(78)	662	38
		<u>116,641</u>	<u>115,716</u>	<u>110,380</u>
<i>Payments</i>				
Employee costs		(51,152)	(50,871)	(49,302)
Additional superannuation contributions resulting from actuarial review		(1,133)	(830)	(1,001)
Payments to suppliers (inclusive of GST)		(32,313)	(33,618)	(31,333)
Interest		(547)	(831)	(719)
Other payments (inclusive of GST)		(10,601)	(10,412)	(11,977)
		<u>(95,746)</u>	<u>(96,562)</u>	<u>(94,332)</u>
Net Cash Flow from Operating Activities	40	<u>20,895</u>	<u>19,154</u>	<u>16,048</u>
Cash Flows from Investing Activities				
<i>Proceeds</i>				
Grants		2,054	600	160
Sales of Property		1,700	6,050	160
Sales of Plant and Equipment		1,284	567	619
		<u>5,038</u>	<u>7,217</u>	<u>939</u>
<i>Payments</i>				
Infrastructure – Employee Costs		(2,530)	(3,048)	(2,846)
Infrastructure – Other		(18,152)	(20,782)	(18,839)
Property		-	-	(60)
Plant and Equipment		(4,515)	(5,061)	(3,621)
		<u>(25,197)</u>	<u>(28,891)</u>	<u>(25,366)</u>
Net Cash Flow from/(used in) Investing Activities	40	<u>(20,159)</u>	<u>(21,674)</u>	<u>(24,427)</u>
Cash Flows from Financing Activities				
Proceeds from Borrowings	37	2,375	2,375	2,500
Repayment of Borrowings	37	(542)	(1,011)	(774)
Net Cash Flow from/(used in) Financing Activities		<u>1,833</u>	<u>1,364</u>	<u>1,726</u>
Net Increase (Decrease) in cash held		2,569	(1,156)	(6,653)
Cash Held at the Beginning of the Year		30,539	30,539	37,192
Cash held at the End of the Year	17	<u>33,108</u>	<u>29,383</u>	<u>30,539</u>

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

Notes to and forming part of the Financial Statements

1. Summary of Significant Accounting Policies

a) Local Government Reporting Entity

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

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

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

b) Basis of Preparation

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

Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result, the financial report does not comply with International Financial Reporting Standards.

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

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

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Significant assumptions and judgements were made in determining the values of employee provisions and superannuation liabilities (detailed in note 1(g)) and the fair value of property, plant and equipment, including useful lives and depreciation (detailed in note 1(k)).

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

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

c) Revenue Recognition

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

Rates, Grants, Donations and Other Contributions

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

Rendering of Services

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

Sale of Assets

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

Fines

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

Rents, Interest and Dividends

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

d) Cash and cash equivalents (Note 17)

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

Notes to and forming part of the Financial Statements

e) Inventories (Note 18)

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

f) Financial Assets (Notes 13 and 20)

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

Investments in subsidiaries are measured at cost. Investments in associates are accounted for under the equity method.

Council has classified its ownership interest in TasWater as an "available-for-sale financial asset" recorded at fair value. All other financial assets are classified as "loans and receivables" and are recorded at amortised cost less impairment. The collectibility of debts is assessed at year-end and an allowance is made for impairment.

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

g) Employee Benefits (Note 35)

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

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

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

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

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

The liability for employee entitlements to sick leave is equivalent to 17.5% of total accumulated sick leave entitlements at the reporting date because this amount is payable to employees on retirement or resignation.

Superannuation

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

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

For the defined-benefit plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur, and are included in 'other comprehensive income'.

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

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

h) Provisions

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

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

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

Notes to and forming part of the Financial Statements

i) Investment Property (Note 22)

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

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

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

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

k) Property, Plant and Equipment (Notes 23-32)

Acquisition

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

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

Revaluations

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

When the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the net revaluation increase is recognised in profit or loss to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

When the carrying amount of a class of assets is decreased as a result of a revaluation, the net revaluation decrease is recognised in profit or loss. However, the net revaluation decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that same class of assets.

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

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

Where indexation adjustments have been applied to other asset values, these have been calculated by reference to the 'council cost index' published annually by the Local Government Association of Tasmania (LGAT).

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

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

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

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

Depreciation

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

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

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

Notes to and forming part of the Financial Statements

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

Monuments

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

Land under Roads

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

l) Leases (Note 43)

Finance Leases as lessee

Leases under which Council assumes substantially all the risks and rewards 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.

Operating Leases as lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Council leases several parcels of Crown land under lease agreements with the State Government. Generally, these leases do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when Council establishes that it has control over the land, and will derive economic benefits from it.

Operating Leases as lessor

Council owns a range of facilities that are available for lease by not-for-profit sport, recreational and community organisations. Generally, leases to not-for-profit organisations do not reflect commercial arrangements and have minimal lease payments. Land and buildings which are leased under these arrangements are recognised within property, plant and equipment in the

Notes to and forming part of the Financial Statements

Statement of Financial Position, and associated rental income is recognised in accordance with Council's revenue recognition policy.

Furthermore, Council leases some of its land and buildings on commercial terms which may include incentives for the lessee to enter into the agreement, for example a rent-free period or discounted rent. Council does not account for the cost of incentives because the amounts are unlikely to be material and/or cannot be reliably measured. Rental income is recognised in accordance with Council's revenue recognition policy.

Where leasing of a property is incidental to Council's use of it, the associated land and buildings are recognised within property, plant and equipment in the Statement of Financial Position, and valued in accordance with Council's valuation policy. Properties which are held mainly to earn rental income or for capital appreciation or both, are recognised as investment properties in the Statement of Financial Position. Investment properties are carried at fair value and are not depreciated in accordance with AASB 140 *Investment Property*.

m) Financial Liabilities (Notes 33 and 37)

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

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

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

n) Heritage Account (Notes 16 and 17)

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

On 15 December 1999, Council established the required Heritage Account with Perpetual Trustees Tasmania Limited, and the Minister transferred an amount of \$1,216,205 to that account.

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

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

o) Goods and Services Tax (GST)

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

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

p) Budget

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

q) Rounding

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

Notes to and forming part of the Financial Statements

2 Changes in accounting policies and accounting estimates

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

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

AASB 9 Financial Instruments – This Standard supersedes *AASB 139 Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. There has been no financial impact.

AASB 13 Fair Value Measurement – This Standard establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of *AASB 17 Leases*, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes). AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

Also, AASB 13 includes extensive disclosure requirements. AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the comparative period (refer note 49) except for financial instruments, of which the fair value disclosures are required under *AASB 7 Financial Instruments, Disclosures*.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

AASB 119 Employee Benefits – This Standard introduces a number of changes to accounting treatments. The most significant of these relates to the accounting for Council's defined-benefit superannuation plan. The Standard requires the "expected return on plan assets" to be calculated using the discount rate applied to the plan's liabilities, rather than the projected return on the plan's assets. Since the discount rate is lower than the projected return, the expense recognised in profit or loss is higher by \$1.03 million.

The other noteworthy change is that AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, annual leave balances which were previously measured by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of the annual leave provision from an undiscounted to discounted basis. This change in classification has not materially altered Council's measurement of the annual leave provision.

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 is a revised Standard which gives effect to consequential changes arising from the issuance of AASB 9. There has been no financial impact.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 – This Standard makes minor revisions. There has been no financial impact.

AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 - This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There has been no financial impact.

AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing *AASB 119 Employee Benefits* in September 2011. There has been no financial impact.

Notes to and forming part of the Financial Statements

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard. There has been no financial impact.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle – This Standard makes amendments to a number of Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There has been no financial impact.

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

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

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

AASB 9 Financial Instruments and the relevant amending standards. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The Standard is one of a series of amendments that are expected to replace AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of the Standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments. Fair value is to be used for all other financial assets.

Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale financial assets through other comprehensive income. Under AASB 9, fair value gains and losses on available-for-sale financial assets will have to be recognised directly in profit or loss. Had this requirement been adopted at 30 June 2014, the fair value loss on Council's investment in TasWater of \$38.661 million would have reduced Council's surplus accordingly.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and Council has no such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and these will not change.

AASB 1031 Materiality. This Standard applies to annual reporting periods beginning on or after 1 January 2014. The objective of the standard is to make cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 *Interpretation of Standards*) that contain guidance on materiality.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.

This Standard applies to annual reporting periods beginning on or after 1 January 2014. The standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments. Part A of the standard is effective from 20 December 2013 and updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013. Part B of the standard is effective from 1 January 2014 and deletes references to AASB 1031 *Materiality* in various other standards.

Notes to and forming part of the Financial Statements

Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn. Part C of the standard is effective from 1 January 2015 and amends AASB 9 *Financial Instruments* to add chapter 6 Hedge Accounting, and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015. The adoption of this standard will not impact Council's accounting policies.

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

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

The following change to an accounting estimate has been made in the current reporting period.

Council has revised the impairment allowance relating to parking fines receivable. The previous impairment allowance included 100% of the value of fines lodged with the Monetary Penalties Enforcement Service (MPES). The revised impairment allowance includes only 25% of the value of fines lodged with the MPES, which reflects its estimated success rate of collecting debts.

The financial impact of this revised estimate in the current period has been two-fold. Firstly, the carrying value of the impairment allowance was reduced by \$2,266,645 (refer note 20) and this amount has been recognised in profit or loss for the period. Secondly, bad debts expense for the period has reduced by approximately \$373,000 (refer note 7).

This reduction in bad debts expense will continue in future periods, resulting in bad debts expense of approximately \$200,000 per annum rather than an estimated \$600,000 per annum.

Notes to and forming part of the Financial Statements

3 Functions/Activities of the Council

		Expenses	Revenues			Assets
		\$'000	Grants \$'000	Other \$'000	Total \$'000	\$'000
Public Order and Safety	2013/14	8,446	0	7,931	7,931	1
	2012/13	8,029	0	7,644	7,644	1
Health	2013/14	1,689	0	760	760	39
	2012/13	1,659	0	662	662	14
Welfare	2013/14	2,909	139	190	329	5,332
	2012/13	2,800	204	208	412	6,075
Community Amenities	2013/14	22,659	43	14,018	14,061	187,074
	2012/13	22,009	63	13,605	13,668	186,656
Recreation and Culture	2013/14	28,202	23	7,429	7,452	218,155
	2012/13	28,939	88	7,446	7,534	230,756
Parking	2013/14	10,952	0	18,459	18,459	81,454
	2012/13	9,881	0	16,563	16,563	93,828
Transport	2013/14	13,706	861	392	1,253	209,287
	2012/13	13,624	1,515	560	2,075	219,081
Economic Services	2013/14	4,443	162	1,763	1,925	1,489
	2012/13	4,482	150	1,717	1,867	1,374
Other (Not Attributed)*	2013/14	16,837	910	60,687	61,597	221,262
	2012/13	14,117	1,361	54,661	56,022	266,361
Total	2013/14	109,843	2,138	111,629	113,767	924,093
	2012/13	105,540	3,381	103,066	106,447	1,004,146

Note – Capital expenses and capital income are not included.

* Rates and charges for Stormwater, Solid Waste Management and Fire have been attributed to functions, but general rates have not.

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

PUBLIC ORDER AND SAFETY: fire prevention and emergency management.

HEALTH: food control, immunisation services and animal control.

WELFARE: youth services and aged care services.

COMMUNITY AMENITIES: solid waste management, stormwater drainage, public conveniences, street lighting, council-owned properties and administration of planning schemes.

RECREATION AND CULTURE: public halls, the Aquatic Centre, recreation centres, parks and reserves, the nursery, and festivals.

PARKING: car parks and on-street parking.

TRANSPORT: roads, footpaths, bridges, and traffic signs.

ECONOMIC SERVICES: Salamanca Market and tourism promotion.

Notes to and forming part of the Financial Statements

4 Employee Costs

	Note	2013/14 \$'000	2012/13 \$'000
Gross Wages and Salaries		42,602	42,107
<u>Less : Amounts Capitalised</u>		(1,663)	(1,880)
Leave payments		(3,514)	(3,063)
		<u>(5,177)</u>	<u>(4,943)</u>
Wages and Salaries expensed		37,425	37,164
Leave Entitlements		3,431	4,060
Defined-benefit superannuation plan	35	1,870	1,616
Other superannuation		3,716	3,724
Workers Compensation Insurance		1,166	1,102
Payroll Tax		2,978	3,128
Aldermanic Allowances		487	473
Employee Separation payments		981	209
Labour Overheads Capitalised		(867)	(966)
		<u>51,187</u>	<u>50,510</u>
Number of Employees (Full-time equivalent)		614	616

5 Depreciation and Amortisation

	Note	2013/14 \$'000	2012/13 \$'000
Land Improvements		977	963
Buildings		2,254	2,018
Infrastructure Plant		328	274
Plant and Equipment		2,402	2,370
Pipes, Drains and Rivulets		2,061	1,977
Roads and Bridges		7,025	6,575
Other Structures		2,763	2,627
Other		67	67
		<u>17,877</u>	<u>16,871</u>

6 Finance Costs

	Note	2013/14 \$'000	2012/13 \$'000
Interest on Loans		803	719
Landfill Restoration Provision	38	215	201
Defined-benefit superannuation scheme	35	153	(877)
		<u>1,171</u>	<u>43</u>

Notes to and forming part of the Financial Statements

7 Other Expenses

	Note	2013/14 \$'000	2012/13 \$'000
Pensioner Rate Remissions		1,050	1,032
<i>less</i> : Reimbursements from Government	9	(1,010)	(992)
		40	40
Other Rate Remissions		36	60
Grants and Specific Purpose Benefits		1,208	1,088
Directors Fees		12	12
Auditor's Remuneration – Audit of the Financial Report		47	46
Other Audit Fees		85	82
Bad and Doubtful Debts	2(c)	226	619
Assets Written-off		1,721	2,096
Obsolete Stock		(2)	(5)
Fringe Benefits Tax		366	360
Land Tax		594	596
		4,333	4,994

8 Underlying Result

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

	Note	2013/14 \$'000	2012/13 \$'000
Surplus / (Deficit)		6,633	(2,247)
<i>exclude</i>			
Employee Separation payments	4	981	209
Adjustment to Allowance for Impaired Fines	2(c)	(2,267)	-
Capital Grants	9	(2,054)	(160)
Loss on property disposal	10	-	984
Contributed Property, Plant and Equipment		(1,102)	(656)
Transfer of grant funds	11	-	1,644
Asphalt Plant closure	12	-	930
<i>adjust Financial Assistance Grants received in advance</i>	9		
2012/13 allocation received in 2011/12		-	1,518
2013/14 allocation received in 2012/13		1,362	(1,362)
<i>adjust Rates received in advance</i>	15		
2012/13 rates received in 2011/12		-	390
2013/14 rates received in 2012/13		405	(405)
2014/15 rates received in 2013/14		(500)	-
Underlying Surplus / (Deficit)		3,458	845

Notes to and forming part of the Financial Statements

9 Grants and Donations

	Note	2013/14 \$'000	2012/13 \$'000
a) Operating Grants			
<i>provided by Government</i>			
Commonwealth Financial Assistance Grants		1,358	2,430
Pensioner Rate Remission Grants	7	1,010	992
Battery Point Foreshore Public Access-way		15	60
Hobart Central Bus Interchange Planning Project		25	100
Employment Creation Initiatives		20	32
Fuel Tax Credit Scheme		104	164
Local Government Energy Efficiency Program (LGEEP)		55	-
Still Gardening Program		137	171
Tasmanian Travel and Information Centre		150	150
Taxi Security Scheme		64	-
Miscellaneous		60	78
		<u>2,998</u>	<u>4,177</u>
<i>other</i>			
Provision of Public Open Space		145	15
Provision of Parking Facilities		-	135
Miscellaneous		5	46
		<u>150</u>	<u>196</u>
		<u>3,148</u>	<u>4,373</u>
<u>less</u> : Pensioner Rate Remission Grants netted against Remissions	7	(1,010)	(992)
		<u>2,138</u>	<u>3,381</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control.

Since 2009/10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that "to assist local Councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012/13 works programs", it would bring forward for payment to all councils in June 2012 the first two instalments of the 2012/13 grant pool. In the 2013/14 Budget, the Commonwealth announced it would continue this approach and bring forward for payment to all councils in June 2013 the first two instalments of the 2013/14 grant pool. In the 2014/15 Budget however, the Commonwealth announced it would not bring forward any instalments of the 2014/15 grant pool.

The early receipt of Commonwealth Government Financial Assistance Grant instalments has resulted in five instalments being received in 2011/12, four instalments (the norm) being received in 2012/13, and only two instalments being received in 2013/14. In preparing its 2013/14 budget, Council assumed that the Commonwealth Government would continue its policy of making early payments of Financial Assistance Grants and budgeted to receive four instalments in 2013/14.

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

	Note	2013/14 \$'000	2012/13 \$'000
b) Capital Grants			
<i>provided by Government</i>			
Roads to Recovery Program		1,472	-
Blackspot Program		69	98
Flame of Remembrance		200	-
Safer Roads program		66	-
Trails and Bikeways		100	-
Miscellaneous		7	-
		<u>1,914</u>	<u>98</u>
<i>other</i>			
Forest Road upgrade		-	101
TCA Ground Lighting		-	(50)
Flame of Remembrance		18	-
Pipeline Track - Twin Bridges upgrade		104	-
Miscellaneous		18	11
		<u>140</u>	<u>62</u>
		<u>2,054</u>	<u>160</u>
Total Grants and Donations		<u>4,192</u>	<u>3,541</u>

Notes to and forming part of the Financial Statements

Note	2013/14 \$'000	2012/13 \$'000
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:	826	865
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:	(3,766)	(2,587)
Net increase/(decrease) in assets subject to conditions	(2,940)	(1,722)
Assets subject to conditions at the beginning of the period	6,570	8,292
Assets subject to conditions at the end of the period	3,630	6,570

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.

10 Asset Sales

Note	2013/14 \$'000	2012/13 \$'000
<i>Plant & Equipment</i>		
Proceeds from sales	1,284	619
Less carrying amount of assets sold	(1,731)	(992)
Gain / (Loss) on disposal	(447)	(373)
<i>Land and Buildings</i>		
Proceeds from sales	-	1,860
Less carrying amount of assets sold	-	(2,883)
Gain / (Loss) on disposal	-	(1,023)
Total Gain / (Loss) on disposal of assets	(447)	(1,396)

11 Transfer of Grant Funds

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

12 Asphalt Plant Closure

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

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

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

Notes to and forming part of the Financial Statements

13 Investment in TasWater

On 1 July 2013, a new State-wide water and sewerage corporation trading as 'TasWater' commenced in accordance with the *Water and Sewerage Corporation Act 2012*. TasWater took over the water and sewerage services and assets previously operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It also manages the billing, IT and payroll functions previously managed by the industry's service firm, Onstream. Council holds an equal representation with all other councils.

There has been no change to the previous investment treatment, with Council receiving a proportional share in the new corporation. Council continues to derive returns in the form of dividends, guarantee fees and tax equivalents, and continues to account for its ownership interest in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The investment has been classified as an 'available-for-sale financial asset'.

At 30 June 2014, the fair value of the asset was measured by applying Council's equity voting proportion (10.39%) to TasWater's net asset value at that date. TasWater advised that this net asset value was \$1,536 million.

The following table summarises the movements in the value of Council's investment in TasWater:

Note	2013/14 \$'000	2012/13 \$'000
Opening Balance	198,252	198,290
Fair value adjustment	(38,661)	(38)
Closing Balance	159,591	198,252

Fair value adjustments have been recognised in other comprehensive income.

14 Asset Revaluations

Note	2013/14 \$'000	2012/13 \$'000
Buildings	(32,739)	3,611
Land Improvements	(3,932)	562
Infrastructure Plant	9	(633)
Pipes, Drains and Rivulets	3,377	3,866
Roads and Bridges	(15,279)	5,061
Other Structures	1,537	22,410
39	(47,027)	34,877

15 Rates Received in Advance

Note	2013/14 \$'000	2012/13 \$'000
Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods	500	405
Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period	(405)	(390)
Net increase (decrease) in prepaid rates	95	15

Notes to and forming part of the Financial Statements

16 Restricted Assets

	Note	2013/14 \$'000	2012/13 \$'000		Note	2013/14 \$'000	2012/13 \$'000
a) Grants and Donations subject to Conditions				b) Heritage Account			
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:				Assets acquired as a result of the winding-up of the National Trust Preservation Fund which are required by section 5(3) of the <i>National Trust Preservation Fund (Winding-up) Act 1999</i> to be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register or the Tasmanian Heritage Register.	1(n)	1,361	1,334
- Accelerated Energy Efficient Street Light Roll Out		1,258	1,828				
- Battery Point Foreshore Public Accessway		75	-				
- Contributions in lieu of Parking		135	135	Total Restricted Assets	17(b)	4,991	7,904
- Contributions in lieu of Public Open Space		239	94				
- Flame of Remembrance		216	-				
- Hobart Central Bus Interchange Planning Project		-	78				
- New Town Bay Sport and Recreation Facilities		-	2,492				
- Pipeline Track - Twin Bridges upgrade		102	-				
- Roadworks		84	424				
- Tasmanian Travel and Information Centre		-	113				
- Trails and Bikeways		100	-				
- Wellesley Park Pavilion Refurbishment		88	89				
- Wellesley Park - Sport & Recreation Facilities		1,133	1,170				
- Miscellaneous		200	147				
	9	3,630	6,570				

Notes to and forming part of the Financial Statements

17 Cash

Note	2013/14 \$'000	2012/13 \$'000
a) Definition of Cash		
For the purpose of the Statement of Cash Flows, the following items comprise the cash balance at the end of the period:		
Term Deposits	20,334	21,999
At Call	9,990	6,825
	<u>30,324</u>	<u>28,824</u>
Cash Advances	61	61
Cash at Bank	2,723	1,654
	<u>33,108</u>	<u>30,539</u>

b) Composition of Cash

The following restrictions apply to the closing cash balance:

- Accelerated Energy Efficient Street Light Roll Out	1,258	1,828
- Battery Point Foreshore Public Accessway	75	-
- Provision of Public Open Space	239	94
- Provision of Parking Facilities	135	135
- Flame of Remembrance	216	-
- Hobart Central Bus Interchange Planning Project	-	78
- New Town Bay Sport and Recreation Facilities	-	2,492
- Pipeline Track – Twin Bridges upgrade	102	-
- Roadworks	84	424
- Tasmanian Travel and Information Centre	-	113
- Trails and Bikeways	100	-
- Wellesley Park Pavilion Refurbishment	88	89
- Wellesley Park – Sport and Recreation Facilities	1,133	1,170
- Heritage Funding	1,361	1,334
- Other	200	147
	<u>4,991</u>	<u>7,904</u>

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

- Asset Replacement	17,791	15,856
- Other Capital Works	166	207
- Provision of Public Open Space	16	16
- Bushland Acquisition	395	342
- Public Infrastructure Fund	3,263	1,491
- McRobies Gully Landfill Rehabilitation	2,185	1,504
- Asphalt Plant decommissioning and site rehabilitation	800	800
- Queens Domain Facility upgrades	16	-
- Refundable Deposits	1,838	1,873
- Unallocated	1,647	546
	<u>28,117</u>	<u>22,635</u>
	<u>33,108</u>	<u>30,539</u>

Notes to and forming part of the Financial Statements

18 Inventories

	2013/14 \$'000	2012/13 \$'000
The Hobart Aquatic Centre	45	43
Domain Quarry	71	109
Tasmanian Travel & Information Centre	19	18
Other	175	144
	310	314

19 Financial Instruments

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

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

a) Credit Risk

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

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

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

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

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

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

In relation to amounts owed to Council in respect of unpaid rates, there is generally no credit risk as section 137 of the *Local Government Act 1993* empowers Councils to sell properties as a means of recovering rates outstanding.

b) Interest Rate Risk

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

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

Notes to and forming part of the Financial Statements

2013/14	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			
<i>Financial Assets</i>							
Cash and cash equivalents	12,713	20,334	-	-	61	33,108	3.46%
Receivables	985	26	-	-	4,431	5,442	0.97%
	<u>13,698</u>	<u>20,360</u>	<u>-</u>	<u>-</u>	<u>4,492</u>	<u>38,550</u>	
Weighted Average Interest Rate	3.53%	3.74%	0.00%	0.00%			
<i>Financial Liabilities</i>							
Payables	-	-	-	-	6,343	6,343	N/A
Loans	-	1,733	5,781	8,648	-	16,162	5.52%
	<u>-</u>	<u>1,733</u>	<u>5,781</u>	<u>8,648</u>	<u>6,343</u>	<u>22,505</u>	
Weighted Average Interest Rate	0.00%	5.39%	5.39%	5.64%			
<i>Net Financial Assets / (Liabilities)</i>	13,698	18,627	(5,781)	(8,648)	(1,851)	16,045	

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

Notes to and forming part of the Financial Statements

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

	30 June 2014		30 June 2013	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
<i>Financial Assets</i>				
Cash Advances	na	na	na	na
Other Cash and Cash Equivalents	128	(128)	86	(86)
Receivables	10	(10)	23	(23)
	138	(138)	109	(109)
<i>Financial Liabilities</i>				
Payables	na	na	na	na
Loans	na	na	na	na
	-	-	-	-

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 30 June 2013.

c) Liquidity Risk

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

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

	FY15 \$'000	FY16 - FY19 \$'000
Opening Balance for the period	33,108	34,369
Operating Inflows	112,769	492,390
Operating Outflows	(93,197)	(413,983)
Investing Inflows	8,137	21,795
Investing Outflows	(25,183)	(95,024)
Financing Inflows	-	-
Financing Outflows	(1,265)	(5,780)
Closing Balance for the period	<u>34,369</u>	<u>33,767</u>

Notes to and forming part of the Financial Statements

d) Net Fair Value of Financial Assets and Liabilities

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

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

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

	2013/14		2012/13	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<i>Financial Assets</i>				
Cash Advances	61	61	61	61
Cash at Bank and Investments	33,047	33,047	30,478	30,478
Investment in TasWater	159,591	159,591	198,252	198,252
Receivables	5,442	5,442	5,269	5,269
	198,141	198,141	234,060	234,060
<i>Financial Liabilities</i>				
Payables	6,343	6,343	7,829	7,829
Loans	16,162	17,429	14,329	15,279
	22,505	23,772	22,158	23,108

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

Notes to and forming part of the Financial Statements

e) Fair Value hierarchy

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

The different levels have been defined as follows: -

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2013/14				
Available for sale financial assets	-	-	159,591	159,591
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	159,591	159,591
2012/13				
Available for sale financial assets	-	-	198,252	198,252
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-
	-	-	198,252	198,252

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

Reconciliation of level 3 fair value movements

	2013/14 \$'000	2012/13 \$'000
Opening Balance	198,252	198,290
Gains / (Losses) recognised in other comprehensive income	(38,661)	(38)
Closing Balance	159,591	198,252

Notes to and forming part of the Financial Statements

20 Receivables

	Note	2013/14 \$'000	2012/13 \$'000
Rates		1,074	1,313
Parking Fines		7,567	7,553
Trade Receivables		1,087	1,124
Accrued interest on investments		316	374
Wages and salaries paid in advance		126	140
Asset Sales		-	1,700
Other Debtors		257	425
		10,427	12,629
Less Allowance for Impairment	2(c)	(4,985)	(7,360)
		5,442	5,269
Current		5,217	5,041
Non-Current		225	228
		5,442	5,269

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

Trade Receivables

	Total \$'000	0-29 days \$'000	0-29 days \$'000	30-59 days \$'000	30-59 days \$'000	60-89 days \$'000	60-89 days \$'000	90+ days \$'000	90+ days \$'000
			CI*	PDNI*	CI*	PDNI*	CI*	PDNI*	CI*
2014	1,087	717	-	185	1	50	-	100	34
2013	1,124	782	8	113	1	21	6	168	25

Parking Fines

	Parking Meter and Voucher				Traffic Infringements		
	Total \$'000	0-14 days \$'000	14+ days \$'000	14+ days \$'000	0-28 days \$'000	28+ days \$'000	28+ days \$'000
			PDNI*	CI*		PDNI*	CI*
2014	7,567	86	2,113	3,689	74	578	1,027
2013	7,553	98	174	5,644	81	81	1,475

Rates

	Total \$'000	90+ days \$'000
		PDNI*
2014	1,074	1,074
2013	1,313	1,313

* PDNI – past due not impaired

CI – considered impaired

Notes to and forming part of the Financial Statements

21 Assets classified as held for sale

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

	2013/14 \$'000	2012/13 \$'000
Land	2,150	2,150
	2,150	2,150

22 Investment property

	2013/14 \$'000	2012/13 \$'000
At cost	631	631
At Valuer-General's 2009 valuation of market value	24,407	24,407
	25,038	25,038

Investment property is revalued by the Valuer-General every 6 years. The next scheduled revaluation will take effect for rating purposes from 1 July 2015, but new asset valuations will be included in Council's financial report for the year ending 30 June 2015.

Notes to and forming part of the Financial Statements

23 Property, plant and equipment

	Note	Carrying Amount 30/6/2013 \$'000	Additions \$'000	Disposals \$'000	Net Revaluation Adjustments \$'000	Depreciation \$'000	Carrying Amount 30/6/2014 \$'000
Plant and Equipment	24	15,770	4,692	(1,788)	-	(2,402)	16,272
Land	25	137,426	-	-	-	-	137,426
Buildings	25	154,638	8,415	(142)	(32,739)	(2,254)	127,918
Land Improvements	26	20,248	4,389	(321)	(3,932)	(977)	19,407
Infrastructure Plant	27	2,214	1,395	(11)	9	(328)	3,279
Pipes, Drains and Rivulets	28	133,571	2,975	(237)	3,377	(2,061)	137,625
Roads and Bridges	29	186,525	15,791	(728)	(15,279)	(7,025)	179,284
Other Structures	30	63,242	2,889	(225)	1,537	(2,763)	64,680
Capital Work in Progress	31	28,005	(16,490)	-	-	-	11,515
Other	32	875	30	-	-	(67)	838
		742,514	24,086	(3,452)	(47,027)	(17,877)	698,244

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

24 Plant and equipment

	2013/14 \$'000	2012/13 \$'000
At Cost	29,871	28,925
less: Impairment Losses	(1)	(1)
less: Accumulated Depreciation	(13,598)	(13,154)
	16,272	15,770

Notes to and forming part of the Financial Statements

25 Land and buildings

	2013/14 \$'000	2012/13 \$'000
Land		
At market value – 2014	1,553	-
At market value – 2013	-	1,553
At Valuer-General's valuation of market value – 2009	135,873	135,873
	137,426	137,426
Buildings		
At replacement cost – 2014	197,558	-
At replacement cost – 2013	-	29,924
At replacement cost – 2010 indexed to 31 March 2013	-	199,099
	197,558	229,023
<u>less</u> : Impairment Losses	(23)	(23)
<u>less</u> : Accumulated Depreciation	(69,617)	(74,362)
	127,918	154,638
	265,344	292,064

26 Land improvements

	2013/14 \$'000	2012/13 \$'000
At replacement cost – 2014	43,422	-
At replacement cost – 2013	-	1,362
At replacement cost – 2012 indexed to 31 March 2013	-	42,978
	43,422	44,340
<u>less</u> : Accumulated Depreciation	(24,015)	(24,092)
	19,407	20,248

27 Infrastructure plant

	2013/14 \$'000	2012/13 \$'000
At replacement cost – 2014	4,648	-
At replacement cost – 2013	-	3,322
At replacement cost – 2009 indexed to 31 March 2014	566	-
At replacement cost – 2009 indexed to 31 March 2013	-	552
At replacement cost – 2008 indexed to 31 March 2014	3,251	-
At replacement cost – 2008 indexed to 31 March 2013	-	3,241
	8,465	7,115
<u>less</u> : Impairment Losses	(773)	(773)
<u>less</u> : Accumulated Depreciation	(4,413)	(4,128)
	3,279	2,214

28 Pipes, drains and rivulets

	2013/14 \$'000	2012/13 \$'000
At replacement cost – 2014	5,952	-
At replacement cost – 2013	-	3,004
At replacement cost – 2012 indexed to 31 March 2014	231,031	-
At replacement cost – 2012 indexed to 31 March 2013	-	225,535
	236,983	228,539
<u>less</u> : Accumulated Depreciation	(99,358)	(94,968)
	137,625	133,571

Notes to and forming part of the Financial Statements

29 Roads and Bridges

	2013/14 \$'000	2012/13 \$'000
At replacement cost – 2014	369,467	-
At replacement cost – 2013	-	13,998
At replacement cost – 2010 indexed to 31 March 2013	-	299,708
	<u>369,467</u>	<u>313,706</u>
<u>less</u> : Accumulated Depreciation	(190,183)	(127,181)
	<u>179,284</u>	<u>186,525</u>

30 Other Structures

	2013/14 \$'000	2012/13 \$'000
At replacement cost – 2014	5,012	-
At replacement cost – 2013 indexed to 31 March 2014	117,565	-
At replacement cost – 2013	-	117,466
	<u>122,577</u>	<u>117,466</u>
<u>less</u> : Accumulated Depreciation	(57,897)	(54,224)
	<u>64,680</u>	<u>63,242</u>

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

31 Capital Work in Progress

	2013/14 \$'000	2012/13 \$'000
Road and Bridge works	634	4,456
CBD Energy Efficient Lighting Upgrades	475	-
Footpath, Kerb and Gutter works	1,033	5,963
Traffic Management works	466	1,119
Cornelian Bay Playground and Car Park upgrades	-	463
Mathers Place redevelopment	206	499
Stormwater Mains	638	1,029
Railway Fountain restoration	446	391
Parks and Gardens works	878	1,175
TCA ground lighting	-	302
North Hobart Oval lighting	-	451
New Town Bay Boatshed Construction	2,637	-
Sporting Facility works	538	571
Town Hall refurbishment	-	509
Hobart Council Centre refurbishment	-	730
The Hobart Aquatic Centre (THAC) upgrades	522	575
Argyle Street Car Park redevelopment	-	1,014
Mount Wellington Pinnacle toilets	-	590
Lambert Park tracks	-	208
Knocklofty Reserve tracks	-	229
North South Track	-	102
Resource Recovery Centre upgrade	1,637	26
McRobies Gully Diversion Drains	-	1,219
McRobies Gully Waste Transfer Station	-	3,913
McRobies Gully Waste Management Centre	292	339
Other	1,113	2,132
	<u>11,515</u>	<u>28,005</u>

Notes to and forming part of the Financial Statements

32 Other property, plant and equipment

	2013/14 \$'000	2012/13 \$'000
Valuation Roll		
At Cost	469	469
<u>less</u> : Accumulated Depreciation	(340)	(273)
	<u>129</u>	<u>196</u>
Valuables		
At market value – 2014	141	-
At market value – 2013	-	111
At independent valuation of market value – 2005	568	568
	<u>709</u>	<u>679</u>
	838	875

33 Payables

	2013/14 \$'000	2012/13 \$'000
Trade Creditors	1,242	762
Accrued plant and equipment purchases	210	259
Accrued capital expenditure	249	2,413
GST payable	324	289
Accrued Interest Expense	256	-
Additional superannuation contributions resulting from actuarial review	-	112
Energy Costs	508	510
Payroll Tax	1,099	1,207
Workers Compensation Insurance	750	716
Fringe Benefits Tax	93	85
Other Accrued Expenses	1,612	1,476
	6,343	7,829

34 Trust, deposits, retention

	2013/14 \$'000	2012/13 \$'000
Refundable Infrastructure Bonds	1,378	1,381
Deposits held for Travel Operators	715	712
Deposits held in respect of property sales	380	435
Other	110	79
	2,583	2,607

35 Employee benefits

	2013/14 \$'000	2012/13 \$'000
Wages and salaries	935	801
Annual leave (including loading)	3,453	3,536
Long service leave	5,551	5,512
Sick leave	2,468	2,507
Superannuation contributions	1,288	1,384
Defined-benefit superannuation plan	2,720	8,083
	16,415	21,823
Current	10,588	10,569
Non-Current	5,827	11,254
	16,415	21,823

Superannuation

Council makes the following defined-contributions to superannuation: -

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

In respect of those full-time and part-time employees who commenced employment with Council prior to 11 March 2003, Council also contributes to a defined-benefit superannuation plan. Based on actuarial advice, Council increased its level of contributions from 10.5% of wages and salaries to 13% of wages and salaries from 1 July 2010. In addition, Council agreed to make lump sum contributions of \$0.5 million in both the 2009/10 and 2010/11 financial years, \$1.2 million in the 2011/12 financial year, and \$0.75 million in both the 2012/13 and 2013/14 financial years. Furthermore, Council agreed to make contributions equal to 7% of benefit payments for members exiting the scheme from 1 July 2012. The above measures were successful in addressing the plan's shortfall. Accordingly, from 1 July 2014, Council has reduced its level of contributions to 9.5% of wages and salaries, and ceased all additional contributions. Employee contributions are 6% of wages and salaries. Employees are entitled to benefits on resignation, retirement, disability or death. The fund provides a defined-benefit based on years of service and final average salary.

Notes to and forming part of the Financial Statements

An actuarial assessment of the fund was carried out by Mr. David Quinn-Watson, FIAA on 13 August 2014 for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. This assessment revealed the following: -

Key assumptions	30 June 2014	30 June 2013
Discount Rate – gross of tax	3.3%	3.5%
Discount Rate – net of tax	2.8%	3.0%
Expected rate of salary increase	2.5%	3.0%

The amount included in expenses is as follows: -

Note	2013/14 \$'000	2012/13 \$'000
Employee Costs		
- Current Service Cost	1,870	1,616
Finance Costs		
- Interest Cost	1,266	1,091
- Expected return on plan assets	2(a) (1,113)	(1,968)
	153	(877)
	2,023	739

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

	2013/14 \$'000	2012/13 \$'000
Actuarial (gains) / losses incurred during the period and recognised in other comprehensive income	(4,649)	(5,840)
Cumulative actuarial (gains) / losses recognised in other comprehensive income	9,857	14,506

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

	2013/14 \$'000	2012/13 \$'000
Present value of defined-benefit obligation	43,051	45,560
Fair value of plan assets	(40,331)	(37,477)
Net liability / (asset) arising from defined-benefit plan	2,720	8,083

Movements in the net liability were as follows: -

	2013/14 \$'000	2012/13 \$'000
Opening liability	8,083	15,954
Expense recognised in surplus/ (deficit)	2,023	739
Actuarial (gains)/losses	(4,649)	(5,840)
Employer contributions	(2,737)	(2,770)
Closing liability	2,720	8,083

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

	2013/14 \$'000	2012/13 \$'000
Opening defined-benefit obligation	45,560	49,939
Current Service Cost	1,870	1,616
Interest Cost	1,266	1,091
Member contributions and transfers from other funds	793	811
Actuarial (gains) / losses	(2,188)	(3,409)
Benefits and tax paid	(4,250)	(4,488)
Closing defined-benefit obligation	43,051	45,560

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

	2013/14 \$'000	2012/13 \$'000
Opening fair value of plan assets	37,477	33,985
Expected return on plan assets	1,113	1,968
Actuarial gains / (losses)	2,461	2,431
Employer contributions	2,737	2,770
Member contributions and transfers from other funds	793	811
Benefits paid	(4,250)	(4,488)
Closing fair value of plan assets	40,331	37,477

Changes in the key actuarial assumptions at the reporting date would have the following effect on the net liability arising from the defined-benefit plan: -

	0.25% increase \$'000	0.25% decrease \$'000
Discount rate	(737)	780
Inflation rate	728	(692)

Notes to and forming part of the Financial Statements

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

	Benchmark Allocation %	as at 30 June 2014 %	as at 30 June 2013 %
Australian shares	32.7	31.5	30.8
International shares	31.1	32.7	32.4
Property	8.8	9.0	11.6
Fixed interest	15.1	14.8	12.8
Private Equity	0.6	0.7	0.8
Infrastructure	7.3	7.4	6.9
Cash	4.4	3.9	4.7
Total	100	100	100

36 Unearned revenue

	2013/14 \$'000	2012/13 \$'000
The Hobart Aquatic Centre memberships paid in advance	136	176
Salamanca Market rentals paid in advance	114	86
Animal Licences paid in advance	1	71
Food Premises registration fees paid in advance	131	179
Other	108	65
	490	577

37 Loans

	2013/14 \$'000	2012/13 \$'000
Loans outstanding at beginning of year	14,329	12,603
New borrowings	2,375	2,500
	16,704	15,103
Redemptions	(542)	(774)
Loans outstanding at end of year	16,162	14,329
Current	1,733	1,013
Non-Current	14,429	13,316
	16,162	14,329

All loans are secured by Council revenues. Repayments are made semi-annually in arrears, and interest expense is accrued at the contracted rate and included in payables.

38 Provisions

	2013/14 \$'000	2012/13 \$'000
<i>Rehabilitation of Landfill site</i>		
Balance at beginning of year	7,085	7,515
Additional provisions recognised	(130)	(183)
Expenditure incurred	(560)	(448)
Unwinding of discount and effect of changes in the discount rate	215	201
Balance at end of year	6,610	7,085
<i>Rehabilitation of Asphalt Plant site</i>		
Balance at beginning of year	800	-
Additional provisions recognised	-	800
Balance at end of year	800	800
Total Provisions	7,410	7,885

Notes to and forming part of the Financial Statements

39 Reserves

	Note	Balance 30/6/13 \$'000	Transfers to Reserves \$'000	Transfers from Reserves \$'000	Balance 30/6/14 \$'000
Asset Replacement		15,856	23,273	(21,338)	17,791
Bushland Fund		343	60	(8)	395
Public Infrastructure Fund		3,246	293	(276)	3,263
Contributions in Lieu of Parking		135	-	-	135
Contributions in Lieu of Public Open Space		110	149	-	259
Heritage Account		1,335	82	(56)	1,361
Fair Value Reserve	13	1,531	-	(38,661)	(37,130)
Asset Revaluation	14	536,355	4,923	(51,950)	489,328
		<u>558,911</u>	<u>28,780</u>	<u>(112,289)</u>	<u>475,402</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.

Public Infrastructure Fund

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

Contributions in Lieu of Parking

Council maintains a reserve to separately account for funds provided to Council for the express purpose of providing parking facilities throughout the city.

Contributions in Lieu of Public Open Space

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

Heritage Account

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

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

Fair Value Reserve

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

Asset Revaluation Reserve

Council maintains an asset revaluation reserve in order to account for asset revaluation increments and decrements in accordance with AASB 116 *Property, Plant and Equipment*.

Notes to and forming part of the Financial Statements

40 Reconciliation of accrual-based results with cash flows

	2013/14 (\$'000)			2012/13 (\$'000)		
	Operating Activities	Investing Activities	Total	Operating Activities	Investing Activities	Total
Revenues	116,923			107,263		
Expenses / Expenditure	(110,290)	(22,984)		(109,510)	(26,950)	
Surplus/(Deficit)	6,633			(2,247)		
Items not involving Cash:						
Depreciation and Amortisation	17,877			16,871		
Carrying Value of Assets Sold	1,731			3,875		
Asset Write-downs	1,721			2,226		
Assets received for no consideration	(1,102)			(656)		
Re-classification of Revenues						
Capital Grants	(2,054)	2,054	-	(160)	160	-
Sales of Assets	(1,284)	1,284	-	(2,479)	2,479	-
Changes in Operating Assets & Liabilities:						
(Increase) / Decrease in Receivables	(1,873)	1,700	(173)	(694)	(1,700)	(2,394)
(Increase) / Decrease in Stock	4	-	4	(27)	-	(27)
(Increase) / Decrease in Prepayments	(140)	-	(140)	25	-	25
Increase / (Decrease) in Payables	727	(2,213)	(1,486)	23	1,584	1,607
Increase / (Decrease) in Employee Entitlements	(759)	-	(759)	(1,177)	-	(1,177)
Increase / (Decrease) in Unearned Revenue	(87)	-	(87)	162	-	162
Increase / (Decrease) in Provisions	(475)	-	(475)	370	-	370
Increase / (Decrease) in Other Liabilities	(24)	-	(24)	(64)	-	(64)
Net Cash Inflow / (Outflow)	20,895	(20,159)		16,048	(24,427)	

41 Financing Facilities

	2013/14 \$'000	2012/13 \$'000
Un-used credit card facilities	347	324
	347	324

Notes to and forming part of the Financial Statements

42 Commitments

	2013/14 \$'000	2012/13 \$'000
Capital Expenditure contracted for at the reporting date but not recognised in liabilities:		
McRobies Gully Waste Transfer Station construction	-	1,192
McRobies Gully Resource Recovery Centre upgrade	-	1,546
Anglesea Street Bridge demolition and replacement	117	128
Waterworks Reserve – Construct pathways and car park	-	127
Town Hall – Heating upgrade	301	-
Hobart Council Centre upgrades	279	-
THAC Lighting upgrade	180	-
New Town Bay Rowing Club redevelopment	167	-
Energy Efficient Lighting upgrades	139	-
Admin Buildings – general compliance works	125	-
Plant and Equipment purchases	491	2,437
Other	816	511
	2,615	5,941
Expected timing of these commitments is as follows: -		
Not longer than one year	2,615	5,941
Longer than one year and not longer than two years	-	-
Longer than two years and not longer than five years	-	-
Longer than five years	-	-
	2,615	5,941

43 Operating leases

	2013/14 \$'000	2012/13 \$'000
a) Operating Lease commitments at the reporting date not recognised in liabilities:		
Not longer than one year	1,376	1,374
Longer than one year and not longer than two years	1,344	1,402
Longer than two years and not longer than five years	3,838	3,940
Longer than five years	17,132	18,266
	23,690	24,982

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

b) Operating Lease receivables at the reporting date not recognised in assets:

Not longer than one year	994
Longer than one year and not longer than two years	513
Longer than two years and not longer than five years	989
Longer than five years	255
	2,751

Council's operating lease receivables mainly result from property leases. As this disclosure is being made for the first time, there is no comparative year disclosure.

Notes to and forming part of the Financial Statements

44 Contingent Liabilities

	2013/14 \$'000	2012/13 \$'000
Council is currently acting as guarantor for the following loans: -		
New Town Cricket Club	50	50
Buckingham Bowls Club	50	-
Hockey Tasmania Inc.	1,500	1,500
Southern Tasmanian Netball Association	631	631
	2,231	2,181

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

45 Major development assistance policy commitments

Council has entered into Development Assistance Deeds for the following Major Development Projects.

The Wellington Centre Development

The development agreement with Sultan Holdings Pty Ltd provides for the following: -

- Council contributed certain land to the development, and the developer also contributed land.
- The developer agreed to construct on the aggregated land amongst other things a car park, supermarket, office accommodation and retail shops.
- The development, on completion, was stratum titled to meet the ownership rights of the parties to the development.
- Council received the stratum title to the car park.
- During the construction period, based on suitable evidence of completion of progress work in relation to the car park, Council made progress payments for the car park.
- On completion and issue of stratum titles, Council received the stratum title for the car park. This occurred in October 2013.

On an ongoing basis: -

- Council has fixed the rates applicable to the development at that which applied on the date of the agreement plus CPI (all groups Hobart) for a 10 year period. The benefit is only applicable to the developer while it owns the particular stratum property.

- The value of this benefit can only be calculated as it occurs and will be disclosed in Council's financial statements as they occur in accordance with the *Local Government Act 1993*.
- The value of the benefit for the current period is \$351,294.

The Vodafone Development

Council is in the process of negotiating a development assistance deed with Alirenste Pty Ltd that is likely to provide for the following: -

- That from when the development land is revalued on completion of construction by the Valuer-General for rating purposes, and while Vodafone meets target employee occupancy numbers for the building, Council on receipt of a suitable certificate will provide a grant to the developer for an amount equal to general rates and stormwater removal service rates that relate to the Vodafone tenancy area for that year. There are pro-rata conditions where partial certification occurs.
- This agreement continues until 30 June 2025 unless an event occurs which gives Council the right to terminate the agreement.
- The value of this benefit can only be calculated as it occurs and will be disclosed in Council's financial statements as they occur in accordance with the *Local Government Act 1993*.
- The value of the benefit for the year is Nil

The Myer Development

With respect to this development there are deeds with both the developer (E. Kalis Properties Pty Ltd) and the major tenant (Myer Pty Ltd).

Council has entered into conditional agreements to provide the following grants and benefits to the developer to assist with the redevelopment of the Myer site, located at 98-110 Liverpool Street and 55 Murray Street, Hobart, namely: -

1. Consistent with Council's Major Development Assistance Policy: -
 - a. A cap on rates for a defined period based on the value of the property as at 18 January 2012, limited to CPI increases, and
 - b. The waiving of fees and charges, including tip fees, hoarding fees, parking fees and associated statutory fees.
2. The air rights over the relevant portion of the Hobart Rivulet for a nominal consideration.

The final value of these benefits is not quantifiable until the development is completed and other conditions are determined.

No assistance under this deed has been incurred or paid in the current period. It is not possible to reliably estimate the value of future assistance.

Notes to and forming part of the Financial Statements

Myer Deed

The deed with Myer Pty Ltd (Myer) provides for the following: -

- The Council will, in exercise of its power under section 77(1A)(b) of the *Local Government Act 1993*, pay to Myer the following amounts at the following times: -
 - \$1.75 million when Myer commences trading to the public from the Myer Store following full occupation by Myer in the Liverpool Street stage of the Development.
 - \$1.75 million in the month of July after full occupation of the Liverpool Street store, unless full occupation occurs between 1 April and 30 June and construction of the Murray Street stage has not substantially commenced, in which case that amount will be paid on 31 July in the calendar year after the occupation of the Liverpool Street Myer Store.
 - \$0.875 million in each of the first four years starting 1 August after occupation of the Liverpool Street Myer Store in which gross sales for that year are less than an agreed threshold. Any amount is to be paid 28 days after receipt of the Auditor's Report for the relevant year.
- Under certain circumstances, if Myer ceases to occupy the development then a proportion of total grants paid will be refundable to Council under an agreed formula taking into account the number of years the development has been occupied.

No grant moneys under this deed have been incurred or paid in the current period, and no grant moneys will be incurred or paid until Myer meets its obligations under the deed.

46 Subsequent events

Some loan payments due on 30 June 2014 were not paid until 1 July 2014. These totalled \$726,412, comprising principal repayments of \$470,089 and interest payments of \$256,322. Therefore, at 30 June 2014, loan balances are \$470,089 higher than they would otherwise have been, payables balances are \$256,322 higher than they would otherwise have been, and cash balances are \$726,412 higher than they would otherwise have been.

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

47 Pecuniary interests

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

Notes to and forming part of the Financial Statements

48 Management indicators

(a) Underlying surplus or deficit		Benchmark	2013/14 \$'000	2012/13 \$'000
	Underlying Revenue*		112,767	106,588
<i>less</i>	Recurrent expenses		(109,309)	(105,743)
<i>equals</i>	Underlying Surplus / (Deficit)	\$2M	3,458	845

* Underlying revenue excludes all capital income (grants received specifically for new or upgraded assets and physical resources received free of charge) and non-recurring income, and includes adjustments for revenue received in advance.

This indicator measures the extent to which expenses are covered by revenues. The benchmark was comfortably achieved in the current period.

(b) Underlying surplus ratio		Benchmark	2013/14 \$'000	2012/13 \$'000
	Underlying Surplus / (Deficit)		3,458	845
<i>divided by</i>	Underlying Revenue		112,767	106,588
<i>equals</i>	Underlying Surplus ratio	2%	3.1%	0.8%

This indicator also measures the extent to which expenses are covered by revenues, by comparing the underlying surplus (or deficit) to total revenue. Again, the benchmark was comfortably achieved in the current period.

(c) Net financial liabilities		Benchmark	2013/14 \$'000	2012/13 \$'000
	Cash and Cash Equivalents		33,108	30,539
<i>plus</i>	Current Receivables		5,217	5,041
<i>less</i>	Total Liabilities		(49,403)	(55,050)
<i>equals</i>	Net Financial Liabilities	> (\$110M)	(11,078)	(19,470)

This indicator measures Council's net indebtedness (the extent to which Council's liabilities could be met if all liabilities fell due at once). The above results are well within the benchmark range, and improving.

(d) Net financial liabilities ratio		Benchmark	2013/14 \$'000	2012/13 \$'000
	Net Financial Liabilities		(11,078)	(19,470)
<i>divided by</i>	Underlying Revenue		112,767	106,588
<i>equals</i>	Underlying Surplus ratio	> -100%	-9.8%	-18.3%

This indicator also measures Council's net indebtedness by comparing net financial liabilities to total revenue. Again, results are well within the benchmark range, and improving.

(e) Asset sustainability ratio		Benchmark	2013/14 \$'000	2012/13 \$'000
	Asset renewal capital expenditure		21,156	18,715
<i>divided by</i>	Depreciation expense		17,877	16,871
<i>equals</i>	Asset sustainability ratio	100%	118.3%	110.9%

This indicator measures the extent to which assets are being renewed as they wear out. For a relatively young asset portfolio the benchmark may be quite low, whereas for an older asset portfolio the benchmark may be greater than 100%. The above results indicate that Council is sufficiently reinvesting in its assets.

Notes to and forming part of the Financial Statements

(f) Asset consumption ratio		Benchmark	2013/14 \$'000	2012/13 \$'000
	Depreciated Replacement Cost		560,109	604,409
<i>divided by</i>	Current Replacement Cost		1,020,327	997,588
<i>equals</i>	Asset consumption ratio	40% - 80%	54.9%	60.6%

This indicator measures the service potential remaining in Council's existing assets. The reduction in the current period resulted mainly from the revaluation of roads and bridges. Results are still well within the benchmark range, and are expected to remain around the current level.

(g) Asset renewal funding ratio		Benchmark	2013/14 \$'000	2012/13 \$'000
	Planned capital renewals		477,828	519,019
<i>divided by</i>	Required capital renewals		533,964	519,019
<i>equals</i>	Asset renewal funding ratio	90% - 100%	89.5%	100.0%

This indicator measures Council's capacity to fund asset renewal requirements by comparing planned funding for asset renewal (as per Council's Long Term Financial Management Plan) with required funding for asset renewal (as per Council's Asset Management Plans).

The above results indicate that Council is presently planning to fund less than the required level of asset renewal over the next 20 year period. The presently planned funding level is only marginally outside the benchmark range, and is considered reasonable. Asset renewal forecasts are continually being refined, and the funding level continually monitored.

Notes to and forming part of the Financial Statements

49 Fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis: -

Investment in TasWater

Investment Property

Property and infrastructure

- Land
- Buildings
- Roads, Footpaths and Drainage
- Bridges
- Other infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise land as disclosed in note 21. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

(a) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows: -

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council's infrastructure assets, which are of a specialist nature for which there is no active market for identical or similar assets. These assets are valued using a combination of observable and unobservable inputs.

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in TasWater	13	-	-	159,591	159,591
Investment Property	22	-	25,038	-	25,038
Land	25	-	137,426	-	137,426
Buildings	25	-	-	127,918	127,918
Land Improvements	26	-	-	19,407	19,407
Infrastructure Plant	27	-	-	3,279	3,279
Pipes, Drains and Rivulets	28	-	-	137,625	137,625
Roads and Bridges	29	-	-	179,284	179,284
Other Structures	30	-	-	64,680	64,680
Capital Work in Progress	31	-	-	11,515	11,515
Other	32	-	-	709	709
		-	162,464	704,008	866,472
Non-recurring fair value measurements					
Assets held for sale	21	-	2,150	-	2,150
		-	2,150	-	2,150

Notes to and forming part of the Financial Statements

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

(c) Valuation techniques and significant inputs used to derive fair values

Council adopted AASB 13 *Fair Value Measurement* for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

Investment in TasWater and Investment Property

Refer to notes 13 and 22 respectively for details of valuation techniques used to derive fair values.

Land

Fair values for land were determined by the Valuer-General effective 1 July 2009.

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

Buildings

Council derives fair value for buildings based on advice received from qualified independent valuers in the form of: -

- Unit replacement cost (rate / m²) for comparable modern equivalent building types applied to the dimensions of the current asset,
- Where there is a market for selected buildings, market value taking into account any heritage listings, and
- Quantity Surveyor estimates of replacement value of selected buildings which have unique characteristics.

Council has received advice from the following licensed Property Valuers and Quantity Surveyors: -

- Opteon – (Richard Steedman API 40071 and William Reynolds API 40064)
- WT Partnership
- Exsto Management

Based on the values received against the range of buildings and buildings types under Council's control, the lowest value was used in each case to establish fair value.

The level of accumulated depreciation has been established

based on the age of the building in relation to the expected useful life of the structure component of each building. Residual values are not applied to buildings.

Infrastructure assets

All infrastructure assets have been valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

Council distinguishes significant asset types within its asset register for detailed review and consideration by its Financial Asset Information Review Panel. Significant asset types account for more than 80% of the total value of the asset register, and these are aligned with approximately 60 of the 2,000 asset types identified. The remaining non-significant asset types are either indexed or adjusted separately where evidence is available to support alternative levels of adjustment.

The unit rates (labour and materials) and quantities applied to determine the CRC of a significant asset type were based on a "Brownfield" assumption meaning that the CRC was determined as the full cost of replacement with a modern equivalent asset type considering typical site conditions, restrictions and extent of works. Residual values are not applied to infrastructure assets.

The level of accumulated depreciation for infrastructure assets is determined based (as the default) on the age of the asset and the standard life aligned with the corresponding asset type. A program to adjust the default expiry date when the assets are listed for renewal on the current works program is gradually being implemented.

The calculation of depreciated replacement cost (DRC) involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

The methods for calculating CRC are described under individual asset categories below.

Notes to and forming part of the Financial Statements

Roads, Footpaths and Drainage

Council categorises its road infrastructure by an urban hierarchy classification. Roads are managed in segments which generally extend from intersection to intersection. All road segments are then componentised into formation, pavement, sub-pavement and seal, kerb and channel and footpath (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment.

CRC is based on the component dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc. Against each road hierarchy a standard cross-section exists for the modern equivalent asset which details pavement depths, typical widths and other relevant component information to enable pricing, such as typical location and extent of works.

Prices are obtained against the modern equivalent asset specification from both internal and external sources (Adrian Grainger and Julian Hickey – Quantity Surveyors) to determine the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business.

Council has commenced benchmarking unit prices for significant asset types with like service providers as an additional source of information to establish local market expectations to determine the lowest cost.

Bridges

Council does not have a large number of bridges and does not undertake replacement works frequently enough to provide reliable data for estimating actual costs.

A full valuation of bridge assets was undertaken in 2010 using input from independent consultants (Pitt & Sherry), and unit prices have been indexed since that time.

Each bridge structure is aligned with a modern equivalent asset type which defines the replacement structure and associated bridge components. CRC is calculated as the unit price multiplied by the deck area of each existing bridge.

Other infrastructure

A diverse range of asset types comprise “other infrastructure”. Assets are revalued on a cyclic basis with a frequency of between three and five years. Unit rates are reviewed internally with a range of criteria (including recent costs, local knowledge, indexing rates, etc) used as the basis for updating. The CRC for these assets is then calculated as the unit rate multiplied by the asset quantity.

Other infrastructure is not deemed to be significant in terms of Council’s Statement of Financial Position.

Notes to and forming part of the Financial Statements

(d) Unobservable inputs and sensitivities

Asset / Liability category	Carrying amount (at fair value)	Key unobservable inputs	Input value	Description of how changes in inputs will affect the fair value
Car Parks	\$64.895 million	Useful life	150 years	The higher the useful life, the higher the fair value
Car Parks	\$64.895 million	Unit price per car space	\$28,800	The higher the unit price, the higher the fair value
Concrete kerb and channel	\$39.370 million	Useful life	75 years	The higher the useful life, the higher the fair value
Concrete kerb and channel	\$39.370 million	Unit price per metre	\$140.54	The higher the unit price, the higher the fair value
Retaining wall - 2 metres high	\$22.647 million	Useful life	100 years	The higher the useful life, the higher the fair value
Retaining wall - 2 metres high	\$22.647 million	Unit price per square metre	\$2,330.91	The higher the unit price, the higher the fair value
Aquatic Centre	\$21.102 million	Useful life	50 years	The higher the useful life, the higher the fair value
Aquatic Centre	\$21.102 million	Unit price per square metre	\$4,417.50	The higher the unit price, the higher the fair value
Hotmix footpaths	\$16.048 million	Useful life	35 years	The higher the useful life, the higher the fair value
Hotmix footpaths	\$16.048 million	Unit price per square metre	\$73.80	The higher the unit price, the higher the fair value
300mm road formation	\$15.219 million	Unit price per square metre	\$9.45	The higher the unit price, the higher the fair value
Office buildings	\$12.527 million	Useful life	150 years	The higher the useful life, the higher the fair value
Office buildings	\$12.527 million	Unit price per square metre	\$2,750.00	The higher the unit price, the higher the fair value
Small grandstands	\$10.709 million	Useful life	120 years	The higher the useful life, the higher the fair value
Small grandstands	\$10.709 million	Unit price per seat	\$2,500.00	The higher the unit price, the higher the fair value
Concrete footpaths	\$10.634 million	Useful life	75 years	The higher the useful life, the higher the fair value
Concrete footpaths	\$10.634 million	Unit price per square metre	\$99.18	The higher the unit price, the higher the fair value

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 23 (Property, Plant and Equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of property, plant and equipment, investment in TasWater and investment property (recurring fair value measurements) is set out in notes 1(k), 13 and 1(i) respectively.

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Notes to and forming part of the Financial Statements

(g) Assets and liabilities not measured at fair value but for which fair value is disclosed

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes (refer note 19).

Council loans are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of loans disclosed in note 19 is provided by each lender (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

50 Significant Business Activities

Pursuant to section 84(2)(da) of the *Local Government Act 1993*, Council identified 'Water Supply' and 'Sewerage' as significant business activities. As a result of statewide water and sewerage reforms taking effect on 1 July 2009, Council ceased providing these services on that date.

Council has also identified Off-street Parking, On-street Parking, The Hobart Aquatic Centre (THAC) and the Tasmanian Travel and Information Centre (TTIC) as commercial-like undertakings. Details of each of these are set out below.

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

Off-street parking

	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Revenues			
User Fees and Charges	7,173	5,849	5,304
Rental Income	396	-	-
	7,569	5,849	5,304
Expenses			
Employee Costs	(821)	(946)	(732)
Energy Costs	(258)	(211)	(251)
Materials and Contracts	(2,527)	(1,239)	(1,086)
Depreciation	(792)	(844)	(633)
Bad debts	(3)	-	(3)
Land Tax	(240)	(244)	(246)
Engineering and Administrative Overheads	(813)	(813)	(813)
Other	(6)	-	-
	(5,460)	(4,297)	(3,764)
Operating Profit / (Loss)	2,109	1,552	1,540
Competitive Neutrality Costs			
Opportunity Cost of Capital	(5,077)	(5,077)	(5,661)
Income Tax	(730)	(558)	(370)
Council Rates	(324)	(307)	(307)
	(6,131)	(5,942)	(6,338)

Notes to and forming part of the Financial Statements

On-Street Parking

	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Revenues			
User Fees and Charges	5,002	5,072	5,122
Fines	5,888	6,120	6,137
	10,890	11,192	11,259
Expenses			
Employee Costs	(3,308)	(3,640)	(3,546)
Materials and Contracts	(1,076)	(1,093)	(1,027)
Depreciation	(198)	(206)	(194)
Bad debts	(200)	(600)	(609)
Engineering and Administrative Overheads	(703)	(720)	(703)
Other	(7)		(38)
	(5,492)	(6,259)	(6,117)
Operating Profit / (Loss)	5,398	4,933	5,142
Competitive Neutrality Costs			
Opportunity Cost of Capital	(62)	(62)	(65)
Income Tax	(1,619)	(1,480)	(1,543)
	(1,681)	(1,542)	(1,608)

The Hobart Aquatic Centre

	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Revenues			
User Fees and Charges	4,479	4,678	4,233
Rental Income	18	18	18
Other Income	277	-	257
	4,774	4,696	4,508
Expenses			
Employee Costs	(2,849)	(2,818)	(2,694)
Energy Costs	(657)	(625)	(670)
Materials and Contracts	(1,435)	(1,533)	(1,518)
Insurance	(35)	-	(35)
Administration	(61)	(61)	(61)
Land Tax	(32)	-	(32)
Other	(21)	-	(22)
	(5,090)	(5,037)	(5,032)
Operating Profit / (Loss) before depreciation	(316)	(341)	(524)
Depreciation	(856)	(882)	(828)
Operating Profit / (Loss)	(1,172)	(1,223)	(1,352)
Competitive Neutrality Costs			
Opportunity Cost of Capital	(1,893)	(1,893)	(2,146)
Council Rates	(63)	(63)	(60)
	(1,956)	(1,956)	(2,206)

Notes to and forming part of the Financial Statements

Tasmanian Travel and Information Centre

	2013/14 ACTUAL \$'000	2013/14 BUDGET \$'000	2012/13 ACTUAL \$'000
Revenues			
User Fees and Charges	712	793	724
Grants and Donations	150	150	150
Other Income	44	35	39
	906	978	913
Expenses			
Employee Costs	(734)	(744)	(833)
Materials and Contracts	(201)	(234)	(267)
Depreciation	(2)	(2)	(3)
	(937)	(980)	(1,103)
Operating Profit / (Loss)	(31)	(2)	(190)
Competitive Neutrality Costs			
Opportunity Cost of Capital	(2)	(2)	(2)
	(2)	(2)	(2)

HOBART CITY COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

CERTIFICATION BY GENERAL MANAGER

In my opinion :

1. The Complete Set of Financial Statements, consisting of a Statement of Financial Position, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flows, and notes to the financial statements numbered 1 to 50, fairly represent the financial position of the Hobart City Council as at 30 June 2014 and the results of its operations and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including Australian Interpretations) and,
2. The Financial Statements have been prepared in accordance with the requirements of Section 84 of the *Local Government Act 1993*.

Signed at Hobart this fourteenth day of August 2014.



(Nick Heath)

General Manager

Independent Auditor's Report

To the Aldermen on Hobart City Council

Financial Report for the Year Ended 30 June 2014

Report on the Financial Report

I have audited the accompanying financial report of Hobart City Council (Council), which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those

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risk assessments, I considered internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

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

Tasmanian Audit Office



H M Blake
Auditor-General

Hobart
23 September 2014

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Hobart Town Hall, Macquarie Street
Hobart Tasmania 7000 Australia

t (03) 6238 2711 **e** hcc@hobartcity.com.au
f (03) 6238 2186 **w** hobartcity.com.au