

November 2018

ANNUAL REPORT

2017–18



City of **HOBART**



Photo Acknowledgments

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VISION FOR THE CITY OF HOBART

IN 2025 HOBART WILL BE A CITY THAT:

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

OUR MISSION IS TO ENSURE GOOD GOVERNANCE OF OUR CAPITAL CITY

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 focused 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.



Dear
Hobart is the only place in the world where you could
go to near by mountains, nearby beaches / sea and etc
capital city of Tasmania it's very friendly and quiet
it's really nice here.



PART I ABOUT THE COUNCIL



LORD MAYOR'S MESSAGE

On behalf of the Aldermen and the City of Hobart, it gives me great pleasure to report on the achievements of the Council in 2017–18.

The Council turned over in excess of \$138 million. We invested \$12.8 million in new assets, \$30.3 million in replacement assets and recorded an underlying surplus of \$3.7 million. New borrowings of \$10 million were taken out to assist with capital works project delivery, and \$1.48 million in existing debt was repaid.

To fund the increased cost of delivering services to meet community expectations, the Council approved a rate increase of 3.25 per cent.

We continued our journey of *Transforming Hobart* into a more dynamic and livable city that people are proud to call home, visit and work in.

We delivered on year two of a ten-year, \$300 million capital works program designed to build and improve the city's roads, parks and playgrounds, suburban shopping precincts, leisure facilities, community buildings and other public infrastructure.

During the past year, we have commenced or completed some significant projects, all designed to improve our public realm.

Works commenced on the Augusta Road shopping village in Lenah Valley to improve the quality of the streetscape and pedestrian amenity, and to provide a vibrant, accessible and attractive social space for the community.

The upgrade is due for completion in late 2018 and will result in a wider footpath on the south side of Augusta Road, new paving, new street lighting, improved pedestrian crossing points, new seats, public art, bike racks and an uphill bike lane.

An important aspect of this project has been involving the traders and local community who engaged so well and wanted to be part of delivering improvements to their local area.

Work commenced on the construction of a pedestrian bridge spanning the Tasman Highway — The Bridge of Remembrance.

Once completed, the bridge spanning nearly 200 metres across the Tasman Highway will be an entry marker to our city. It will reconnect the Cenotaph to Soldiers Memorial Avenue and will provide a much needed, safe and all-abilities pedestrian link from Hobart's key tourist precinct to a major city park — the 230 hectares of Domain parkland.

We have commenced a new, all-ability accessible, well-lit and safe bicycle and pedestrian bridge over the Brooker Avenue, linking the city centre from Bathurst Street to the Queens Domain sporting and recreation facilities, as well as to the Glebe residential area.

A new dog park was developed in Lenah Valley as part of the John Turnbull Park, providing a state-of-the-art park for people and their pets. With its mulched agility area, a sandpit, a gravelled area and a shaded area for hot summer days, it is proving hugely popular with the greater Hobart community.

Work also commenced on a suite of projects in the Kemp Street area to provide contemporary, better-quality public facilities, an improved shared-use public street space, improve safety for pedestrians, and to visually enhance the streetscape. Some of the works included new public toilet facilities, a large parenting room, a new pedestrian access from Argyle Street to the car park lift and stair lobby, and the replacement of garbage skips with a high-tech underground compaction system.

Our capital works program also delivers improvements across the whole municipal area to ensure a well-presented, clean and safe city. Our ongoing maintenance program of city streets, resurfacing roads and footpaths continued, as well as the commitment to refurbishing our entire public toilet network.

During the year under review, the Council embarked on the most extensive community engagement process that it has ever undertaken — a community vision for Hobart. The project had more than 1100 contributions through in-depth interviews, a City Forum, surveys, pop-ups, stakeholder workshops and a community panel.

The completed vision — Hobart: A community vision for our island capital will be brought to life over the coming 12 months following a refresh of the Council's ten-year strategic plan, with the community vision framing what the community wants for the city and the strategic plan setting out how the Council will respond to those aspirations.

The Council strives to place community engagement at the core of every project. The Aldermen are committed to understanding the views, needs, issues and aspirations of the community and balance these with budgetary and legislative constraints in order to make informed decisions.

To that end, during this last year, we reviewed our community engagement framework to ensure that our engagement activities are inclusive and accessible to all members of the community, and feedback from the community is listened to, respected and taken into consideration.

We continued to focus our efforts on delivering services and programs expected by people who live, study, work, play and visit our city.

Our role in encouraging community and cultural development throughout Hobart continued with specific programs designed for young people, older people, children and families, people with a disability and our culturally and linguistically diverse people.

During the year, we continued our very active program of ensuring our assets are well-maintained, including our 144 parks, gardens and open space areas, 26 sporting grounds, more than 4500 hectares of bushland reserves and our extensive network of roads, footpaths and bridges.

We continue to lead the state with our waste and recycling programs and services. More than 1.5 million bin lifts were completed to provide waste, recycling and green waste collection services to Hobart. We diverted 41 per cent of waste received at McRobies Gully tip from landfill, diverted 3000 tonnes of green waste from landfill, and processed 8000 tonnes of green waste into mulch and compost.

The Council is very proud of its reputation as a sustainable city through its work on resilience to climate change, supporting energy efficiency and reducing carbon emissions.

During the year, we continued to roll out energy efficiency initiatives, including more solar panels on the Doone Kennedy Hobart Aquatic Centre and across several city-owned buildings. We upgraded lighting to LED in the Trafalgar Car Park and the cardinal lights in Mawson Place.

Several other projects commenced in the year under review include a project to ban single-use plastic takeaway food packing, as well as a review of the Council's Climate Change Strategy.

As part of a review of the Council's Investment and Borrowing Policy and after a phase-in period, the Council has committed to completely divesting its investments from financial institutions that fund the fossil fuel industry.

2017 saw the first year of community Christmas carols events held throughout the municipal area. The Council approved grants totalling nearly \$50 000 to a range of community groups to hold Christmas carols events.

We wanted to support community-run Christmas carols and provide community groups the opportunity to deliver a community-style event in their local area. All events were very successful with people coming out in force to support the strong tradition of families coming together with the community to enjoy a most-loved Christmas tradition.

A new signature Christmas tree was installed on the waterfront in Mawson Place and the community was invited to a 'Light up the Tree' event which is hoped will become a new City of Hobart tradition.

The 2017 Taste of Tasmania saw a revitalised festival with a new Festival Director at the helm. Visitors to the Taste were treated to a revamped layout, an expanded entertainment program, 78 stalls with representation from right around the state, including 21 new stalls. We now look forward to the 30th anniversary of the Taste in 2018.

From 17 different grant programs across the categories of Urban Sustainability, Waste Management, Creative Hobart, Community, Events, Venue Support, to Major City Events and Marketing we provided \$1.14 million in 2017–18 to support the local community.

After an extensive period of community engagement, the Council developed a

comprehensive draft Transport Strategy to address Hobart's current and future transport needs.

The culmination of 18 months' work, the draft Transport Strategy outlines the areas of focus that the Council must develop to achieve integrated and sustainable transport solutions, to support growth in the city's population and the economy, while holding on to what makes Hobart special and unique.

The draft strategy is out for a final round of community feedback before coming back before the Council for approval later in the year.

We continue discussions with the Tasmanian and Australian governments on a 'City Deal' for Hobart. In January, the Prime Minister and the Premier signed a 'Heads of Agreement' document designed to accelerate a City Deal of Hobart. The Heads of Agreement outlines the priority areas that will be developed in preparation for the final City Deal.

A Hobart City Deal will mean that significant benefits will flow to the cities of greater Hobart and the southern region. It will also provide the focus needed to ensure that the Australian, Tasmanian and local governments are all working together to ensure the greater Hobart area benefits from the city's transition. The Council looks forward to working with both levels of government to advance a city deal for Hobart.

Late in the year under review, the city experienced significant disruption after 236 mm or six months of Hobart's average annual rainfall fell in under 24 hours on kunanyi/ Mt Wellington. It was an unprecedented weather event that resulted in the significant damage to the city's parks, bushland reserves and sports grounds.

Flooding occurred in all areas of Hobart and surrounding suburbs. The response to the event was overwhelming. Tasmania Police, SES crews and our City of Hobart team, worked long hours to ensure the absolute safety of the community. The clean-up and recovery has been an enormous but successful community effort. Thank you and well done to all involved.

In closing, I wish to recognise the service of former Lord Mayor, Alderman Sue Hickey. During Ms Hickey's time on Council, three years as an Alderman and more than three years as Lord Mayor, she served the city with distinction.

I would also like to thank my aldermanic colleagues and commend the General Manager, Executive Leadership Team and City of Hobart staff for their collective dedication, professionalism and enthusiasm over the past 12 months.



Alderman Ron Christie
LORD MAYOR



GENERAL MANAGER'S MESSAGE

It gives me great pleasure to highlight the Council's achievements for the past 12 months.

What is clear from this Annual Report is the passion that our community has for Hobart and its environment, culture, diversity and way of life; it's a city which offers opportunities and an enviable lifestyle.

Every year I continue to be amazed at the breadth and quality of services which the City of Hobart provides to its community. 2017–18 proved to be another busy and productive year with this report demonstrating our achievements and accounting for our performance during the year.

The City continues with its largest, furthest-reaching project to be delivered in many decades — Project Phoenix — which will see the implementation of a series of systems that will meet the expectations of our customers and support our staff in the work they perform every day. While Project Phoenix is implementing a series of systems, we have used this opportunity to review business processes — the way we work, the forms we use, the approvals and workflows we follow — which has resulted in a program of work that puts our customers at the centre of everything we do.

As part of a staged approach, different elements of Project Phoenix have been implemented. A new upgraded website went live in July 2017 with a new look and feel to make it more accessible, understandable and contemporary. In June 2018, a new employee self-service product was introduced, which allows staff to access payroll information in one easily accessible place. 2018–19 will see the implementation of other key business systems, including core financials and property and rating.

Our Customer Service Charter was recently reviewed with internal and external comment sought during November and December 2017. The Charter documents the standards our customers can expect when doing business with the City, and provides clarity around service delivery both for the City's customers and employees.

A review of the City's Climate Change Strategy commenced in late 2017 with the City recognising that it has a key role in working with communities to prepare for and manage climate change impacts. The City continues to be a leader on climate action and maintains its commitment to see the capital city evolve into a strong, vibrant, resilient and sustainable city.

The City of Hobart, along with other southern Tasmanian councils, teamed up with Sustainable Living Tasmania to create the Home Energy Bulk Buy program for the purchase of energy-efficient heat pumps, hot water services, insulation, LED lighting, solar panels and other products. Interest in the program was high, with targets of savings in energy, greenhouse gas emissions and running costs comfortably exceeded.

The City's administration is also doing its bit for the environment with its paper consumption reducing by around 15 per cent since January 2016. The reduction can be primarily attributed to the introduction of electronic devices for distribution of information for elected members, senior management and some operational staff.

In December 2017, the City installed its biggest Christmas decorations program with new elements on the Hobart waterfront in addition to the city centre. New items included a children's Christmas story on the Hobart Council Centre windows, a 14-metre artificial Christmas tree in Mawson Place and a cluster of five live trees in the Elizabeth Mall. The new items are in addition to the traditional tree in Wellington Court, and decorations on the Town Hall, in Salamanca Square, Collins Court and city centre streets.

The City's Executive Leadership Team is committed to promoting a positive working environment with each team member committing to walk our talk, build trust, demonstrate integrity and strive to be leaders that others want to follow. A Leadership Charter has been developed to guide actions in order to pursue results and lead by example.

We placed a strong emphasis on the work health and safety of our employees, with an updated Work Health and Safety Policy being developed, which better reflects the shared responsibility for safety in the workplace as stated in the *Workplace Health and Safety Act 2012*. The policy reflects that safety is everybody's responsibility and that we all need to work collectively in identifying and eliminating hazards in the workplace.

We continued to recognise, promote and support good health and wellbeing, acknowledging that looking after our employees' mental health is an essential part of creating a supportive, safe and healthy workplace. Training and support services were provided to staff to help reduce the risk of negative mental health outcomes.

In August, the Council launched its Workplace Travel Action Plan. The Action Plan contains a clear and simple series of recommendations which demonstrate the leadership shown by the City of Hobart in this area, as well as supporting our vision for growth, inclusivity, accessibility and sustainability.

We recently reviewed our Risk and Resilience Register. The City of Hobart operates in a demanding natural, social and business environment with a diverse and complex range of potential risks; our register helps mitigate potential risks and remain dynamic and adaptive to the local government environment.

The City commenced a review of its Public Spaces, Infrastructure, Car Parks, Environmental Health and Waste Management by-laws during 2017–18. Local government by-laws regulate a range of areas of council activity not covered by legislation. They provide the General Manager and authorised officers with clear guidance in exercising their regulatory responsibilities. They ensure protections for the City's assets, as well as providing an enabling environment for the community to safely engage in a diverse range of activities.

In May, the City experienced a weather event which caused significant damage to City of Hobart assets. The effects from this event continue to be felt. The commitment and contribution by staff across the whole organisation in both responding to the event and working with the community in the recovery phase has been exemplary and demonstrated the professional approach and attitude of City of Hobart staff.

In closing, I wish to thank all staff for their ongoing, outstanding service to the City and its community throughout 2017–18. I am grateful to the Aldermen for their ongoing dedication to the people of Hobart, and for their continuing commitment, energy and leadership of the Council over the last year.



N D Heath
GENERAL MANAGER

COUNCIL IN FOCUS

HISTORY OF THE COUNCIL

The 1850s saw the establishment of municipal administration in Tasmania in the form of general purpose locally-elected institutions.

Municipal government was established by the *Hobart Town and Launceston Municipal Council Act 1852*. During 1852, 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 City Council, including its past Aldermen, can be sourced from the City of Hobart's historical reference: *Growing with Strength—a History of the Hobart City Council 1846–2000*.

In 2016, the City of Hobart celebrated the 150th anniversary of the completion of the Hobart Town Hall. A commemorative history was commissioned for the anniversary: *Municipal Magnificence: The Hobart Town Hall 1866–2016*.

COUNCIL AND COMMITTEE MEETINGS

The Council meets twice a month on Mondays, commencing at 5 pm in the Council Chamber at the Hobart Town Hall (except for January when there is only one meeting).

To help the Council deal with the range and volume of business, six regular specialist committees consider matters before they go to the full Council.

Council and committee meetings are open to the public who may sit in the public gallery in person or listen online through the City of Hobart website.

COUNCIL REPRESENTATIVES

There are 12 Aldermen who represent the residents and businesses of Hobart.

They have specific powers, responsibilities and duties as set out in the *Local Government Act 1993*.

RISK AND AUDIT PANEL

The Risk and Audit Panel consists of an independent chairman, two aldermanic representatives and two independent members, who collectively have a broad range of skills and experience relevant to the operations of the City of Hobart, in line with the *Local Government Act 1993* and *Local Government (Audit Panels) Order 2014*.

The membership of the panel for 2017–18 included David Hudson as the independent chairman, Joss Fenton and Alison Flakemore as the independent panel members, and Aldermen Jeff Briscoe and Damon Thomas as the Council's nominees.

The panel's objective is to provide assurance and advice to the Council about the assessment, management and review of risk across all City activities and services. The panel undertakes reviews of performance in areas including:

- the City's financial system, financial governance arrangements and financial management arrangements
- strategic planning arrangements, including strategic and annual plans, long-term financial management plan and asset management plans
- policies, systems and controls the City has in place to safeguard its long-term future.

COUNCIL ALDERMEN



LORD MAYOR

(from 22 March 2018)

ALDERMAN RON CHRISTIE

Committee Membership

Economic Development and Communications Committee (Chairman) until 24 July 2018
 City Infrastructure Committee
 Finance Committee until 22 January 2018
 Governance Committee until 30 January 2018
 Finance and Governance Committee from 14 February 2018

Representations

- Cycling South Inc. from 22 March 2018
- Hobart City Council–Launceston City Council Memorandum of Understanding Joint Working Party from 22 March 2018
- Hobart Emergency Management Committee (Municipal Chairman) from 22 March 2018
- Lunar New Year Celebrations Working Group (Chairman) from 18 September 2017
- Mayors for Peace from 22 March 2018
- North Hobart to the Waterfront Transit Links Working Group
- Salamanca Market Stallholders Association meetings with Council (Chairman)

- Sister Cities Australia from 22 March 2018
- Southern Tasmanian Councils Authority (Think South) (ex-officio from 22 March 2018)
- Tasmanian Water and Sewerage Corporation (Owner's Representative) from 22 March 2018
- Taste of Tasmania Advisory Group (Chairman) from 22 March 2018



DEPUTY LORD MAYOR

(from 22 March 2018)

ALDERMAN DR PETER SEXTON

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

Committee Membership

Finance Committee until 22 January 2018
 Finance and Governance Committee from 14 February 2018
 Parks and Recreation Committee

Representations

- Sandy Bay Residents and Traders Traffic Committee



ALDERMAN MARTI ZUCCO

Committee Membership

Economic Development and
Communications Committee

Community, Culture and Events
Committee

Finance Committee until 22
January 2018

Finance and Governance
Committee from 14 February 2018

Representations

- Hobart City Council–Launceston
City Council Memorandum of
Understanding Joint Working
Party
- Sister Cities Australia (proxy)



ALDERMAN JEFF BRISCOE

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

Committee Membership

City Planning Committee
(Chairman)

Parks and Recreation Committee

Risk and Audit Panel

Heritage Account Special
Committee

Representations

- Battery Point Advisory
Committee (Lord Mayor's
nominee and Chairman)
- Battery Point Foreshore Access-
way Working Group (Chairman)
- Hobart Bicycle Advisory
Committee
- Superannuation Policy Group
- West Hobart Residents Traffic
Committee



ALDERMAN DR EVA RUZICKA

BA (Hons) Public Policy, PhD
Government

Committee Membership

Governance Committee
(Chairman) until 30 January 2018

Finance and Governance
Committee (Committee Co-
Chairman from 14 February 2018)

City Planning Committee

Economic Development and
Communications Committee

Finance Committee until
22 January 2018

Parks and Recreation Committee

Heritage Account Special
Committee (Chairman)

Representations

- Coming Out Proud—Greater
Hobart Community Liaison
Committee (proxy)
- Friends of Soldiers Memorial
Avenue (proxy)
- Hobart Cenotaph Reference
Group
- Hobart City Council–Launceston
City Council Memorandum of
Understanding Joint Working
Party
- Maritime Museum of Tasmania
Management Committee
- Queens Domain Advisory
Committee (proxy)

- Southern Tasmanian Councils Authority (Think South) (Lord Mayor's nominee)
- Southern Tasmanian Councils Authority Waste Strategy South Group (proxy)
- Wellington Park Management Trust (deputy member)



ALDERMAN HELEN BURNET

MAICD, Dip App Sc (Podiatry)

Committee Membership

City Infrastructure Committee (Chairman)
City Planning Committee

Representations

- Battery Point Foreshore Accessway Working Group
- City of Hobart Eisteddfod Society Inc. (proxy)
- Cycling South Inc.
- Hobart Bicycle Advisory Committee
- Hobart City Council Access Advisory Committee (Chairman)
- North Hobart to the Waterfront Transit Links Working Group (Chairman)
- Southern Tasmanian Councils Authority (Think South) (Lord Mayor's nominee)
- Southern Tasmanian Councils Authority Waste Strategy South Group
- Tasmanian Response to the Syrian Refugee Crisis Working Group
- Trustees of the Tasmanian Museum and Art Gallery



ALDERMAN PHILIP COCKER

Committee Membership

Economic Development and Communications Committee (Chairman and Committee Member from 24 July 2017)

Community, Culture and Events Committee

Governance Committee until 30 January 2018

Finance and Governance Committee (from 14 February 2018)

Representations

- Battery Point Foreshore Accessway Working Group
- Hobart Bicycle Advisory Committee (Chairman)
- Superannuation Policy Group (Chairman)
- Wellington Park Management Trust



ALDERMAN DAMON THOMAS

BA, LLB, LLM

Committee Membership

Finance Committee (Chairman until 30 January 2018)

Finance and Governance Committee (Committee Co-Chairman from 14 February 2018)

Community, Culture and Events Committee

Economic Development and Communications Committee

Governance Committee until 30 January 2018

Risk and Audit Panel

Representations

- City of Hobart Eisteddfod Society Inc.
- Cycling South Inc.
- Glebe Residents Traffic Committee
- Glenorchy–Hobart City Council Rail Corridor Working Party
- Greater Hobart Reference Group Committee—Destination Southern Tasmania (proxy)
- Hobart City Council–Launceston City Council Memorandum of Understanding Joint Working Party
- Lenah Valley Residents Traffic Committee

- Lunar New Year Celebrations Working Group (Chairman) until 18 September 2017
- Mount Stuart Residents Traffic Committee
- Sandy Bay Residents and Traders Traffic Committee
- Sister Cities Australia (proxy)
- South Hobart Residents Traffic Committee
- Taste of Tasmania Advisory Group (proxy)
- Wellington Park Management Trust
- West Hobart Residents Traffic Committee



ALDERMAN ANNA REYNOLDS

BA, MM

Committee Membership

Parks and Recreation Committee (Chairman)

City Infrastructure Committee Governance Committee until 30 January 2018

Finance and Governance Committee from 14 February 2018

Representations

- Battery Point Foreshore Accessway Working Group
- Friends of Soldiers Memorial Avenue
- Glenorchy–Hobart City Council Rail Corridor Working Party
- Hobart Bicycle Advisory Committee
- Hobart Cenotaph Reference Group (proxy)
- Hobart Emergency Management Committee (proxy)
- Lenah Valley Residents Traffic Committee
- Mount Stuart Residents Traffic Committee
- Queens Domain Advisory Committee
- Sandy Bay Residents and Traders Traffic Committee
- South Hobart Residents Traffic Committee
- Tasmanian Polar Network
- West Hobart Residents Traffic Committee



**ALDERMAN
TANYA DENISON**

BEng (Hons), GAICD

Committee Membership

City Infrastructure Committee
City Planning Committee
Economic Development and
Communications Committee

Representations

- Sandy Bay Residents and Traders Traffic Committee



**ALDERMAN
BILL HARVEY**

BA, GDipEd, GDipEnvMgt, GAICD

Committee Membership

Community, Culture and Events
Committee (Committee Chairman)
City Infrastructure Committee
Parks and Recreation Committee
Heritage Account Special
Committee

Representations

- Climate Action Roundtable
- Coming Out Proud Greater Hobart Community Liaison Committee
- Cycling South Inc.
- Hobart Bicycle Advisory Committee
- Hobart City Council–Launceston City Council Memorandum of Understanding Joint Working Party
- Tasmania Polar Network (proxy)
- Wellington Park Management Trust (deputy member)



LORD MAYOR

(until 22 March 2018)

**ALDERMAN
SUE HICKEY**

MBA, FAICD, FAMI CPM, GradCert
Digital Marketing, Dame of the Order
of Saint John of Jerusalem

Committee Membership

Council (Chairman) until
22 March 2018

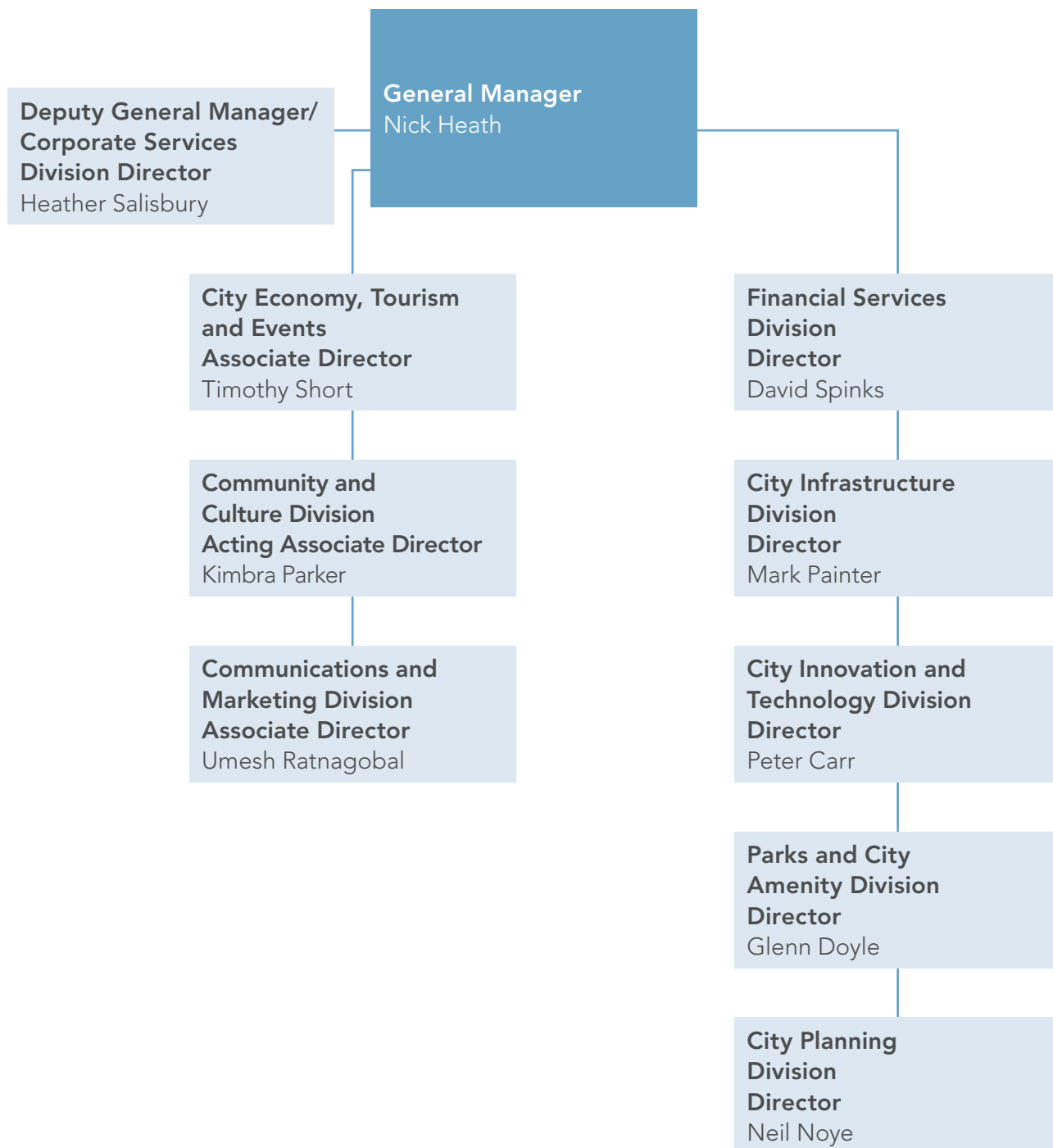
*Representations -
until 22 March 2018*

- Battery Point Advisory Committee (ex-officio)
- Cycling South Inc.
- Hobart City Council–Launceston City Council Memorandum of Understanding Joint Working Party
- Hobart Emergency Management Committee (Municipal Chairman)
- Mayors for Peace
- Sister Cities Australia
- Southern Tasmanian Councils Authority (Think South) (ex-officio and Chairman)
- Tasmanian Water and Sewerage Corporation (Owner’s Representative)
- Taste of Tasmania Advisory 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.





VOLUNTEERING

The City of Hobart acknowledges the generous contribution of City volunteers to the community. Their hard work and dedication across a diversity of programs helps create a better life for many people, foster positive community spirit and promote our state's beauty and liveability.

It has been an active and vibrant year with 740 volunteers who dedicated a staggering 18 220 hours to delivering the City's six volunteer programs during 2017–18:

Still Gardening Program has two streams—peer education and 'garden mates'—who support older people with gardening at their homes.

Tasmanian Travel and Information Centre engages volunteers to meet and greet conference delegates and tourists at Macquarie 2 Cruise Ship Terminal and Hobart International Airport.

Mathers House provides a range of volunteering opportunities—cooking, helping to lead and teach activities and welcoming guests to the centre—to support positive ageing.

Bushcare Program facilitates and supports a number of groups of volunteers undertaking environmental weeding, planting, litter control, maintaining and developing tracks, and educating the community.

International Student Ambassadors Program provides the opportunity for its volunteers to be involved in a range of community events, including citizenship ceremonies, Harmony Day and sister city events, and other community activities.

Youth Arts and Recreation Centre volunteers assist with youth participation and development programs and activities for people aged between 12 and 25.

The City of Hobart supports these volunteer programs through its Volunteer Management

System, which was developed in line with the National Standards for Volunteer Involvement.

In addition to ongoing volunteering, there were a number of one-off events that provided a 'spontaneous' volunteering opportunity.

The Bushcare Program had two community clean-up days following the extreme weather event in early May. More than 240 volunteers gathered on the banks of the Hobart Rivulet and collected more than half a tonne of rubbish. At a second clean-up day, the Cornelian Bay Bushcare Group, together with 30 additional volunteers, collected over 50 kg of rubbish, recycling and reuse items at Cornelian Bay.

Other highlights included the Still Gardening Program celebrating its 10th anniversary and securing funding from the commonwealth government to continue the program until 2020.

In partnership with Hobart Airport, the Tasmanian Travel and Information Centre increased the number of rostered volunteer days from three to four to assist with growing passenger visitation to the state.

In May, Terry Mather—one of the Tasmanian Travel and Information Centre dedicated volunteers—won the Destination Southern Tasmania Starlight Community Award, which recognises individuals who go above and beyond in supporting local community tourism in a voluntary capacity.

Mathers House volunteers served 5 500 meals in their cafe over the course of the year.

Youth Arts and Recreation Centre's Youth Advisory Squad organised a National Youth Week event in collaboration with the Glenorchy and Clarence City councils' youth advisory committees.





PART II REPORTING PERFORMANCE



PLANNING AND REPORTING FRAMEWORK

The City of Hobart’s planning activities incorporate the requirements of the *Local Government Act 1993* and are guided by the views and aspirations of the community, which are represented in the clearly defined vision: *Hobart 2025—A Strategic Framework*.

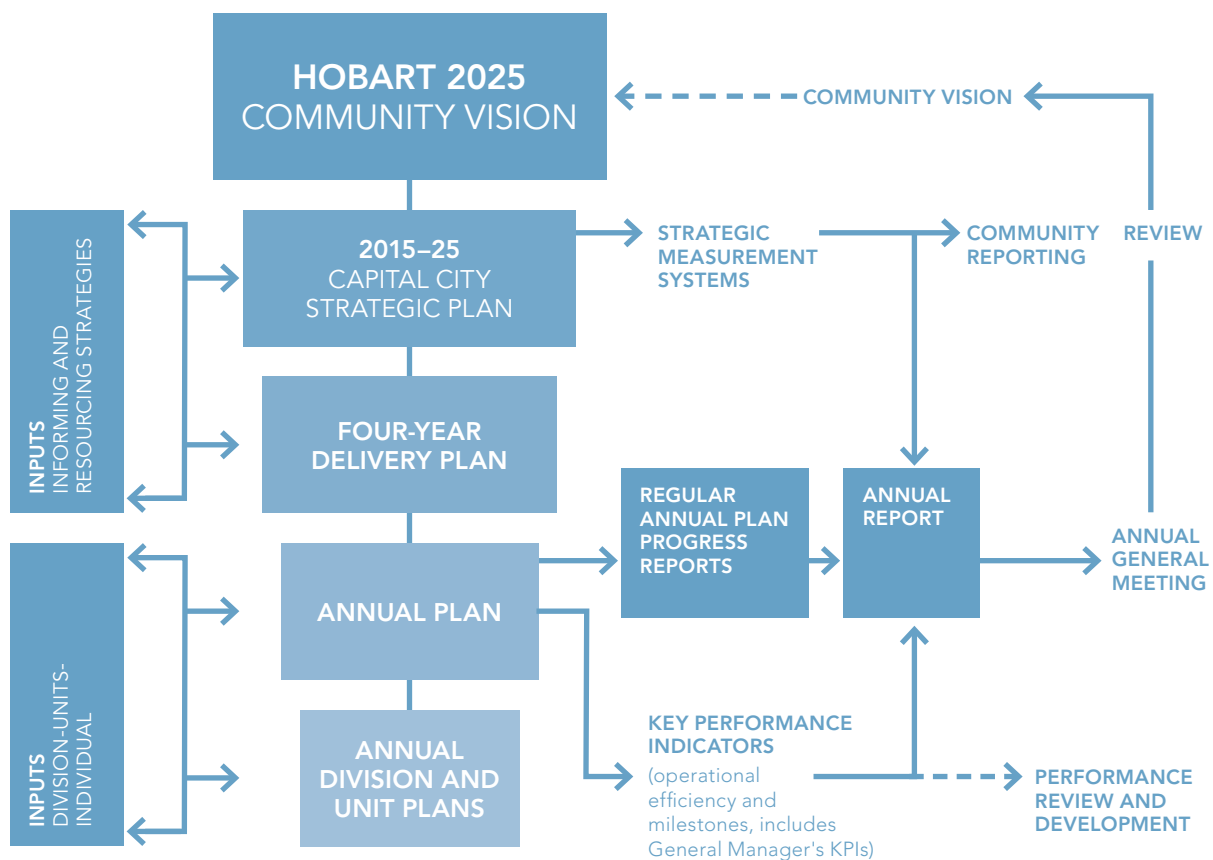
The vision belongs to the community. In meeting that vision the City develops a ten-year strategic plan, as required by the *Local Government Act 1993*. The current strategic plan covers the 2015–25 period and is available from the City of Hobart’s website.

Planning to achieve the strategic outcomes, contained in the strategic plan, and reporting of progress is undertaken within the City of Hobart’s Annual Plan and regular reporting

to the Council and the community through the Annual Report. The Annual Plan sets out strategic goals and objectives for all function areas, as identified in the strategic plan, and outlines the operational priorities and major actions for the year.

The Annual Plan is endorsed by the Council each year along with the budget estimates. Annual reporting is a critical process in closing the loop and reflecting on the effectiveness of actions in preparation for future plans, actions and strategies.

The City of Hobart’s Annual Report illustrates performance in achieving the objectives stated within the Annual Plan, and is divided into the five goals of the *Capital City Strategic Plan 2015–25*.



HOBART 2025 — A STRATEGIC FRAMEWORK

The vision for Hobart—*Hobart 2025 A Strategic Framework*—and seven 20-year future direction statements were developed through a series of community workshops in 2005.

The seven future direction statements that make up the framework are divided into 21 outcomes. Within each of these outcomes

there are key strategies that underpin the vision and provide the basis for ten-year strategic plans. Performance in achieving the future direction statements, outcomes and key strategies is continually monitored, with results documented in the Annual Report.



| | | | | |
|---|--|---|---|---|
| FD1 – Offers opportunities for all ages and a city for life | 1.1 Opportunities for education, employment and fulfilling careers and retaining our young people | 1.2 Lifestyle that will encourage all ages to see the city as a desirable location and lifelong home | | |
| FD2 – Is recognised for its natural beauty and quality of environment | 2.1 The natural beauty of kunanyi/ Mt Wellington, the River Derwent and surrounds and foreshore locations is highly valued | 2.2 Community connection to the natural environment through the protection of views, vistas, access and linkages is enhanced | 2.3 The physical environment has been conserved in a way that ensures we have a healthy and attractive city | 2.4 Climate change and its potential effect on the natural and built environment and strategies developed |
| FD3 – Is well governed at a regional and community level | 3.1 An integrated local government approach to the planning and development of the wider metropolitan region | 3.2 Partnerships with governments, the private sector and local communities in achieving significant regional, city and community goals | 3.3 A responsive, capable and efficient organisation in ensuring relevant and quality services, facilities and activities are delivered to the Hobart community | |
| FD4 – Achieves good quality development and urban management | 4.1 The city remains unique in its own right, protecting its built heritage and history | 4.2 Quality development with the principles of sustainable cities and the reduction of ecological impacts pursued | 4.3 Access to the waterfront, foreshores, public and open spaces is valued | |
| FD5 – Is highly accessible through efficient transport systems | 5.1 Convenience and accessibility through the greater use of transport alternatives and an effective road and travel network | 5.2 An integrated approach to transport planning within the city and across the wider metropolitan region | | |
| FD6 – Builds strong, safe and healthy communities through diversity, participation and empathy | 6.1 A spirit of community | 6.2 Diversity is valued and there is participation by all in their community | 6.3 A friendly and compassionate society | 6.4 A safe and healthy city |
| FD7 – Is dynamic, vibrant and culturally expressive | 7.1 A destination of choice and a place for business | 7.2 Clever thinking and support for creativity will help build a strong economic foundation | 7.3 Entertainment, arts and cultural activities promote the distinctive character of the city, and lifestyle opportunities and strong communities will ensure a vibrancy and way of life that is Hobart | |

A major initiative within the 2017–18 Annual Plan was to work with Hobart community members and stakeholders to draft a new vision for the City to extend past 2025.

Between September 2017 and June 2018, the City undertook its most comprehensive process to date to facilitate the community developing a new vision for the future of Hobart well beyond 2025.

The final stage of this process was the use of a community panel to deliberate upon the future of Hobart. The resultant vision—Hobart: A community vision for our island capital— will replace Hobart 2025 A Strategic Framework from 2018–19. Progress towards its achievement will be reported upon in future annual reports.

THE CAPITAL CITY STRATEGIC PLAN 2015–25

The journey towards Hobart 2025 through the *Capital City Strategic Plan 2015–25* is represented through the following diagram. Each of the future directions have been brought together to form the following goals for the City.

| | | |
|---|--|--|
| <p>GOAL ONE Economic development, vibrancy and culture</p> | <p>FD1 — Offers opportunities for all ages and a city life.</p> | <p>FD7 — Is dynamic, vibrant and culturally expressive.</p> |
| <p>GOAL TWO Urban management</p> | <p>FD4 — Achieves good quality development and urban management.</p> | <p>FD5 — Is highly accessible through efficient transport systems.</p> |
| <p>GOAL THREE Environment and natural resources</p> | <p>FD2 — Is recognised for its natural beauty and quality of environment.</p> | |
| <p>GOAL FOUR Strong, safe and healthy communities</p> | <p>FD6 — Builds strong and healthy communities through diversity, participation and empathy.</p> | |
| <p>GOAL FIVE Governance</p> | <p>FD3 — Is well-governed at a regional and community level.</p> | |

With the development of the new vision, the ten-year strategic plan will be refreshed and a new performance measurement system introduced. This will be a major action for the 2018–19 and 2019–20 years.

GOAL ONE

ECONOMIC DEVELOPMENT, VIBRANCY AND CULTURE

City growth, vibrancy and culture come when everyone participates in city life.

FD1 — 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.

FD7 — 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.

STRATEGIC OBJECTIVES

- 1.1 Partnerships with government, the education sector and business create city growth.
- 1.2 Strong national and international relationships.
- 1.3 Vibrant city centre and suburban precincts.
- 1.4 An enriched visitor experience.
- 1.5 Cultural and creative activities build community wellbeing and economic viability.

| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Deliver a business grants program. | ✓ |
| Continue to deliver a range of operational improvements at Salamanca Market, including the development of a business plan, communications plan, an entertainment program and a waste management strategy. | ✓ |
| Continue to deliver against the Memorandum of Understanding 2015–18 between the University of Tasmania and the City of Hobart. | ✓ |
| Actively support the University of Tasmania’s business case for the science, technology, engineering and mathematics (STEM) development, through our capacity as a community leader. | ✓ |
| Develop a revised economic development strategy and commence implementation. | ✓ |
| Continue to deliver against the International Relations Action Plan 2016. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✕



| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Host a 20th anniversary reception for the sister city relationship between Hobart and L'Aquila in the Hobart Town Hall. | ✓ |
| Consider the potential of relationships with: <ul style="list-style-type: none"> • Freiberg (Germany) • Portland (Oregon/USA) • Katowice (Poland). | ✓ |
| Deliver the annual opening of the Antarctic season reception for a maximum of 150 attendees, plus ten Institute for Marine and Antarctic Studies students. | ✓ |
| Implement a vehicle identification system at Salamanca Market. | ➤ |
| Deliver the 2017–18 The Taste of Tasmania, subject to Council approval. | ✓ |
| Deliver a range of events, including the Commonwealth Games Queen's Baton Relay, the Christmas Pageant and annual floral shows. | ✓ |
| Provide support for events, festivals and activities that activate Hobart through the Community Development Grants Program. | ✓ |
| Continue to work in partnership with key event organisers to deliver major events and festivals. | ✓ |
| Deliver the Super Sidewalk Saturday event in the city centre. | ✓ |
| Refurbish the existing Elizabeth Mall Information Booth to provide for visitor information and booking services in the city centre, delivered by the Tasmanian Travel and Information Centre. The booth accommodates an increase in demand for visitor services and supports the major retail and hospitality precincts. | ➤ |
| Implement the City Centre Marketing Strategy. | ➤ |
| Assist the tourism industry and local economy through support of the cruise ship industry in Hobart and Tasmania, and through relationships with key stakeholders (TasPorts, Destination Southern Tasmania and Tourism Tasmania). | ✓ |
| Undertake master planning for the Battery Point slipyards site. | ➤ |
| Finalise and implement actions arising from the Civic Square master plan. | ➤ |
| Progress the Local Retail Precincts Plan: <ul style="list-style-type: none"> • Develop detailed designs for the Lenah Valley retail precinct. • Deliver the Lenah Valley retail precinct upgrade. • Undertake community engagement and develop concept plans for the New Town retail precinct. | ➤ |
| Complete the Sandy Bay shopping centre upgrade. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✕

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Finalise and implement an innovative whole-of-council activation framework. | ➤ |
| Implementation of initiatives to ensure streets are cleaned and public toilets are maintained to a high standard. | ✓ |
| Deliver accessibility upgrades at the Hobart Town Hall. | ✓ |
| Install external facade lighting at the Hobart Town Hall. | ✗ |
| Improve the southern gateway visitor experience at Hobart Airport and the MAC 2 cruise terminal. | ✓ |
| Develop a business plan for the Tasmanian Travel and Information Centre. | ➤ |
| Implement the Creative Hobart Strategy. | ✓ |
| Host a curated series of Creative Hobart forums that engage the community and cultural sector. | ✓ |
| Implement actions from the City of Hobart Art Prize review. | ✓ |
| Investigate and implement a broad range of public art projects, in particular complete the installation of the Franklin Square public art project. | ➤ |
| Complete the installation of the digital urban screen at the Elizabeth Street forecourt of the University of Tasmania's Hobart Apartments. | ➤ |
| Develop a public art master plan for Bidendopes Lane. | ➤ |

Performance: Completed ✓, Underway ➤, No Action ✗

GOAL TWO

URBAN MANAGEMENT

City Planning promotes our city's uniqueness, is people-focused and provides connectedness and accessibility.

FD4 — Achieves good quality development and urban management.

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

FD5 — 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.

STRATEGIC OBJECTIVES

- 2.1 A fully accessible and connected city environment.
- 2.2 A people-focused city with well-designed and managed urban and recreation spaces.
- 2.3 City and regional planning ensures quality design, meets community needs, and maintains residential amenity.
- 2.4 Unique heritage assets are protected and celebrated.

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Develop a transport strategy: <ul style="list-style-type: none"> • Undertake community engagement to identify transport issues. • Develop a draft strategy in response to the issues identified. • Undertake community engagement before adopting the transport strategy. • Implement the strategy actions (once adopted). | ➤ |
| Review and create a new parking strategy that encompasses the introduction of the integrated parking system and the central control system for car parks, with links to the transport strategy as appropriate. | ✘ |

Performance: Completed ✓, Underway ➤, No Action ✘

| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Install the integrated parking system. | ➤ |
| Work with the developer of the proposed Hyatt Centric hotel to ensure that public transport services can continue to operate during major construction in the Elizabeth Street bus mall. | ✓ |
| Plan, design and construct the shared path on Castray Esplanade from the Institute for Marine and Antarctic Studies to the Commonwealth Scientific and Industrial Research Organisation. | ✗ |
| Prepare concept design for improved bicycle connections along Collins Street. | ✓ |
| Seek endorsement from the Council for a preferred design for the second stage of the Collins Court revitalisation project, following appropriate stakeholder consultation. Oversee the construction of the approved plan. | ➤ |
| Undertake consultation and progress design on the City to Gardens Way project, as part of the Queens Domain Master Plan 2013–33. | ✓ |
| Construction of the Soldiers Memorial Oval Community Hub, as part of the Queens Domain Master Plan 2013–33. | ➤ |
| Refurbishment of the Tasmanian Cricket Association (TCA) Ground surface. | ✓ |
| Develop a New Town sporting precinct master plan. | ✓ |
| Complete first stage design and commence reconstruction of Carlton Street, New Town. | ✗ |
| Develop a business plan for the City Hall site and undertake stage two of the building works. | ➤ |
| Continue implementation of the Public Toilet Strategy 2015–25. | ✓ |
| Oversee the commencement and completion of the Brooker Avenue shared bridge. | ➤ |
| Oversee the commencement and completion of the Tasman Highway shared bridge. | ➤ |
| Lead on the awareness and understanding of smart cities programs, initiatives, developments and related opportunities for Hobart. | ➤ |
| Continue implementation of the Graffiti Management Plan. | ✓ |
| Work collaboratively with businesses and the community to implement a range of graffiti prevention measures, including the development of urban art walls. | ✓ |

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Prepare a road network plan to provide guidance and direction in the future development of the road and access network. | ➤ |
| Progress implementation of a street tree strategy. | ✓ |
| As part of the Salamanca Place precinct project, develop concept plans for the second stage of the Salamanca pedestrian works. | ✓ |
| Continue the translation of the Hobart Interim Planning Scheme 2015 and the Sullivans Cove Planning Scheme 1997 into the proposed Tasmanian Planning Scheme. | ➤ |
| Complete a review of the Heritage Precincts for translation into the proposed Tasmanian Planning Scheme. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✕

GOAL THREE

ENVIRONMENT AND NATURAL RESOURCES

An ecologically sustainable city maintains its unique character and values our natural resources.

FD2 — Is recognised for its natural beauty and quality of environment.

In 2025 Hobart will be a city that respects the natural beauty of kunanyi/Mt Wellington, the River Derwent, the 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 manner that will ensure a healthy and attractive city.

STRATEGIC OBJECTIVES

- 3.1 Increased resilience to climate change.
- 3.2 Strong environmental stewardship.
- 3.3 A highly valued natural and cultural open space network.
- 3.4 Leadership in environmental performance with the efficient use of natural resources.

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Undertake consultation for a review of the Hobart climate change strategy. | ➤ |
| Develop and implement a Hobart coastal hazards strategy. | ➤ |
| Implement a multi-year works program to improve the City's asset protection zones (fire breaks) network, consistent with the new Tasmania Fire Service Fuel Break Guidelines. | ➤ |
| Undertake year two of the City's fire trail renewal program. | ✓ |
| Complete a stormwater plan for the urban portions of the New Town Rivulet catchment. | ✗ |
| Complete a stormwater plan for the Maypole Rivulet catchment. | ➤ |
| Undertake another stage of vegetation removal and rehabilitation of the banks of the New Town Rivulet. | ✓ |
| Complete the investigation for flood mitigation works associated with the lower reaches of the Maypole Rivulet and New Town Rivulet catchments. | ➤ |
| Complete and implement the audit schedule for the regulation of Level 1 activities, as defined under the <i>Environmental Management and Pollution Control Act 1994</i> , that may cause environmental harm and in respect of which a planning permit is required. | ✓ |

| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Examine the effectiveness of a phase out and subsequent ban on non-compostable single-use food packaging, and consider the findings of the plastic pollution impact statement for the feasible implementation of recommendations. | ✓ |
| Implement the revised Environment Management and Pollution Control (Smoke) Regulations due to be issued in 2017, specifically the regulation of smoke emissions from residential premises. | ✓ |
| Continue implementation of the Waste Management Strategy 2015–30. | ✓ |
| Progress implementation of the Environmental Management Plan for the McRobies Gully landfill. | ➤ |
| Prepare a biodiversity policy that outlines the City’s role and practices in biodiversity management and identifies conservation priorities and gaps in biodiversity data. | ➤ |
| Continue support of the Bushcare program to assist in maintaining and improving the bushland network. | ✓ |
| Progress implementation of the Fern Tree Visitor Node master plan. | ✓ |
| Implement stage two of the Rejuvenating the Great Short Walk project. | ➤ |
| Prepare an energy savings action plan for 2018–20. | ✓ |
| Complete the Hobart Town Hall energy efficiency retrofit. | ➤ |
| Investigate the feasibility of installing an additional 140 kilowatts of solar power on the City’s buildings. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✕

GOAL FOUR

STRONG, SAFE AND HEALTHY COMMUNITIES

Our communities are resilient, safe and enjoy healthy lifestyles.

FD6 — 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.

STRATEGIC OBJECTIVES

- 4.1 Community connectedness and participation realises the cultural and social potential of the community.
- 4.2 City facilities, infrastructure and open spaces support healthy lifestyles.
- 4.3 Build community resilience, public health and safety.
- 4.4 Community diversity is encouraged and celebrated.

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Implement the Social Inclusion Strategy 2017–18 Action Plan in conjunction with the Community Sector Reference Group, including the delivery of a project to support 'social prescribing' to address isolation for older people and investigate the potential for Hobart to become an age-friendly city. | ✓ |
| Implement the 2017–18 action plans for the Equal Access, Positive Ageing, Youth, Multicultural, and Children and Families strategies. | ✓ |
| Deliver the Still Gardening program in accordance with the Department of Social Services funding agreement. | ✓ |
| Partner with the Glenorchy City Council, Clarence City Council and Tascare Society for Children to deliver the Access All Areas event to celebrate the International Day of People with Disability. | ✓ |
| Continue to develop the City's relationship with the Hobart Hurricanes. | ➤ |
| Support the North Melbourne Football Club community engagement program. | ➤ |
| Deliver and support community events, including Children and Families Week, National Youth Week, Harmony Day and Adult Learners' Week. | ✓ |
| Deliver the Community Development Grants Program and explore opportunities to work more closely with recipients. | ✓ |

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Strengthen and develop the Positive Ageing volunteer program. | ✓ |
| Implement the Doone Kennedy Hobart Aquatic Centre refurbishment in accordance with the approved master plan. | ➤ |
| Review and develop a new playground strategy. | ✘ |
| Investigate and implement Creative Hobart residency opportunities using City-owned space as short-term studios. | ➤ |
| Support the Red Cross emergency management plan for vulnerable members of the community when responding to emergency and recovery planning, in particular for aged home care. | ✓ |
| Incorporate 'safety in design' for all City infrastructure projects. | ✓ |
| Undertake a promotional program to raise community awareness of existing smoke-free areas declared under the <i>Public Health Act 1997</i> . | ✓ |
| Support the determination of a consistent statewide approach to the disposal of sharps from non-commercial sources. | ✓ |
| Implement the new Meningococcal W immunisation program for older teenagers in response to an increased number of notifications in Tasmania. | ✓ |
| Implement the revised guidelines for the Control of Legionella to be issued in 2017 under the <i>Public Health Act 1997</i> , specifically the regulation of warm-water systems. | ✘ |
| Implement the revised Recreational Water Quality Guidelines to be issued in 2017 under the <i>Public Health Act 1997</i> , specifically beach and swimming/spa pool monitoring. | ✘ |
| Review and update the Corporate Climate Adaptation Plan 2013–16. | ➤ |
| Deliver a secure taxi rank as part of the Street Teams project in partnership with the Salvation Army and Tasmania Police. | ✓ |
| Develop and implement a community safety strategy. | ➤ |

Performance: Completed ✓, Underway ➤, No Action ✘



GOAL FIVE GOVERNANCE

Leadership provides for informed decision-making for our capital city.

FD3 — 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 with governments, the private sector and local communities in achieving significant regional, city and community goals will be created.

STRATEGIC OBJECTIVES

- 5.1 The organisation is relevant to the community, and provides good governance and transparent decision-making.
- 5.2 Opportunities are embraced and risks are recognised and managed.
- 5.3 Quality services are delivered in the most safe, cost effective and efficient way.
- 5.4 An engaged civic culture where people feel part of decision-making.
- 5.5 Capital city leadership is provided.

| 2017–18 Actions and initiatives | Performance |
|--|-------------|
| Progress the implementation of new integrated business systems throughout the organisation. | ➤ |
| Review the structure and resourcing of the Information and Communication Technology Services unit to support the new business systems environment. | ✓ |
| Build capability to manage integration of business systems to enable more efficient inter-operation with other in-house systems and external systems, including cloud and external agencies. | ✓ |
| Complete the plan for the decommissioning of replaced business systems. | ✓ |
| Undertake a review of proprietary software used to disseminate information to Aldermen. | ➤ |
| Scope the planning and delivery of a new strategic measurement system to track annual and longitudinal performance. | ✗ |
| Update the City's financial model, and prepare a long-term financial management plan for 2019–39. | ✓ |
| Revise the Municipal Rating and Valuation Strategy in accordance with legislative amendments. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✗


| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Implement actions from the City of Hobart Procurement Strategy 2017–19. | ✓ |
| Develop and deliver training and awareness covering all aspects of procurement policy. | ✓ |
| Develop and implement a contract management tool kit and training program for employees. | ✓ |
| Lead discussions about what the federal government’s ‘city deal’ proposal should deliver for Hobart. Communicate this to state and federal governments. | ➤ |
| Review security management processes, skills and resourcing in the Information and Communication Technology Services unit. | ➤ |
| Develop framework for mobile device management. | ➤ |
| Continue implementation of electronic record keeping and information distribution, specifically replacement of hard copy functions files. | ✓ |
| Ongoing digitisation of historical records. | ✓ |
| Develop and implement a training program for project management skills across all six divisions. | ✓ |
| Assess the impact of Transforming Hobart service-driven projects on the long-term financial management plan for asset-related expenditure. | ➤ |
| Implement major actions identified in the Asset Management Strategy. | ➤ |
| Implement the outcomes of the review of the Human Resources unit. | ✓ |
| Deliver mental health training to supervisors and employees as an adjunct to organisational and systems change management. | ✓ |
| Develop a revised employee Code of Conduct. | ➤ |
| Continue the implementation of the Leadership Development Program following the 2015 employee culture survey. | ➤ |
| Continue preparatory work for the expansion of online services, following implementation of the new enterprise business systems. | ➤ |
| Implement actions from a revised community engagement framework. | ➤ |
| Develop a methodology for effective community engagement for children aged under 12 years. | ✓ |
| Co-create with the community a new city vision for Hobart. | ➤ |
| Update the communications policy and develop relevant guidelines. | ➤ |

| 2017–18 Actions and initiatives | Performance |
|---|-------------|
| Deliver a social media business policy for the use of social media for the whole organisation. | ➤ |
| Develop and distribute a new residents' kit. | ✓ |
| Introduce a welcome pack for refugee arrivals to Hobart. | ✗ |
| Actively participate with state government, other councils, regional and local partners to progress capital city growth. | ✓ |
| Actively participate in the Council of Capital City Lord Mayors (CCCLM) activities and support projects that will benefit Hobart. | ✓ |

Performance: Completed ✓, Underway ➤, No Action ✗







PART III LEGISLATIVE REQUIREMENTS

STATEMENT OF ACTIVITIES

LOCAL GOVERNMENT ACT 1993 SECTION 21

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

STATEMENT OF LAND DONATED

LOCAL GOVERNMENT ACT 1993 SECTION 177

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

PUBLIC INTEREST DISCLOSURE ACT 2002

The City of Hobart's procedures for dealing with matters under the *Public Interest Disclosure Act 2002* can be viewed on the website www.hobartcity.com.au or by requesting a copy from the Deputy General Manager, Heather Salisbury, on (03) 6238 2711.

PUBLIC INTEREST DISCLOSURES 2017–18

- The number and types of disclosures made to the City of Hobart during the year. 0
- The number of those disclosures determined to be public interest disclosures. 0
- The number of disclosures determined by the City of Hobart to be public interest disclosures that it investigated during the year. 0
- The number and types of disclosed matters referred to the City of Hobart during the year by the Ombudsman. 0
- The number and types of disclosures referred by the City of Hobart to the Ombudsman to investigate. 0
- The number and types of investigations taken over by the Ombudsman from the City of Hobart during the year. 0
- The number and types of disclosed matters that the City of Hobart has decided not to investigate during the year. 0
- The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation. 0
- Any recommendations made by the Ombudsman that relate to the City of Hobart. 0

PUBLIC HEALTH STATEMENT

Section 72(1)(ab) of the *Local Government Act 1993* requires the City of Hobart to include in its Annual Plan a statement of its goals and objectives for public health for the preceding financial year.

The statement is to detail the extent to which the City has carried out its functions under the *Public Health Act 1997* and *Food Act 2003*, the resources allocated to public health, the extent to which its goals and objectives, policies and programs for public health met the needs of people within its municipal area, and the completion of any strategies.

The City of Hobart's commitment to maintaining high levels of public health protection is identified under Goal 4 of the *Capital City Strategic Plan 2015–2025*.

Goal 4—Strong, safe and healthy communities

Strategic objective 4.3—Build community resilience, public health and safety

Strategic objective 4.3.5—Protect and improve public and environmental health outcomes

Responsibility for carrying out the City's legislative functions designed to protect and improve public health lies with the Environmental Health Unit in the City Planning Division. The unit is comprised of the Manager Environmental Health, Senior Environmental Health Officer, five full-time and one part-time Environmental Health Officers, one part-time Immunisation Coordinator and three contract nurse immunisers.

The budget expenditure for the financial year was \$841 830 and the unit-generated income was \$391 541.

The Environmental Health Unit annual business plan sets out strategic and operational priorities to achieve strong, safe and healthy communities. The following key initiatives were actioned in the 2017–18 year:

- Undertake a promotional program to raise community awareness of existing smoke-free areas declared under the *Public Health Act 1997*.
- Support the determination of a consistent statewide approach to the disposal of sharps from non-commercial sources.
- Implement the new Meningococcal W Immunisation Program for older teenagers in response to an increased number of notifications in Tasmania.

2017–18: PUBLIC HEALTH STATEMENT (CONTINUED)

FUNCTIONS CARRIED OUT UNDER THE *PUBLIC HEALTH ACT 1997*

| ACTIVITY | DETAIL | TOTAL NUMBER |
|---|---|-------------------------|
| Immunisation program | vaccinations delivered at public clinics | 436 vaccinations |
| | vaccinations delivered at school-based and catch-up clinics | August 2017—314 |
| | | September 2017—3224 |
| | March 2018—2330 | |
| | April 2018—37 | |
| | flu vaccinations for staff delivered | 419 vaccinations |
| Public health risk activities | tattoo, ear and body piercing premises inspected | 19 premises |
| | | 29 premises inspections |
| | | 38 operator assessments |
| Smoke-free public places | on-ground educations and awareness sessions held in declared areas | 6 sessions |
| Regulated systems | premises operating cooling towers and warm-water systems assessed and renewed | 11 locations |
| Recreational water quality | beach samples | 119 samples |
| | swimming and spa pool samples | 72 samples |
| Drinking water quality | boil water alert south hobart | 5 premises |
| | drinking water fountains | 54 samples |
| Places of assembly | public events meeting the 'mass gathering' criteria | 22 licences issued |
| Notifiable disease notifications | individual investigations (salmonella) | 16 cases |
| Exhumations (<i>Burial and Cremation Act 2002</i>) | observed on behalf of the Director of Public Health | 2 cases |

FUNCTIONS CARRIED OUT UNDER THE *FOOD ACT 2003*

| ACTIVITY | DETAIL | TOTAL NUMBER |
|--|--|--|
| Permanent food businesses registered with the City | 877 businesses | 1261 inspections |
| | (77 notify only) | 354 inspections plus regular surveillance of large festivals |
| Mobile food businesses (vehicles and stalls) | 89 businesses registered with the City | |
| | 228 out-of-area trader | |
| Formal enforcement actions | improvement notices | 6 |
| | infringement notices | 10 |
| Food business plans assessments and occupancy (Building Act) | form 49 reports issued | 45 reports |
| | form 50 reports issued | 45 reports |
| Food handler training | various institutional settings | 281 students |
| Tasmanian Food Sampling and Surveillance Program—5 topics | hot held foods | 3 samples |
| | risk classification of food businesses | 1 survey |
| | salmonella in retail poultry | 3 samples |
| | yersinia enterocolitica investigation | 7 surveys |
| | food exempt from bearing a label | N/A |
| Food recall | Organic coconut milk ice-cream | 9 premises |
| Food business complaints | various concerns including food poisoning, labelling and unhygienic premises | 64 investigations |

MEETING THE NEEDS OF OUR PEOPLE

In addition to the above, the environmental health officers investigate matters of public, environmental health and general nuisance concern to members of the community. To address these needs, environmental health officers are appointed as authorised officers under the *Environmental Management Pollution Control Act 1994*, the *Local Government Act 1993*, and Council by-laws. Concerns about noise pollution, air quality, asbestos exposure, contaminated land, failing septic systems, light pollution, the keeping of animals, and water pollution are key areas of work.

The most significant areas of community concern over the past year were food safety and noise pollution from residential sources, including heat pumps, amplified music and construction works.

Environmental health officers also assess planning, building and plumbing applications in relation to potentially contaminated land, onsite wastewater, noise attenuation and food business construction. The officers made approximately 300 assessments in the period.

COMPLETED STRATEGIES AND PROJECTS

SINGLE-USE FOOD PACKAGING

To support the Council resolution late last year to ban selected items of single-use plastic takeaway food packaging, the Environmental Health Unit staff undertook business, community and local government sector engagement to examine perceptions, levels of support for a ban, identification of challenges and potential impacts. The types of products being targeted are cups, lids, utensils—including cutlery and straws— and single serve condiment sachets. All sectors responded positively to the idea that preventing the supply of single-use plastic items should not be difficult to implement if supported with education and advice about replacement products. It was acknowledged that a ban would ultimately reduce the opportunity for harmful products to end up as litter, and hence reduce environmental impacts.

The consultations have been part of the significant debate about whether any ban should be statewide or limited to municipal by-laws. Whilst the City continues to lobby for

state legislation, a by-law has been drafted and will be considered by the Council later this year.

LIPSCOMBE RIVULET PROJECT

Routine sampling of the Lipscombe Rivulet outfall over a period of time had indicated the likelihood of cross-contamination of the associated stormwater system. Environmental health officers worked with the City's stormwater engineering team, TasWater officers and the Derwent Estuary Program to undertake a program of upstream sampling and dye testing, which resulted in the identification of a number of direct cross-connections with private sewer infrastructure as well as damaged TasWater sewer infrastructure leading to leakage into the stormwater system. Repairs followed by resampling has shown an improvement in water quality, which can only mean positive outcomes for the water quality achieved along the length of Nutgrove Beach.

This painstaking investigative work is essential in areas, particularly in the vicinity of recreational waters and beaches. This work may contribute to what appears to be a trend showing improved water quality along Nutgrove Beach West, which may in the longer term result in regrading of the beach from poor to fair in terms of a swimming site.

BEAUTY, BODY ART AND BODY MODIFICATION GUIDELINES

Environmental health officers have been participating in a Department of Health reference group preparing guidelines to replace the current tattoo and ear piercing guidelines issued under the *Public Health Act 1997*. The new guidelines will be a far more comprehensive approach to the now many and varied forms of beauty, body art and body modification procedures the public is choosing to be subject to.

If the above skin penetration practices are not undertaken in a safe and hygienic way, both providers and clients risk being exposed to infection and disease transmission. Different activities have different associated risks, which is why the new guidelines provide for different levels of activity, to allow for a risk-based approach to regulation of all of the existing and emerging procedures gaining in popularity. City environmental health officers will enforce the guidelines once they are enacted.



STATEMENT OF ALLOWANCES AND EXPENSES PAID TO ELECTED MEMBERS

LOCAL GOVERNMENT ACT 1993 SECTION 72(1)(CB)

Total allowances paid to the Lord Mayor, Deputy Lord Mayor and Aldermen: \$522,892

Total expenses paid to all Aldermen (including telecommunications, fuel and travel expenses): \$124,033

MEETING ATTENDANCE

SECTION 72 (1) (CC)

| Total Meetings Held | Council | | Community, Culture and Events Committee | | Economic Development and Communications Committee | | Finance Committee | | City Infrastructure Committee | | Parks and Recreation Committee | | Governance Committee | | City Planning Committee | | Finance and Governance Committee | |
|---------------------|---------|--------|---|--------|---|--------|-------------------|--------|-------------------------------|--------|--------------------------------|--------|----------------------|--------|-------------------------|--------|----------------------------------|---|
| | 23 | | 14 | | 10 | | 11 | | 13 | | 12 | | 12 | | 26 | | 6 | |
| | Member | Member | Non Member | Member | Non Member | Member | Non Member | Member | Non Member | Member | Non Member | Member | Non Member | Member | Non Member | Member | Non Member | |
| Alderman Christie | 22 | | 6 | 1 & 1^ | | | 10 | | 10 | | 1^ | 1 | 11 | | 1^ | 2 | 6 | |
| Alderman Sexton | 19 | 9 | | | 2 | | 10 | | | 1 | 8 | | | 2 | | 2 | 4 | |
| Alderman Zucco | 21 | 12 | | | 7 | | 9 | | | 1 | | 1 | | 5 | | 2 | 4 | |
| Alderman Briscoe | 23 | | 4 | | | 1 | | 1 | | 0 | 8 | | | 3 | 24 | | | 1 |
| Alderman Ruzicka | 20 | | 5 | 7 | | | 11 | | | 6 | 9 | | 12 | | 17 | | 6 | |
| Alderman Burnet | 20 | | 9 | 1^ | 5 | | 4 | 13 | | 1^ | 4 | | 8 | 24 | | | | 2 |
| Alderman Cocker | 21 | 13 | | 9 | 1 | | 2 | | 9 | | 3 | 11 | | | 2^ | 13 | 6 | |
| Alderman Thomas | 21 | 11 | | 7 | | | 9 | | | 1 | | 4 | 9 | | | 1 | 6 | |
| Alderman Reynolds | 19 | | 5 | | 2 | | 4 | 10 | | | 10 | | 9 | | 1^ | 9 | 6 | |
| Alderman Denison | 20 | | 4 | 6 | | | 4 | 10 | | | | 0 | 4 | 24 | | | | 0 |
| Alderman Harvey | 22 | 13 | | | 4 | | 5 | 13 | | | 10 | | 5 | | | 14 | | 5 |
| Alderman Hickey | 13 | | 3 | | 2 | | 4 | | 3 | | | 0 | 6 | | 3 | | | 0 |

The committee attendance figures include special meetings conducted for those individual committees. Special joint committee meeting figures are shown separately.

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 Aldermen and granted by the Council, pursuant to section 39 of the Local Government (Meeting Procedures) Regulations 2015.

As per the Council resolution of 22 January 2018, the Finance and Committee and Governance Committee were abolished and the Finance and Governance Committee was established from 14 February 2018.

Legend: ^ Present as an ex-officio member of the committee.

MEETING ATTENDANCE SECTION 72 (1) (CC) (CONTINUED)

SPECIAL JOINT COMMITTEE MEETINGS

| Meetings dates | Special Joint Committee Meeting | | Special Joint Committee Meeting | |
|-------------------|---------------------------------|------------|---------------------------------|------------|
| | 26 September 2017 | | 27 February 2018 | |
| | Member | Non Member | Member | Non Member |
| Alderman Christie | 1 | | 1 | |
| Alderman Sexton | | | 1 | |
| Alderman Zucco | 1 | | | |
| Alderman Briscoe | 1 | | 1 | |
| Alderman Ruzicka | 1 | | | |
| Alderman Burnet | 1 | | | |
| Alderman Cocker | 1 | | 1 | |
| Alderman Thomas | | | 1 | |
| Alderman Reynolds | | | 1 | |
| Alderman Denison | | | 1 | |
| Alderman Harvey | 1 | | 1 | |
| Alderman Hickey | | 1 | | |

Attendance at the Risk and Audit Panel meetings is recorded in the Annual Report in accordance with the Terms of Reference of the Risk and Audit Panel 6.1.4(g).

RISK AND AUDIT PANEL MEETINGS

| | |
|----------------------------|----------|
| Total meetings held | 6 |
| David Hudson (Chairman) | 6 |
| Alderman Briscoe | 3 |
| Alderman Thomas | 5 |
| Alison Flakemore | 6 |
| Joss Fenton | 6 |

MEETING ATTENDANCE SECTION 72 (1) (CC) (CONTINUED)

COMMITTEE MEMBERSHIP DETAILS

| Alderman | Committee membership | Details of membership |
|-------------------|--|---|
| Alderman Christie | City Infrastructure Committee Economic Development and Communications Committee Finance Committee Governance Committee Finance and Governance Committee | Resigned as Chairman and Committee Member as at 24 July 2018. Until 22 January 2018. Until 30 January 2018. From 14 February 2018. |
| Alderman Sexton | Community Culture and Events Committee Parks and Recreation Committee Finance Committee Finance and Governance Committee | Until 22 January 2018. From 14 February 2018. |
| Alderman Zucco | Community Culture and Events Committee Economic Development and Communications Committee Finance Committee Finance and Governance Committee | Until 22 January 2018. From 14 February 2018. |
| Alderman Briscoe | City Planning Committee Parks and Recreation Committee Risk and Audit Panel | Committee Chairman. |
| Alderman Ruzicka | Economic Development and Communications Committee City Planning Committee Parks and Recreation Committee Finance Committee Governance Committee Finance and Governance Committee | Until 22 January 2018. Committee Chairman and Member until 30 January 2018. Committee Co-Chairman from 14 February 2018. |
| Alderman Burnet | City Infrastructure Committee City Planning Committee | Committee Chairman. |
| Alderman Cocker | Economic Development and Communications Committee Community Culture and Events Committee Governance Committee Finance Committee Finance and Governance Committee | Committee Chairman and Member as of 24 July 2017. Until 30 January 2018. Until 22 January 2018. From 14 February 2018. |
| Alderman Thomas | Community Culture and Events Committee Economic Development and Communications Committee Governance Committee Finance Committee Finance and Governance Committee Risk and Audit Panel | Until 30 January 2018. Committee Chairman until 22 January 2018 Committee Co-Chairman from 14 February 2018. |
| Alderman Reynolds | City Infrastructure Committee Parks and Recreation Committee Governance Committee Finance and Governance Committee | Committee Chairman. Until 30 January 2018. From 14 February 2018. |
| Alderman Denison | City Infrastructure Committee Economic Development and Communications Committee City Planning Committee | |
| Alderman Harvey | City Infrastructure Committee Community Culture and Events Committee Parks and Recreation Committee | Committee Chairman. |
| Alderman Hickey | Council | Resigned as Lord Mayor and Alderman as at 22 March 2018. |

REMUNERATION OF SENIOR EMPLOYEES

LOCAL GOVERNMENT ACT 1993 SECTION 72(1)(CD)

| Remuneration bands | Number of employees 2016–17 | Number of employees 2017–18 |
|------------------------|--------------------------------|--------------------------------|
| \$200 000 to \$219 999 | 5 | 5 |
| \$220 000 to \$239 999 | 1 | 1 |
| \$240 000 to \$319 999 | 0 | 0 |
| \$320 000 to 339 999 | 0 | 0 |
| \$340 000 to \$359 999 | 0 | 0 |
| \$360 000 to \$379 999 | 1 | 1 |

Total annual remuneration is defined as the total of the:

- base salary payable to the employee
- amount of employer superannuation contributions to the employee's contribution
- gross value for the use of a fully-maintained motor vehicle provided to the employee
- value of any other allowances or benefits paid or payable to, or provided for, the benefit of the employee.

GRANTS, ASSISTANCE AND BENEFITS PROVIDED

LOCAL GOVERNMENT ACT 1993 SECTION 77(1)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------------|-------------------------------|
| Reduced fees or charges | | |
| Amanda King — Live Life Get Active — St David's Park — remission of hire charge | 4.2 | 600 |
| Citywide Baptist Church and Lenah Valley RSL — Lenah Valley ANZAC Day in the Park — reduced fees and charges | 4.1 | 628 |
| Colony 47 Inc. — Community Christmas Lunch — reduced fees and charges | 1.3 | 809 |
| Cruising Yacht Club of Australia — Waterside Pavilion for 2017 Sydney to Hobart Yacht Race — remission of hire charges | 4.2 | 5,186 |
| Cruising Yacht Club of Australia — Sydney to Hobart Yacht Race — remission of hire charges | 4.2 | 1,190 |
| E Kalis Properties Pty Ltd — ICON Complex Development — remission of fees and charges | 1.1 | 136,410 |
| Festival of Voices Inc. — City Hall — remission of hire charges | 4.1 | 4,905 |
| Folk Federation of Tasmania Inc. — Great Regency Ball — Town Hall — remission of hire charges | 4.2 | 1,100 |
| Goulburn Street Primary School — School Fair — reduced fees and charges | 4.1 | 250 |
| Hobart Hurricanes Big Bash League Cricket Club — reduced fees and charges | 4.1 | 23,376 |
| Housing Choices Tasmania — Harmony Day — reduced fees and charges | 4.1 | 1,000 |
| Lansdowne Crescent Primary School — reduced fees and charges | 1.3 | 1,089 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|---|--------------------------|-------------------------|
| Lunar New Year Festival 2018 — reduced fees and charges | 1.3 | 939 |
| Masters Swimming Tasmania Inc. — Summer Championships — DKHAC — remission of hire charges | 4.2 | 2,394 |
| Mother's Day Classic 2018 — reduced fees and charges | 1.3 | 1,224 |
| Mount Stuart Primary School — reduced fees and charges | 1.3 | 908 |
| Mount Stuart Primary Parents & Friends Association Inc. — 2018 School Fair — reduced fees and charges | 4.1 | 500 |
| Mount Nelson Primary School — Spring Fair Event — reduced fees and charges | 4.1 | 654 |
| Multicultural Council of Tasmania Inc. — City Hall — remission of hire charges | 4.2 | 1,000 |
| Multiple Sclerosis Limited — DKHAC — remission of hire charges and in-kind support | 4.2 | 12,508 |
| Nepali Society of Tasmania — Town Hall — remission of hire charges | 4.2 | 990 |
| North Hobart Football Club Limited — Hobart City Demons — Gorringer rental rebate | 1.3 | 4,958 |
| Oz Fin Swimming — DKHAC — remission of hire charges | 4.2 | 5,284 |
| Sandy Bay Regatta 2018 — Long Beach Reserve — remission of hire charges | 4.2 | 786 |
| South Hobart Living Arts Centre Ltd — remission of hire charges | 4.2 | 375 |
| South Hobart Primary School Association — Project Cabaret 2017 — reduced fees and charges | 4.1 | 600 |
| Southern Primary Schools Sports Association Inc. — DKHAC — reduced fees and charges | 4.2 | 6,265 |
| St Michael's Collegiate — Swimming Carnival — DKHAC — remission of hire charges | 4.2 | 532 |
| St Michael's Collegiate School — Collegiate School Fair — reduced fees and charges | 4.1 | 375 |
| Swimming Tasmania — 2018 Long Course Championships — DKHAC — remission of hire charges | 4.2 | 10,000 |
| Tasmanian Football Umpires Association — Doug Plaister Stand Function Room at North Hobart Oval — remission of hire charges | 4.2 | 1,491 |
| Tasmanian Symphony Orchestra — reduced fees and charges | 4.1 | 775 |
| Tasmanian Men's Health and Wellbeing Association Inc. — Men with Heart — Waterside Pavilion and Concourse — remission of hire charges | 4.2 | 1,100 |
| Tassie Mums — Children's Clothing Drive — reduced fees and charges | 4.1 | 225 |
| Tennis Australia — Hobart International 2018 — reduced fees and charges | 4.1 | 1,000 |
| The King's Diner — Mathers House — remission of hire charges | 4.2 | 780 |
| TPI Association — Vietnam Veterans Group — DKHAC — reduced fees and charges | 4.2 | 601 |
| Underwater Hockey Club — DKHAC — reduced fees and charges | 4.2 | 9,848 |
| Underwater Rugby Club — DKHAC — reduced fees and charges | 4.2 | 4,967 |
| Vision Services Tasmania — DKHAC Learn to Swim Program — reduced fees and charges | 4.2 | 750 |
| Water Basketball Club — DKHAC — reduced fees and charges | 4.2 | 3,294 |
| Water Polo Tasmania — DKHAC — reduced fees and charges | 4.2 | 19,018 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| Water Polo Tasmania — Under 16 National Championships — DKHAC — reduced fees and charges | 4.2 | 14,763 |
| Other remission of hire charges for city halls, sports fields and parks – to eligible recipients | 4.2 | 3,311 |
| In-kind assistance | | |
| Dark Mofo 2017 — in-kind support | 1.3 | 50,000 |
| HMAS Hobart's Freedom of Entry | 1.3 | 8,542 |
| Hurricane Marine Pty Ltd — in-kind support | 4.1 | 1,980 |
| South Hobart Living Arts Centre Ltd — in-kind support | 4.1 | 242 |
| Reduced rates | | |
| E Kalis Properties Pty Ltd — development assistance — rate remission | 1.1 | 154,416 |
| Native Vegetation Protection Rebate – to eligible ratepayers | 5.1 | 418 |
| Natural Gas Rebate – to eligible ratepayers | 5.1 | 5,750 |
| Stormwater Removal Service Rate Remission – to eligible ratepayers | 5.1 | 45,579 |
| Sultan Holdings Pty Ltd — development assistance — rate remission | 1.1 | 364,309 |
| 240L Wheelie Bin Rebate – to eligible ratepayers | 5.1 | 3,770 |
| Rate Remissions — pensioners net expenditure – to eligible ratepayers | 5.1 | 32,527 |
| Charitable donations and gifts | | |
| Cure Brain Cancer Foundation — donation | 3.2 | 1,500 |
| Free Disposal of Waste for charities | 3.2 | 40,709 |
| Free Entry Weekends at the McRobies Gully Waste Management Centre for residents | 3.2 | 83,092 |
| South Hobart Living Arts Centre Ltd — improvement of the grounds — donation of plants | 3.2 | 210 |
| Water for Africa — Fundraising Fair — donation of native plants | 3.2 | 210 |
| Sponsorship and investment — economic, cultural, festivals and events | | |
| Absurd Publications Pty Ltd — Unsounded Sunrise Performance — grant | 1.3 | 1,076 |
| A.I.C. Inc. — Festa Italia — Festa Italia Sponsorship 2018 | 1.3 | 8,250 |
| Alirenste Pty Ltd — development assistance — grant | 1.1 | 137,110 |
| Archdiocese of Hobart — Christmas Carols — Community Grant | 1.3 | 11,000 |
| Australian Antarctic Festival — Festivals and Events Grant | 1.3 | 58,335 |
| Australian Institute of Architects | 1.3 | 10,505 |
| Australian Skateboarding Federation Ltd — Support of Project Queen of Concrete — grant | 1.3 | 12,980 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|---|--------------------------|-------------------------|
| Bicycle Network Inc. — Sponsor for Tasmania Breakfast Ride2Work 2017 | 1.3 | 1,000 |
| Battery Point Community Association Inc. — Battery Point Community Christmas Party — Quick Response Grant | 1.3 | 750 |
| Battery Point Community Association Inc. — Battery Point Self-Guided Walk — In Bobby's Footsteps booklet printing — grant | 4.1 | 4,429 |
| BOFA Ltd — Tasmanian Eco Film Festival's Ruby Rose 30th Anniversary Celebration — grant | 1.3 | 6,050 |
| Business Events Tasmania — annual grant | 1.4 | 112,530 |
| C3 Church Hobart — Quick Response Christmas Grant | 4.1 | 1,100 |
| Chinese Community Association of Tasmania Inc. — 2018 Lunar New Year Festival — Festivals and Events Grant | 4.4 | 19,930 |
| City of Hobart Eisteddfod Society Inc. — sponsorship | 1.3 | 2,500 |
| Clemente Tasmania — sponsorship | 4.1 | 3,000 |
| Computer Trader — Shopfront Improvement Grant | 1.3 | 5,500 |
| Contemporary Music Services Tasmania Inc. — Quick Response Creative Hobart Grant | 1.5 | 940 |
| Contemporary Music Services Tasmania Inc. — Creative Hobart Medium Grant for project: The Astor Sessions | 1.5 | 14,300 |
| Council on the Ageing Tasmania Inc. — World Elder Abuse Awareness Day — Quick Response Grant | 1.5 | 550 |
| Cruising Yacht Club of Australia — Hobart Race Village 2017 — Festivals and Events Grant | 1.3 | 2,200 |
| Cycling South — funding contribution | 2.1 | 12,650 |
| Department of Education — New Town Primary School — Night on the Green — Quick Response Christmas Grant | 1.3 | 550 |
| Down Syndrome Tasmania Inc. — Quick Response Community Grant | 4.1 | 500 |
| Estia Greek Festival — Festivals and Events Grant and in-kind support | 1.3 | 2,393 |
| Festival of Voices Inc. — Development of a three-year creative program — grant | 1.3 | 11,000 |
| Festival of Voices Inc. — Festival of Voices 2017 Grant | 1.3 | 44,000 |
| Festival of Voices Inc. — Festival of Voices 2018 Grant | 1.3 | 88,000 |
| Hobart City Mission — Hobart Fashion Week — grant | 1.3 | 4,750 |
| Hobart Jazz Club Inc. — Hot August Jazz Festival 2017 — Festivals and Events Grant | 1.3 | 5,188 |
| Hobart Jazz Club Inc. — Hot August Jazz Festival 2018 — Festivals and Events Grant | 1.3 | 8,045 |
| Hobart Malayali Association — Onam Utsavam — HMA Onam Festival 2018 — Festivals and Events Grant | 4.4 | 5,000 |
| Hobart Men's Barbershop Harmony Club — Deep South Singing Shed Christmas Project — Quick Response Grant | 1.3 | 1,000 |
| Hobart Out Tennis Inc. — Quick Response Community Development Grant | 4.1 | 500 |
| Hospice Volunteers — Sponsorship of 2018 Biennial Volunteers Awards — grant | 4.1 | 550 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| Inflight ARI Inc. — Quick Response Creative Hobart Grant | 1.5 | 1,000 |
| Inflight ARI Inc. — Hobiennale Festival — Festivals and Events Grant | 1.3 | 5,034 |
| Inflight ARI Inc. — Open Space Bliss Artist — Creative Hobart Grant | 1.5 | 340 |
| Inscape Tas — Carols at the Royal project — Quick Response Christmas Grant | 1.3 | 1,000 |
| Island Magazine Inc. — Island Magazine Writer in Residence — Quick Response Creative Hobart Grant | 1.5 | 979 |
| Katherine Cooper — Vanishing Point Unseen — sponsorship | 4.1 | 3,000 |
| Katinka Challen trading as Lily & Dot — Make it to Midtown Marketing Project — grant | 1.3 | 5,500 |
| Katinka Challen trading as Lily & Dot — Shopfront Improvement Grant 2017 | 1.3 | 381 |
| Kickstart Arts Inc. — Vibrance Festival 2018 — Festivals and Events Grant | 1.3 | 10,390 |
| Korean Full Gospel Church in Hobart Inc. — Carols Together – Under the Steeple — grant | 1.3 | 3,739 |
| Lansdowne Crescent Primary School Community Association — West Hobart Community Christmas Carols — grant | 4.1 | 9,820 |
| Lenah Valley Community Association — Christmas Carols — Community Development Grant | 1.3 | 1,500 |
| Mental Health Council of Tasmania — Mental Health Week 2018 — Quick Response Grant | 1.3 | 1,100 |
| Moorilla Estate Pty Ltd — Dark Mofo 2018 — Grant and in-kind support | 1.3 | 224,772 |
| Mount Stuart Residents Inc. — Christmas Carols — Community Development Grant | 1.3 | 6,345 |
| Myer Pty Ltd — Development Assistance Grant | 1.1 | 962,500 |
| Neighbourhood Watch Tasmania Inc. — West Hobart Neighbourhood Watch pre-Christmas Barbeque — grant | 1.3 | 560 |
| New Town Community Association Inc. — Community Christmas Carols Grant | 1.3 | 10,000 |
| North Melbourne Football Club — Partnership Agreement 2017 | 1.1 | 55,000 |
| North Melbourne Football Club — Partnership Agreement 2018 | 1.1 | 55,000 |
| Performing Lines Ltd — Auspice project for Julie Waddington: MENTAL – the mother load — Quick Response Grant | 1.3 | 1,100 |
| Performing Lines Ltd — Small Stories in the Town Hall — Creative Hobart Grant | 1.3 | 7,612 |
| Pets in the Park — Project: Pets in the Park — Hobart Clinic — grant | 1.3 | 550 |
| Plane Tree Studio Inc. — Quick Response Creative Hobart Grant | 4.1 | 1,100 |
| Plane Tree Studio Inc. — Shopfront Improvement Grant | 1.1 | 1,650 |
| Point to Pinnacle — Point to Pinnacle Fun Run and Recreational Walk — Quick Response Grant | 1.5 | 1,000 |
| Rotary Club of Hobart — Quick Response Community Grant | 4.1 | 550 |
| Royal Hobart Regatta Association Inc. — in-kind support | 1.5 | 3,900 |
| Royal Tasmanian Botanical Gardens — annual grant | 1.5 | 31,900 |
| Returned & Services League of Australia (Tasmania Branch) Inc. — ANZAC Day — in-kind support | 4.1 | 7,259 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| Sandy Bay Regatta Association — Grant, cash and in-kind support | 1.5 | 21,750 |
| Salamanca Arts Centre — 2017–18 Grant | 1.3 | 22,000 |
| Salamanca Arts Centre — Creative Grant | 1.3 | 11,000 |
| Salamanca Arts Centre — Where is My Village – Breastfeeding Journeys — Quick Response Creative Hobart Grant | 1.3 | 1,100 |
| Salamanca Square Inc. — Activating Salamanca Square Christmas Celebrations — grant | 4.1 | 1,000 |
| Second Echo Ensemble Inc. — Creative Hobart Grant | 4.1 | 9,000 |
| Southern Cross Care (Tas) Inc. — Saint Canice Indoor Bowls Grant — Quick Response Community Development Grant | 1.3 | 550 |
| Southern Tasmanian Netball Association — Stadium maintenance and repairs – grant | 1.5 | 33,000 |
| St Michael's Collegiate School — Carols — Community Development Grant | 4.1 | 6,053 |
| St Vincent de Paul Society — Project UTAS Loui's Van — grant | 4.1 | 550 |
| State Emergency Service — Southern Regional Volunteer SES Unit — annual contribution | 1.5 | 21,642 |
| Surf Life Saving Tasmania Inc. — grant | 1.3 | 3,300 |
| Tasmania Chinese Art and Communication Society — 2018 Chinese Lantern Festival — Festivals and Events Grant | 4.4 | 5,887 |
| Tasmanian Association of Recreational Artists Inc. — Quick Response Creative Hobart Grant | 4.1 | 1,000 |
| Tasmanian Canine Defence League Inc. — funding contribution | 1.1 | 90,830 |
| Tasmanian Ethiopian Association Inc. — Quick Response Grant | 4.4 | 500 |
| Tasmanian Museum and Art Gallery — Children's Festival 2017 — grant | 1.3 | 10,995 |
| Tasmanian Museum and Art Gallery — Community Development Grant | 1.3 | 38,500 |
| Tasmanian Symphony Orchestra — Creative Hobart Major Cultural Grant | 1.3 | 27,500 |
| Tasmanian Symphony Orchestra — 2018 Live Sessions at Red Square — Quick Response Creative Hobart Grant | 1.3 | 242 |
| Tasmanian Youth Orchestra — Christmas Party at Government House — Grant | 1.3 | 550 |
| The Arts Factory Hobart Inc. — Creative Hobart Small Grant | 4.1 | 4,600 |
| Tasmanian Writers' Centre — Tasmanian Writers and Readers Festival 2017 — Festivals and Events Grant and in-kind support | 1.3 | 12,100 |
| The Salvation Army — Salvation Army Housing — Create Hobart Small Grant | 4.1 | 1,011 |
| The Salvation Army — Street Team Volunteer Support — grant | 4.1 | 1,289 |
| The Uniting Church in Australia Presbytery of Tasmania — Quick Response Christmas Grant | 1.3 | 1,100 |
| Theatre Council of Tasmania — 2018 Tasmanian Theatre Awards — Festivals and Events Grant | 1.3 | 5,000 |
| Trustees of the Diocese — On behalf of Friends of St David's — Community Floral Festival — Festivals and Events Grant | 1.3 | 3,300 |
| University of Tasmania — Festival of Bright Ideas 2017— grant | 1.1 | 14,300 |
| University of Tasmania — Festival of Bright Ideas 2018 — Grant and in-kind support | 1.1 | 21,612 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| VisAbility Limited — Dining in the Dark — grant | 1.3 | 482 |
| Western Sydney University — Antarctic Cities and the Global Commons: Rethinking the Gateways — funding contribution | 1.1 | 22,000 |
| Wellington Park Management Trust — 2017–18 contribution | 1.1 | 32,074 |
| Wellington Park Management Trust — 2017–18 administrative and technical support | 1.1 | 32,136 |
| Community | | |
| African Communities Council of Tasmania Inc. — Black Scorpions Soccer Team — Community Grant | 4.4 | 4,757 |
| Antiques to Retro — Shopfront Improvement Grant | 1.1 | 3,579 |
| Australian Broadcasting Corporation — Bushfire Awareness Month — Community Grant | 4.1 | 1,100 |
| Australian Institute of Architects — Open House Hobart — grant | 4.1 | 15,070 |
| Battery Point Community Association Inc. — Voices of Battery Point — grant | 4.1 | 5,000 |
| Cancer Council Tasmania — Hobart Relay For Life 2018 — Community Grant and in-kind support | 4.1 | 5,443 |
| Colony 47 Inc. — Community Christmas Lunch 2017 — grant | 4.1 | 1,100 |
| Colony 47 Inc. — Community Christmas Lunch 2018 — grant | 4.1 | 5,500 |
| Colony 47 Inc. — Mara House — Art and Craft Program and Art Supplies — Community Grant | 4.1 | 5,500 |
| Contemporary Art Services Tasmania Inc. — Arrested Development Arts Lab — Community Grant | 4.1 | 15,074 |
| Contemporary Art Services Tasmania Inc. — Breathing Tones, Richie Cyngler — Community Grant | 4.1 | 10,883 |
| Department of Education — Rosny College — Taiko Drumming Program — grant | 4.1 | 5,500 |
| Derwent Sailing Squadron Inc. — annual grant | 4.1 | 7,908 |
| Family Planning Tasmania Inc. — International Student Sexual and Reproductive Health — grant | 4.1 | 5,500 |
| Flourish Mental Health Action in Our Hands Inc. — Facilitating a Voice for Young People Affected by Mental Health Issues — Community Grant | 4.1 | 5,280 |
| Hobart Baptist Church Inc. — "Stronger Together" — Community Grant | 4.1 | 550 |
| Hobart Baptist Church Inc. — Multicultural Leaders Collaboration Meal — Community Grant | 4.1 | 550 |
| Hobart Police and Community Youth Club Inc. — InstructAbility Program — Community Grant | 4.1 | 5,148 |
| Hobart Women's Health Centre — The Parenting Collective — Community Grant | 4.1 | 3,300 |
| Hockey Tasmania Inc. — Tasmanian Hockey Centre, New Town — annual subsidy | 1.1 | 72,797 |
| Mount Stuart Hall Inc. — Mount Stuart Open Door Program — Quick Response Grant | 4.1 | 500 |
| Mount Stuart Hall Inc. — Open Door 2018–19 Program — grant | 4.1 | 1,618 |
| Multicultural Women's Council of Tasmania — International Women's Day — grant | 4.4 | 500 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| Neighbourhood Houses Tasmania Inc. — Community Self Care Master Class Workshop — Grant | 4.1 | 462 |
| Nepali Society of Tasmania — Pathsaia: Nepali Community Language School — Community Grant | 4.4 | 3,000 |
| PFLAG Tasmania Inc. — Quick Response Community Grant | 4.4 | 440 |
| Salamanca Arts Centre — Project Kunanyi — Community Grant | 4.1 | 11,000 |
| Salamanca Arts Centre — Pyro Rhythm — Community Grant | 4.1 | 4,876 |
| Salamanca Arts Centre — Shopfront Improvement Grant — Community Grant | 1.1 | 5,500 |
| Source Community Wholefoods — Waste Free Saturdays at Source — Community Grant | 4.1 | 4,500 |
| Sustainable Living Tasmania Inc. — Great Cloth Diaper Change — Quick Response Community Grant | 4.1 | 433 |
| Tasmania University Union Inc. — Tasmanian Popular Culture Society Anime Island Festival — Community Grant | 1.3 | 5,500 |
| Tasmanian Boxing League Inc. — National Amateur Boxing Titles — Community Grant | 4.1 | 5,000 |
| Tasmanian Centre for Global Learning Inc. — THREAD Project — Community Grant | 4.1 | 12,100 |
| Tasmanian Headstone Project — 2018 The Headstone Project — contribution | 4.1 | 10,000 |
| Tasmanian Museum and Art Gallery — BeakerStreet@TMAG — Community Grant and in-kind support | 4.1 | 10,226 |
| Tasmanian Museum and Art Gallery — TMAG Children's Festival — Community Grant | 1.3 | 14,828 |
| Tasmanian Theatre Company Inc. — UPRISING — Community Grant | 1.5 | 4,906 |
| Tassie Mums Inc. — Tassie Mums Emergency Essentials Drive — grant | 4.1 | 2,000 |
| The Humour Foundation — Clown Doctors Program — Community Grant | 4.1 | 2,500 |
| Theatre Royal Management Board — Community Grant | 4.1 | 22,000 |
| TKS Superannuation Fund — Shopfront Improvement Grant — Community Grant | 1.1 | 5,500 |
| University of Tasmania — Plimsoll Gallery Education and Public Programs 2018 — grant | 4.1 | 7,656 |
| Van Diemen's Band Inc. — Baa-Rock and the Three Musketeers — Community Grant and in-kind support | 4.1 | 4,270 |
| Van Diemen's Band Inc. — French Baroque Summer Sessions — Community Development Grant | 4.1 | 3,909 |
| West Moonah Community House — Wellness Expo 2018 — grant | 1.3 | 5,500 |
| Wide Angle Tasmania Inc. — ScreenSensors Project — Community Grant | 4.1 | 4,499 |
| Working It Out Inc. — Rainbow Prom 2017 — Community Grant | 4.4 | 3,465 |
| Environmental and Climate Change | | |
| Australian Association for Environmental Education — Waste Recovery Design Challenge Project — grant | 3.2 | 5,500 |
| Australian UAV Pty Ltd — Environmental and Climate Change Grant | 3.1 | 5,000 |
| Conference Design Pty Ltd — Coastal Hazard Management and Climate Adaptation Sponsorship | 3.1 | 7,500 |

GRANTS, ASSISTANCE AND BENEFITS PROVIDED SECTION 77(1) (CONTINUED)

| Detail | Strategic Plan reference | GST inclusive amount \$ |
|--|--------------------------|-------------------------|
| Department of Education — Elizabeth College — Waste Reduction Grant | 3.2 | 4,285 |
| Department of Education — South Hobart Primary School — "Little Green Thumbs – Educational Gardening Program" — Environmental and Climate Change Grant | 3.1 | 5,000 |
| Department of Education — Waimea Heights Primary School — Environmental and Climate Change Grant | 3.1 | 3,375 |
| Fahan School — Waste Reduction Grant | 3.2 | 5,000 |
| Greening Australia (Tas) Ltd — Pedal Powered Cinema — Environmental and Climate Change Grant | 3.1 | 5,493 |
| Planning Institute Australia — 2017 PIA Tasmania Planning Awards for Excellence | 3.1 | 1,650 |
| Resource Work Cooperative — Art from Trash — grant | 3.1 | 1,000 |
| South Hobart Sustainable Community — Local Food Fair — Environmental and Climate Change Grant | 3.1 | 4,870 |
| The Hutchins School — Indigenous and Bush Tucker Garden — Environmental and Climate Change Grant | 3.1 | 3,713 |
| University of Tasmania — Organic Waste Landfill Diversion — Waste Reduction Grant | 3.2 | 2,750 |
| Heritage and Conservation | | |
| Wellington Park Management Trust — 2017–18 contribution to cultural heritage coordination | 2.4 | 17,787 |
| TOTAL | | 3,961,852 |

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 the City of Hobart's policy for leases to non-profit organisations. In many instances the lessee provides all or some of the following: capital improvements, maintenance, day-to-day management, access to the public and contribution back to the community. For the purposes of being open and transparent, the City of Hobart discloses these as grants.

| Detail | |
|--|--|
| Commercial | |
| Aurora Energy | Substation, Lansdowne Crescent, West Hobart |
| Hobart Town (1804) First Settlers Association Inc. | Fourth floor, Hobart Council Centre, Hobart |
| Resource Work Cooperative | Resource Recovery Centre, McRobies Gully Waste Management Centre, South Hobart |
| Tasmanian Sail Training Association Ltd | Fourth floor, Hobart Council Centre, Hobart |

| Detail | |
|---|---|
| Enterprize Tasmania Ltd | Fifth floor, Hobart Council Centre, Hobart |
| Mawson's Huts Foundation Ltd | 1–3 Elizabeth Street, Hobart |
| Hobart Antarctic Festival Pty Ltd* | 3 Morrison Street, Hobart |
| Residential | |
| Residential/caretaker | 24 Gardenia Grove, Sandy Bay |
| Residential/caretaker | Curators Cottage, Tasmanian Cricket Association Ground, Queens Domain |
| Residential/caretaker | Regatta Grounds, McVilly Drive, Queens Domain |
| Community Development | |
| Dr Christina Henri | Fourth floor, Hobart Council Centre, Hobart |
| Lenah Valley Community Hall Trustee | 22 Creek Road, Lenah Valley |
| Lenah Valley RSL and Community Club | 188 Lenah Valley Road (Haldane Reserve), Lenah Valley |
| 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, Lenah Valley |
| Sandy Bay Senior Citizens Club | 23 Lambert Avenue, Sandy Bay |
| South Hobart Progress Association Inc. | 42 Darcy Street, South Hobart |
| Tasmanians With Disabilities Inc. | 20 Creek Road, Lenah Valley |
| The Catholic Women's League | 108–110 Bathurst Street, Hobart |
| The Flower Room | 108–110 Bathurst Street, Hobart |
| Parks, Recreation, Bushland and Reserves | |
| Art Society of Tasmania | 268 Lenah Valley Road, Lenah Valley |
| Athletics Association of Tasmania | Domain Athletic Centre, Queens Domain |
| Australian Sea Cadets Corp | Foreshore, Queens Domain |
| Board of Management of the Hutchins School | Marievilla Esplanade, Sandy Bay |
| Buckingham Bowls Club | 4 St Johns Avenue, New Town |
| Christ College Trust | Ham Common, Old Proctors Road, Tolmans Hill |
| Conservation Volunteers Trust | 1 Domain Road, Queens Domain |
| Department of Education | West Hobart Recreation Ground, West Hobart |
| Derwent Bowls Club | Letitia Street, North Hobart |
| Domain Tennis Centre Inc. | Davies Avenue, Queens Domain |
| Hobart Canine Obedience Club | Soldiers Memorial Oval, Queens Domain |
| Hobart Cat Centre Inc. | 10 Selfs Point Road, New Town |

REDUCED RENTALS (CONTINUED)

| Detail | |
|---|--|
| Hobart City Band Inc. | Tasmanian Cricket Association Ground, Davies Avenue, Queens Domain |
| Hobart Districts Little Athletics Club | John Turnbull Park, Lenah Valley |
| Hobart Football Club Inc. | Tasmanian Cricket Association Ground, Davies Avenue, Queens Domain |
| 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 | Tasmanian Cricket Association Ground, Davies Avenue, Queens Domain |
| North Hobart Football Club | Gorringe Stand, North Hobart Oval, North Hobart |
| Pakana Services | Shed and crib room, Waterworks Reserve, Ridgeway |
| Polish Association in Hobart | 22–24 New Town Road, New Town |
| Riding for the Disabled | Kalang Avenue, Lenah Valley |
| Royal Hobart Bowls Club | 1 Ellerslie Road, Battery Point |
| Royal Hobart Regatta Association | John Colvin Stand, McVilly Drive, Queens Domain |
| 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 |
| Scout Association of Australia | Marieville Esplanade, Sandy Bay |
| Scout Association of Australia (Tasmania) | 617 Sandy Bay 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 Air Rescue Trust | Queens Domain |
| Tasmanian Bridge Association | Marine Esplanade, New Town |
| Tasmanian Fire Service | Kalang Avenue, Lenah Valley |
| Tasmanian Hockey Centre | Tasmanian Hockey Centre, New Town |
| Tasmanian Land Conservancy | Tudor Court Building, 827 Sandy Bay Road, Sandy Bay |
| Tasmanian Riding for the Disabled Assoc. | 500 Kalang Avenue, Glenorchy |
| Tasmanian Rugby Union Inc. | Rugby Park, New Town |
| Wireless Institute | Upper Queens Domain |
| Wooden Boat Guild of Tasmania Inc. | Mariners Cottage, Napoleon Street, Battery Point |
| Yvonne Rees-Pagh | Cottage, Princes Park, Battery Point |

* Part of the year only.



CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES

LOCAL GOVERNMENT (GENERAL) REGULATIONS REGULATION 29(1)

In accordance with regulation 29(1) of the Local Government (General) Regulations 2015, the following contracts to the value of \$250 000 or above, excluding GST, were entered into during the 2017–18 financial year.

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|---|---|----------------------------------|---|--|--|
| P16/19 — Supply and installation of an integrated parking system | Contract date 21 August 2017. Licence term 5 years from completion of installation and testing. | 5 x 1 year further licence terms | \$7 367 198.00 | Australian Parking and Revenue Control Pty Limited t/a APARC | 37—39 Parramatta Road, Haberfield NSW 2045 |
| P16/80 — Bridge construction across the Brooker Highway | 9/2/2018 until 9/1/2019 | Nil | \$6 491 279.00 | VEC Civil Engineering Pty Ltd | 10b Industrial Drive, Ulverstone TAS 7315 |
| P17/4 — Tasman Highway Memorial Bridge construction | 31/10/2017 until 21/10/2018 | Nil | \$9 197 157.45 | Fulton Hogan Construction Pty Ltd | Level 1, Building 7, Botannica Corporate Park, Richmond VIC 3121 |
| P17/31 — Annual maintenance of the City's bushland urban interface fuel break network | 1/11/2017 until 31/10/2020 | 1 x 1 year | \$495 804.00 | CTS Pty Ltd t/a Charlie's Tree Service | 731 Leslie Road, Leslie Vale TAS 7054 |
| P17/35 — Doone Kennedy Hobart Aquatic Centre plant and equipment maintenance | 1/8/2018 until 24/7/2019 | 1 x 1 year | \$1 046 217.00 | Airmaster Australia Pty Ltd | 7/2 Kennedy Drive, Cambridge TAS 7170 |
| P17/41 — Shredding of green waste | 30/8/2017 until 30/8/2020 | Nil | \$476 400.00 | Fieldwicks Crushing & Screening Pty Ltd | 6184 Frankford Road, East Devonport TAS 7310 |
| P17/45 — Salamanca Market shuttle service | 1/7/2017 until 30/6/2020 | 1 x 1 year | \$262 080.00 | RS Byrne t/a Coal River Coaches | 105 White Kangaroo Road, Campania TAS 7026 |
| P17/55 — TCA Ground playing service upgrade | 7/9/2017 until 12/11/2018 | Nil | \$697 045.00 | Carteman Pty Ltd t/a Total Turf Care | 32 Harvest Lane, Old Beach TAS 7107 |

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|--|-----------------------------|------------------|---|--------------------------|---|
| P17/58 — Doone Kennedy Hobart Aquatic Centre primary heating and domestic hot water plan upgrade | 4/7/2017 until 15/9/2017 | Nil | \$463 245.00 | TMC Pty Ltd | 90 Charles Street, Moonah TAS 7009 |
| P17/59 — Panel of providers for supply of grass seed | 18/8/2017 until 30/9/2020 | 1 x 1 year | \$400 000.00 (estimated) | Panel of providers | Various |
| P17/62 — Panel for event production services | 15/12/2017 until 14/12/2019 | 2 x 1 year | \$827 500.64 | Panel of providers | Various |
| P17/64 — New Year's Eve fireworks 2017 | 28/9/2017 until 2/1/2018 | 1 x 3 years | \$277 040.00 | ShowFX Australia Pty Ltd | 3/21 Flight Drive, Tullamarine VIC 3043 |
| P17/87 — Panel of providers for the standing offer of equipment hire with operator (Wet Hire) | 2/10/2017 until 1/10/2019 | 1 x 1 year | \$3 741 275.07 (estimated) | Panel of providers | Various |
| P17/88 — Panel of providers for the standing offer of equipment hire with operator (Dry Hire) | 2/10/2017 until 1/10/2019 | 1 x 1 year | \$2 207 075.37 (estimated) | Panel of providers | Various |
| V672 P17/98 — Motor vehicles | 21/5/2018 until 30/6/2020 | Nil | \$1 479 000.00 (estimated) | Panel of providers | Various |
| P17/103 — Panel of providers for bushland tracks — design, management and construction services | 29/12/2017 until 28/12/2020 | 2 x 1 year | \$8 130 087.16 (estimated) | Panel of providers | Various |
| P17/107 — Supply of personal protective equipment | 22/12/2017 until 30/11/2019 | 1 x 1 year | \$305 756.70 (estimated) | Panel of providers | Various |
| P17/113 — Panel of providers for the supply of topsoil, mulch, sand and decorative gravels | 21/12/2017 until 20/12/2020 | 1 x 1 year | \$840 549.12 (estimated) | Panel of providers | Various |

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES REGULATION 29(1) (CONTINUED)

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|---|----------------------------|------------------|---|---|---|
| P17/114 — Security services | 1/5/2018 until 30/6/2020 | 2 x 1 year | \$402 213.60 | Coverall Security Pty Ltd | 99 Albert Road, Moonah TAS 7009 |
| P17/116 — Sandown Park change rooms — existing amenities upgrade and new referee facility | 10/1/2018 until 9/5/2018 | Nil | \$334 238.00 | Macquarie Builders Pty Ltd | 278 Macquarie Street, Hobart TAS 7000 |
| P17/122 — Advertising expenditure agreement | 1/12/2017 until 30/11/2018 | Nil | \$250 000.00 | News Corp Australia Pty Limited | Level 1, 2 Salamanca Square, Hobart TAS 7000 |
| P18/14 — Casino to Maning Avenue sea wall balustrade upgrade | 19/3/2018 until 25/9/2018 | Nil | \$601 237.00 | Macquarie Builders Pty Ltd | 278 Macquarie Street, Hobart TAS 7000 |
| P18/25 — Waste agreement | 1/2/2018 to 30/6/2019 | 1 x 2 years | \$660 000.00 (estimated) | Copping Refuse Disposal Site Joint Authority t/a Southern Waste Solutions | 129 Derwent Park Road, Lutana TAS 7009 |
| P18/41 — Washington Street public toilets upgrade | 8/5/2018 until 30/8/2018 | Nil | \$254 700.00 | J Hutchinson Pty Ltd t/a Hutchinson Builders | 235 Murray Street, Hobart TAS 7004 |
| P18/45 — Maypole Creek pipeline upgrade | 17/4/2018 until 6/9/2018 | Nil | \$297 792.65 | Hudson Civil Products | 7 Donalds Avenue, Prospect TAS 7250 |
| P18/54 — Maypole Creek pipeline upgrade — civil works | 7/6/2018 until 28/9/2018 | Nil | \$804 424.15 | DCS Civil Tas Pty Ltd | 181 East Tinderbox Road, Blackmans Bay TAS 7052 |
| P18/71 — Supply and delivery of two underground waste compactors | 12/6/2018 to 1/12/2018 | Nil | \$299 959.00 | Wastedrive Pty Ltd | 18 Dunlop Street, North Parramatta NSW 2151 |
| P18/79 — Installation of underground waste compactors | 28/6/2018 to 18/10/2018 | Nil | \$460 338.00 | Vos Construction & Joinery Pty Ltd | 70 Browns Road, Kingston TAS 7050 |

In accordance with regulation 29(2) of the Local Government (General) Regulations 2015, there were two instances of 'non-application of public tender process'.

| Contract | Reason for not inviting public tenders | Description of the services acquired | Value of the services acquired | Contractor |
|---|--|--|--------------------------------|---|
| P17/122 — Advertising expenditure agreement | The City's legal requirements to advertise in a daily newspaper circulating in the municipal area, precludes the likelihood of a satisfactory result due to the absence of competitive tenderers | Statutory and general advertising services | \$250 000.00 (estimated) | News Corp Australia Pty Limited, Level 1, 2 Salamanca Square, Hobart TAS 7000 |
| P18/25 — Waste agreement | The unavailability of a facility to dispose of northern suburbs waste that the City could utilise, precludes the likelihood of a satisfactory result due to the absence of competitive tenderers | Kerbside waste disposal services | \$250 000.00 (estimated) | Copping Refuse Disposal Site Joint Authority t/a Southern Waste Solutions, 129 Derwent Park Road, Lutana TAS 7009 |

In accordance with regulation 29(3) of the Local Government (General) Regulations 2015, the following contracts valued at or exceeding \$100 000 (excluding GST) and less than \$250 000 (excluding GST), were entered into during the 2017–18 financial year.

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|---|----------------------------|------------------|---|------------------------------------|---|
| P17/61 — Consultancy services — vision project community panel and engagement | 23/9/2017 until 31/12/2017 | Nil | \$133 400.00 | The20 Pty Ltd | 210 Collins Street, Hobart TAS 7000 |
| P17/74 — Town Hall first floor toilet refurbishment | 27/7/2017 until 21/9/2017 | Nil | \$136 290.00 | Tascon Constructions Pty Ltd | 59 Albert Road, Moonah TAS 7009 |
| P17/85 — Leadership development program — City of Hobart managers | 6/12/2017 until 28/2/2021 | Nil | \$229 268.60 | Swinburne University of Technology | John Street, Hawthorn VIC 3122 |
| P17/86 — Retaining wall package — Augusta Road and Corby Avenue | 27/12/2017 until 7/3/2018 | Nil | \$101 195.16 | Spectran Contracting Pty Ltd | 4–6 Birdwood Avenue, Moonah TAS 7009 |
| P17/94 — Expense management system and services | 6/2/2018 until 5/2/2021 | 1 x 2 years | \$110 056.00 | Inlogik Pty Ltd | Suite 4, 260 Auburn Road, Hawthorn VIC 3122 |

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES REGULATION 29(3) (CONTINUED)

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|---|-----------------------------|------------------|---|---|--|
| P17/96 — Close circuit television (CCTV) inspection and cleaning of stormwater infrastructure | 1/1/2018 until 1/12/2019 | 1 x 2 years | \$160 000.00 | Machos Pty Ltd t/a Nu-Jet | 4/73 Droughty Point Road, Rokeby TAS 7019 |
| P17/104 — Elizabeth Mall information booth upgrade | 19/12/2017 until 30/4/2018 | Nil | \$172 312.00 | LAMCON Constructions Pty Ltd | PO Box 1378, Lindisfarne TAS 7015 |
| P17/108 — Great Short Walks helicopter slinging process | 15/12/2017 until 31/12/2018 | Nil | \$170 000.00 | Helicopter Resources Pty Ltd | 111 Kennedy Drive, Cambridge TAS 7170 |
| P17/117 — Hobart Council Centre chillers 1 and 2 replacement | 21/2/2018 until 22/6/2018 | Nil | \$201 490.00 | TCM Pty Ltd | 90 Charles Street, Moonah TAS 7009 |
| P17/123 — North Hobart Oval scoreboard upgrade | 16/1/2018 until 25/5/2018 | Nil | \$128 410.00 | Bizmac Designs Pty Ltd — t/a Electronic Signage Australia | 14a 69/77 Mark Anthony Drive, Dandenong South VIC 3175 |
| P17/127 — Maintenance and responsive services — electrical and fire | 31/12/2017 until 28/2/2018 | Nil | \$150 000.00 | Contact Electrical Pty Ltd | 48 New Town Road, New Town TAS 7008 |
| P18/11 — Superintendents' Representative — Tasman Highway Memorial Bridge | 29/11/2017 until 31/10/2018 | Nil | \$140 000.00 | Matrix Management Group Pty Ltd | Level 2, 174 Collins Street, Hobart TAS 7000 |
| P18/18 — Retaining wall construction package 30 and 30A Mount Stuart Road | 18/5/2018 until 31/12/2018 | Nil | \$246 000.00 | Construction 3 Pty Ltd | 2/19 Paternoster Row Hobart TAS 7000 |
| P18/20 — Council sewerage pipework replacement | 25/1/2018 until 30/3/2018 | Nil | \$204 700.00 | Howrah Plumbing Pty Ltd | 3/10 Electra Place, Mornington TAS 7018 |
| P18/21 — Providence Gully gross pollutant trap | 16/5/2018 until 30/6/2019 | Nil | \$171 650.00 | AKS Industries Pty Ltd | Unit 7, 475 Blackburn Road, Mount Waverley VIC 3149 |
| P18/26 — Mawson Place Christmas tree | 27/6/2017 until 27/6/2027 | Nil | \$128 113.64 | The Clarkson Trust t/a Chas Clarkson | 1028 Botany Road, Mascot NSW 2020 |

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract incl extension options) GST excluded | Contractor | Contractor's Business Address |
|--|---------------------------|------------------|---|--------------------------------------|-----------------------------------|
| P18/74 — Town Hall and Council Centre building management system renewal and upgrade (incorporating submetering) | 28/6/2018 until 21/9/2018 | Nil | \$155 000.00 | Building Automation Controls Pty Ltd | 7 Howard Road, Glenorchy TAS 7010 |
| P18/81 — Hobart Rivulet path extension — Korean Grove to Gore Street | 28/6/2018 until 7/12/2018 | Nil | \$167 250.00 | State-Wide Earthworks Pty Ltd | 52 Atkins Road, Granton TAS 7030 |

In accordance with section 23(5)(b) there were three instances of extending a contract (entered into by tender, where the contract does not specify extensions) by an absolute majority.

| Contract | Contract Period | Extension Option | Contract Sum (for term of contract extension) | Contractor |
|--|----------------------------|------------------|--|---|
| 5762 — Security services cash collection | 1/8/2017 until 31/7/2018 | Nil | \$138 000.00 | Red Lion Security Pty Ltd, 14a Chesterman Street, Moonah TAS 7009 |
| 5750 — Panel of providers for provision of marketing design services | 4/4/2018 until 2/10/2018 | Nil | \$45 000.00 | Panel of providers, Various |
| 5575 — Provision of secure Interactive Voice Recognition (IVR) and internet account payment services | 1/11/2018 until 31/10/2019 | Nil | \$203 791.44 | Commonwealth Bank of Australia, Ground Floor, Tower 1, Sussex Street, Sydney NSW 2000 |





PART IV FINANCIAL REPORTS



HOBART CITY COUNCIL GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|--------------------------------------|-------|-------------------|-------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 16 | 31,844 | 33,051 |
| Inventories | 17 | 358 | 387 |
| Receivables | 19 | 7,147 | 5,834 |
| Assets classified as Held for Sale | 20 | – | 930 |
| Prepayments | | 412 | 555 |
| Total Current Assets | | 39,761 | 40,757 |
| Non-Current Assets | | | |
| Receivables | 19 | 48 | 190 |
| Investment in TasWater | 12 | 166,823 | 164,686 |
| Property, Plant and Equipment | 21-30 | 1,603,616 | 1,531,174 |
| Employee Benefits | 33 | 4,065 | 545 |
| Total Non-Current Assets | | 1,774,552 | 1,696,595 |
| Total Assets | | 1,814,313 | 1,737,352 |
| Current Liabilities | | | |
| Payables | 31 | 10,818 | 8,922 |
| Trust, Deposits, Retention | 32 | 3,128 | 3,215 |
| Employee Benefits | 33 | 12,391 | 11,769 |
| Unearned Revenue | 34 | 807 | 607 |
| Loans | 35 | 2,070 | 1,482 |
| Provisions | 36 | 603 | 792 |
| Total Current Liabilities | | 29,817 | 26,787 |
| Non-Current Liabilities | | | |
| Employee Benefits | 33 | 2,808 | 2,624 |
| Loans | 35 | 18,141 | 10,211 |
| Provisions | 36 | 4,047 | 4,609 |
| Total Non-Current Liabilities | | 24,996 | 17,444 |
| Total Liabilities | | 54,813 | 44,231 |
| Net Assets | | 1,759,500 | 1,693,121 |
| Equity | | | |
| Reserves | 37 | 614,644 | 568,443 |
| Retained Earnings | | 1,144,856 | 1,124,678 |
| Total Equity | | 1,759,500 | 1,693,121 |

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|---|-------|-----------------------------|-----------------------------|-----------------------------|
| Recurrent Expenses | | | | |
| Employee Costs | 5 | (54,360) | (55,994) | (52,753) |
| Materials and Services | | (33,950) | (34,037) | (34,427) |
| Depreciation and Amortisation | 6 | (20,361) | (19,142) | (19,228) |
| Finance Costs | 7 | (727) | (708) | (873) |
| State Fire Commission Levies | | (10,249) | (10,250) | (9,716) |
| Other | 8 | (7,036) | (7,310) | (7,211) |
| | | (126,683) | (127,441) | (124,208) |
| Capital Expenses | | | | |
| Net loss on disposal of property, plant and equipment | 11 | – | – | (661) |
| | | – | – | (661) |
| Total Expenses | | (126,683) | (127,441) | (124,869) |
| Recurrent Income | | | | |
| Rates and Charges | | 82,048 | 81,478 | 78,495 |
| Grants and Donations | 10(a) | 3,331 | 1,791 | 5,363 |
| Fines | | 6,912 | 7,719 | 7,396 |
| Rendering of Services | | 29,090 | 29,305 | 29,277 |
| Distributions from TasWater | | 3,258 | 3,258 | 3,201 |
| Interest | | 854 | 760 | 882 |
| Rents | | 3,322 | 3,246 | 2,964 |
| | | 128,815 | 127,557 | 127,578 |
| Capital Income | | | | |
| Capital grants received specifically for new or upgraded assets | 10(b) | 3,502 | 2,664 | 4,016 |
| Net gain on disposal of property, plant and equipment | 11 | 1,034 | 767 | – |
| Contributed property, plant and equipment | | 5,255 | – | 1,793 |
| | | 9,791 | 3,431 | 5,809 |
| Total Income | | 138,606 | 130,988 | 133,387 |
| Surplus | 9 | 11,923 | 3,547 | 8,518 |
| Other Comprehensive Income | | | | |
| <i>Items that may be reclassified subsequently to surplus or deficit:</i> | | | | |
| - Adjustment to fair value of investment in TasWater | 12 | 2,137 | – | 1,074 |
| <i>Items that will not be reclassified to surplus or deficit:</i> | | | | |
| - Net PP&E revaluation increments / (decrements) | 13 | 48,339 | – | 86,138 |
| - Defined-benefit superannuation plan actuarial gains / (losses) | 33 | 3,980 | – | 4,761 |
| Total other comprehensive income | | 54,456 | – | 91,973 |
| Comprehensive Income for the period | | 66,379 | 3,547 | 100,491 |

This statement should be read in conjunction with the accompanying notes. Budget numbers are not audited.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

| | Note | Total | | Retained Earnings | | Reserves | |
|---|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2017-18 \$'000 | 2016-17 \$'000 | 2017-18 \$'000 | 2016-17 \$'000 | 2017-18 \$'000 | 2016-17 \$'000 |
| Balance at beginning of period | | 1,649,804 | 1,592,630 | 1,124,678 | 1,112,747 | 525,126 | 479,883 |
| Adjustment relating to land revaluation | 2(c) | 43,317 | – | – | – | 43,317 | – |
| Balance at beginning of period (restated) | | 1,693,121 | 1,592,630 | 1,124,678 | 1,112,747 | 568,443 | 479,883 |
| Comprehensive Income for the period | | 66,379 | 100,491 | 15,903 | 13,279 | 50,476 | 87,212 |
| Transfers to reserves | 37 | – | – | (25,669) | (22,993) | 25,669 | 22,993 |
| Transfers from reserves | 37 | – | – | 29,944 | 21,645 | (29,944) | (21,645) |
| Balance at end of period | | 1,759,500 | 1,693,121 | 1,144,856 | 1,124,678 | 614,644 | 568,443 |

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



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

| | Note | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|--|------|-----------------------------|-----------------------------|-----------------------------|
| Cash Flows from Operating Activities | | | | |
| <i>Receipts</i> | | | | |
| Rates | | 81,904 | 81,333 | 78,383 |
| Rendering of services (inclusive of GST) | | 31,396 | 32,188 | 32,168 |
| Interest | | 851 | 760 | 830 |
| Grants (inclusive of GST) | | 3,600 | 1,790 | 5,709 |
| Rents (inclusive of GST) | | 3,632 | 3,565 | 3,237 |
| Fines | | 6,349 | 7,719 | 7,168 |
| Distributions from TasWater | | 3,258 | 3,258 | 3,258 |
| Net GST refund | | 3,656 | 4,166 | 3,115 |
| Other receipts (inclusive of GST) | | 671 | 167 | 78 |
| | | 135,317 | 134,946 | 133,946 |
| <i>Payments</i> | | | | |
| Employee costs | | (52,991) | (54,753) | (52,010) |
| Payments to suppliers (inclusive of GST) | | (41,333) | (42,483) | (41,013) |
| Interest | | (632) | (651) | (709) |
| Other payments (inclusive of GST) | | (13,811) | (14,691) | (15,488) |
| | | (108,767) | (112,578) | (109,220) |
| Net Cash Flow from Operating Activities | 38 | 26,550 | 22,368 | 24,726 |
| Cash Flows from Investing Activities | | | | |
| <i>Proceeds</i> | | | | |
| Grants | | 3,502 | 2,664 | 4,016 |
| Sales of Property | | 2,469 | 800 | 68 |
| Sales of Plant and Equipment | | 1,031 | 873 | 609 |
| | | 7,002 | 4,337 | 4,693 |
| <i>Payments</i> | | | | |
| Infrastructure – Employee Costs | | (4,603) | (4,198) | (3,774) |
| Infrastructure and Facilities – Other | | (33,713) | (35,938) | (21,641) |
| Property | | (759) | – | (330) |
| Plant and Equipment | | (4,202) | (4,993) | (5,524) |
| | | (43,277) | (45,129) | (31,269) |
| Net Cash Flow from/(used in) Investing Activities | 38 | (36,275) | (40,792) | (26,576) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from Borrowings | 35 | 10,000 | 15,000 | – |
| Repayment of Borrowings | 35 | (1,482) | (1,482) | (1,404) |
| Net Cash Flow from/(used in) Financing Activities | 39 | 8,518 | 13,518 | (1,404) |
| Net Increase (Decrease) in Cash Held | | (1,207) | (4,906) | (3,254) |
| Cash Held at the Beginning of the Year | | 33,051 | 33,051 | 36,305 |
| Cash held at the End of the Year | 16 | 31,844 | 28,145 | 33,051 |

This statement should be read in conjunction with the accompanying notes. Budget numbers are not audited.

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 section 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(j)).

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. Donations and other contributions are recognised at the fair value of the assets received.

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 16)

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

E) INVENTORIES (NOTE 17)

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 12 AND 18)

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market

concerned, and are initially measured at fair value, net of transaction costs.

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

Council has classified its ownership interest in 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 collectability 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 section 128(c) of the *Local Government Act 1993*.

G) EMPLOYEE BENEFITS (NOTE 33)

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

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

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

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

In determining "pre-conditional" long service leave entitlements, the amount of cash outflows required to be made by Council in

the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

The liability for employee entitlements to sick leave is equivalent to 17.5% 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 (NOTE 36)

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the

reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

I) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (NOTE 20)

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.

J) PROPERTY, PLANT AND EQUIPMENT (NOTES 21–30)

Acquisition

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

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

Revaluations

Plant and equipment, and the valuation roll, are 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 asset revaluation reserve. However, the net revaluation increase is recognised in profit or loss to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in 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 asset revaluation reserve in respect of that same class of assets.

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

Where indexation adjustments have been applied to land values, these have been calculated by reference to land value adjustment factors published annually by the Department of Primary Industries, Parks, Water and Environment, 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).

Note 48 details Council's approach to revaluing each class of property, plant and equipment. 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:

| Asset Class | Range |
|------------------------------|---------|
| Buildings | |
| Halls | 125–150 |
| Car Parks | 150 |
| Grandstands and Change Rooms | 60–150 |
| Public Conveniences | 100 |
| Depot Buildings | 60–150 |
| Administrative Offices | 100–500 |
| Other | 40–150 |
| Land Improvements | |
| Landscaping | 50 |

| Asset Class | Range |
|-------------------------------------|--------|
| External Playing Surfaces | 10–100 |
| Other | 3–100 |
| Other Structures | |
| Furniture & Signs | 1–100 |
| Drainage Structures | 10–100 |
| Playground Equipment | 5–30 |
| Fountains | 10–80 |
| Other | 1–500 |
| Pipes, Drains & Rivulets | |
| Water Mains | 25–126 |
| Irrigation | 10–120 |
| Sewer Mains | 20–80 |
| Stormwater Mains | 10–134 |
| Rivulets | 15–120 |
| Plant & Equipment | |
| Heavy Plant and Equipment | 5–20 |
| Fleet Vehicles | 3–5 |
| Minor Plant | 3–25 |
| Furniture and Office Equipment | 2–30 |
| Roads & Bridges | |
| Sealed Roads | 17–150 |
| Bridges | 20–100 |
| Footpaths, Kerbs and Gutters | 15–75 |
| Cycleways & Tracks | 12–85 |
| Other | |
| Valuation Roll | 6 |
| Infrastructure Plant | 3–100 |

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

Land under roads is accounted for in accordance with AASB 116 *Property, Plant and Equipment*.

K) LEASES (NOTE 42)

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 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.

L) FINANCIAL LIABILITIES (NOTES 31, 32 AND 35)

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

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

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

M) HERITAGE ACCOUNT (NOTES 15 AND 16)

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

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

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

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

N) GOODS AND SERVICES TAX (GST)

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

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

O) BUDGET

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

P) ROUNDING

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

2. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES & CORRECTION OF PRIOR PERIOD ERRORS

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 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities at note 39.

B) NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

AASB 9 Financial Instruments and the relevant amending standards (applies from 2018–19).

This standard replaces the existing standard, AASB139: *Financial Instruments: Recognition and Measurement*, and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by an entities business model for holding the particular asset and its contractual cash flows.

The amortised cost model is available for debt assets meeting both a business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments. Where the business model is achieved by both collecting the contractual cash flows and from selling the financial asset, it may be classified as fair value through other comprehensive income. Any financial asset not held in either of these classifications, or where designated, will be classified as fair value through profit or loss. 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, where the financial asset is an equity instrument not held for trading, and an irrevocable election is made to present all movements in other comprehensive income.

When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB 9 Council can make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard would not impact the way movements in the fair value are accounted for. It is expected that Council will make that election.

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Council does not expect the standard to have a material impact overall.

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 does not have any such liabilities. The derecognition rules have been transferred from AASB

139 *Financial Instruments: Recognition and Measurement*, and have not been changed.

Council will apply the standard from 1 July 2018 and expects to use a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but will require a reconciliation of changes in classification of financial assets and financial liabilities.

AASB 15 Revenue from Contracts with Customers (applies from 2019–20)

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated

performance obligations are enforceable and sufficiently specific.

- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received at note 15. Council's assessment is that \$5.388 million of grants received and unexpended for the current year, would be deferred as a liability under AASB 15 and progressively recorded as income as performance obligations are fulfilled.

Council does not expect any material impact in the timing of revenue on the sale of goods and services as sales are currently aligned to the reporting period that the performance obligations are aligned to.

Council will apply the standard from 1 July 2019 and expects to use a retrospective approach with cumulative catch-up with an adjustment to accumulated surpluses for the difference in accounting treatment on initial adoption.

AASB 1058 Income of Not-for-Profit Entities (applies from 2019–20)

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 *Contributions*. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset

is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 *Property, Plant and Equipment*).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. Council does not currently have any assets acquired that are leased at a "Peppercorn" rate.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 14, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has not yet determined the quantitative impact of these requirements on its financial statements.

Council will apply the standard from 1 July 2019 and expects to use a retrospective approach with cumulative catch-up with an adjustment

to accumulated surpluses for the difference in accounting treatment on initial adoption.

AASB 16 Leases (applies from 2019–20)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils existing lease commitments are disclosed in note 42.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council is working through the effect of this change in leases on its financial statements, however has not yet fully quantified the impact.

Council will apply the standard from 1 July 2019 and expects to use a retrospective approach with cumulative catch-up with an adjustment to accumulated surpluses for the difference in accounting treatment on initial adoption.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

C) CORRECTION OF PRIOR PERIOD ERROR ON LAND

During the current period it was discovered that Land had not been indexed for the 2016–17 period. Land was last revalued in 2015 in accordance with the Office of the Valuer-General’s valuation of the Hobart municipality.

As this error relates to a prior period, the 2016–17 Actual Comparatives have been restated as follows:

- Land value has been increased by \$43.317 million.
- Asset Revaluation Reserve has been increased by 43.317 million.

The below section shows the restatement of each line item in the financial statements affected by the error.

STATEMENT OF FINANCIAL POSITION (EXTRACT)

| Financial Statement Line Item Affected | Note | 2016–17 \$'000 | Error Correction Adjustment \$'000 | 2016–17 Restated \$'000 |
|--|-------|-------------------|---|-------------------------------|
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 21–30 | 1,487,857 | 43,317 | 1,531,174 |
| Total Non-Current Assets | | 1,653,278 | 43,317 | 1,696,595 |
| Total Assets | | 1,694,035 | 43,317 | 1,737,352 |
| Net Assets | | | | |
| Equity | | 1,649,804 | 43,317 | 1,693,121 |
| Reserves | 37 | 525,126 | 43,317 | 568,443 |
| Total Equity | | 1,649,804 | 43,317 | 1,693,121 |

STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)

| Financial Statement Line Item Affected | Note | 2016–17 \$'000 | Error Correction Adjustment \$'000 | 2016–17 Restated \$'000 |
|---|------|-------------------|---|-------------------------------|
| Other Comprehensive Income | | | | |
| <i>Items that will not be reclassified to surplus or deficit:</i> | | | | |
| - Net PP&E revaluation increments / (decrements) | 13 | 42,821 | 43,317 | 86,138 |
| Total other comprehensive income | | 48,656 | 43,317 | 91,973 |
| Comprehensive Income for the period | | 57,174 | 43,317 | 100,491 |

STATEMENT OF CHANGES IN EQUITY (EXTRACT)

| Financial Statement Line Item Affected | 2016-17 | Total | 2016-17 | 2016-17 | Reserves | 2016-17 |
|---|-----------|---|--------------------|---------|---|--------------------|
| | \$'000 | Error Correction Adjustment \$'000 | Restated \$'000 | \$'000 | Error Correction Adjustment \$'000 | Restated \$'000 |
| Comprehensive Income for the period | 57,174 | 43,317 | 100,491 | 43,895 | 43,317 | 87,212 |
| Balance at end of period | 1,649,804 | 43,317 | 1,693,121 | 525,126 | 43,317 | 568,443 |

NOTE 4. FUNCTIONS/ACTIVITIES OF THE COUNCIL (EXTRACT)

| Financial Statement Line Item Affected | | Assets \$'000 |
|--|-----------------------------|------------------|
| Other (Not Attributed) | 2016-17 | 231,291 |
| | Error Correction Adjustment | 43,317 |
| | 2016-17 Restated | 274,608 |
| Total | 2016-17 | 1,694,035 |
| | Error Correction Adjustment | 43,317 |
| | 2016-17 Restated | 1,737,352 |

NOTE 13. ASSET REVALUATIONS (EXTRACT)

| Financial Statement Line Item Affected | Note | 2016-17 \$'000 | Error Correction Adjustment \$'000 | 2016-17 Restated \$'000 |
|--|-------|-------------------|---|-------------------------------|
| PP&E Revaluations recognised in other comprehensive income | | | | |
| Land | | – | 43,317 | 43,317 |
| Net PP&E Revaluation increments | 21,37 | 42,821 | 43,317 | 86,138 |

NOTE 21. PROPERTY, PLANT AND EQUIPMENT (EXTRACT)

| Financial Statement Line Item Affected | Note | Net Revaluation/Indexation Adjustments | | | Carrying Amount | | |
|---|------|---|---|-------------------------------|-------------------|---|-------------------------------|
| | | 30/6/17 \$'000 | Error Correction Adjustment \$'000 | 30/6/17 Restated \$'000 | 30/6/17 \$'000 | Error Correction Adjustment \$'000 | 2016-17 Restated \$'000 |
| Land | 23 | – | 43,317 | 43,317 | 865,035 | 43,317 | 908,352 |
| | | 42,821 | 43,317 | 86,138 | 1,487,857 | 43,317 | 1,531,174 |

NOTE 23. LAND AND BUILDINGS (EXTRACT)

| Financial Statement Line Item Affected | 2016-17 \$'000 | Error Correction Adjustment \$'000 | 2016-17 Restated \$'000 |
|---|-------------------|---|-------------------------------|
| Land | | | |
| At Cost | 689,694 | (689,264) | 430 |
| At Valuer-General's market valuation – 2015 | 175,341 | 732,581 | 907,922 |
| | 865,035 | 43,317 | 908,352 |
| | 1,012,109 | 43,317 | 1,055,426 |

NOTE 37. RESERVES (EXTRACT))

| Financial Statement Line Item Affected | Note | 2016-17 \$'000 | Error Correction Adjustment \$'000 | 2016-17 Restated \$'000 |
|--|------|-------------------|---|-------------------------------|
| Asset Revaluation Reserve | 13 | 538,551 | 43,317 | 581,868 |
| | | 525,126 | 43,317 | 568,443 |

NOTE 48. FAIR VALUE MEASUREMENTS (EXTRACT)

| Financial Statement Line Item Affected | Note | 2016-17 | | Level 2 Restated \$'000 | Total \$'000 | Error Correction Adjustment \$'000 | Total Restated \$'000 |
|---|------|-------------------|---|-------------------------------|-----------------|---|-----------------------------|
| | | Level 2 \$'000 | Error Correction Adjustment \$'000 | | | | |
| Recurring fair value measurements | | | | | | | |
| Land | 23 | 865,035 | 43,317 | 908,352 | 865,035 | 43,317 | 908,352 |
| | | 865,035 | 43,317 | 908,352 | 1,468,765 | 43,317 | 1,512,082 |

D) CORRECTION OF PRIOR PERIOD ERROR ON OPERATING LEASES

During the current period it was discovered that the operating lease commitments for the prior year had been calculated incorrectly.

As this error relates to a prior period, the 2016-17 Actual Comparatives have been restated as follows:

NOTE 42. OPERATING LEASES (EXTRACT)

| Financial Statement Line Item Affected | 2016–17 \$'000 | 2016–17 Restated \$'000 |
|--|-------------------|-------------------------------|
| a) Operating Lease commitments at the reporting date not recognised in liabilities: | | |
| Not longer than one year | 988 | 947 |
| Longer than one year and not longer than two years | 892 | 897 |
| Longer than two years and not longer than five years | 2,611 | 2,680 |
| Longer than five years | 15,512 | 9,483 |
| | 20,003 | 14,007 |

E) CORRECTION OF PRIOR PERIOD ON PROVISIONS

During the current period, provisions were more correctly split between current and non-

current liabilities. In order to make prior period comparisons more useful, the 2016–17 Actual Comparatives have been restated per note 36.

3. SIGNIFICANT WEATHER EVENT

On May 10, Hobart and surrounds experienced a major weather event causing significant flooding. Following the initial emergency response, Council has undertaken, and continues to undertake, a systematic inspection of assets damaged by the event.

As at the date of this report it is still too early to quantify the financial impacts. The following is a summary of information available to date:

- Emergency and clean up costs. During the period emergency and clean up costs were incurred totalling \$1.319 million. These costs have been excluded from the calculation of the underlying result (see note 9).
- Insurable losses. Damage has occurred to insurable assets, primarily buildings. A claim will be submitted and full recovery is expected, except for the policy excess.
- Damage to essential public assets. The initial estimate of damage costs and clean up costs is \$20 million. Recovery assistance

is available under the Commonwealth Government's Natural Disaster Relief and Recovery Arrangements (NDRRA), via the State Department of Premier and Cabinet. Eligibility criteria and thresholds apply, which Council is confident it satisfies, but in overall terms, approximately 75% of eligible costs will be reimbursed.

- Damage to non-essential public assets. Damage to assets and clean up costs not meeting the NDRRA definition of essential public assets, has been estimated at approximately \$4.5 million. An application has been made under the NDRRA Community Grant Recovery Program, also capped at 75%, and is currently being assessed.
- Following the review of damage, a review of asset impairment was performed and an impairment of \$0.272 million has been recorded which has been excluded from the calculation of the underlying result (see note 9).

4. FUNCTIONS/ACTIVITIES OF THE COUNCIL

| | | Expenses | | Revenues | | Assets |
|-------------------------|---------|----------|------------------|-----------------|-----------------|-----------|
| | | \$'000 | Grants \$'000 | Other \$'000 | Total \$'000 | \$'000 |
| Public Order and Safety | 2017-18 | 10,913 | 0 | 9,808 | 9,808 | 13 |
| | 2016-17 | 9,812 | 0 | 9,345 | 9,345 | 14 |
| Health | 2017-18 | 1,932 | 1,177 | (514) | 663 | 156 |
| | 2016-17 | 2,253 | 0 | 358 | 358 | 146 |
| Welfare | 2017-18 | 3,806 | 171 | 183 | 354 | 2,709 |
| | 2016-17 | 3,645 | 149 | 206 | 355 | 3,104 |
| Community Amenities | 2017-18 | 22,461 | 20 | 14,635 | 14,655 | 164,115 |
| | 2016-17 | 23,247 | 15 | 16,199 | 16,214 | 154,558 |
| Recreation and Culture | 2017-18 | 33,980 | 118 | 8,308 | 8,426 | 295,740 |
| | 2016-17 | 33,214 | 105 | 8,172 | 8,277 | 271,371 |
| Parking | 2017-18 | 12,206 | 0 | 21,863 | 21,863 | 89,444 |
| | 2016-17 | 11,893 | 0 | 21,945 | 21,945 | 92,494 |
| Transport | 2017-18 | 16,129 | 1,691 | 540 | 2,231 | 954,314 |
| | 2016-17 | 16,168 | 2,357 | 543 | 2,900 | 938,289 |
| Economic Services | 2017-18 | 6,149 | 150 | 2,215 | 2,365 | 2,758 |
| | 2016-17 | 5,643 | 150 | 1,997 | 2,147 | 2,768 |
| Other (Not Attributed)* | 2017-18 | 19,107 | 4 | 68,446 | 68,450 | 305,064 |
| | 2016-17 | 18,333 | 2,587 | 63,450 | 66,037 | 274,608 |
| Total | 2017-18 | 126,683 | 3,331 | 125,484 | 128,815 | 1,814,313 |
| | 2016-17 | 124,208 | 5,363 | 122,215 | 127,578 | 1,737,352 |

Note: Capital expenses and capital income are not included.

The Other (Not Attributed) and Total line items for 2016/17, under the Assets column, have been restated due to a prior period error (see note 2(c)).

* 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. |

5. EMPLOYEE COSTS

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|--|------|-------------------|-------------------|
| Gross Wages and Salaries | | 47,657 | 45,958 |
| Less: Amounts Capitalised | | (3,186) | (2,630) |
| Leave Payments | | (3,688) | (3,567) |
| | | (6,874) | (6,197) |
| Wages and Salaries expensed | | 40,783 | 39,761 |
| Leave Entitlements | | 4,298 | 3,713 |
| Defined-benefit superannuation plan | 33 | 1,401 | 1,546 |
| Other superannuation | | 4,670 | 4,464 |
| Workers Compensation Insurance | | 786 | 624 |
| Payroll Tax | | 3,146 | 3,245 |
| Aldermanic Allowances | | 522 | 523 |
| Employee Separation payments | | 171 | 21 |
| Labour Overheads Capitalised | | (1,417) | (1,144) |
| | | 54,360 | 52,753 |
| Number of Employees (Full-time Equivalent) | | 596 | 595 |

6. DEPRECIATION AND AMORTISATION

| | 2017-18 \$'000 | 2016-17 \$'000 |
|----------------------------|-------------------|-------------------|
| Land Improvements | 1,064 | 1,015 |
| Buildings | 2,284 | 2,250 |
| Infrastructure Plant | 410 | 311 |
| Plant and Equipment | 3,137 | 2,927 |
| Pipes, Drains and Rivulets | 1,730 | 1,674 |
| Roads and Bridges | 8,314 | 7,656 |
| Other Structures | 3,410 | 3,383 |
| Other | 12 | 12 |
| | 20,361 | 19,228 |

7. FINANCE COSTS

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|---------------------------------------|------|-------------------|-------------------|
| Interest on Loans | | 632 | 709 |
| Landfill Restoration Provision | 36 | 123 | 122 |
| Defined-benefit superannuation scheme | 33 | (28) | 42 |
| | | 727 | 873 |

8. OTHER EXPENSES

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|---|------|-------------------|-------------------|
| Pensioner Rate Remissions | | 1,161 | 1,157 |
| Less: Reimbursements from Government | 10 | (1,129) | (1,124) |
| | | 32 | 33 |
| Other Rate Remissions | | 13 | 12 |
| Grants and Specific Purpose Benefits | | 3,199 | 2,977 |
| Auditor General's Fee – Audit of the Financial Report | | 53 | 50 |
| Other Audit Fees | | 158 | 64 |
| Bad and Doubtful Debts | | 291 | 598 |
| Assets Written-off | | 2,299 | 2,315 |
| Obsolete Stock | | – | 1 |
| Fringe Benefits Tax | | 276 | 410 |
| Land Tax | | 715 | 751 |
| | | 7,036 | 7,211 |

9. 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 | 2017-18 \$'000 | 2016-17 \$'000 |
|---|------|-------------------|-------------------|
| Surplus | | 11,923 | 8,518 |
| <i>exclude</i> | | | |
| Capital Grants | 10 | (3,502) | (4,016) |
| Contributed Property, Plant and Equipment | | (5,255) | (1,793) |
| Write-off of assets as a result of weather event | 3 | 272 | – |
| Additional costs as a result of weather event | 3 | 1,319 | – |
| Gains from one-off disposal of surplus land & buildings | 11 | (1,137) | – |
| <i>adjust Financial Assistance Grants received in advance</i> | 10 | | |
| 2017/18 allocation received in 2016/17 | | 1,318 | (1,318) |
| 2018/19 allocation received in 2017/18 | | (1,382) | – |
| <i>adjust Rates received in advance</i> | 14 | | |
| 2016/17 rates received in 2015/16 | | – | 609 |
| 2017/18 rates received in 2016/17 | | 863 | (863) |
| 2018/19 rates received in 2017/18 | | (724) | – |
| Underlying Surplus | | 3,695 | 1,137 |

10. GRANTS AND DONATIONS

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|---|------|-------------------|-------------------|
| a) Operating Grants | | | |
| <i>provided by Government</i> | | | |
| Commonwealth Financial Assistance Grants | | 2,738 | 3,881 |
| Pensioner Rate Remission Grants | 8 | 1,129 | 1,124 |
| Employment Creation Initiatives | | 4 | 10 |
| Fuel Tax Credit Scheme | | 126 | 123 |
| South Hobart Living Arts Centre | | – | 928 |
| Still Gardening Program | | 148 | 142 |
| Tasmanian Bushfire Mitigation Program | | – | 40 |
| Tasmanian Travel and Information Centre | | 150 | 150 |
| Miscellaneous | | 108 | 29 |
| | | 4,403 | 6,427 |
| <i>other</i> | | | |
| Provision of Public Open Space | | 57 | 60 |
| | | 57 | 60 |
| | | 4,460 | 6,487 |
| Less: Pensioner Rate Remission Grants netted against Remissions | 8 | (1,129) | (1,124) |
| | | 3,331 | 5,363 |

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 payments of financial assistance grants in some years but not in others. Two instalments (50%) of the 2017–18 grants were brought-forward and received in June 2017. Again in this current period two instalments (50%) of the 2018–19 grants were brought-forward and received by Council in June

2018. Council has reflected these latest early payments in its 2018–19 budget, but has assumed that future grants will be received in the year to which they relate.

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

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|--|------|-------------------|-------------------|
| b) Capital Grants | | | |
| <i>provided by Government</i> | | | |
| Roads to Recovery Program | | 1,028 | 1,194 |
| Macquarie Street Hotmix Overlay | | 319 | – |
| Blackspot Program | | 519 | 95 |
| Bridge of Remembrance | | 1,636 | 2,727 |
| | | 3,502 | 4,016 |
| Total Grants and Donations | | 6,833 | 9,379 |
| 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: | | 1,695 | 3,468 |
| 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: | | (3,051) | (1,861) |
| Net increase/(decrease) in assets subject to conditions | | (1,356) | 1,607 |
| Assets subject to conditions at the beginning of the period | | 6,927 | 5,320 |
| Assets subject to conditions at the end of the period | 15 | 5,571 | 6,927 |

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.

11. ASSET SALES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| Plant & Equipment | | |
| Proceeds from sales | 1,031 | 609 |
| Less carrying amount of assets sold | (1,134) | (1,283) |
| Gain / (Loss) on disposal | (103) | (674) |
| Land and Buildings | | |
| Proceeds from sales | 2,469 | 68 |
| Less carrying amount of assets sold | (1,332) | (55) |
| Gain / (Loss) on disposal | 1,137 | 13 |
| Total Gain / (Loss) on disposal of assets | 1,034 | (661) |

12. INVESTMENT IN TASWATER

Council accounts for its ownership interest in the Tasmanian Water and Sewerage Corporation Pty Ltd (TasWater) in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The investment has been classified as an "available-for-sale financial asset". Council derives investment returns in the form of dividends, guarantee fees and tax equivalents.

At 30 June 2018, 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 \$1.606 million.

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|------------------------|-------------------|-------------------|
| Opening Balance | 164,686 | 163,612 |
| Fair value adjustment | 2,137 | 1,074 |
| Closing Balance | 166,823 | 164,686 |

Fair value adjustments have been recognised in other comprehensive income.

On 1 May 2018 TasWater and the State Government announced a memorandum of understanding under which the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. As a shareholder the State Government will not receive any dividend distributions. The

partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects. As at the date of these financial statements, the owner councils and the State Government were working together on the nature of the future reforms.

13. ASSET REVALUATIONS

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|---|--------|-------------------|-------------------|
| PP&E Revaluations Recognised in Other Comprehensive Income | | | |
| Land | | 43,317 | 43,317 |
| Buildings | | (4,365) | 2,517 |
| Land Improvements | | 545 | 6,673 |
| Infrastructure Plant | | 38 | 27 |
| Pipes, Drains and Rivulets | | 2,431 | 1,511 |
| Roads and Bridges | | 4,918 | 31,150 |
| Other Structures | | 1,454 | 943 |
| Net PP&E Revaluation increments | 21, 37 | 48,338 | 86,138 |

The Land and Net PP&E Revaluation increments line items for 2016-17 have been restated due to a prior period error (see note 2(c))

14. RATES RECEIVED IN ADVANCE

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Rates recognised as revenues during the reporting period which were obtained in respect of future rating periods | 724 | 863 |
| Rates recognised as revenues in a previous reporting period which were obtained in respect of the current reporting period. | (863) | (609) |
| Net increase (decrease) in prepaid rates | (139) | 254 |

15. RESTRICTED ASSETS

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------|-------------------|-------------------|
| a) Grants and Donations subject to Conditions | | | |
| Assets derived from grants and donations which were obtained on the condition that they be expended in a particular manner but had yet to be applied in that manner as at the reporting date were in respect of : | | | |
| – Contributions in lieu of Parking | | 135 | 135 |
| – Contributions in lieu of Public Open Space | | 48 | 235 |
| – Roadworks | | – | 913 |
| – Bridge of Remembrance | | 5,369 | 5,636 |
| – Miscellaneous | | 19 | 8 |
| | 10(c) | 5,571 | 6,927 |
| b) Heritage Account | | | |
| Assets acquired as a result of the winding-up of the National Trust Preservation Fund which are required by section 5(3) of the <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(m) | 1,553 | 1,500 |
| Total Restricted Assets | 16(b) | 7,124 | 8,427 |

16. CASH

| | Note | 2017-18 \$'000 | 2016-17 \$'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 | | 11,500 | 21,300 |
| At Call | | 18,106 | 7,838 |
| | | 29,606 | 29,138 |
| Cash Advances | | 57 | 63 |
| Cash at Bank | | 2,181 | 3,850 |
| | | 31,844 | 33,051 |
| b) Composition of Cash | | | |
| The following restrictions apply to the closing cash balance : | | | |
| – Provision of Public Open Space | | 48 | 235 |
| – Provision of Parking Facilities | | 135 | 135 |
| – Roadworks | | – | 913 |
| – Bridge of Remembrance | | 5,369 | 5,636 |
| – Heritage Funding | | 1,553 | 1,500 |
| – Other | | 19 | 8 |
| | 15 | 7,124 | 8,427 |
| The remainder of the Cash balance has been ear-marked for: | | | |
| – Asset Replacement | | 8,041 | 3,198 |
| – Other Capital Works | | 6,953 | 11,416 |
| – Provision of Public Open Space | | 16 | 16 |
| – Bushland Acquisition | | 208 | 398 |
| – Public Infrastructure Fund | | 2,791 | 3,619 |
| – McRobies Gully Landfill Rehabilitation | | 3,637 | 3,063 |
| – Queens Domain Facility upgrades | | 912 | 633 |
| – Refundable Deposits | | 2,162 | 2,281 |
| | | 24,720 | 24,624 |
| | | 31,844 | 33,051 |

17. INVENTORIES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| The Doone Kennedy Hobart Aquatic Centre | 31 | 44 |
| McRobies Gully – construction materials | 40 | 33 |
| Salamanca Market | 96 | 100 |
| Tasmanian Travel & Information Centre | 56 | 54 |
| Other | 135 | 156 |
| | 358 | 387 |

18. 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 on the following page.

| 2017-18 | Floating Interest Rate \$'000 | Fixed 1 year or less \$'000 | Interest Maturing in: Over 1 to 5 years \$'000 | More than 5 years \$'000 | Non-Interest Bearing \$'000 | Total \$'000 | Weighted Average Interest Rate |
|--|----------------------------------|--------------------------------|--|-----------------------------|--------------------------------|-----------------|--------------------------------|
| Financial Assets | | | | | | | |
| Cash and cash equivalents | 20,287 | 11,500 | – | – | 57 | 31,844 | 2.03% |
| Investment in TasWater | – | – | – | – | 166,823 | 166,823 | |
| Receivables | 1,197 | – | – | – | 5,998 | 7,195 | 0.88% |
| | 21,484 | 11,500 | – | – | 172,878 | 205,862 | |
| Weighted Average Interest Rate | 2.11% | 2.60% | 0.00% | 0.00% | | | |
| Financial Liabilities | | | | | | | |
| Payables | – | – | – | – | 10,818 | 10,818 | |
| Trust, Deposits, Retention | – | – | – | – | 3,128 | 3,128 | |
| Loans | – | 2,070 | 7,392 | 10,749 | – | 20,211 | 4.82% |
| | – | 2,070 | 7,392 | 10,749 | 13,946 | 34,157 | |
| Weighted Average Interest Rate | 0.00% | 5.06% | 4.87% | 4.74% | | | |
| Net Financial Assets/ (Liabilities) | 21,484 | 9,430 | (7,392) | (10,749) | 158,932 | 171,705 | |

| 2016-17 | Floating Interest Rate \$'000 | Fixed 1 year or less \$'000 | Interest Maturing in: Over 1 to 5 years \$'000 | More than 5 years \$'000 | Non-Interest Bearing \$'000 | Total \$'000 | Weighted Average Interest Rate |
|--|----------------------------------|--------------------------------|--|-----------------------------|--------------------------------|-----------------|--------------------------------|
| Financial Assets | | | | | | | |
| Cash and cash equivalents | 11,688 | 21,300 | – | – | 63 | 33,051 | 2.29% |
| Investment in TasWater | – | – | – | – | 164,686 | 164,686 | |
| Receivables | 1,046 | 26 | – | – | 4,952 | 6,024 | 0.86% |
| | 12,734 | 21,326 | – | – | 169,701 | 203,761 | |
| Weighted Average Interest Rate | 2.51% | 2.49% | 0.00% | 0.00% | | | |
| Financial Liabilities | | | | | | | |
| Payables | – | – | – | – | 8,922 | 8,922 | |
| Trust, Deposits, Retention | – | – | – | – | 3,215 | 3,215 | |
| Loans | – | 1,482 | 6,020 | 4,191 | – | 11,693 | 5.58% |
| | – | 1,482 | 6,020 | 4,191 | 12,137 | 23,830 | |
| Weighted Average Interest Rate | 0.00% | 5.39% | 5.28% | 6.07% | | | |
| Net Financial Assets/ (Liabilities) | 12,734 | 19,844 | (6,020) | (4,191) | 157,564 | 179,931 | |

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 2018 | | 30 June 2017 | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 100 basis points | 100 basis points | 100 basis points | 100 basis points |
| | increase \$'000 | decrease \$'000 | increase \$'000 | decrease \$'000 |
| Financial Assets | | | | |
| Cash Advances | n/a | n/a | n/a | n/a |
| Other Cash and Cash Equivalents | 202 | (202) | 58 | (58) |
| Investment in TasWater | n/a | n/a | n/a | n/a |
| Receivables | 12 | (12) | 10 | (10) |
| | 214 | (214) | 68 | (68) |
| Financial Liabilities | | | | |
| Payables | n/a | n/a | n/a | n/a |
| Loans | n/a | n/a | n/a | n/a |
| | - | - | - | - |

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 30 June 2017.

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. The table below shows the contractual maturities for financial liabilities.

| 2017-18 | | | | | | | |
|---------------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------|------------------------------|
| | 6 mths or less \$'000 | 6 to 12 mths \$'000 | 1 to 2 years \$'000 | 2 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 | Carrying Amount \$'000 |
| Trade and other payables | 10,818 | - | - | - | - | 10,818 | 10,818 |
| Trust funds and deposits | 1,240 | - | 410 | 240 | 1,238 | 3,128 | 3,128 |
| Interest-bearing loans and borrowings | 1,024 | 1,046 | 2,160 | 5,232 | 10,749 | 20,211 | 20,211 |
| Total financial liabilities | 13,082 | 1,046 | 2,570 | 5,472 | 11,987 | 34,157 | 34,157 |
| 2016-17 | | | | | | | |
| | 6 mths or less \$'000 | 6 to 12 mths \$'000 | 1 to 2 years \$'000 | 2 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 | Carrying Amount \$'000 |
| Trade and other payables | 8,922 | - | - | - | - | 8,922 | 8,922 |
| Trust funds and deposits | 1,263 | 295 | 437 | 219 | 1,001 | 3,215 | 3,215 |
| Interest-bearing loans and borrowings | 731 | 751 | 1,563 | 4,457 | 4,191 | 11,693 | 11,693 |
| Total financial liabilities | 10,916 | 1,046 | 2,000 | 4,676 | 5,192 | 23,830 | 23,830 |

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:

| | 2017-18 | | 2016-17 | |
|------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| | Carrying Amount \$'000 | Net Fair Value \$'000 | Carrying Amount \$'000 | Net Fair Value \$'000 |
| Financial Assets | | | | |
| Cash Advances | 57 | 57 | 63 | 63 |
| Cash at Bank and Investments | 31,787 | 31,787 | 32,988 | 32,988 |
| Investment in TasWater | 166,823 | 166,823 | 164,686 | 164,686 |
| Receivables | 7,195 | 7,195 | 6,024 | 6,024 |
| | 205,862 | 205,862 | 203,761 | 203,761 |
| Financial Liabilities | | | | |
| Payables | 10,818 | 10,818 | 8,922 | 8,922 |
| Loans | 20,211 | 21,701 | 11,693 | 13,334 |
| | 31,029 | 32,519 | 20,615 | 22,256 |

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

E) FAIR VALUE HIERARCHY

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

The different levels have been defined as follows:

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

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

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

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| 2017-18 | | | | |
| Available for sale financial assets | – | – | 166,823 | 166,823 |
| Financial assets at fair value through profit or loss | – | 248 | – | 248 |
| | – | 248 | 166,823 | 167,071 |
| 2016-17 | | | | |
| Available for sale financial assets | – | – | 164,686 | 164,686 |
| Financial assets at fair value through profit or loss | – | 236 | – | 236 |
| | – | 236 | 164,686 | 164,922 |

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

Reconciliation of level 3 fair value movements

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Opening Balance | 164,686 | 163,612 |
| Gains / (Losses) recognised in other comprehensive income | 2,137 | 1,074 |
| Closing Balance | 166,823 | 164,686 |

19. RECEIVABLES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|------------------------------------|-------------------|-------------------|
| Rates | 1,245 | 1,101 |
| Parking Fines | 8,128 | 7,776 |
| Trade Receivables | 1,159 | 737 |
| Accrued interest on investments | 76 | 73 |
| Wages and salaries paid in advance | 87 | 93 |
| GST Receivable | 1,166 | 822 |
| Other Debtors | 169 | 305 |
| | 12,030 | 10,907 |
| Less Allowance for Impairment | (4,835) | (4,883) |
| | 7,195 | 6,024 |
| Current | 7,147 | 5,834 |
| Non-Current | 48 | 190 |
| | 7,195 | 6,024 |

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* |
| 2018 | 1,159 | 889 | - | 139 | - | 66 | - | 19 | 46 |
| 2017 | 737 | 535 | - | 66 | - | 54 | - | 66 | 16 |

Parking Fines

| | Total \$'000 | Parking Meter and Voucher | | | Traffic Infringements | | |
|------|-----------------|---------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| | | 0-14 days \$'000 | 14+ days \$'000 | 14+ days \$'000 | 0-28 days \$'000 | 28+ days \$'000 | 28+ days \$'000 |
| | | | PDNI* | CI* | | PDNI* | CI* |
| 2018 | 8,128 | 102 | 2,700 | 3,552 | 84 | 714 | 976 |
| 2017 | 7,776 | 102 | 2,381 | 3,564 | 81 | 679 | 969 |

Rates

| | Total \$'000 | 90+ days \$'000 |
|------|-----------------|-----------------------|
| | | PDNI* |
| 2018 | 1,245 | 1,245 |
| 2017 | 1,101 | 1,101 |

*PDNI – past due not impaired

*CI – considered impaired

20. ASSETS CLASSIFIED AS HELD FOR SALE

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|------|-------------------|-------------------|
| Land | - | 930 |
| | - | 930 |

21. PROPERTY, PLANT AND EQUIPMENT

| | Note | Carrying Amount 30/6/2017 \$'000 | Additions \$'000 | Transfer to Non- current Assets \$'000 | Disposals \$'000 | Net Revaluation/ Indexation Adjustments \$'000 | Depreciation \$'000 | Other Movements \$'000 | Carrying Amount 30/6/2018 \$'000 |
|----------------------------|------|--|---------------------|--|---------------------|---|------------------------|---------------------------|--|
| Plant and Equipment | 22 | 19,092 | 4,060 | - | (1,295) | - | (3,137) | 117 | 18,837 |
| Land | 23 | 908,352 | 2,637 | 153 | (402) | 43,317 | - | - | 954,057 |
| Buildings | 23 | 147,074 | 178 | 2,368 | (141) | (4,365) | (2,284) | (49) | 142,781 |
| Land Improvements | 24 | 23,862 | 5 | 1,569 | (557) | 545 | (1,064) | 3 | 24,363 |
| Infrastructure Plant | 25 | 2,017 | 1,515 | 15 | (29) | 38 | (410) | 29 | 3,175 |
| Pipes, Drains and Rivulets | 26 | 104,499 | 990 | 1,136 | (63) | 2,431 | (1,730) | 1 | 107,264 |
| Roads and Bridges | 27 | 211,741 | 1,908 | 7,249 | (668) | 4,918 | (8,314) | - | 216,834 |
| Other Structures | 28 | 68,428 | 382 | 1,870 | (708) | 1,454 | (3,410) | (70) | 67,946 |
| Capital Work in Progress | 29 | 45,189 | 36,681 | (14,360) | - | - | - | (99) | 67,411 |
| Other | 30 | 920 | 40 | - | - | - | (12) | - | 948 |
| | | 1,531,174 | 48,396 | - | (3,863) | 48,338 | (20,361) | (68) | 1,603,616 |

| | Note | Carrying Amount 30/6/2016 \$'000 | Additions \$'000 | Transfer to Non- current Assets \$'000 | Disposals \$'000 | Net Revaluation/ Indexation Adjustments (Restated) \$'000 | Depreciation \$'000 | Other Movements \$'000 | Carrying Amount 30/6/2017 (Restated) \$'000 |
|----------------------------|------|--|---------------------|---|---------------------|---|------------------------|---------------------------|--|
| Plant and Equipment | 22 | 18,463 | 4,928 | – | (1,372) | – | (2,927) | – | 19,092 |
| Land | 23 | 863,718 | 1,037 | – | (55) | 43,317 | – | 335 | 908,352 |
| Buildings | 23 | 146,248 | 107 | 381 | – | 2,517 | (2,250) | 71 | 147,074 |
| Land Improvements | 24 | 18,672 | – | 350 | (818) | 6,673 | (1,015) | – | 23,862 |
| Infrastructure Plant | 25 | 2,116 | 78 | 136 | (29) | 27 | (311) | – | 2,017 |
| Pipes, Drains and Rivulets | 26 | 103,731 | 458 | 1,174 | (48) | 1,511 | (1,674) | (653) | 104,499 |
| Roads and Bridges | 27 | 178,274 | 530 | 10,766 | (960) | 31,150 | (7,656) | (363) | 211,741 |
| Other Structures | 28 | 66,121 | 711 | 3,953 | (372) | 943 | (3,383) | 455 | 68,428 |
| Capital Work in Progress | 29 | 35,964 | 25,985 | (16,760) | – | – | – | – | 45,189 |
| Other | 30 | 912 | 20 | – | – | – | (12) | – | 920 |
| | | 1,434,219 | 33,854 | – | (3,654) | 86,138 | (19,228) | (155) | 1,531,174 |

Other Movements predominantly represents the transfer of Land assets to Assets Held for Sale, and replacement of assets associated with the Liverpool Street and Franklin Square refurbishments.

The Land line item for 2016/17, under the Net Revaluation/Indexation Adjustments and Carrying Amount 30/6/2017 columns, have been restated due to a prior period error (see note 2(c)).

22. PLANT AND EQUIPMENT

| | 2017–18 \$'000 | 2016–17 \$'000 |
|--------------------------------|-------------------|-------------------|
| At Cost | 37,245 | 35,545 |
| Less: Impairment Losses | – | (1) |
| Less: Accumulated Depreciation | (18,408) | (16,452) |
| | 18,837 | 19,092 |

23. LAND AND BUILDINGS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Land | | |
| At Cost | 1,088 | - |
| At Valuer-General's market valuation – 2015 indexed to March 2018 | 952,969 | - |
| At Cost | - | 430 |
| At Valuer-General's market valuation – 2015 | - | 907,922 |
| | 954,057 | 908,352 |
| Buildings | | |
| At fair value – 2018 | 235,442 | - |
| At fair value – 2017 | - | 40,070 |
| At fair value – 2015 indexed to 31 March 2017 | - | 7,936 |
| At fair value – 2014 indexed to 31 March 2017 | - | 180,830 |
| | 235,442 | 228,836 |
| | - | - |
| Less: Impairment Losses | (92,661) | (81,762) |
| Less: Accumulated Depreciation | 142,781 | 147,074 |
| | 1,096,838 | 1,055,426 |

The Land At Cost, Land At Valuer-General's market valuation – 2015 and Total line items for 2016-17 have been restated due to a prior period error (see note 2(c)).

24. LAND IMPROVEMENTS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| At fair value – 2018 | 1,571 | - |
| At fair value – 2017 indexed to 31 March 2018 | 48,601 | - |
| At fair value – 2017 | - | 48,896 |
| | 50,172 | 48,896 |
| Less: Accumulated Depreciation | (25,809) | (25,034) |
| | 24,363 | 23,862 |

25. INFRASTRUCTURE PLANT

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| At fair value – 2018 | 1,743 | - |
| At fair value – 2016 indexed to 31 March 2018 | 5,731 | - |
| At fair value – 2016 indexed to 31 March 2017 | - | 5,810 |
| | 7,474 | 5,810 |
| Less: Accumulated Depreciation | (4,299) | (3,793) |
| | 3,175 | 2,017 |

26. PIPES, DRAINS AND RIVULETS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| At fair value – 2018 | 4,400 | – |
| At fair value – 2015 indexed to 31 March 2018 | 188,877 | – |
| At fair value – 2017 | – | 2,274 |
| At fair value – 2015 indexed to 31 March 2017 | – | 184,610 |
| | 193,277 | 186,884 |
| Less: Accumulated Depreciation | (86,013) | (82,385) |
| | 107,264 | 104,499 |

27. ROADS AND BRIDGES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| At fair value – 2018 | 9,115 | – |
| At fair value – 2017 indexed to 31 March 2018 | 474,948 | – |
| At fair value – 2017 | – | 465,511 |
| | 484,063 | 465,511 |
| Less: Accumulated Depreciation | (267,229) | (253,770) |
| | 216,834 | 211,741 |

28. OTHER STRUCTURES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| At fair value – 2017 indexed to 31 March 2018 | 7,080 | – |
| At fair value – 2016 indexed to 31 March 2018 | 132,296 | – |
| At fair value – 2017 | – | 4,907 |
| At fair value – 2016 indexed to 31 March 2017 | – | 131,190 |
| | 139,376 | 136,097 |
| Less: Accumulated Depreciation | (71,430) | (67,669) |
| | 67,946 | 68,428 |

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

29. CAPITAL WORK IN PROGRESS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Road and Bridge Works | 10,815 | 8,385 |
| Sandy Bay Road Cycleway | 1,226 | 1,223 |
| Wilson Street Works | 838 | – |
| Mellifont Street Works | 806 | – |
| Footpath, Kerb and Gutter Works | 2,826 | 1,465 |
| Traffic Management Works | 2,924 | 3,221 |
| Sandy Bay Retail Precinct Upgrade | 2,823 | 1,850 |
| Lenah Valley Precinct Upgrade | 1,973 | – |
| Stormwater Mains | 1,838 | 1,462 |
| Railway Fountain Restoration | 446 | 446 |
| Parks and Gardens Works | 4,136 | 5,057 |
| Franklin Square Pavement | 2,203 | 2,203 |
| Soldiers Memorial Oval – Playscape incl Amphitheatre | 1,328 | – |
| TCA HC Smith Stand – Toilet Renewal | 621 | – |
| Salamanca Public Conveniences | 649 | 649 |
| Solar Array Installations on Council Buildings | 570 | 433 |
| City Hall Refurbishment | 536 | 429 |
| Sporting Facility Works | 3,707 | 3,524 |
| Domain Athletics Centre Track Replacement | – | 611 |
| Sandown Park Pavilion – Change Rooms Refurbishment | 348 | – |
| Buckingham Bowls Club Wall Replacement | 426 | – |
| The Doone Kennedy Hobart Aquatic Centre Upgrades | 2,464 | 1,568 |
| Car Parks – Energy Efficient Lighting | 281 | 471 |
| Core Business Systems Upgrade | 3,061 | 1,126 |
| Valuation Roll | 548 | 548 |
| Ancanthe Park Master Plan | 689 | 577 |
| Great Short Walks – Wellington Park Tracks | 1,833 | – |
| Queens Domain Joggers Loop Upgrade | 385 | – |
| The Springs Infrastructure Upgrade | 664 | – |
| Bushland and Reserves Works | 1,871 | 2,503 |
| Argyle Street Sprinklers | 436 | – |
| City Wayfinding System | 514 | 514 |
| Franklin Square Bus Shelter Renewal | 369 | 329 |
| McRobies Gully Waste Management Centre | 581 | 393 |
| Kemp Street Works | 991 | – |
| Salamanca Pedestrian Works | 868 | – |
| Pedestrian and Cyclist High Level Crossing Over Brooker Ave | 1,174 | 347 |
| Bridge of Remembrance | 2,316 | 414 |
| Carnegie Gallery | 361 | 361 |
| Litter Bin and Wheelie Bin Renewals | 356 | 362 |
| Other | 6,610 | 4,718 |
| | 67,411 | 45,189 |

30. OTHER PROPERTY, PLANT AND EQUIPMENT

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Valuation Roll | | |
| At Cost | 469 | 469 |
| Less: Accumulated Depreciation | (444) | (432) |
| | 25 | 37 |
| Valuables | | |
| At Cost | 258 | 218 |
| At independent valuation of market value — 2014 | 665 | 665 |
| | 923 | 883 |
| | 948 | 920 |

31. PAYABLES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---------------------------------------|-------------------|-------------------|
| Trade Creditors | 2,998 | 2,098 |
| Accrued plant and equipment purchases | 187 | 330 |
| Accrued property purchases | – | 100 |
| Accrued capital expenditure | 2,067 | 2,057 |
| GST payable | 586 | 466 |
| Energy Costs | 195 | 216 |
| Payroll Tax | 1,169 | 1,235 |
| Workers Compensation Insurance | 351 | 210 |
| Fringe Benefits Tax | 96 | 79 |
| Other Accrued Expenses | 3,169 | 2,131 |
| | 10,818 | 8,922 |

32. TRUST, DEPOSITS AND RETENTION

| | 2017-18 \$'000 | 2016-17 \$'000 |
|------------------------------------|-------------------|-------------------|
| Refundable Infrastructure Bonds | 2,073 | 2,179 |
| Deposits held for Travel Operators | 681 | 706 |
| Contract Retention monies | 304 | 180 |
| Other | 70 | 150 |
| | 3,128 | 3,215 |

33. EMPLOYEE BENEFITS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Defined-benefit superannuation plan | 4,065 | 545 |
| | 4,065 | 545 |
| Current | – | – |
| Non-Current | 4,065 | 545 |
| | 4,065 | 545 |
| Liabilities | | |
| Wages and salaries | 1,811 | 1,797 |
| Annual leave (including loading) | 3,712 | 3,489 |
| Long service leave | 5,679 | 5,366 |
| Sick leave | 2,430 | 2,356 |
| Superannuation contributions | 1,431 | 1,385 |
| Redundancies | 136 | – |
| | 15,199 | 14,393 |
| Current | 12,391 | 11,769 |
| Non-Current | 2,808 | 2,624 |
| | 15,199 | 14,393 |

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. From 1 July 2014, the level of contribution was set at 9.5%. Employee contributions are 6% of wages and salaries. Employees are entitled to benefits on resignation, retirement, disability or death. The fund provides a defined-benefit based on years of service and final average salary.

An actuarial assessment of the fund was carried out by Mr. David Quinn-Watson, FIAA of DeeDeeRa Actuaries Pty Ltd for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. An assessment report was received on 8 August 2018 and this revealed the following:

| Key assumptions | 30 June 2018 | 30 June 2017 |
|------------------------------------|--------------|--------------|
| Discount Rate — gross of tax | 2.60% | 2.30% |
| Discount Rate — net of tax | n/a | n/a |
| Expected rates of salary increase: | | |
| 2017/18 to 2019/20 | 2.40% | 2.40% |
| thereafter | 2.40% | 2.40% |

The amount included in expenses is as follows:

| | 2017-18 \$'000 | 2016-17 \$'000 |
|----------------------------------|-------------------|-------------------|
| Employee Costs | | |
| - Current Service Cost | 1,401 | 1,546 |
| Finance Costs | | |
| - Interest Cost | 872 | 706 |
| - Expected return on plan assets | (900) | (664) |
| | (28) | 42 |
| | 1,373 | 1,588 |

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| Actuarial (gains) / losses incurred during the period and recognised in other comprehensive income | (3,980) | (4,761) |
| Cumulative actuarial (gains) / losses recognised in other comprehensive income | 797 | 4,777 |

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Present value of defined-benefit obligation | 35,119 | 39,991 |
| Fair value of plan assets | (39,184) | (40,536) |
| Net liability / (asset) arising from defined-benefit plan | (4,065) | (545) |

Movements in the net liability / (asset) were as follows:

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Opening liability/(asset) | (545) | 3,540 |
| Expense recognised in surplus/(deficit) | 1,373 | 1,588 |
| Actuarial (gains)/losses | (3,980) | (4,761) |
| Employer contributions | (913) | (912) |
| Closing liability/(asset) | (4,065) | (545) |

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Opening defined-benefit obligation | 39,991 | 42,272 |
| Current Service Cost | 1,401 | 1,546 |
| Interest Cost | 872 | 706 |
| Member contributions and transfers from other funds | 638 | 638 |
| Actuarial (gains) / losses | (3,439) | (764) |
| Benefits and tax paid | (4,344) | (4,407) |
| Closing defined-benefit obligation | 35,119 | 39,991 |

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

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Opening fair value of plan assets | 40,536 | 38,732 |
| Expected return on plan assets | 900 | 664 |
| Actuarial gains / (losses) | 541 | 3,997 |
| Employer contributions | 912 | 912 |
| Member contributions and transfers from other funds | 639 | 638 |
| Benefits paid | (4,344) | (4,407) |
| Closing fair value of plan assets | 39,184 | 40,536 |

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

| | 0.25% increase \$'000 | 0.25% decrease \$'000 |
|----------------------|-----------------------------|-----------------------------|
| Discount rate | 469 | (495) |
| Salary increase rate | (460) | 438 |

| | 2.50% increase \$'000 | 2.50% decrease \$'000 |
|-------------|-----------------------------|-----------------------------|
| Asset Value | 980 | (980) |

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):

| | Strategic Allocation % | as at 30 June 2018 % | as at 30 June 2017 % |
|----------------------|------------------------------|----------------------------|----------------------------|
| Australian shares | 33.0 | 35.7 | 30.5 |
| International shares | 27.0 | 23.9 | 27.2 |
| Property | 0.8 | 0.9 | 11.0 |
| Fixed interest | 11.5 | 11.4 | 6.7 |
| Private Equity | 10.0 | 10.7 | 0.8 |
| Infrastructure | 10.2 | 10.1 | 10.1 |
| Alternative Assets | 4.4 | 4.2 | 6.6 |
| Cash | 3.1 | 3.2 | 7.1 |
| Total | 100 | 100 | 100 |

34. UNEARNED REVENUE

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Doone Kennedy Hobart Aquatic Centre memberships paid in advance | 153 | 182 |
| Salamanca Market rentals paid in advance | 182 | 52 |
| Animal Licences paid in advance | 51 | 85 |
| Food Premises registration fees paid in advance | 197 | 205 |
| Metered Space Permits | – | 20 |
| Other | 224 | 63 |
| | 807 | 607 |

35. LOANS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| Loans Outstanding at beginning of year | 11,693 | 13,097 |
| New borrowings | 10,000 | – |
| | 21,693 | 13,097 |
| Redemptions | (1,482) | (1,404) |
| Loans Outstanding at end of year | 20,211 | 11,693 |
| Current | 2,070 | 1,482 |
| Non-Current | 18,141 | 10,211 |
| | 20,211 | 11,693 |

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.

36. PROVISIONS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| <i>Rehabilitation of Landfill Site</i> | | |
| Balance at beginning of year | 5,401 | 5,498 |
| Additional provisions recognised | (190) | 986 |
| Expenditure incurred | (684) | (1,205) |
| Unwinding of discount and effect of changes in the discount rate | 123 | 122 |
| Balance at end of year | 4,650 | 5,401 |
| Current | 603 | 792 |
| Non-Current | 4,047 | 4,609 |
| | 4,650 | 5,401 |

The landfill site rehabilitation has been more correctly split between current and non-current in this period. The 2016-17 comparatives have also been restated.

37. RESERVES

| | | Balance 30/6/17 Restated | Transfers to Reserves | Transfers from Reserves | Balance 30/6/18 |
|---|------|--------------------------------|--------------------------|-------------------------------|--------------------|
| | Note | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset Replacement | | 16,342 | 25,492 | (29,444) | 12,390 |
| Bushland Fund | | 398 | 60 | (250) | 208 |
| Contributions in Lieu of Parking | | 135 | – | – | 135 |
| Contributions in Lieu of Public Open Space | | 235 | 63 | (250) | 48 |
| Heritage Account | | 1,500 | 54 | – | 1,554 |
| | | 18,610 | 25,669 | (29,944) | 14,335 |
| Fair Value Reserve | 12 | (32,035) | 2,137 | – | (29,898) |
| Asset Revaluation Reserve | 13 | 581,868 | 48,339 | – | 630,207 |
| | | 568,443 | 76,145 | (29,944) | 614,644 |

The Asset Revaluation Reserve and Total line items for 2016/17 have been restated due to a prior period error (see note 2(c)).

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.

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*.

38. RECONCILIATION OF ACCRUAL-BASED RESULTS WITH CASH FLOWS

| | 2017-18 (\$'000) | | | 2016-17 (\$'000) | | |
|---|----------------------|----------------------|----------------|----------------------|----------------------|-------|
| | Operating Activities | Investing Activities | Total | Operating Activities | Investing Activities | Total |
| Revenues | 138,606 | | | 133,387 | | |
| Expenses/Expenditure | (126,683) | (43,141) | | (124,869) | (32,060) | |
| Surplus | 11,923 | | | 8,518 | | |
| Items not involving Cash: | | | | | | |
| Depreciation and Amortisation | 20,361 | | | 19,228 | | |
| Carrying Value of Assets Sold | 2,466 | | | 1,338 | | |
| Asset Write-offs | 2,299 | | | 2,315 | | |
| Assets received for no consideration | (5,255) | | | (1,793) | | |
| Re-classification of Revenues | | | | | | |
| Capital Grants | (3,502) | 3,502 | – | (4,016) | 4,016 | – |
| Sales of Assets | (3,500) | 3,500 | – | (677) | 677 | – |
| Changes in Operating Assets & Liabilities: | | | | | | |
| (Increase) / Decrease in Receivables | (1,171) | – | (1,171) | 47 | – | 47 |
| (Increase) / Decrease in Stock | 29 | – | 29 | (40) | – | (40) |
| (Increase) / Decrease in Prepayments | 143 | – | 143 | (411) | – | (411) |
| Increase / (Decrease) in Payables | 2,129 | (136) | 1,993 | (1,101) | 791 | (310) |
| Increase / (Decrease) in Employee Benefits | 1,266 | – | 1,266 | 1,194 | – | 1,194 |
| Increase / (Decrease) in Unearned Revenue | 200 | – | 200 | 105 | – | 105 |
| Increase / (Decrease) in Provisions | (751) | – | (751) | (97) | – | (97) |
| Increase / (Decrease) in Other Liabilities | (87) | – | (87) | 116 | – | 116 |
| Net Cash Inflow/(Outflow) | 26,550 | (36,275) | | 24,726 | (26,576) | |

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Loans \$'000 |
|------------------------------------|-----------------|
| Balance as at 1 July 2017 | 11,693 |
| Changes from financing cash flows: | 10,000 |
| Cash Received | (1,482) |
| Cash Repayments | 8,518 |
| Balance as at 30 June 2018 | 20,211 |

40. FINANCING FACILITIES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--------------------------------|-------------------|-------------------|
| Facility Limit | 380 | 380 |
| Less: Used/committed | (86) | (58) |
| Un-used credit card facilities | 294 | 322 |



41. COMMITMENTS

| | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| <i>Capital Expenditure contracted for at the reporting date but not recognised in liabilities:</i> | | |
| Bridge of Remembrance | 7,767 | 217 |
| Brooker Avenue Pedestrian Bridge | 5,629 | – |
| New Parking Meter Installation | 1,396 | – |
| Plant and Equipment Purchases | 1,041 | 350 |
| Casino to Maning Avenue Sea Wall | 934 | – |
| Kemp Street Project | 913 | – |
| Crelin St – St George to End – Reconstruction | 536 | – |
| Mellifont Street – Mount Stuart Road | 343 | – |
| Mall Booth Upgrade | 177 | – |
| Trade Waste Compliance Projects | 149 | – |
| Olinda Grove Reconstruction | 128 | – |
| Lord Street Sandy Bay – Regent Street | 111 | – |
| BMS Renewal to Council Centre | 105 | – |
| Community Hall Toilet Upgrades | 99 | – |
| TCA Ground Picket Fence Replacement | 83 | – |
| Regent St – Fitzroy (upper) to Fitzroy (lower) – Pedestrian Access | – | 506 |
| Buckingham Bowls Club Wall Replacement | – | 302 |
| Lord St – Grosvenor to Regent – Partial Reconstruction | – | 230 |
| TCA HC Smith Stand – Toilet Renewal | – | 224 |
| Great Short Walks – Organ Pipes Track – Chalet to Sawmill | – | 155 |
| Mawson Place Cardinal Lights – Renewal and Upgrade | – | 140 |
| Queens Domain Joggers Loop Upgrade | – | 139 |
| Christmas Decorations | – | 128 |
| The Springs Infrastructure Upgrade | – | 123 |
| Sandy Bay Retail Precinct Upgrade Project | – | 113 |
| DKHAC Major Refurb & Upgrade Works | – | 105 |
| Multi-Storey Car Parks Emergency Management System Renewal | – | 105 |
| Salamanca Pedestrian Works | – | 103 |
| City Hall Renewal – Major Refurbishment | – | 64 |
| Cleary's Gates Fire Services Upgrade | – | 53 |
| SMO Community Hub – Design Services | – | 7 |
| Other | 4,370 | 1,201 |
| | 23,781 | 4,265 |
| Expected timing of these commitments is as follows: | | |
| Not longer than one year | 23,781 | 4,265 |
| Longer than one year and not longer than two years | – | – |
| Longer than two years and not longer than five years | – | – |
| Longer than five years | – | – |
| | 23,781 | 4,265 |

42. OPERATING LEASES

| | 2017-18 \$'000 | 2016-17 Restated \$'000 |
|--|-------------------|-------------------------------|
| a) Operating lease commitments at the reporting date not recognised in liabilities: | | |
| Not longer than one year | 907 | 947 |
| Longer than one year and not longer than two years | 898 | 897 |
| Longer than two years and not longer than five years | 2,693 | 2,680 |
| Longer than five years | 8,976 | 9,483 |
| | 13,474 | 14,007 |
| Council's operating lease commitments mainly relate to Trafalgar Car Park. The operating lease commitments for 2016-17 have been restated due to a prior period error (see note 2(d)). | | |
| | 2017-18 \$'000 | 2016-17 \$'000 |
| b) Operating lease receivables at the reporting date not recognised in assets: | | |
| Not longer than one year | 694 | 650 |
| Longer than one year and not longer than two years | 523 | 547 |
| Longer than two years and not longer than five years | 1,279 | 1,251 |
| Longer than five years | 369 | 394 |
| | 2,865 | 2,842 |
| Council's operating lease receivables mainly result from property leases. | | |

43. CONTINGENT LIABILITIES

| | 2017-18 \$'000 | 2016-17 \$'000 |
|---|-------------------|-------------------|
| Council is currently acting as guarantor for the following loans: | | |
| New Town Cricket Club | – | 50 |
| Buckingham Bowls Club | 50 | 50 |
| Hockey Tasmania Inc. | 1,500 | 1,500 |
| Southern Tasmanian Netball Association | 631 | 631 |
| Derwent Sailing Squadron | 4,100 | 4,100 |
| | 6,281 | 6,331 |

Estimates of Council's future maximum obligations for payments pursuant to Development Assistance Deeds are as follows:

| | Note | 2017-18 \$'000 | 2016-17 \$'000 |
|----------------------|------|-------------------|-------------------|
| Vodafone development | 43 | 1,157 | 1,279 |
| Myer development | 43 | 2,625 | 3,500 |
| | | 3,782 | 4,779 |

Payments relating to the Vodafone development are contingent upon the achievement of employee occupancy targets. Payments relating to the Myer development are contingent upon annual gross sales from the Liverpool Street Myer Store reaching agreed thresholds.

44. 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 the benefit for the current period is \$364,309 (prior year: \$360,667).

THE VODAFONE DEVELOPMENT

Council has negotiated a development assistance deed with Alirenste Pty Ltd that provides 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 the benefit for the current period is \$137,110 (prior year: \$135,442).

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.

The value of the benefit provided in the current period pursuant to 1.a. above is \$154,416 (prior year: \$9,385) and pursuant to 1.b. \$134,639 (prior year: \$383,731). It is not possible to reliably estimate the value of future assistance.

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.

The first \$1.75 million instalment was paid to Myer upon it commencing trading to the public in November 2015. The second \$1.75 million instalment was paid to Myer in July 2016 and accrued into the previous period. The first of the \$0.875 million instalments, for the Myer financial year ended 31 July 2017, has been accrued into the current period and was paid in July 2018.

45. SUBSEQUENT EVENTS

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

46. RELATED PARTY TRANSACTIONS

A) KEY MANAGEMENT PERSONNEL COMPENSATION

| | 2017-18 \$'000 | 2016-17 \$'000 |
|------------------------------|-------------------|-------------------|
| Short-term employee benefits | 2,444 | 2,013 |
| Post-employment benefits | 245 | 194 |
| | 2,689 | 2,207 |

Key management personnel comprises elected members (Aldermen) and senior executives.

The Lord Mayor, Deputy Lord Mayor and Aldermen of the City of Hobart are entitled to receive allowances as provided under section 340A of the *Local Government Act 1993*. The quantum of the allowances is set in accordance with regulation 42 of the *Local Government (General) Regulations 2015* and adjusted by the CPI as at 1 November each year.

Employment terms and conditions for senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

B) TRANSACTIONS WITH OTHER RELATED PARTIES

During the period Council entered into the following transactions with related parties:

| Nature of transactions | 2017-18 \$'000 | 2016-17 \$'000 |
|--|-------------------|-------------------|
| Metal Fabrication | 4 | 3 |
| Painting Services | 76 | 109 |
| Promotional Products | 6 | 14 |
| Provision of Grants | 9 | - |
| | 95 | 126 |
| Related payables balances at year-end | - | - |
| Commitments to related parties at year-end | 2 | - |
| Related receivables balances at year-end | - | - |
| Related impairment provisions at year-end | - | - |
| Related bad and doubtful debts expense for the period | - | - |
| Contributions to superannuation funds on behalf of employees | 5,536 | 5,309 |

In accordance with section 84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager by any Alderman in respect of any body or organisation with which the Council has major financial dealings.

47. MANAGEMENT INDICATORS

A) UNDERLYING SURPLUS OR DEFICIT

| | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|---------------------------|-----------|-------------------|-------------------|
| Underlying Revenue * | | 128,787 | 126,006 |
| less Recurrent expenses | | (125,092) | (124,869) |
| equals Underlying Surplus | > 0 | 3,695 | 1,137 |

* Underlying revenue excludes all capital income (grants received specifically for 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 achieved in the current period.

C) LOANS AND GUARANTEES TO/FROM RELATED PARTIES

Council has not entered into any loans or guarantees with related parties.

D) COMMITMENTS TO/FROM RELATED PARTIES

Council has not entered into any commitments with related parties.

E) TRANSACTIONS WITH RELATED PARTIES THAT HAVE NOT BEEN DISCLOSED

Most of the entities and people that are related parties of Council live and operate within the City. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties. Some examples are:

- Payment of rates and charges
- Dog registrations
- Attending Council events
- Use of Council facilities
- Parking fees and fines

Council has not included these types of transactions in its disclosure where they occur on the same terms and conditions as those available to the general public.

B) UNDERLYING SURPLUS RATIO

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|------------|--------------------------|-----------|-------------------|-------------------|
| | Underlying Surplus | | 3,695 | 1,137 |
| divided by | Underlying Revenue | | 128,787 | 126,006 |
| equals | Underlying Surplus Ratio | 0%–2% | 2.9% | 0.9% |

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 achieved in the current period.

C) NET FINANCIAL LIABILITIES

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|--------|---------------------------|-----------|-------------------|-------------------|
| | Cash and Cash Equivalents | | 31,844 | 33,051 |
| plus | Current Receivables | | 7,147 | 5,834 |
| less | Total Liabilities | | (54,813) | (44,231) |
| equals | Net Financial Liabilities | > (\$64M) | (15,822) | (5,346) |

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 result is well within the benchmark range (being 50% of underlying revenue).

D) NET FINANCIAL LIABILITIES RATIO

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|------------|---------------------------------|-----------|-------------------|-------------------|
| | Net Financial Liabilities | | (15,822) | (5,346) |
| divided by | Underlying Revenue | | 128,787 | 126,006 |
| equals | Net Financial Liabilities ratio | > -50% | -12.3% | -4.2% |

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

E) ASSET SUSTAINABILITY RATIO

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|------------|-----------------------------------|-----------|-------------------|-------------------|
| | Asset Renewal Capital Expenditure | | 27,775 | 20,534 |
| divided by | Depreciation Expense | | 20,361 | 19,228 |
| equals | Asset Sustainability Ratio | 100% | 136.4% | 106.8% |

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.



F) ASSET CONSUMPTION RATIO

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|-------------------------------------|------------------------------|-----------|-------------------|-------------------|
| Plant & Equipment | | | | |
| | Depreciated Replacement Cost | | 18,837 | 19,092 |
| divided by | Current Replacement Cost | | 37,245 | 35,545 |
| equals | Asset Consumption Ratio | 40%–80% | 50.6% | 53.7% |
| Buildings | | | | |
| | Depreciated Replacement Cost | | 142,781 | 147,074 |
| divided by | Current Replacement Cost | | 235,442 | 228,836 |
| equals | Asset Consumption Ratio | 40%–80% | 60.6% | 64.3% |
| Land Improvements | | | | |
| | Depreciated Replacement Cost | | 24,363 | 23,862 |
| divided by | Current Replacement Cost | | 50,172 | 48,896 |
| equals | Asset Consumption Ratio | 40%–80% | 48.6% | 48.8% |
| Infrastructure Plant | | | | |
| | Depreciated Replacement Cost | | 3,175 | 2,017 |
| divided by | Current Replacement Cost | | 7,474 | 5,810 |
| equals | Asset Consumption Ratio | 40%–80% | 42.5% | 34.7% |
| Pipes, Drains & Rivulets | | | | |
| | Depreciated Replacement Cost | | 107,264 | 104,499 |
| divided by | Current Replacement Cost | | 193,277 | 186,884 |
| equals | Asset Consumption Ratio | 40%–80% | 55.5% | 55.9% |
| Roads & Bridges | | | | |
| | Depreciated Replacement Cost | | 216,834 | 211,741 |
| divided by | Current Replacement Cost | | 484,063 | 465,511 |
| equals | Asset Consumption Ratio | 40%–80% | 44.8% | 45.5% |
| Other Structures | | | | |
| | Depreciated Replacement Cost | | 67,946 | 68,428 |
| divided by | Current Replacement Cost | | 139,376 | 136,097 |
| equals | Asset Consumption Ratio | 40%–80% | 48.8% | 50.3% |

This indicator measures the service potential remaining in Council's existing assets. Results are within the benchmark range, and are expected to remain around current levels.

G) ASSET RENEWAL FUNDING RATIO

| | | Benchmark | 2017-18 \$'000 | 2016-17 \$'000 |
|------------|-----------------------------|-----------|-------------------|-------------------|
| | Planned capital renewals | | 668,520 | 617,188 |
| divided by | Required capital renewals | | 668,520 | 617,188 |
| equals | Asset renewal funding ratio | 100% | 100.0% | 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 all required asset renewal over the next 20 year period.

48. FAIR VALUE MEASUREMENTS

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

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 20. 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 on the following page 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.

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.

| | | 2017-18 | | | |
|--|------|-------------------|-------------------|-------------------|------------------|
| | Note | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| Recurring fair value measurements | | | | | |
| Land | 23 | – | 954,057 | – | 954,057 |
| Buildings | 23 | 102,066 | 2,732 | 37,983 | 142,781 |
| Land Improvements | 24 | – | – | 24,363 | 24,363 |
| Infrastructure Plant | 25 | – | – | 3,175 | 3,175 |
| Pipes, Drains and Rivulets | 26 | – | – | 107,264 | 107,264 |
| Roads and Bridges | 27 | – | – | 216,834 | 216,834 |
| Other Structures | 28 | – | – | 67,946 | 67,946 |
| Capital Work in Progress | 29 | – | – | 67,411 | 67,411 |
| Other | 30 | – | – | 948 | 948 |
| | | 102,066 | 956,789 | 525,924 | 1,584,779 |
| Non-recurring fair value measurements | | | | | |
| Assets Held for Sale | 20 | – | – | – | – |
| | | – | – | – | – |

| | | 2016-17 | | | |
|--|------|-------------------|-------------------|-------------------|------------------|
| | Note | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| Recurring fair value measurements | | | | | |
| Land | 23 | – | 908,352 | – | 908,352 |
| Buildings | 23 | – | – | 147,074 | 147,074 |
| Land Improvements | 24 | – | – | 23,862 | 23,862 |
| Infrastructure Plant | 25 | – | – | 2,017 | 2,017 |
| Pipes, Drains and Rivulets | 26 | – | – | 104,499 | 104,499 |
| Roads and Bridges | 27 | – | – | 211,741 | 211,741 |
| Other Structures | 28 | – | – | 68,428 | 68,428 |
| Capital Work in Progress | 29 | – | – | 45,189 | 45,189 |
| Other | 30 | – | – | 920 | 920 |
| | | – | 908,352 | 603,730 | 1,512,082 |
| Non-recurring fair value measurements | | | | | |
| Assets Held for Sale | 20 | – | 930 | – | 930 |
| | | – | 930 | – | 930 |

The Land and Total line items for 2016–17, under the Level 2 and Total columns, have been restated due to a prior period error (see note 2(c)).

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.

During the period, buildings valued using market data were transferred from level 3 to level 1, and buildings valued using the income approach were transferred from level 3 to level 2.

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

Land

Fair values for land were determined by the Valuer-General effective 1 July 2014.

Land under roads is valued by individual roads using the Valuer-General's rate for the property class surrounding the road provided to the Local Government Association of Tasmania in July 2014.

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 Valuer and Quantity Surveyor:

- Opteon – (Ty Winduss API 63346 and Gavin Lipplegoes API 63838)

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 (CRC). This valuation comprises the asset's gross replacement cost 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 CRC 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 methods for calculating CRC are described under individual asset categories below.

Roads and Bridges

Sealed Roads, Footpaths, Kerb and Gutter

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 component a standard design exists for the modern equivalent asset which details pavement depths, typical widths and other relevant component information to enable pricing, such as location and extent of works.

Unit prices have been obtained from recent tender submissions for construction works in suburban areas against the modern equivalent asset specification. The lowest five of these have been averaged to determine the "suburban unit replacement rate".

For assets not located in suburban areas, location factors have been applied to reflect the increased cost of undertaking works in higher traffic areas. For this purpose, two additional locations have been identified – urban and CBD. For assets in urban locations, a replacement rate equal to two times the suburban unit replacement rate has been adopted. For assets in CBD locations, a

replacement rate equal to three times the suburban unit replacement rate has been adopted.

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.

Each bridge structure is aligned with a modern equivalent asset type which defines the replacement structure and associated bridge components.

Unit prices have been obtained from independent consultants (Pitt & Sherry) for construction works in rural areas against the modern equivalent asset specification. This "rural unit replacement rate" has then been multiplied by the deck area of each existing bridge located in rural areas to calculate the CRC of those bridges.

For bridges not located in rural areas, location factors provided by Pitt & Sherry have been applied to reflect the increased cost of undertaking works in higher traffic areas. For this purpose, two additional locations were identified – suburban and urban. For assets in suburban locations, a replacement rate equal to 1.2 times the rural unit replacement rate has been adopted. For assets in urban locations, a replacement rate equal to 1.5 times the rural unit replacement rate has been adopted.

In line with Pitt & Sherry's advice, unit replacement rates have been increased by a further 20 percent, regardless of location, for bridges with abutments higher than three metres to reflect the additional complexity of construction.

Cycleways and Tracks

Council has one cycleway and some one hundred and fifty kilometres of walking tracks. The cycleway is sufficiently similar to a concrete footpath to be able to determine a CRC on that

basis. Due to insufficient work being carried out recently on walking tracks, previous unit rates have been indexed and multiplied by track lengths to calculate CRC.

Pipes Drains and Rivulets

Pipes Drains & Rivulets are grouped by stormwater catchment areas and contain all of those pipes, pits, manholes, inlets, outlets and constructed rivulets managing Hobart's stormwater along with the irrigation systems serving the city parks and the few remaining water and sewer assets relating solely to Council operations.

For stormwater pipes and built rivulets the Current Replacement Cost is based on the asset dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc. For each pipe size and for standard rivulet lining a modern equivalent definition exists for which prices are obtained from both internal and external sources 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. For the irrigation systems and the sewer and water mains the Current Replacement Cost is based on the asset dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc determined by the Asset Manager.

Other Infrastructure

A diverse range of asset types comprise "other infrastructure" including Land Improvements, Infrastructure Plant and Other Structures. 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.

D) UNOBSERVABLE INPUTS AND SENSITIVITIES

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 21 (Property, Plant and Equipment). During the period, there were transfers between level 3 and level 1 and 2, as detailed under the "Transfers between levels of the hierarchy" section on page 131.

F) VALUATION PROCESSES

Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1(j).

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

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 18).

Council's loans are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of loans disclosed in note 18 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).

49. 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, Doone Kennedy Hobart Aquatic Centre (DKHAC) and the Tasmanian

Travel and Information Centre (TTIC) as commercial-like undertakings. Details of each of these are set out below and on the following pages.

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

| | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Revenues | | | |
| User Fees and Charges | 9,267 | 9,002 | 8,826 |
| Rental Income | 427 | 433 | 417 |
| | 9,694 | 9,435 | 9,243 |
| Expenses | | | |
| Employee Costs | (1,129) | (1,241) | (1,019) |
| Energy Costs | (171) | (176) | (182) |
| Materials and Contracts | (2,856) | (2,576) | (2,739) |
| Depreciation | (918) | (736) | (759) |
| Bad Debts | (1) | – | (2) |
| Land Tax | (334) | (327) | (339) |
| Engineering and Administrative Overheads | (813) | (813) | (813) |
| Other | – | – | (29) |
| | (6,222) | (5,869) | (5,882) |
| Gains/(Losses) | | | |
| Plant and Equipment Sales | 1,073 | – | (38) |
| | 1,073 | – | (38) |
| Operating Profit/(Loss) | 4,545 | 3,566 | 3,323 |
| Competitive Neutrality Costs | | | |
| Opportunity Cost of Capital | (5,045) | (5,045) | (5,079) |
| Income Tax | (1,125) | (856) | (791) |
| Council Rates | (453) | (452) | (448) |
| | (6,623) | (6,353) | (6,318) |

ON-STREET PARKING

| | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Revenues | | | |
| User Fees and Charges | 5,290 | 5,715 | 5,345 |
| Fines | 6,879 | 7,719 | 7,357 |
| | 12,169 | 13,434 | 12,702 |
| Expenses | | | |
| Employee Costs | (3,434) | (3,607) | (3,284) |
| Materials and Contracts | (1,369) | (1,678) | (1,313) |
| Depreciation | (188) | (195) | (194) |
| Bad debts | (206) | (350) | (517) |
| Engineering and Administrative Overheads | (703) | (703) | (703) |
| Other | (84) | – | – |
| | (5,984) | (6,533) | (6,011) |
| Gains/(Losses) | | | |
| Plant and Equipment sales | (4) | – | (29) |
| | (4) | – | (29) |
| Operating Profit/(Loss) | 6,181 | 6,901 | 6,662 |
| Competitive Neutrality Costs | | | |
| Opportunity Cost of Capital | (41) | (41) | (50) |
| Income Tax | (1,854) | (2,070) | (1,999) |
| | (1,895) | (2,111) | (2,049) |

DOONE KENNEDY HOBART AQUATIC CENTRE

| | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Revenues | | | |
| User Fees and Charges | 5,234 | 5,252 | 4,787 |
| Other Income | 263 | 30 | 273 |
| | 5,497 | 5,282 | 5,060 |
| Expenses | | | |
| Employee Costs | (3,217) | (2,973) | (3,165) |
| Energy Costs | (535) | (553) | (561) |
| Materials and Contracts | (1,747) | (1,756) | (1,687) |
| Insurance | (35) | – | (35) |
| Other | (7) | – | (7) |
| | (5,541) | (5,282) | (5,455) |
| Operating Profit/(Loss) Before Depreciation | (44) | – | (395) |
| Depreciation | (960) | (887) | (914) |
| Profit / (Loss) on sale of Plant and Equipment | (31) | – | – |
| | (991) | (887) | (914) |
| Operating Profit/(Loss) | (1,035) | (887) | (1,309) |
| Competitive Neutrality Costs | | | |
| Opportunity Cost of Capital | (1,893) | (1,893) | (1,896) |
| Council Rates | (75) | (75) | (74) |
| | (1,968) | (1,968) | (1,970) |

TASMANIAN TRAVEL AND INFORMATION CENTRE

| | 2017-18 Actual \$'000 | 2017-18 Budget \$'000 | 2016-17 Actual \$'000 |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenues | | | |
| User Fees and Charges | 883 | 1,026 | 849 |
| Tasmanian Government Grant | 150 | 150 | 150 |
| Other Income | 49 | 20 | (14) |
| | 1,082 | 1,196 | 985 |
| Expenses | | | |
| Employee Costs | (841) | (996) | (869) |
| Materials and Contracts | (352) | (283) | (277) |
| Depreciation | (8) | (9) | (7) |
| | (1,201) | (1,288) | (1,153) |
| Operating Profit/(Loss) | (119) | (92) | (168) |
| Competitive Neutrality Costs | | | |
| Opportunity Cost of Capital | (11) | (11) | (11) |
| Council Rates | (7) | (7) | (7) |
| | (18) | (18) | (18) |

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

CERTIFICATION BY GENERAL MANAGER

The financial report presents fairly the financial position of the Hobart City Council as at 30 June 2018, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.

Signed at Hobart this 28 day of September 2018

A handwritten signature in black ink, appearing to read 'N Heath', is written over a horizontal dotted line.

(Nick Heath)

General Manager



Independent Auditor's Report

To the Aldermen of Hobart City Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Hobart City Council (Council), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2018 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 47, nor the Significant Business Activities disclosed in note 49 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities 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 the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Aldermen intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based

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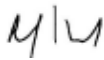
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on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Rod Whitehead
Auditor-General

Tasmanian Audit Office

28 September 2018
Hobart

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