



**GLENORCHY**  
CITY COUNCIL

2018  
2019

**ANNUAL  
REPORT**





# Welcome

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# from The Mayor



## MESSAGE FROM THE MAYOR

### KRISTIE JOHNSTON

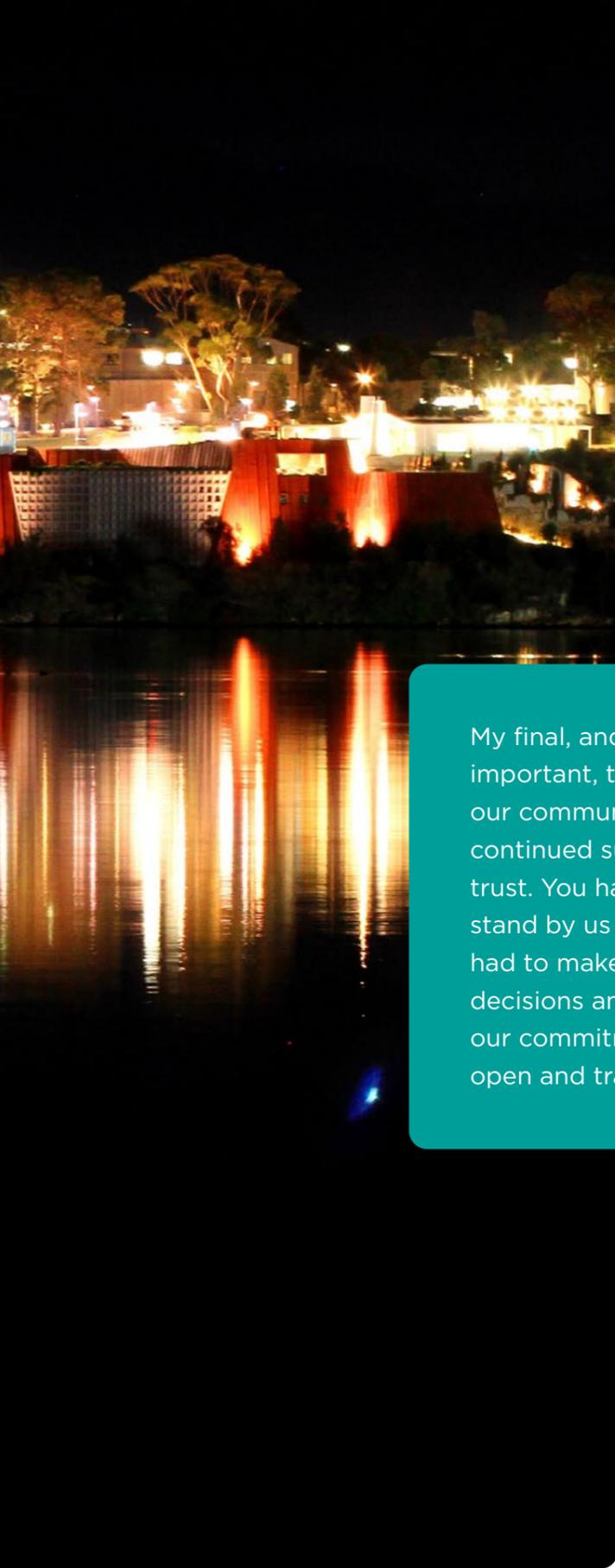
Council has not, and will not, shy away from making difficult decisions if they are in the best interest of the community that we are elected to serve. We will act with integrity, and in an open and transparent manner. These values are the hallmark feature of Council during the 2018-19 financial year as we continued to address the issues of the past and embrace the opportunities of the future.

The financial year began with a continued strong focus on consolidating the financial and governance arrangements of the Council. High on Council's priority list was delivering on a commitment to provide sound and prudent financial management of Council resources.

Aldermen unanimously made the difficult decision to adopt a rate revenue increase of 12.5% for the 2018-19 budget to ensure the immediate and long-term financial sustainability of Council. While this was unpalatable to Aldermen and the community, the drastic measure was in response to clear and unequivocal information that Council's finances were in dire circumstances as a result of a structural deficit, historical mismanagement, and increasing liability arising out of the poor decisions and legacies left by the previous administration. Intense scrutiny of the budget was maintained by staff and Aldermen right throughout the financial year to ensure that the additional revenue was appropriately allocated and applied to address legacy and structural budget issues.

Council has also adopted the same level of scrutiny when dealing with the major project legacies and liabilities. Council has successfully resolved significant issues including the KGV Redevelopment, the Derwent Park Stormwater Harvesting Project, waste management arrangements, and legal matters. Furthermore, Council has competently met the requirements of the Ministerial Directions provided following the Board of Inquiry.

Pleasingly, at the end of the financial year we are able to report to our community that not only have these legacy issues been dealt with, but that it has been achieved within budget. Our financial report confirms that Council's response to the financial crisis at the start of the year was sound and responsible, delivering a modest underlying surplus of \$60,000.



My final, and most important, thanks goes to our community for your continued support and trust. You have continued to stand by us when we have had to make those difficult decisions and appreciated our commitment to being open and transparent.

Putting to bed the issues of the past has afforded Council the opportunity to focus on the future growth of our City and making improvements in the lives of our residents. Council has reaffirmed its commitment to our Strategic Objectives: making lives better; open for business; valuing our environment; leading our

community; and building image and pride. These objectives have driven us to embrace and create new opportunities and deliver growth within our City.

Council's decision to explore selling the Derwent Entertainment Centre and Wilkinson Point is a clear example of how Council is facilitating development that will bring significant private investment, job opportunities, improved public amenity, and activate a strategic and high-profile parcel of land. As Council continues to progress

this opportunity, we have held firm in our community commitment to ensuring that the public foreshore (including GASP infrastructure) remains in public ownership and accessible and that public roadway access is provided.

Likewise, Council has played a very proactive role in the development and establishment of the Hobart City Deal. The Hobart City Deal is a 10 year partnership agreement between the Australian Government, the Tasmanian Government, and four greater Hobart councils (Glenorchy, Hobart, Clarence and Kingborough). Signed in February 2019, Council advocated strongly for a focus on urban renewal and growth within our municipality. As a result, the City Deal will deliver for our community an additional \$30 million investment in affordable housing, smart and liveable city technology and a governance framework for better strategic infrastructure planning throughout the greater Hobart region. Most importantly though, it commits to delivering on a catalytic urban renewal project for Glenorchy by activating the existing rail corridor for passenger transport within 5 to 10 years. The reinstatement of passenger rail services is a game changer for our city. It will not only connect our community to education, services and employment it will also stimulate business growth and development along the corridor, encourage greater housing density and increase supply, support our major tourism attractions, and deliver an environmentally sustainable public transport solution alleviating growing traffic congestion issues. This is something that our community has long supported and called for and it is pleasing to see finally a commitment from all levels of government to invest in the future of our City.

On the back of Council's proactive approach to development and advocacy for our municipality, the private sector is also responding positively with increasing interest in investment. Council's "Open for Business" practice coupled with our promotion of our Welcoming City status is having a significant impact on the perception of Glenorchy. We are a city where everyone belongs, feels safe, and is valued. We are a city which welcomes and encourages development and partnerships. This is an attractive proposition not only for new and existing residents but also developers and it already resulted in over \$1 billion worth of private sector development occurring in the City at the moment.

Glenorchy has a bright future with a plethora of opportunities that will see our community prosper. As Mayor I am immensely proud of the work that this new Council has undertaken to turn our Council and City around. It is a team effort that requires commitment from everyone to delivering on our Strategic Plan. I'd like to thank and acknowledge the General Manager, Tony McMullen, for his work in navigating Council through difficult times into a position where we are now able to deliver the "good stuff" for our community.

I must also thank the Glenorchy City Council staff. Our staff genuinely care about our City and this is evident in the way they deliver services and the effort they put in to improving outcomes for our community.

I am particularly pleased with the way in which the aldermanic body continues to conduct itself as representatives and leaders within the community. I thank each Alderman for the role that they play in developing strategies and policies, scrutinising the management of Council and advocating for their community.

My final, and most important, thanks goes to our community for your continued support and trust. You have continued to stand by us when we have had to make those difficult decisions and appreciated our commitment to being open and transparent. You have engaged with us more than ever before and this helps us to make better decisions in the best interest of you, the community we serve. As I look forward to 2019-20 I can't help but smile. Glenorchy is ready to embrace the opportunities that come our way, but more importantly, we are working together to create and drive those exciting opportunities too.

Ald. Kristie Johnston  
Mayor

# Message from the GM



## MESSAGE FROM THE GENERAL MANAGER

TONY MCMULLEN

2018-19 has been a year of 'green shoots for Council as our work contributes to Glenorchy's exciting future.

During the year, we began to glimpse the benefits from the difficult decisions we made in 2017-18 which were required to 'right the ship'. Our finances are now back on track, with a modest underlying surplus of \$60,000 being recorded. Our cash balance is within the Tasmanian Audit Office's 'comfort zone' and we continue to prudently manage our \$0.7 billion in physical assets such as roads, footpaths, stormwater assets and buildings using sound asset management principles. We have started work on a range of exciting projects that will improve the lives of our residents. On a higher level, I see a much more progressive and outwardly focused Council that embraces new technologies and processes and focuses on making Glenorchy a better place to live.

From a governance perspective, we have worked hard to address the 58 ministerial directions issued after the 2017 Board of Inquiry and at the end of the year had completed 55 of those (with the final three very close to completion at the end of June 2019). This now allows us to prioritise and focus our resources on delivering better services to our community.

A major influence on Council's success has been the strength of our elected Aldermen. I, along with Council's staff, have observed the Aldermen, under the leadership of Mayor Kristie Johnston, working diligently and harmoniously for the benefit of their community. Council also now has a full executive team in place with the last of the four Director positions recruited in October 2018. Our Directors come from a range of backgrounds and are all highly qualified and dedicated to their roles. The Glenorchy community can be assured the Glenorchy City Council's Aldermen and executive team is comprised of a group of highly skilled and driven individuals with the right mix of qualifications and experience to lead our city into 2020 and beyond, and will address the significant challenges we face, particularly in the areas of waste management and infrastructure delivery.

For me, as General Manager, the most important achievements for the year have been a mix of new initiatives and closing out the last of the legacy issues that threatened to hold us back. I have summarised some of my highlights below.



### HOBART CITY DEAL

The Hobart City Deal, which we signed in February 2019, is a 10-year agreement between the governments and the four inner metropolitan councils to deliver a range of initiatives to benefit Greater Hobart. Council took an active role in the negotiation. The City Deal has benefits for Glenorchy, including:

- establishing a reliable, sustainable and cost-effective transport system including activation of the Northern Suburbs rail corridor
- delivering a diverse range of affordable housing options
- establishing governance to support better strategic planning for the city in the form of a Greater Hobart Act, and
- investing to support Hobart as a smart, liveable and investment ready city.

### WASTE MANAGEMENT FUTURES

Council reviewed and updated its waste management strategy in March 2019 and voted to introduce a new fortnightly FOGO (Food Organic Garden Organic) service beginning in February 2020. This is an important service that will not only provide fortnightly green waste and food waste collection to our community but will also divert a significant part of the general waste stream from landfill.

In March 2019, Council resolved to extend the life of the Jackson Street landfill from 2021 to at least 2030 by building a new landfill cell. Council also worked closely with the other inner metropolitan councils to keep recycling services operating in Southern Tasmania following the collapse of the service provider, SKM.

### CBD REVITALISATION PROJECT

Work is continuing on the Glenorchy CBD Revitalisation Project, a multi-year project to improve the Glenorchy CBD along Main Road. Streetscape works around the new Glenorchy Health Centre at O'Briens Bridge have been completed as well as streetscape revitalisation works on the western side of Main Road between Terry Street and Barry Street (including new paving, seating and garden beds). Work is continuing on the planning and design of future stages to extend along Main Road in the direction of Barry Street with completion expected in June 2021.

## SALE OF DERWENT ENTERTAINMENT CENTRE AND WILKINSONS POINT

Following statutory processes and public consultation, Council decided to sell the Derwent Entertainment Centre and Wilkinsons Point. Following these decisions (which were made separately), Council entered into a 120-day exclusive dealing period with LK Group, the owners of the National Basketball League, in relation to their proposal to transform the DEC and surrounding land into a sports and entertainment precinct.

If negotiations are ultimately successful, it will achieve Council's long term aim of developing Wilkinsons Point, while retaining critical elements such as the GASP Pavilion, public foreshore access and public open space for the long-term benefit of the community. The final outcome of these negotiations is expected to be known during the next financial year.

## MAJOR CAPITAL WORKS

Council's capital works program delivered a number of significant capital projects during the year, in addition to the regular program of maintenance and repair of Council assets. These included:

- flood repair projects, including O'Briens Bridge, Grove Road Bridge and Molesworth Road
- the Glenorchy CBD Revitalisation Project from Terry Street to Tolosa Street
- \$6.8m in road works, including road resurfacing, footpath maintenance and road reconstruction
- extension of the Prince of Wales Bay sports ground
- completion of the Montrose Foreshore Pontoon and public toilets
- upgrade of the Tolosa Bus Mall public toilets
- refurbishment of the waterslide and other improvements at the Glenorchy War Memorial Pool
- upgrades to the air conditioning system at the Moonah Arts Centre
- upgrading the Chapel Street Reserve to being Council's first fully-functional off-lead dog park, and
- \$1.2m in stormwater works.

## DERWENT PARK STORMWATER HARVESTING AND REUSE SCHEME

Council worked closely with the Federal Government to close out the water treatment component of the Derwent Park Stormwater Harvesting Scheme and to dispose of and write off the saleable elements of the plant. This saved the Glenorchy community \$200,000 in its first year of closure and an estimated \$500,000 per year thereafter.

## TOLOSA PARK DAM REMEDIATION

Council is working closely with TasWater to explore future options for remediation of the site of the Tolosa Park Dam following its decommissioning in 2017. These cooperative negotiations are aimed at making sure Council achieves value for money and place the highest importance on the site becoming a valuable community open space asset for generations to come.

## COUNCIL SERVICES

The achievements I am most proud of came from the successful delivery and continued improvement of our 'business as usual' services provided by our dedicated front-line staff. Delivering essential services like works, waste collection, regulatory services, town planning, animal management and customer service (to name just a few) are at the core of what we do and the skill and resilience of our staff who always strive to do things better never fails to captivate me.

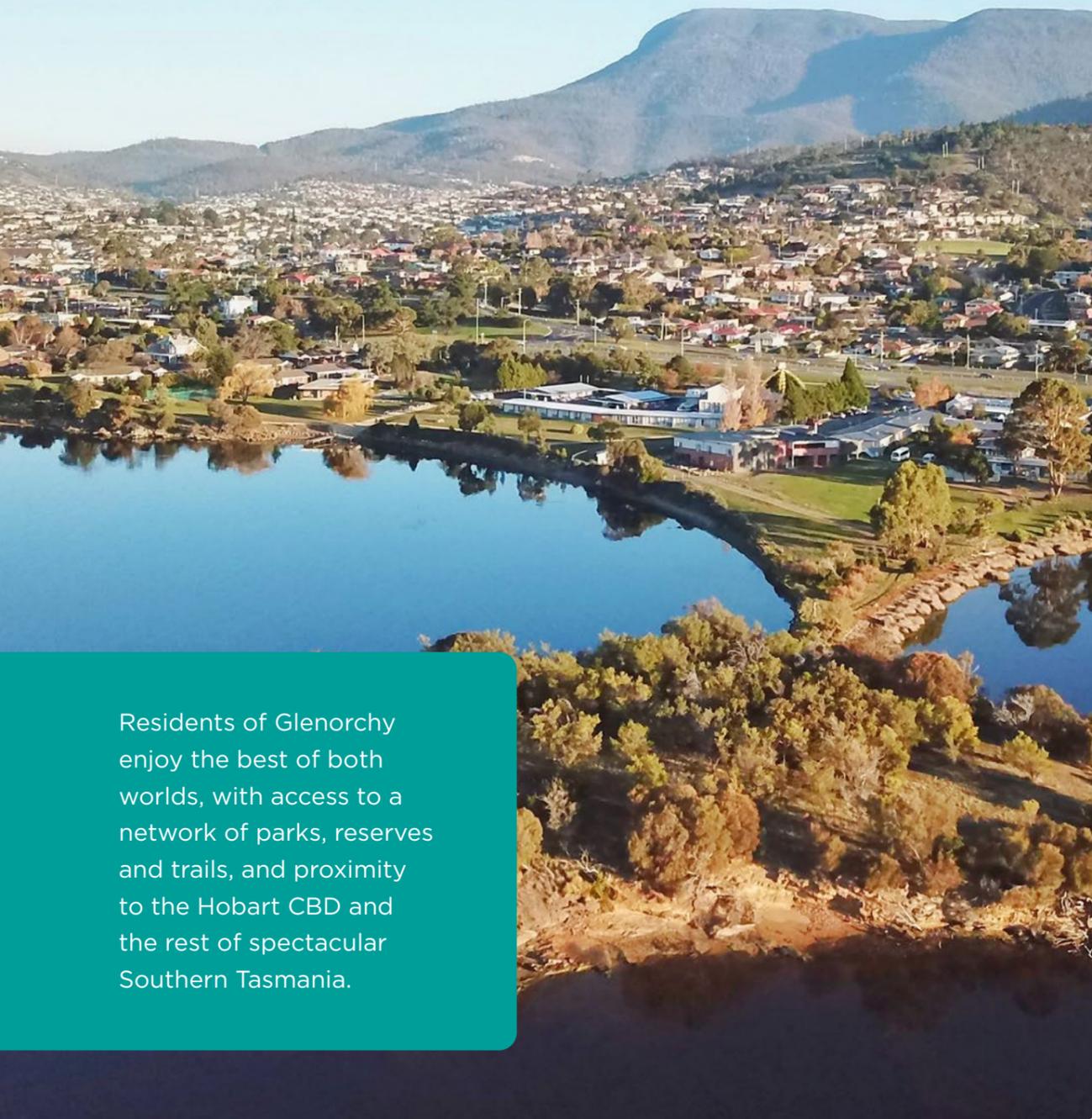
I wholeheartedly thank Council staff for their contribution during 2018-19. I am proud of our people who work every day for the people of our city.



Tony McMullen  
General Manager



# About Glenorchy



Residents of Glenorchy enjoy the best of both worlds, with access to a network of parks, reserves and trails, and proximity to the Hobart CBD and the rest of spectacular Southern Tasmania.

## ABOUT GLENORCHY

Located on the western shore of the Derwent River, Glenorchy is Tasmania's fourth largest local government area by population with approximately 47,000 residents at the last Census. Our city is 121 km<sup>2</sup> in area and encompasses Hobart's northern suburbs from north of the Queen's Domain to the Bridgewater Bridge and Causeway. It is known for its beautiful parks, reserves, tourist attractions, walking and mountain bike trails and its spectacular views of Mt Wellington, as well as being the commercial and industrial hub of Hobart.

Glenorchy was proclaimed a municipality in 1864 and was granted city status in 1964. The area's original inhabitants were the Mouheeneener Aboriginal people, who lived here for thousands of years.

Glenorchy's landscape and surrounds are varied and diverse, taking in the bustling business districts of Moonah and the Glenorchy CBD to the industrial precincts of Prince of Wales Bay to the tranquil bays and shores of the Derwent to the rolling foothills of Mt Faulkner and Wellington Park. Over one third of Glenorchy is located in bushland, with the majority of the population located close to the river.

Like its geography, Glenorchy's population is diverse. More than 12% of our population was born overseas, and almost 10% of households speak a language other than English. Between 2011 and 2016, the number of people born overseas increased by 17.8%, and the number of people from a non-English speaking background increased by 31%<sup>1</sup>.

Glenorchy plays host to an emerging arts and cultural scene. It is the home of MONA, which attracts over 330,000 visitors per year, as well as the Derwent Entertainment Centre, the Glenorchy Art and Sculpture Park (GASP) and the Moonah Arts Centre (MAC).

Residents of Glenorchy enjoy the best of both worlds, with access to a network of parks, reserves and trails, and proximity to the Hobart CBD and the rest of spectacular Southern Tasmania. Annual events include Carols by Candlelight at Tolosa Park and the Moonah Taste of the World Festival, a multicultural food and culture festival that attracts over 10,000 visitors and will celebrate its 10th anniversary in 2020.



Glenorchy is also an exciting place to do business, accommodating light and heavy industry and a thriving retail and commercial precinct in Moonah and Derwent Park. Located within 15 minutes drive of the Hobart CBD, but with the advantage of cheaper commercial and residential prices, it is an attractive option for business and residential investors and first home buyers.

<sup>1</sup> Source: id Community



# Your Council

## YOUR COUNCIL ALDERMEN



### MAYOR

#### ALDERMAN KRISTIE JOHNSTON

First elected 2011  
 Elected Mayor 2014  
 Re-elected Mayor 2018

#### Committee Membership

- Glenorchy Planning Authority
- General Manager's Performance Review Committee
- Citizen and Young Citizen of the Year Selection Committee
- Safer Communities Committee



### DEPUTY MAYOR

#### ALDERMAN MATT STEVENSON

First elected 2010  
 Re-elected 2014  
 Elected Deputy Mayor 2018

#### Committee Membership

- Glenorchy Planning Authority
- General Manager's Performance Review Committee
- Audit Panel



#### ALDERMAN JAN DUNSBY

First elected 2014  
 Re-elected 2018

#### Committee Membership

- Glenorchy Planning Authority
- Access Committee
- Safer Communities Committee
- Citizen and Young Citizen of the Year Selection Committee



#### ALDERMAN STEVEN KING

First elected 2008  
 Re-elected 2014, 2018

#### Committee Membership

- Glenorchy Carols Committee



#### ALDERMAN SIMON FRASER

First elected 2018

#### Committee Membership

- Glenorchy Emergency Management Committee
- CBD Revitalisation Steering Committee



#### ALDERMAN BEC THOMAS

First elected 2018

#### Committee Membership

- Glenorchy Planning Authority
- Healthy Communities Advisory Committee





# Leadership

## EXECUTIVE LEADERSHIP TEAM



**ALDERMAN  
GAYE RICHARDSON**

First elected 2018

**Committee Membership**

- General Manager's Performance Review Committee
- Glenorchy Carols Committee
- Glenorchy Arts & Culture Advisory Committee



**ALDERMAN  
MELISSA CARLTON**

First elected 2018

**Committee Membership**

- Access Committee
- Glenorchy Youth Task Force



**ALDERMAN KELLY SIMS**

First Elected 2018

**Committee Membership**

- Glenorchy Planning Authority
- Healthy Communities Advisory Committee
- Glenorchy Youth Task Force
- Glenorchy Arts & Culture Advisory Committee



**ALDERMAN PETER BULL**

First Elected 2018

**Committee Membership**

- Audit Panel
- Citizen and Young Citizen of the Year Selection Committee



**GENERAL MANAGER  
Tony McMullen**



**DIRECTOR  
Community and  
Customer Services  
David Ronaldson**



**DIRECTOR  
Strategy and  
Development  
Samantha Fox**



**DIRECTOR  
Corporate  
Services  
Jenny Self**



**DIRECTOR  
Infrastructure  
and Works  
Ted Ross**

Customer Services  
Community  
Public Compliance  
Information Management  
Derwent Entertainment  
Centre

Planning Services  
Building and Plumbing  
Environmental Health  
City Strategy and  
Economic Development

Corporate Governance  
People and Culture  
Finance and ICT  
Executive Support  
/ Office of the  
General Manager

Property, Environment  
and Waste  
Infrastructure,  
Engineering and Design  
Works



## OUR VISION

We are a proud city; a city of arts; of opportunity; of partnerships; a city that makes exciting things happen.

## OUR MISSION

To deliver the community's vision, goals and priorities from the City of Glenorchy Community Plan 2015-2040

## OUR VALUES

### People

We believe that each person is equal and has a positive contribution to make. The rights and opinions of all are heard, valued and respected.

### Diversity

We value differences that enrich our community and the positive contributions everyone can make in improving the quality of community life.

### Progress

We value innovation, flexibility and imagination in building a better and sustainable community.

### Prosperity

We commit ourselves to achieving social and economic prosperity for all.

### Environment

We work together to improve our City so we can enjoy a safe and healthy environment and a good quality of life. We respect our heritage and have pride in our City.

## OUR GOALS

### Building Image and Pride

We will show pride as a City and others will see it

### Making Lives Better

As a Council, we exist to make a positive difference in the lives of the people in our community

### Open for Business

A vibrant economy is important for the jobs and wealth it brings to our community. We need to strengthen the perception of Council as encouraging development

### Valuing our Environment

Our environment underpins our way of life in Glenorchy. Council has a responsibility to manage the environment for future generations

### Leading our Community

The community looks to Council to advocate for its needs and lead it into a preferred future. Prudent governance of Council and the community's assets is an integral part of this

## DIRECTORATE REPORTS

### INFRASTRUCTURE AND WORKS

Council's Infrastructure and Works Directorate is responsible for the planning, construction and maintenance and of all Council's infrastructure (including roads), the management of property assets, asset maintenance and capital works. It also encompasses Council's waste services section including the Jackson Street landfill and the management of Council's parks and open space and environmental areas.

2018-19 has been a year of growth within the Directorate, which has seen significant progress towards safeguarding Council's waste management activities and an increase in resources for Council's Property Assets section as we initiate a program of improvements to Council's parks and open space and the disposal of surplus land.

In February and May 2019 Council approved two business cases that are a key part of delivering the outcomes in the revised waste strategy. The first was for a new kerbside food and garden waste (FOGO) service which will commence in 2020. FOGO will provide a third-bin for residents and will divert organic waste (including green waste and food scraps) from landfill, reducing future costs and Glenorchy's impact on climate change. The second was to extend the life of Jackson Street Landfill to at least 2031 and out to as far as 2038. The extended landfill life will be achieved through a combination of measures to divert waste (including FOGO) and the eventual construction of an additional landfill cell. During the reporting period, Council was able to effectively halve the amount of general waste that was going to Jackson Street landfill by putting a higher value on general waste for commercial tip users and diverting some general waste to the regional landfill at Copping.

### ACHIEVEMENTS

Council adopted a revised Waste Management Strategy in March 2019. The revised strategy will ensure the sustainability of Council's waste management services for the next decade. It also articulates a new vision:

"Glenorchy is a clean, safe and vibrant city that makes us proud. Together, we minimise waste and conserve resources for the future."

# Directorate reports

Council continued the excellent work we do in waste education and was successful in being recognised by Keep Australia Beautiful as the Sustainable Cities Award for 2018.

Council delivered 95% of planned capital projects within the financial year. Total capital expenditure was \$11.4m. Of the \$2.4m in under-expenditure, \$1m was identified as savings with the remaining \$1.4m being projects not delivered in the financial year which will carry-forward into the 2019-20 financial year.

Significant projects delivered during the year included:

- flood repair projects, including O'Briens Bridge, Grove Road Bridge and Molesworth Road
- the Glenorchy CBD Revitalisation Project from Terry Street to Tolosa Street
- \$6.8m in road works, including road resurfacing, footpath maintenance and road reconstruction
- extension of the Prince of Wales Bay sports ground
- completion of the Montrose Foreshore Pontoon and public toilets
- upgrade of the Tolosa Bus Mall public toilets
- refurbishment of the waterslide and other improvements at the Glenorchy War Memorial Pool
- upgrades to the air conditioning system at the Moonah Arts Centre
- upgrading the Chapel Street Reserve to being Council's first fully-functional off-lead dog park, and
- \$1.2m in stormwater works.

Council also completed the decommissioning of the reuse component of Derwent Park Stormwater Harvesting and Reuse Scheme and successfully negotiated with the Australian Government to be released from its ongoing obligations under the Commonwealth grant that funded the project. This has saved Council an annual cost of approximately \$500,000 and has seen resolution of a substantial legacy issue that threatened to be a burden on ratepayers for many years to come.

## CHALLENGES

Council continues to work with TasWater on the decommissioning of Tolosa Dam. Council's aim in the negotiations is to achieve an outcome that provides usable and valuable open space that meets the expectations of the community and enhances the existing infrastructure at Tolosa Park. Negotiations are complex and involve many stakeholders. While we acknowledge that it has taken considerable time and may still take further time to progress, we are committed to achieving the best result for the community rather than rushing through a sub-standard solution. Negotiations are being actively progressed and we hope to provide an update early in 2020.

Council also completed the work on KGV Sports and Community Hub and received official sign-off from the Australian Government. However, while the KGV facility is now fully operational and being used extensively, negotiations with major tenants remain ongoing (though are close to being resolved), and the project will remain incomplete until formal lease agreements are signed.

## FUTURE DIRECTION

### FEDERAL FUNDING FOR SPORT AND RECREATION FACILITIES

Council has received \$15m of in-principle funding from the Federal Government (through the efforts of Andrew Wilkie MP) to deliver improved recreation and sporting facilities within Glenorchy. These will be delivered over the next few years and include:

- a new football (soccer) facility with improved grounds and lighting at the North Chigwell Oval
- an upgrade to the football (soccer) facilities at KGV, including the playing surface, lighting, and changerooms
- a new amenity building, changerooms and toilet facilities at Glenorchy Recreation Ground in Eady Street, and
- new 'destination' playgrounds at the Montrose Foreshore and Giblins Reserve in Goodwood.

Council is working closely with Football Federation Tasmania and Mr Wilkie's office to finalise funding arrangements and plan for the delivery of the projects.

These new facilities will increase participation and improve health outcomes for our community. There is a focus on provision of both male and female facilities and for all ages and abilities. The construction of new playgrounds at Montrose and Giblins reserve will provide children and families in our community with state-of-the-art facilities that are on par with those in other areas of Greater Hobart and will be a starting point for big improvements to our parks and open space facilities in coming years.

### FOGO - GREEN BINS FOR GLENORCHY

Rolling out a universal kerbside service for food and garden waste (FOGO) will be a key focus for Council next financial year.

This will include extensive communication and community education activities to help people realise the benefits of the new 3-bin system that will increase the amount of household waste capacity and provide measurable benefits to our landfill and the environment. Council will continue to work with the community to encourage people to home compost and assist those who are less able to afford the service or who need other assistance to cover the additional costs.





#### FUTURE GLENORCHY PROGRAM

In 2019-20 Council will embark on a plan called 'Future Glenorchy' that will have a key focus on growing and improving the liveability of our city.

As well as delivering on the projects discussed above, Council is looking at a range of other initiatives and projects (big and small) that will improve the quality of life of all residents. These include:

- Safer Footpaths – improving the existing footpath network and bringing it up to an acceptable standard. This project will include grinding off lips and steps and replacing broken and poor sections of footpath across the city
- Tracks, Trails and Pathways – identifying gaps in the network and then building new infrastructure to make it easier for people to get around the community. This project will be underway early in the 2019-20 financial year, and
- Public Toilet Strategy – a long-term plan to provide and maintain safe, clean and user-friendly public toilets that meet the current and future needs of our community and visitors.

#### GLENORCHY MOUNTAIN BIKE PARK MASTERPLAN

Council has received a grant to improve its existing mountain bike park above Tolosa Park.

The grant will allow Council to work with the community and key stakeholders to come up with a master plan for the area with the aim of providing an upgraded and contemporary facility that integrates with other recreational uses and the adjoining park.

#### OPEN SPACE REVIEW

Council recognises that there has been long-standing under-investment in our open spaces, and, along with the above projects, will be undertaking a broader review of our open space areas with a key focus on finding ways to improve them over both the short and long-term.

#### COMMUNITY AND CUSTOMER SERVICES

The Community and Customer Services Directorate oversees all of Council's community services functions, including community engagement, community development, arts and culture. It also includes Council's customer service function (front-of-house customer service at Council's chambers, animal management and parking compliance) and the management of the Derwent Entertainment Centre, Moonah Arts Centre and Berriedale and Benjafield Child Care Centres.

#### ACHIEVEMENTS

##### CUSTOMER SERVICE

Council's call centre and front counter served over 60,000 residents and visitors during the year. Council continues to improve on its commitments given under our Customer Service Charter, achieving an average front counter service time of 3:52 minutes and answering 90% of calls to our call centre within 60 seconds. The team also dealt with thousands of written enquiries and created 11,658 service requests.

##### PUBLIC COMPLIANCE

Council's Public Compliance Unit is responsible for animal management and parking enforcement operations, as well as the management of urban fire risk abatement activities on privately owned land.

Glenorchy has one of the highest rates of dog ownership per capita in Australia, which requires significant logistical management and operational resources. At 30 June 2019, 9,231 dogs were registered for the financial year.

Council employs a small parking enforcement team which patrols regulated parking areas across the municipality. Parking officers issued 6,344 infringement notices for parking violations during the year. Body worn cameras have been introduced for parking officers to improve their safety.

Council conducts annual fire risk inspections of privately-owned properties which are identified as presenting a fire safety risk. 323 properties were inspected for fire risks during the 2018-19 financial year.



## DERWENT ENTERTAINMENT CENTRE

Council continues to own and operate the Derwent Entertainment Centre (DEC). The venue has continued to deliver a wide range of events, from international performers through to local community-based activities. For the 2018-19 period the DEC welcomed 113,707 people through its doors and hosted 106 different events (including exhibitions, conferences, meetings and assemblies). The DEC hosted four International acts, including sold-out performances by The Red Hot Chili Peppers and British comedian, Michael McIntyre.

## CHILD CARE CONNECTIONS - EDUCATION AND CARE SERVICES

Council operates two long day care centres, the Child Care Connections Centres at Benjafield and Berriedale. Both centres have been assessed and rated under the National Quality Standard as 'meeting' the seven quality areas.

The Benjafield centre has participated in the Working Together for 3 Year Olds (WT3) Pilot program, a Tasmanian Government initiative which has provided opportunities for eligible three-year-old children to participate in free quality learning. Educators and children also continue to visit the Glenview Aged Care Facility through the CHAT Program (Children Helping Adults Together), interacting with dementia residents once a week.

## COMMUNITY PLANNING AND ENGAGEMENT

Council's Community Planning and Engagement team has worked across Council to advise and assist with a range of community engagement projects. These include Tolosa Dam Redevelopment Stage 2, the CBD Revitalisation Project and Public Art Project and the Jackson Street Landfill extension.

The team continues to produce Council's two major events in conjunction with the Arts and Culture team. This year's Moonah Taste of the World Festival held in March was the biggest to-date, with approximately 12,000 people in attendance. As well as record crowds, there was increased participation from the multicultural community with 31 food stalls (including 19 community groups), 28 performances across two stages, six workshops and 15 cultural or family activities. Another highlight was the annual Glenorchy Carols, A Not So Silent Night, which provided a fantastic family event while also raising funds for the ABC Giving Tree.

Civic events delivered throughout the year included the Glenorchy Citizen and Young Citizen of the Year Awards, the annual Volunteer Awards, an ANZAC Day ceremony and a municipal visit from Her Excellency, Professor the Honourable Kate Warner AC, Governor of Tasmania and Mr Richard Warner, which was a particular highlight.



## COMMUNITY DEVELOPMENT

The Community Development section delivers a range of programs and initiatives aimed at improving the lives of Glenorchy's residents through education, assistance, accessibility and inclusion. Some of the activities and highlights for the year included:

- The adoption of Safer Communities and Successful Ageing Frameworks by Council
- The Live Well, Live Long initiative, a partnership between Glenorchy City Council and Tasmanian Health Services which attracted 22 people aged between 60 and 87 to health and wellbeing sessions at the Glenorchy Community Health Centre
- WAVE ACTION at Cosgrove High School that saw over 150 pots of colour shared in the community to celebrate the message that We Acknowledge and Value Everyone (WAVE) in our community
- The Glenorchy Local Drug Action Team (LDAT), which is a partnership between Glenorchy City Council, Karadi Aboriginal Corporation, Goodwood Community Centre, YMCA, Salvation Army, Mission Australia and the Alcohol and Drug Foundation
- Market in the Carpark Twilight Festival in April, which was attended by over 800 people. This celebration of Youth Week Tasmania was a collaborative initiative between Glenorchy, Clarence, Derwent Valley and Hobart Councils, and was planned, developed and promoted by those councils' youth programs.
- The Full Gear Motorbike safety program, which is a partnership between Glenorchy City Council and the Bucaan Community House, funded by the Tasmanian Government. The program has seen 15 young people aged between 16 and 24 participate in workshops promoting motorbike safety while gaining their learner motorbike licenses
- Gig in the Gardens, hosted by the Glenorchy Youth Task Force, in December 2018, which was attended by over 100 young people
- The Hear Our Voices Multicultural Women's Gathering held at Leprena Uniting Aboriginal and Christian Congress in Glenorchy during Harmony Week in March 2019. Over 80 women participated in cultural sharing, singing, dancing and food.

## ARTS AND CULTURE

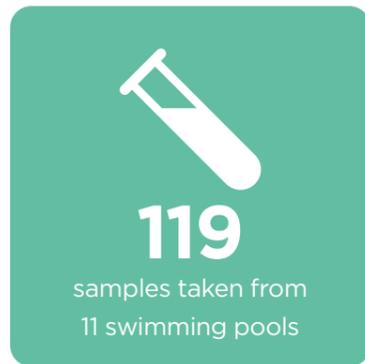
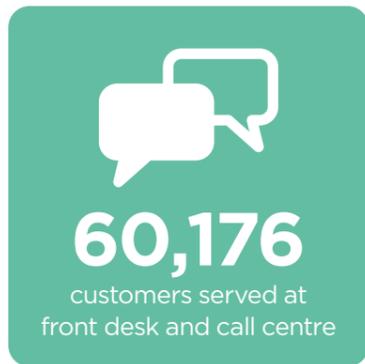
Council's Arts and Culture Program is based at the Moonah Arts Centre (MAC). The MAC's Annual Report is provided on page 28.

## GLENORCHY LEARNS AND 26TEN

The Glenorchy LEARN program recognises the need for additional support for community and local business in learning, literacy and numeracy. During 2018-19, Council received a grant from 26TEN to build business participation and engagement with 26TEN activities and literacy support services. The project has provided support to the 26TEN Glenorchy Community of Practice (CoP). The CoP develops key relationships and shares workplace learnings with the aim of improving literacy and promoting the values of lifelong learning within the Glenorchy area.

## GASP

Council continues to support Glenorchy Art and Sculpture Park, with annual funding and support toward office accommodation, infrastructure maintenance and care for the environment.



**CHALLENGES**

Finding the best ways to meaningfully engage with our community across the range and breadth of Council programs and services presents an ongoing challenge, particularly in ensuring that activities reach as far as they need to and engage their intended audiences. This is an ongoing challenge, and initiatives will be introduced over the coming year (including Community Yarns, discussed below) to increase participation from and engagement with the community.

**FUTURE DIRECTION**

**CUSTOMER SERVICE**

During 2019-20, Council will implement a new Customer Service Strategy to help guide and drive its customer service objectives and provide better overall services for our community.

**COMMUNITY PLANNING AND ENGAGEMENT**

Council will hold a series of four 'Community Yarns' starting in November 2019. The Community Yarns will be facilitated public forums that will give people the opportunity to talk with Council Aldermen and staff about what is important to them in the community, and how community members and Council can work together to achieve goals.

The team will also focus on the 10th Anniversary of the Moonah Taste of the World Festival in March 2020, as well as a range of other community events.

Following the introduction of its Successful Ageing Framework and Safer Communities Framework, Council will prepare an overarching Community Development Plan and a new Children, Youth and Families Framework.





## MOONAH ARTS CENTRE

### ANNUAL UPDATE

The Moonah Arts Centre (MAC) is owned and operated by Council and houses Council's Arts and Culture Program (part of the Community and Customer Services Directorate). A hub for arts and culture within the city, the MAC was visited by 39,864 people in 2018-19 who participated in a diverse program of exhibitions, workshops, performances and events.

The MAC operates seven days per week and recorded nearly 1,800 days of activity across its spaces during the year. These activities spanned visual arts, theatre, music, literature, dance, film, circus, textiles and more.

The MAC continues to be a highly sought-after venue, both for arts and non-arts activity, with spaces being hired by a range of not-for-profit, government and arts and cultural organisations, as well as by individual cultural producers. 95% of hirers used MAC's spaces for arts-related activity.

During the year the MAC's Instagram page had a 43% increase in followers and its Facebook page had a 12% increase in likes with an average total daily reach of 1,296 people per day. New initiatives included a targeted marketing drive for 'Friday Nights Live', including the creation of promotional videos and the utilisation of new advertising channels. Ticketing has moved from Eventbrite to Ticketbooth allowing the collection of useful statistics and information about customers and their purchasing patterns. Newspaper

advertising was cut, allowing for a greater number of advertising opportunities across other platforms including print, screen, radio and social media.

The Visual Art Program at the MAC presented 35 exhibitions in the exhibition and project spaces, the Albert Hallway and the Avago window. 15 Conversations with Artists were presented as part of the program. Exhibitions included Waste-Ed Art, a partnership with Council's Waste Services team featuring collaborative artworks by groups of primary school students from Glenorchy in response to the question "What does a litter free world look like?". Beyond the Field (Still) was presented in conjunction with an exhibition at Contemporary Art Tasmania. The Overwintering Project Mapping Sanctuary saw artists from Australia and New Zealand present prints in conjunction with the Shorebirds Conference which was held in Hobart. The Glenorchy Open continued in February 2019 as the largest presentation of local artists' work in the City. Australian Women Artists exhibition

hosted visits by Goodwood and Windermere Primary School students including a hands-on workshop focusing on the creative process, with students then creating artworks of their own.

In 2018 the MAC hosted Moonah MOVES. The MOVES featured year-round school holiday programs, performances and the Moonah MOVES Festival in September. The MAC and Glenorchy became a hub for dancers of all ages, levels, experiences and backgrounds. Moonah MOVES was a participatory, all-in, celebration of dance and community. The Moonah MOVES presented over 60 events, including 30 workshops, 20 performances and 10 events to an audience of over 5,000 with participation from 2,642 people. 218 performers from across Australia presented 10 dance premieres. The festival partnered with the National Disability Arts Research Team and was funded by Arts Tasmania, Festivals Australia, Department of Premier and Cabinet, Community, Sport and Recreation and Events Tasmania.

Council's Arts and Culture team partnered with individuals and community organisations to present and facilitate multi-artform projects that engage the local community. These include the completion of Thread, a film project working with young people from diverse cultural backgrounds, the junior company of DRILL youth dance company in residence at MAC, Mature Artists Dance Experience, Tasmanian Youth Classical Ballet, Tasmania Performs Residency Partnership.

The MAC curated a program of live music concerts (Friday Nights Live), film screenings (Real to Reel) and dance performances and workshops (presented as part of Moonah MOVES) and presented 12 events during the period. Highlights included Saltwater Sisters showcasing the culture of island women from Tasmania, Fiji and Aotearoa. Saltwater Sisters then featured on the main stage at Moonah Taste of the World Festival.

Creative school holiday workshops ran during the autumn, winter, and spring for young makers aged between 4 and 17.

As part of the Glenorchy CBD Revitalisation Project, artist Matthew Calvert has been commissioned to create new pieces of public art for the Glenorchy CBD. Matt undertook an extensive community engagement process and from this will design a new public artwork for installation in 2019-20.

### THE NEXT 12 MONTHS

The 2019-20 arts and cultural program will continue to build on existing projects, workshops, exhibitions, presentation, festivals and events that promote, facilitate and act as a catalyst for arts and cultural development within Glenorchy.

Into the Fold has received funding from Arts Tasmania, Regional Arts Fund, Bellendena Foundation and 2A4 Foundations. The 2019-20 program will see more workshops delivered, fabrics printed, an exhibition at Moonah Arts Centre and designs for Moonah Taste of the World 2020, which will be the 10th anniversary of the event.

Listening to Country received funding from Regional Arts Fund and Hydro Tasmania and will move into the second stage of development and presentation. An evening of performance, visual art, film and multi-media called Brothers on Country will be held at the MAC in May 2020.

A supported exhibition of works by Paul Boam received funding from Regional Arts Tasmania, Arts Tasmania and the Gordon Darling Foundation.

The MAC Youth Choir program currently in development will provide a year-long program of opportunities for primary school singers and teachers to sing and perform with other children across Glenorchy.



## CORPORATE SERVICES

Council's Corporate Services Directorate is the machinery that allows the rest of Council to function. It encompasses essential services like finance, ICT, human resources and communications, as well as the critical area of corporate governance. Corporate Services also includes the Aldermanic and executive support functions and the Office of the General Manager.

## ACHIEVEMENTS

### FINANCE AND ICT

This year has seen the implementation of significant changes to financial reporting to Council. Monthly reporting is now available within two-weeks of closing periods, which has enabled more timely reporting to Council and has addressed a long-standing concern.

Council's budget process also has undergone a review, with this year being the first of a three-year plan which will see a much greater participation by staff and Aldermen in the budget process and improve financial management and outcomes for Council and the community.

Council has commenced a review of its existing Information and Communication Technology (ICT) Strategy and is planning for the development of a new strategy over the coming year.

### PEOPLE AND CULTURE

A busy and productive year has seen the completion of a new Workforce Development Plan 2019-2022 and Human Resources Strategy 2019-2022 for Council. Together, these plans will guide Council's recruitment and staff development activities to ensure that we have a skilled and capable workforce that is aligned with Council's goals and can deliver outcomes for the Glenorchy community over the coming years.

Encouragingly, Council continues to attract high calibre candidates for all advertised roles, with competitive recruitment processes resulting in an influx of highly skilled and capable employees from various sectors.

Council has a strong awareness and commitment to the promotion of employee wellness initiatives and continues to support a number of these initiatives as proposed by staff.

Work Health and Safety compliance is increasing significantly across Council and a recent SafetyMap audit has highlighted focus areas and actions to be prioritised.

### CORPORATE GOVERNANCE

There has been a continued and ongoing focus on satisfying the Ministerial Directions issued to Council in January 2018 following the Board of Inquiry into Council. The directions were issued to improve governance, transparency and accountability at Council. At 30 June 2018, 53 of the 58 directions had been complied with, with all remaining directions being actively progressed. Council expects to satisfy the remaining directions by late 2019.

There has also been a renewed focus on improving risk management practices across Council. Aldermen have attended workshops to identify and establish Council's risk appetite and refresh Council's identified strategic and key operational risks. These key documents will help guide considered decision making by Council for the foreseeable future.



A realignment of roles within the Corporate Governance department has centralised critical governance functions under a single umbrella, which has further strengthened Council's corporate governance framework and organisational maturity.

### EXECUTIVE SUPPORT AND OFFICE OF THE GENERAL MANAGER

As part of the organisational structural repair project which was completed in early 2019, Council centralised its executive support function and created a new Executive Officer role to manage the General Manager's office and assist with his ever-increasing workload. The team is responsible for the operations within the General Manager's office which includes the provision of support to Council's Executive Leadership Team, overseeing corporate communications, Aldermanic and Mayoral liaison and acting as the secretariat for meetings of Council.

### CHALLENGES

The changed landscape within Council as it moves from a period of recovery and rebuilding to one that is progressive forward looking has left staff weary of change. Despite this, staff have been outstanding in their willingness to implement priority actions and follow them through to completion.

Inevitably though, the evolution of Council's organisational priorities has resulted in an increase in recruitment activities which has put pressure on Council's People and Culture department to cope with demand.

Council continues to ensure a safe and stable ICT framework is maintained to facilitate changes for Council's ICT environment. The evolving array of software systems and the need to adapt has proven challenging. The need to provide the infrastructure and resources to support this has had to be balanced with maintaining effective cyber-security.

### FUTURE DIRECTION

Council will begin implementing its Workforce Development Plan and HR Strategy. Aims will be to increase the diversity of our workforce to reflect our community profile, address the expected retirement of baby-boomer employees over the next 2-5 years and identify the future skills and qualifications required for the changing workplace needs.

It is expected that Council will satisfy the remaining Ministerial Directions early in the 2019-20 financial year, after which the focus will shift to maintaining the improved governance systems and culture within the organisation and continuing to build on Council's organisational maturity.

Council will also take steps to improve its ICT systems through the implementation of a revised ICT strategy to improve cyber-security and ensure that we have the technical infrastructure to deliver better services to our community.

## STRATEGY AND DEVELOPMENT

The Strategy and Development Directorate incorporates the key regulatory functions of planning services, building and plumbing, as well as being responsible for strategic planning, economic development and corporate reporting against Council's Annual Plan.

## ACHIEVEMENTS

### STRATEGIC PLANNING AND REPORTING

In November 2018, Council re-adopted the *Glenorchy City Council Strategic Plan 2016-2025*. Council officers continued to monitor and report quarterly on progress in delivering the 2018-19 to 2021-22 Annual Plan, with 2019-20 to 2022-23 Annual Plan published in June 2019. To inform Council's Economic Development Strategy, Council officers worked with other Greater Hobart councils to commission research on our economy and identify gaps and opportunities.

### PROGRESSING THE SALE OF WILKINSONS POINT

In April 2019, following public consultation, Council resolved to dispose of land at Wilkinsons Point, subject to public access to the foreshore, the GASP infrastructure and Loyd Road being maintained. This followed the decision in 2018 to dispose of the Derwent Entertainment Centre.

Council has now commenced exclusive negotiations with Larry Kestelman of LK Group, the owner of the National Basketball League, to establish a sports and entertainment hub on the point and a Tasmanian NBL Team.

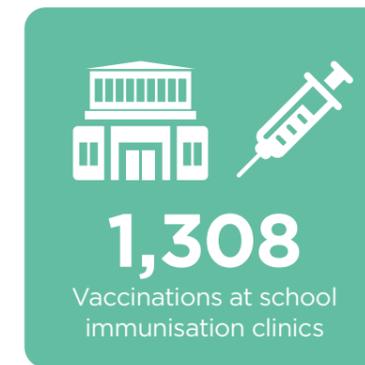
### FACILITATING DEVELOPMENT

Council officers provided advice on small and large-scale developments across the municipality to facilitate economic growth and increased housing. This included providing information about planning requirements and processes for the MONA Hotel development, Koorongee, development at the former Claremont Primary School site, and development at the Hobart Showgrounds.

Over the course of 2018-19, Council determined 317 planning applications, 149 building applications and 199 plumbing applications, with the majority of these issued within statutory timeframes.

### PLANNING SCHEME REVIEW

In November 2018, Council submitted its proposed *Local Provisions Schedule* for Glenorchy to the Tasmanian Planning Commission. The Schedule is the next step in implementing a new Planning Scheme for Glenorchy and represents a significant body of work, requiring translation of the current *Glenorchy Interim Planning Scheme* into the framework provided by the *Tasmanian Planning Scheme*. When implemented, the Local Provisions Schedule will be the key document that governs land use planning in Glenorchy for the foreseeable future.



## CHALLENGES

Strategic negotiations around major projects, such as the sale of Wilkinsons Point and the Hobart City Deal remain challenging, with Council seeking to secure the best outcomes for the Glenorchy community.

Council staff experienced extremely high workloads due to increasing interest in development in Glenorchy. This meant that, on occasion, we were unable to provide the expected level of service to our clients.

Changes to legislation and regulations, such as amendments to the *Building Act* and the new *Tasmanian Food Business Risk Classification System* required significant additional resources to implement and to explain to our clients.

## FUTURE DIRECTION

A major focus for the Directorate in 2019-20 will be the creation of an Economic Development Strategy to determine actions that can be undertaken by Council, Federal and State governments, business, industry and the community to grow Glenorchy's economy and create jobs.

In 2019-20, in accordance with our Annual Plan, we will continue to facilitate major development in the municipality and expect to see progress on major projects such as Wilkinsons Point, the MONA Hotel and the former Claremont Primary School site.

We will also commence an *Open for Business Review* which will consider whether there are additional ways that Council can ensure developers have the information they need to progress planning, development and permit applications within the municipality.

Consultation on the *Glenorchy Local Provisions Schedule* (Council's new Planning Scheme) is also expected to occur in 2019-20 once the Tasmanian Planning Commission has completed its review of the schedule.

We will also commence *Future Glenorchy*, a program that will strategically coordinate several projects aimed at growing Glenorchy and improving the liveability of our City.

# Our Performance

## OUR PERFORMANCE

### STRATEGIC PLANNING AND PERFORMANCE REPORTING

Council's vision for Glenorchy City and our community is set out in the *Glenorchy City Council Community Plan 2015-2040*. Our strategic planning framework aims to achieve the goals set out in the Community Plan by implementing objectives and strategies set out in a 10-year Strategic Plan. Those objectives and strategies are actioned annually through Council's Annual Plan.

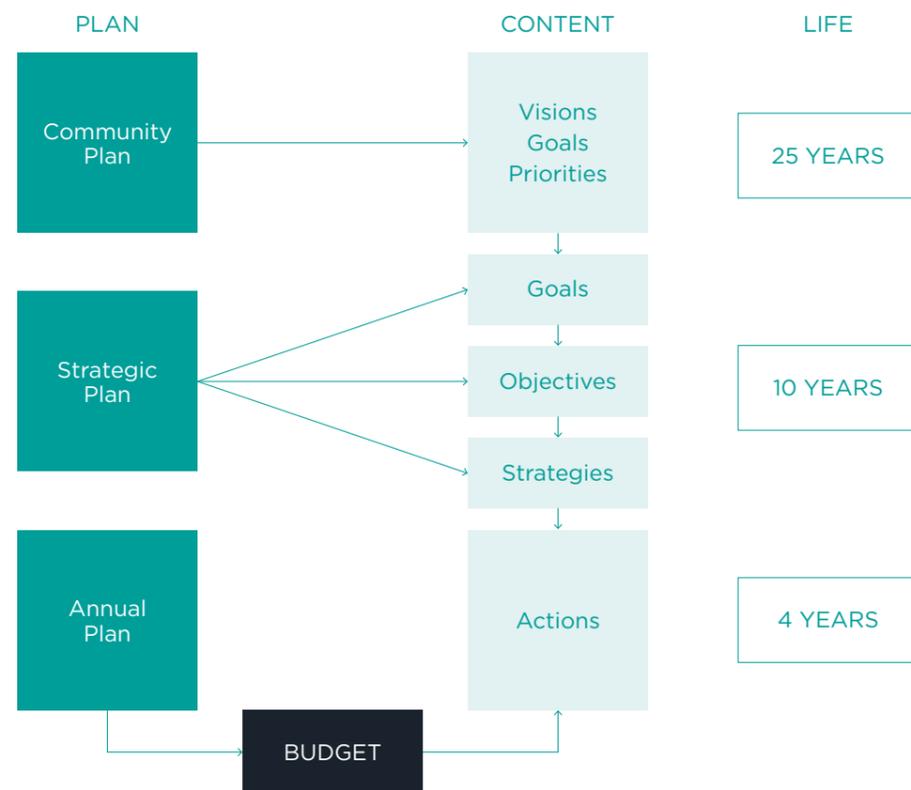
### HOW DO WE MEASURE OUR PERFORMANCE?

Council's performance is measured against the actions identified in our Annual Plan which guides Council's operations from year to year. The Annual Plan has a life of four years but is updated annually at the same time as Council's budget. It sets out the specific actions that Council will pursue for the following 12 months, each of which is aligned with an objective and strategy from the Strategic Plan.

The management team reports to Council on the progress of assigned Annual Plan actions each quarter during the financial year.

### ANNUAL PLAN PERFORMANCE

The *Glenorchy City Council Annual Plan 2018-19* identified 85 actions for the 2018-19 financial year of which 18 were high priority items. Of the 85 actions, 78 were either completed or on-schedule/ongoing items (which were being substantially met) by the end of the reporting period.



## MAKING LIVES BETTER

ACTION STATUS	BUSINESS RULE FOR APPLICATION OF DESCRIPTION
Ongoing	● For business as usual tasks (not for use with project tasks)
On schedule	● The task is on track to meet the target set in the Annual Plan
Review required	● There are internal or external factors that present a foreseeable risk to project completion by the deadline set in the Annual Plan
Completed	● The task has been completed
Task for Future Year	● The task is identified in the Financial Year as commencing in an "out year"

### OBJECTIVE 1.1 KNOW OUR COMMUNITIES AND WHAT THEY VALUE

#### STRATEGY 1.1.1 GUIDE DECISION MAKING THROUGH CONTINUED COMMUNITY ENGAGEMENT BASED ON OUR COMMUNITY PLAN.

ACTIONS	STATUS
Engage with our communities to guide our decision-making, using the Community Engagement Strategy	●
Participate in the Local Government Association Tasmania community satisfaction survey	●

#### STRATEGY 1.1.2: ENCOURAGE DIVERSITY IN OUR COMMUNITY BY FACILITATING OPPORTUNITIES AND CONNECTIONS.

ACTIONS	STATUS
Deliver the annual Moonah Taste of the World Festival	●
Foster and support community cultural events and projects that celebrate Glenorchy's cultural diversity and build identity, inclusion and City pride	●

### OBJECTIVE 1.2 SUPPORT OUR COMMUNITIES TO PURSUE AND ACHIEVE THEIR GOALS.

#### STRATEGY 1.2.1 ENCOURAGE AND SUPPORT COMMUNITIES TO EXPRESS AND ACHIEVE THEIR ASPIRATIONS.

ACTIONS	STATUS
Support the operation of Council's Special Committees	●
Implement the Positive Ageing Strategy	●

#### STRATEGY 1.2.2: BUILD RELATIONSHIPS AND NETWORKS THAT CREATE OPPORTUNITIES FOR OUR COMMUNITIES.

ACTIONS	STATUS
Implement the Children and Families Strategy	●
Promote volunteerism through the Glenorchy Volunteer Program and the Annual Volunteer Awards	●
Implement the Healthy Communities Plan	●
Implement Council's Youth Strategy	●
Implement the Community Safety Framework and Action Plan	●
Partner with other stakeholders to support priority initiatives which address social disadvantage	●
Convene inter-agency groups to address gaps in services for children under 12 (GAIN), Youth 12-25 (YANG) and older adults (Linkages)	●



**STRATEGY 1.2.3: PROMOTE CREATIVE EXPRESSION AND PARTICIPATION AND LIFE-LONG LEARNING AS PRIORITIES FOR OUR COMMUNITIES.**

ACTIONS	STATUS
Plan, promote and deliver activities that address community learning opportunities, in conjunction with the LEARN network	●
Review the Arts and Cultural Plan	●
Plan, promote and present an annual program of arts and cultural exhibitions, workshops, concerts and events	●

**OBJECTIVE 1.3 FACILITATE AND/OR DELIVER SERVICES TO OUR COMMUNITIES.**

**STRATEGY 1.3.1 DIRECTLY DELIVER DEFINED SERVICE LEVELS TO OUR COMMUNITIES.**

ACTIONS	STATUS
Operate Council's Child Care Centres in accordance with the Education and Care Services National Law and Regulations	●
Deliver the maintenance program for Council in accordance with agreed service levels	●
Deliver Customer Service Charter commitments	●
Review current maintenance service levels	●
Conduct waste education and promotion	●
Administer kerbside waste collection and landfill services	●

**STRATEGY 1.3.2 IDENTIFY AND ENGAGE IN PARTNERSHIPS THAT CAN MORE EFFECTIVELY DELIVER DEFINED SERVICE LEVELS TO OUR COMMUNITIES.**

ACTIONS	STATUS
Undertake a strategic review of services to ensure services are value for money and meet the expectations of the community	●

**OPEN FOR BUSINESS**

**OBJECTIVE 2.1 STIMULATE A PROSPEROUS ECONOMY.**

**STRATEGY 2.1.1 FOSTER AN ENVIRONMENT THAT ENCOURAGES INVESTMENT AND JOBS.**

ACTIONS	STATUS
Progress the Interim Planning Scheme to a Single State-wide Planning Scheme	●
Deliver a program of events at the Derwent Entertainment Centre	●
Review the business & marketing plan for the Derwent Entertainment Centre	●
Partner with the Glenorchy Arts and Sculpture Partnership	●
Develop an economic development strategy for Glenorchy	●

**STRATEGY 2.2.1 TARGET GROWTH SECTORS BASED ON OUR UNDERSTANDING OF THE CITY'S COMPETITIVE ADVANTAGES**

ACTIONS	STATUS
Partner with Destination Southern Tasmania	●
Develop a Leasing Policy	●
Implement the Leasing Policy	●
Develop a list of property for consideration for disposal	●
Dispose of property	●



## VALUING OUR ENVIRONMENT

### OBJECTIVE 3.1 CREATE A LIVEABLE AND DESIRABLE CITY.

#### STRATEGY 3.1.1 REVIEW THE DRAFT GLENORCHY CBD STRATEGIC FRAMEWORK AND DEVELOP AN ACTION PLAN FOR THE GLENORCHY CBD

ACTIONS	STATUS
Review the draft Glenorchy CBD Strategic Framework and develop an action plan for the Glenorchy CBD	●

#### STRATEGY 3.1.2 ENHANCE OUR PARKS AND PUBLIC SPACES WITH PUBLIC ART AND CONTEMPORARY DESIGN.

ACTIONS	STATUS
Work with TasWater to decommission Tolosa Reservoir	●
Facilitate development and approval on the Berriedale Peninsula through working with all stakeholders	●

#### STRATEGY 3.1.3 MANAGE THE CITY'S TRANSPORT NETWORK AND THE ASSOCIATED INFRASTRUCTURE TO PROMOTE SUSTAINABILITY, ACCESSIBILITY, CHOICE, SAFETY AND AMENITY FOR ALL MODES OF TRANSPORT.

ACTIONS	STATUS
Manage external grant funding in relation to transport infrastructure	●
Review the strategic pedestrian and cycle network to link open space, CBD, activity centres, and the intercity cycleway	●
Develop a traffic calming policy	●
Cooperatively pursue opportunities to progress the Hobart/Glenorchy public transit (former rail) corridor	●

#### STRATEGY 3.1.4 DELIVER NEW AND EXISTING SERVICES TO IMPROVE THE CITY'S LIVEABILITY.

ACTIONS	STATUS
Implement the Access Action Plan 2016-2021	●
Ensure the construction and maintenance of safe and healthy buildings through compliance with the National Construction Code	●
Plan for the sustainable development of the City, ensuring compliance with the planning scheme and community involvement in the planning process	●
Protect the City's heritage through planning scheme listing and assessment processes	●
Implement the Council's Graffiti Action Plan	●
Deliver the capital works program for roads and stormwater	●
Review the 10-year capital program for Council owned property	●
Deliver the annual capital program for property	●
Promote, implement and monitor public health standards	●
Implement the Waste Management Strategy	●

### OBJECTIVE 3.2 MANAGE OUR NATURAL ENVIRONMENTS NOW AND FOR THE FUTURE.

#### STRATEGY 3.2.1 IDENTIFY AND PROTECT AREAS OF HIGH NATURAL VALUES.

ACTIONS	STATUS
Manage the fire risk in the city's bushland reserves	●
Protect the City's natural values through planning processes, enforcement, on-ground activities and community National Resource Management support	●

#### STRATEGY 3.2.2 ENCOURAGE ACCESS TO AND APPRECIATION OF NATURAL AREAS THROUGH THE DEVELOPMENT OF TRAIL NETWORKS AND ENVIRONMENTAL EDUCATION

ACTIONS	STATUS
Promote Council's natural areas through websites, media, interpretation and education programs and collaborations	●

#### STRATEGY 3.2.3 ENHANCE, PROTECT AND CELEBRATE THE DERWENT FORESHORE.

ACTIONS	STATUS
Participate in the Derwent Estuary Program	●
Monitor recreational water quality	●

## LEADING OUR COMMUNITY

### OBJECTIVE 4.1 GOVERN IN THE BEST INTERESTS OF OUR COMMUNITY.

#### STRATEGY 4.1.1 MANAGE COUNCIL FOR MAXIMUM EFFICIENCY, ACCOUNTABILITY AND TRANSPARENCY

ACTIONS	STATUS
Submit Council's operations to regular internal and external audit under the advisory supervision of the Audit Panel	●
Develop a communications strategy	●
Implement the communications strategy	●
Comply with the Ministerial Directions issued on 23 January 2018	●
Implement priority actions arising from the Audit process	●

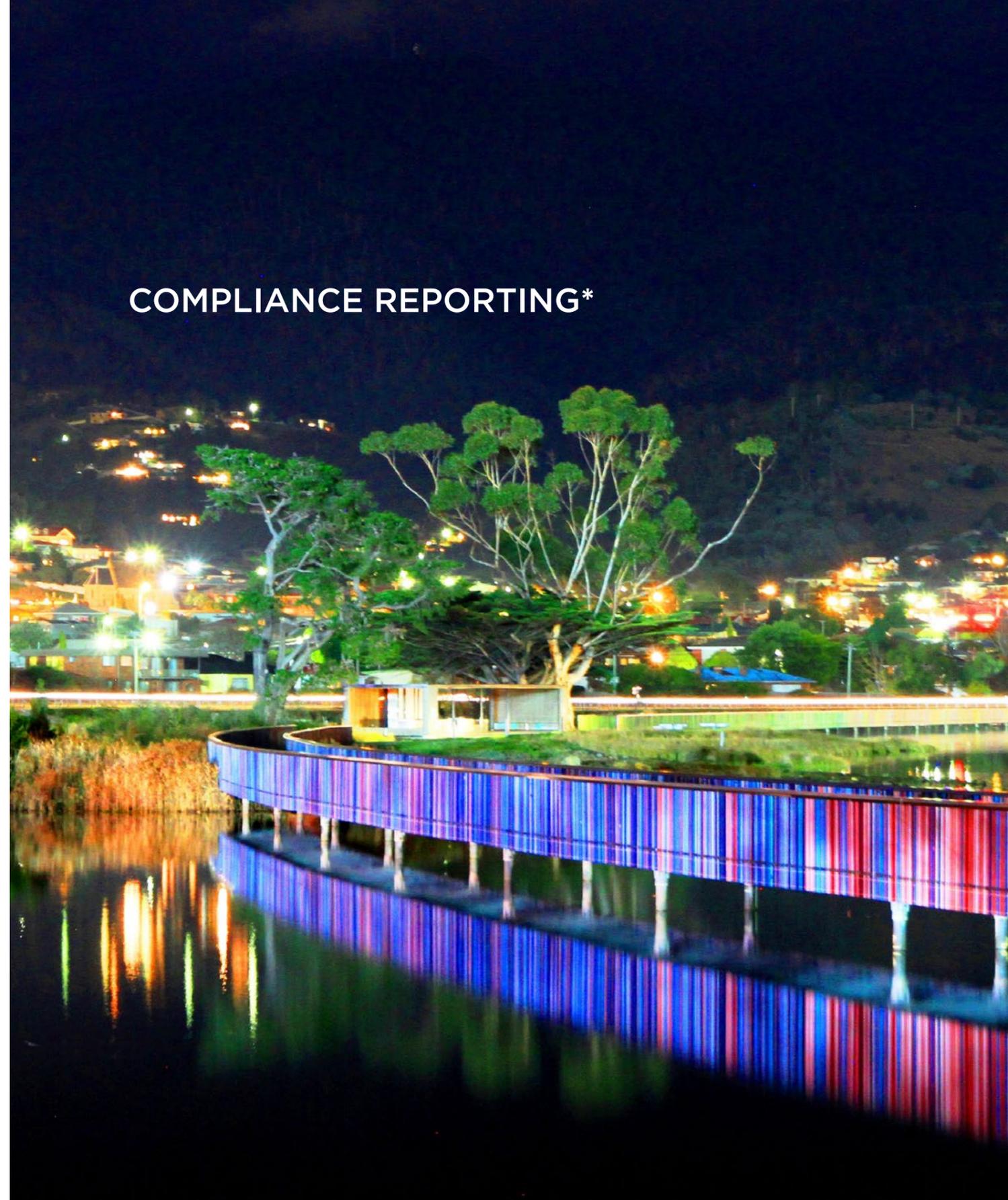
#### STRATEGY 4.1.2 MANAGE THE CITY'S ASSETS SOUNDLY FOR THE LONG-TERM BENEFIT OF THE COMMUNITY.

ACTIONS	STATUS
Decommission and dispose the stormwater reuse component of the Derwent Park Stormwater Harvesting and Reuse Scheme	●
Review Council's accommodation needs	●
Maintain, renew and replace Council's infrastructure in accordance with Council's asset management framework	●
Implement the Plant and Fleet Review recommendations	●
Ensure preparedness for disaster by maintaining and continually reviewing the City's Emergency Management Strategies	●

#### STRATEGY 4.1.3 MAXIMISE REGULATORY COMPLIANCE IN COUNCIL AND THE COMMUNITY THROUGH OUR SYSTEMS AND PROCESSES.

ACTIONS	STATUS
Ensure community compliance with legislative requirements on matters of material importance within Council's jurisdiction	●
Facilitate Council compliance with Commonwealth and State legislative requirements on matters of material importance	●
Implement the Governance Framework compliance Action Plan	●

## COMPLIANCE REPORTING\*



\*All references are to provisions in the *Local Government Act 1993*, unless otherwise stated

# PUBLIC HEALTH STATEMENT

## SECTION 72(1)(AB)

Section 72(1) (ab) of the *Local Government Act 1993* requires Council to prepare a statement that describes the extent to which Council has carried out its functions under the *Public Health Act 1997* and the *Food Act 2003* during the financial year. The statement must also outline the resources allocated to public health by Council and the extent to which its goals, objectives, policies and programs in relation to public health meet the needs of people within our municipal area.

Council's Public and Environmental Health program is managed by the Environmental Health team within the Strategy and Development Directorate. The program includes activities to support key action 3.1.4.09 in Council's 2018-19 Annual Plan, being to "Promote, implement and monitor public health standard."

In 2018-19, the Environmental Health team was comprised of a Coordinator of Environmental Health Services, a Senior Environmental Health Officer, an Environmental Health Officer and an Environmental Health Technical Officer. The Council immunisation program also requires two contracted Authorised Nurse Immunisers.

Environmental Health's expenditure budget for the 2018-19 financial year was \$611,120. The section generated \$164,197 in income, primarily from licensing.

The Environmental Health section administers the following key pieces of legislation (and their associated regulations):

1. *Public Health Act 1997*
2. *Food Act 2003*
3. *Local Government Act 1993*
4. *Litter Act 2007*
5. *Environmental Management and Pollution Control Act 1994*

The key regulatory areas under these Acts include:

- food safety
- notifiable diseases (food borne illnesses)
- immunisations
- places of assembly
- public health risk activities
- unhealthy premises
- public health and environmental nuisances
- disease prevention and control
- public health education and promotion
- water quality monitoring
- on-site waste water management
- cooling towers and warm water systems, and
- pollution events.

The tables below outline Environmental Health activities undertaken by Council during the 2018-19 year, compared to the 2017-18 year.

FOOD ACT 2003	2018-19		2017-18	
	Number	Inspections	Number	Inspections
Registered food businesses	373	663 (routine) 141 (follow-up)	342	713
Temporary food permits	253	17	261	33
Improvement notices	2	8	4	8
Prohibition orders	1	2	1	2
Infringement notices	10	N/A	12	N/A

PUBLIC HEALTH ACT 1997	2018-19		2017-18		
	Number	Inspections	Number	Inspections	
Notifiable disease notification/investigations	13	13	24	24	
Gastroenteritis outbreak investigations in vulnerable population settings	1	1	2	2	
Vaccinations administered at Council immunisation clinics	183	N/A	217	N/A	
Vaccinations administered at school immunisation clinics	1308	N/A	2043	N/A	
Registered cooling tower and warm water systems	22	0	22	0	
Immunisation record requests	154	N/A	132	N/A	
Registered public health risk activity premises (tattooing and ear/body piercing)	7	14	4	8	
Licensed operators - Public health risk activity	23	N/A	13	N/A	
Registered water carters	2	0	2	0	
Licensed special events (Place of Assembly)	6	3	9	4	
Water samples	Beaches and rivulets	7 sites	87 samples	5 sites	77 samples
	Pools	11 pools	119 samples	N/A	N/A

BUILDING ACT 2016	2018-19		2017-18	
	Number	Inspections	Number	Inspections
Plumbing permits assessed (on-site waste water approvals)	10	10	13	13
Food verification assessments (approval of plans for new or alterations to existing food premises)	14	14	9	11

LOCAL GOVERNMENT ACT 1993 ENVIRONMENTAL MANAGEMENT AND POLLUTION CONTROL ACT 1994 LITTER ACT 2007	2018-19		2017-18	
	Number	Inspections	Number	Inspections
Public/environmental health nuisances investigated	428	199	445	259
Development application referrals	69	N/A	64	N/A
Abatement notices issued	2	5	6	30
Environmental protection notices issued	0	0	1	1
Infringement notices (litter, nuisance)	3*	N/A	1	1

\* this is the total number of infringements issued across all the legislation except for the Food Act 2003 which is reported separately.

## 2018-19 KEY ACTIONS / INITIATIVES

## ACTIONED

Undertake the auditing, reporting, registering and regulation of food businesses under the *Food Act 2003*

✓

Undertake the audit, reporting, licencing, registration and regulation of Public health risk activities under the *Public Health Act 1997*

✓

Partner with the State Department of Health to operate a Meningococcal super clinic

✓

Implement the new Tasmanian Food Business Risk Classification System

✓

### FOOD BUSINESSES IN GLENORCHY

Maintaining high food safety standards in Glenorchy is a high priority for the Environmental Health team. All known food businesses within the City were registered and inspected according to their risk rating during the year.

The number of registerable food premises increased in 2018-19 and there was a corresponding increase in the number of inspections undertaken to ensure compliance with the *Food Standards Code*. Inspections are an opportune time for Council to proactively promote good health, disease prevention and risk management practices.

### REVIEW CURRENT FOOD BUSINESS RISK CLASSIFICATION SYSTEM FOR CONSISTENCY WITH NEW STATE-WIDE STRUCTURE

Council completed the re-classification of all food businesses in the City to align with the Tasmanian Government's new Tasmanian Food Business Risk Classification System which was introduced to achieve a consistent system across the State.

Registration renewal notices for 2019-20 (which were sent out in June 2019) reflected the new classification system, with food businesses categorised based on the types of food they handle and the size and method of their food handling activities. Unlike the previous classification system, the new system does not permit movement between categories based on compliance or performance. Rather, good or substandard records of compliance will now only change the frequency of inspections of food businesses.

### MENINGOCOCCAL W IMMUNISATION PROGRAM

In the latter part of 2017-18, following an increase in cases of Meningococcal W, Council conducted a targeted immunisation program across schools and colleges. This was in addition to the usual scheduled immunisations.

As the scale of the response increased, the Tasmanian Government asked Council to deliver a Meningococcal 'Super Clinic' over two weekends in August 2018 at the Derwent Entertainment Centre. The clinic provided free Meningococcal A, C, W and Y vaccinations to anyone aged from 6 months to 21 years. Although this was an enormous logistical and operational challenge at very short notice, the clinics were extremely successful and attracted overwhelming public praise.

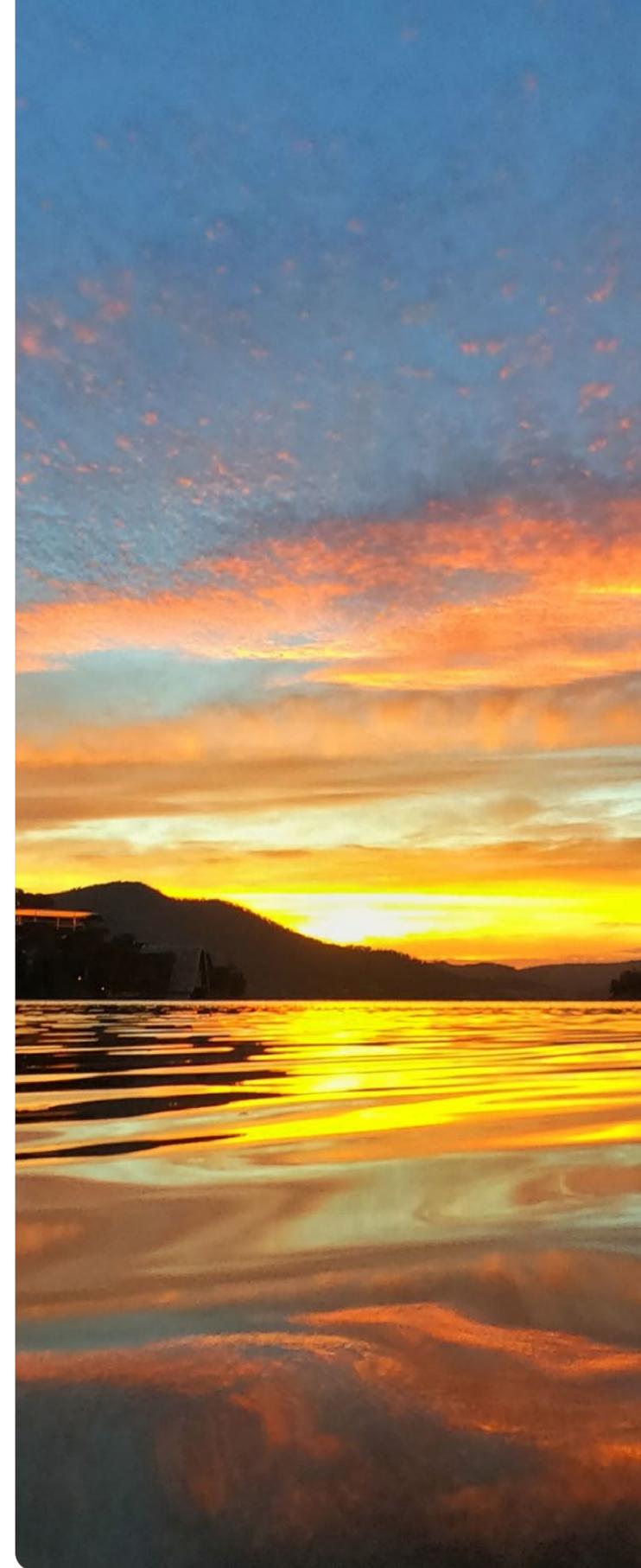
The success of the clinics rested heavily on the cooperation between Council and the State Health Department and was made possible with the help of countless volunteers from both organisations as well as officers from Council's Environmental Health and Derwent Entertainment Centre teams. Over 7,500 people were vaccinated in just 4 days, which exceeded the State Government's initial expectations.

### PUBLIC HEALTH GOALS

Environmental Health officers continued to represent Council on the State working group to develop new Public Health Risk Activity Guidelines under the *Public Health Act 1997*. It is anticipated that some previously non-regulated activities will be required to be registered under the new guidelines when they are introduced.

Recreational water quality monitoring included additional sites at locations either side of the existing Windermere Bay site for the 2018-19 period. This allowed for a comparison of water quality along the beach and further North to Faulkners Rivulet (environmental monitoring site). The general pattern of results was consistent for the two Windermere Beach sites and Enterococci levels at Faulkners Rivulet were greater than 140 Enterococci/100mL. Faulkners Rivulet water quality did not appear to have any definitive impact on water quality at either Windermere Beach site.

The Environmental Health team also responded to 428 enquiries from the public on a range of issues including noise and smoke pollution, litter, litter dumping and unsightly premises. Many of these required specific responses or on-site investigations. The focus of officers was to educate and negotiate suitable outcomes rather than to use enforcement as a means of obtaining.



## ALDERMEN ALLOWANCES AND REIMBURSEMENT OF EXPENSES

### SECTION 72(1)(CB)

ALDERMAN	ALLOWANCE*	CAR ALLOWANCE - MAYOR	TELECOMMUNICATION REIMBURSEMENT	PARKING COSTS	IT REPAIRS	SEMINARS / CONFERENCES / TRAINING	TOTAL
Ald. Johnston	\$ 101,753.86	\$ 9,242.71	\$ 382.10	\$ 1,272.73			\$ 112,651.40
Ald. Stevenson	\$ 49,275.03		\$ 463.84			\$ 350.00	\$ 50,088.87
Ald. Dunsby	\$ 29,073.62		\$ 381.91				\$ 29,455.53
Ald. Bull	\$ 29,073.62		\$ 381.84			\$ 350.00	\$ 29,805.46
Ald. Carlton	\$ 29,073.62		\$ 381.84				\$ 29,455.46
Ald. Fraser	\$ 29,073.62		\$ 381.85				\$ 29,455.47
Ald. Richardson	\$ 29,073.62		\$ 382.01				\$ 29,455.63
Ald. Sims	\$ 29,073.62		\$ 381.86		\$ 544.55		\$ 30,000.03
Ald. Thomas	\$ 29,073.62		\$ 394.47				\$ 29,468.09
Ald. King	\$ 29,073.62		\$ 381.92				\$ 29,455.54
	<b>\$ 383,617.85</b>	<b>\$ 9,242.71</b>	<b>\$ 3,913.64</b>	<b>\$ 1,272.73</b>	<b>\$ 544.55</b>	<b>\$ 700.00</b>	<b>\$ 399,291.48</b>

\* Councillor (Aldermen) allowances are set by the State Government under the *Local Government (General) Regulations 2015* and are based on the number of voters in each local government area.

## MEETING ATTENDANCE

### SECTION 72(1)(CC)

#### COUNCIL MEETINGS

ALDERMEN	ATTENDED
1 July 2018 - 30 June 2019 (16 held)	
Ald. Johnston (Mayor)	16
Ald. Stevenson (D. Mayor)	16
Ald. Dunsby	16
Ald. Carlton	15
Ald. Fraser	15
Ald. King	15
Ald. Richardson	14
Ald. Thomas	14
Ald. Bull	12
Ald. Sims	12

#### COUNCIL WORKSHOPS

ALDERMEN	ATTENDED
1 July 2018 - 30 June 2019 (27 held)	
Ald. Johnston (Mayor)	27
Ald. Stevenson (D. Mayor)	26
Ald. Dunsby	25
Ald. Carlton	22
Ald. Fraser	27
Ald. King	23
Ald. Richardson	24
Ald. Thomas	25
Ald. Bull	23
Ald. Sims	12

#### GLENORCHY PLANNING AUTHORITY MEETINGS

ALDERMEN	ATTENDED
1 July 2018 - 30 June 2019 (11 held)	
Ald. Dunsby	11
Ald. Johnston (Mayor)	10
Ald. Thomas	10
Ald. Sims	9
Ald. Stevenson (D. Mayor)	8
Ald. Richardson (proxy)	2
Ald. Fraser (proxy)	1
Ald. Carlton (proxy)	1
Ald. King (proxy)	1

#### AUDIT PANEL MEETINGS

COMMITTEE MEMBERS	ATTENDED
1 July 2018 - 30 June 2019 (7 held)	
Mr. R. Hogan (Chair)	7
Mr. D. Sales	6
Mr. M. Stevens	6
Ald. Stevenson	6
Ald. Bull	5

## TENDERS AND CONTRACTS

### SECTION 72(1)(E)

#### CONTRACTS VALUED AT MORE THAN \$250,000

##### REGULATION 29(1), LOCAL GOVERNMENT (GENERAL) REGULATIONS 2015

The following are particulars of all contracts for the supply or provision of goods and services valued at or exceeding \$250,000 (excluding GST) entered into or extended by Council during the 2018-19 financial year.

Contract Description	Contract Start Date	Original Contract Expiry Date or Date for Completion at Award	Amended Contract Expiry Date	Total Period of any Option to Extend the Contract	Total Value of Tender Awarded (exc GST)	Business Name of Successful Contractor	Location of Contractor Business
Repair works at Brent Street and O'Brien's Bridge	15/11/2018	28/02/2019	N/A	N/A	\$592,636.00	State-wide Earthworks	52 Atkins Road Granton TAS
Ticketing Services at the Derwent Entertainment Centre	18/11/2019	18/11/2022	N/A	3 years	\$326,400.00 (estimated value, standing offer)	Ticketmaster Australia	Level 5 364 Lonsdale Street Melbourne VIC
Supply of Crushed Rock Metals	21/05/2019	21/05/2021	N/A	2 years	\$2,600,000.00 (estimated value, standing offer)	Hazell Bros Group	14 Farley Street Derwent Park TAS
						Boral Construction Materials	61 Lindsay Street Launceston TAS
Pavement works at Arnold Street between McGough Street and Grove Road	09/01/2019	25/02/2019	N/A	N/A	\$251,121.00	Downer EDI Works	Whitestone Drive Granton TAS
Design and construction of Moss Park Drive bridge and retaining wall replacement	19/03/2019	30/08/2019	N/A	N/A	\$715,957.00	Tas Marine Construction	Electrona Industrial Estate Margate TAS

No contracts for the supply or provision of goods and services valued at or exceeding \$250,000 were extended during the 2018-19 financial year.

#### CONTRACTS VALUED AT MORE THAN \$100,000 BUT LESS THAN \$250,000

##### REGULATION 29(3), LOCAL GOVERNMENT (GENERAL) REGULATIONS 2015

The following are particulars of all contracts for the supply or provision of goods and services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000 entered into or extended by Council during the 2018-19 financial year.

Contract Description	Contract Start Date	Original Contract Expiry Date or Date for Completion at Award	Amended Contract Expiry Date	Total Period of any Option to Extend the Contract	Total Value of Tender Awarded (exc GST)	Business Name of Successful Contractor	Location of Contractor Business
Provision of an early flood warning system	28/02/2019	29/11/2019	N/A	N/A	\$247,718.34*	Hydro Electric Corporation T/A Entura	Kirksway Place Hobart TAS
Moorina Crescent box out works	01/08/2018	29/08/2019	N/A	N/A	\$185,903.77	Batchelor Construction Group	115 Browns Road Kingston TAS
Prince of Wales Bay fencing supply and installation works	13/12/2018	30/11/2018	N/A	N/A	\$173,636.36	Security Fencing	2A Letitia Street North Hobart TAS
Road remediation works	5/07/2018	31/08/2018 (estimated)	N/A	N/A	\$151,651.13	Hazell Bros Group	14 Farley Street Derwent Park TAS
CBD revitalisation electrical and lighting works	28/02/2019	31/07/2019	N/A	N/A	\$116,264.00	Frontline Electrical	99 Charles Street Moonah TAS
Tolosa bus mall toilets upgrade works	4/12/2018	25/09/2019	N/A	N/A	\$145,920.00	Tascon Constructions	59 Albert Road Moonah TAS
Jackson Street Landfill - supply of new weighbridge	5/03/2019	06/06/2019	N/A	N/A	\$125,900.00	Newcastle Weighing Services	5c Murray Dwyer Circuit Mayfield West NSW
Transport engineering services	11/09/2018	30/06/2020	N/A	N/A	\$114,000.00 (estimated value, standing offer)	Pitt and Sherry	99 Macquarie Street Hobart TAS
Montrose Bay Pontoon Refurbishment works	04/02/2019	02/07/2019	N/A	N/A	\$104,153.00	ASD Diving	44 Napoleon Street Battery Point TAS

\* total cost to be shared equally by Hobart and Glenorchy City Councils.

Contract Description	Contract Start Date	Original Contract Expiry Date or Date for Completion at Award	Amended Contract Expiry Date	Total Period of any Option to Extend the Contract	Total Value of Tender Awarded (exc GST)	Business Name of Successful Contractor	Location of Contractor Business
Waste Management Marketing Campaign	05/03/2019	25/01/2019	N/A	N/A	\$100,000.00	S. Group	Level 1 10-14 Paterson Street Launceston TAS
Supply and delivery of new excavator and trade in of 2012 Doosan DX255LC	26/09/2018	02/10/2022	N/A	N/A	\$133,500.00	JF Machinery	288 George Town Road Rocherlea TAS
Provision of permanent public artworks	09/04/2019	30/06/2021	N/A	N/A	\$100,000.00	Matt Calvert	377 Argyle Street North Hobart TAS
Grove Road bridge retaining wall replacement	07/01/2019	20/03/2019	N/A	N/A	\$108,647.00	State-wide Earthworks	52 Atkins Road Granton TAS
Standing panel for provision of risk assurance and/or forensic and investigation services	02/09/2018	02/09/2020	N/A	N/A	\$180,000.00 (estimated value, standing offer)	Deloitte Risk Advisory WLF Accounting and Advisory	8/22 Elizabeth Street Hobart TAS Level 1 160 Collins Street Hobart TAS

## INSTANCES OF NON-APPLICATION OF THE PUBLIC TENDER PROCESS

### REGULATION 29(2), LOCAL GOVERNMENT (GENERAL) REGULATIONS 2015

Supplier	Services Provided	Value of goods and services acquired	Reasons for not inviting public tenders
Aurora Energy	Electricity supply (3-year contract)	Approx. \$300,000 to \$330,000 per year <sup>2</sup>	<p>Tender requirement waived under r. 27(i) - extenuating circumstances:</p> <ul style="list-style-type: none"> <li>Council engaged a consultant, Goanna Energy Pty Ltd (Goanna), to conduct a tender process on its behalf. Goanna is a specialist energy consultancy and an expert the electricity market.</li> <li>Goanna conducted a tender. Tenders were received from both licenced electricity suppliers in Tasmania, Aurora and ERM Energy. Accordingly, the entire Tasmanian retail electricity market was therefore tested by Goanna on behalf of Council.</li> <li>Goanna provided specialised advice to Council about the merits of the two offers and the market in general. That advice would not have been available to Council had it not engaged Goanna.</li> <li>Goanna's consultancy fee was \$6,000. This is likely to be comparable to the costs that Council would have incurred if it had conducted a tender process itself but provided substantially more benefits.</li> <li>There is no suggestion that Council would have obtained a better result if it had conducted the tender process itself.</li> <li>There is no suggestion that any suppliers have missed out on the opportunity to tender for the contract - all suppliers in the market were approached and provided quotes.</li> <li>Council has achieved a superior result with substantially using substantially less financial and staff resources than it could ever have achieved by engaging Goanna.</li> </ul>
Sugden & Gee Pty Ltd	Project Management and Consultancy and Superintendent Services	\$408,091.68 <sup>3</sup>	<ul style="list-style-type: none"> <li>The supplier was engaged on an urgent basis in April 2017 to provide advice, project management, consultancy and superintendent services to Council on the KGV project.</li> <li>It was intended that the engagement would only be short term. However, the ongoing issues on the project meant that the engagement was required to be ongoing to a level that could not have been predicted.</li> <li>During engagement, the supplier developed an extensive knowledge of all aspects of the project. It was therefore neither practical nor cost effective to consider engaging another consultant through a tender process.</li> </ul>

<sup>2</sup> Price paid for services will vary depending on the market price of electricity.

<sup>3</sup> Total expenditure at 30 June 2019. Total expenditure on supplier of \$500,000 for the project has been approved by Council.

# PUBLIC INTEREST DISCLOSURES ACT

## SECTION 86, PUBLIC INTEREST DISCLOSURES ACT 2002

### COUNCIL'S PID PROCEDURES

As a public body, Glenorchy City Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2002*.

In accordance with the Act, Council's has adopted a set of procedures for reporting disclosures of improper conduct or detrimental action by Council's members, officers and employees. Council's procedures are contained in its 'Model PID Procedures Manual', which was re-adopted by Council on 2 October 2017. The manual can be accessed on Council's website ([www.gcc.tas.gov.au](http://www.gcc.tas.gov.au)).

### REPORTABLE PID MATTERS

Pursuant to the requirements of section 86 of the *Public Interest Disclosures Act 2002*, Council provides the following information relating to actions taken under the Act during the 2018-19 financial year.

Section of PID Act	Disclosure Requirement	Reportable matters in 2018-19
86(b)	number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures	0
86(c)	number of disclosures determined by the public body to be public interest disclosures that it investigated during the year	0
86(d)	number and types of disclosed matters referred to the public body during the year by the Ombudsman	0
86(e)	number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	0
86(f)	number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year	0
86(g)	number and types of disclosed matters that the public body has decided not to investigate during the year	0
86(h)	number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	0
86(i)	any recommendations of the Ombudsman under this Act that relate to the public body	0

# SENIOR EMPLOYEE REMUNERATION

## SECTION 72(1)(CD)

Remuneration Bands	Number of employees 2018-19	Number of employees 2017-18
\$360,001 to \$380,000	0	1
\$260,001 to \$280,000	1	1
\$200,001 to \$220,000	2	0
\$180,001 to \$200,000	0	1
\$160,001 to \$180,000	2	3
\$140,001 to \$160,000	0	1
\$60,001 to \$80,000	1	1
\$40,001 to \$60,000	2	1

Total annual remuneration is defined as the total of the following:

- base salary payable to the employee
- amount of employer superannuation contributions to the employee's contribution
- non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc)
- other allowances and benefits include all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable
- gross value for the use of a fully-maintained motor vehicle provided to the employee, and
- value of any other allowances or benefits paid or payable to, or provided for, the benefit of the employee.



# GRANTS, ASSISTANCE AND BENEFITS PROVIDED

## SECTION 77

REDUCED RATES	
Organisation	Amount (inc GST)
Holy Rosary Catholic School, 29-31 Wyndham Road, Claremont	\$15,475
Croatian Catholic Centre Inc, 17 George Street, Granton	\$1,156
YMCA Glenorchy, 8A Constance Avenue, Glenorchy	\$7,150
Trust Corporation of the Roman Catholic Church, 64 Bowden Street, Glenorchy	\$914
Guilford Young College, 64a Bowden Street, Glenorchy	\$7,496
Royal Agricultural Society of Tasmania, 2a Howard Road, Glenorchy	\$20,628
Trust Corporation of the Roman Catholic Church, 12a Ashbolt Crescent, Lutana	\$883
Trust Corporation of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$1,233
Trust Corporation of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$2,091
Trust Corporation of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$12,349
Trust Corporation of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$661
Optia Limited, 1 View Point Road, West Moonah	\$1,573
Lady Clark Centre Association, Lady Clark Centre, 6 Lady Clark Avenue, Claremont	\$34,318
The District Nurses, Hobart Nursing Service, 2-6 Birdwood Avenue, Moonah	\$24,939
Optia Inc., 26-28 Garden Road, Moonah	\$12,129
Trust Corporation of the Roman Catholic Church, 72-76 Bowden Street, Glenorchy	\$16,087
Community Based Support, South Incorporated, 24 Sunderland Street, Moonah	\$12,341
Hobart City Council, 501 Kalang Avenue, Glenorchy	\$1,537
Department of Defence-ARMY, 2B Goodwood Road, Dowsing Point	\$38,250
The Crown, 45 Black Snake Road, Granton	\$536
The Crown, 41 Black Snake Road, Granton	\$572
Uniting Church of Australia, 2B Chardonnay Drive, Berriedale	\$29,800
Tasmanian Association of People with Disability, 1/13-15 Mill Lane, Glenorchy	\$3,630
St John Ambulance Australia (Tas) Inc., 171-181 Main Road, Moonah	\$28,600
The Crown, Kestrel Street, Claremont	\$483
Hole in the Ground Investments Pty Ltd, Kennerley Childrens Homes Inc., Phillip D Coles, Stephen D Gillie & Colin V Pilgrim, 9 Timsbury Road, Glenorchy	\$9,468
The Crown, Main Road, Granton	\$16,444
Tasmanian Networks Pty Ltd, Purdie Street, West Moonah	\$187
Tasmanian Networks Pty Ltd, Derwent Park Road, Derwent Park	\$187
Kennerley Childrens Homes Inc., 99 Allunga Road, Chigwell	\$1,185
Kennerley Childrens Homes Inc., 22-24 Arunta Crescent, Chigwell	\$2,502
Claremont RSL Sub-Branch Inc., Claremont RSL Club, 9 Bilton Street, Claremont	\$8,401

## REDUCED RATES

Organisation	Amount (inc GST)
Kennerley Childrens Homes Inc., 77 Box Hill Road, Claremont	\$1,255
Uniting Church of Australia, Strathaven Nursing Home, 9 Strathaven Drive, Rosetta	\$54,660
Kennerley Childrens Homes Inc., 20 Cadbury Road, Claremont	\$1,311
Trust Corporation of the Roman Catholic Church, 23 Islington Road, Montrose	\$1,255
Oakwood School - Northern Campus Pty Ltd, 1 Kestrel Street, Claremont	\$7,865
Missionary Sisters of Christ The King, 1 Kirala Court, Berriedale	\$1,264
St. Virgils Christian Brothers College, 195-229 Main Road, Austins Ferry	\$51,477
Guilford Young College, 71 Bowden Street, Glenorchy	\$29,492
Aurora Disability Services, 1a Chapel Street, Glenorchy	\$1,817
Department of Defence ARMY, 2A Goodwood Road, Dowsing Point	\$1,269
Glenview Community Services Inc., 2-10 Windsor Street, Glenorchy	\$68,227
Anglicare Tasmania Inc., 436 Main Road, Glenorchy	\$9,365
St Vincent de Paul Glenorchy, 12 Mill Lane, Glenorchy	\$4,910
Uniting Church of Australia, 19 Montrose Road, Montrose	\$6,831
Paraplegic Quadriplegic Association, 26-28 Tolosa Street, Glenorchy	\$2,431
Trust Corporation of the Roman Catholic Church, 44a Charles Street, Moonah	\$1,301
National Fitness Southern Recreation Assoc., Moonah Sports Centre, 21 Gormanston Road, Moonah	\$3,754
Aust Conference Assoc Ltd, Hilliard Christian School 32 Cheviot Road, West Moonah	\$14,299
Tasmanian Caledonian Society, 31 Homer Avenue, Moonah	\$804
Tascare Society for Children Inc., 231 Main Road, Derwent Park	\$2,661
Northern Suburbs Family Care Ltd, Northern Suburbs Family Church, 26a Tregear Street, Moonah	\$786
Langford Support Services Ltd, 1/29 Windsor Street, Glenorchy	\$1,013
Anglicare Tasmania Inc., 12 Apollo Road, Rosetta	\$1,787
Lady Clark Centre Association, 2/11 Waldron Street, Claremont	\$934
Trustees of the Diocese of Tasmania, 478 Main Road, Montrose	\$2,038
The Salvation Army (Tas) Property Trust, 1/4 Ruthwell Street, Montrose	\$1,111
St Vincent de Paul Society (Tasmania) Inc., 5 Pear Avenue, Derwent Park	\$8,987
The Salvation Army (Tas) Property Trust, 3/98 Chapel Street, Glenorchy	\$967
Collinsvale Community Association, Uniting Church Cemetery, 20 Church Road, Collinsvale	\$279
The Salvation Army (Tas) Property Trust, 1/23 Vieste Drive, Glenorchy	\$897
The Salvation Army (Tas) Property Trust, 3/2 Philip Avenue, Montrose	\$981
<b>Total Reduced Rates</b>	<b>\$599,232</b>

## EVENT SPONSORSHIPS AND OTHER CONTRIBUTIONS (COMMUNITY AND CULTURAL EVENTS)

Organisation	Amount (inc GST)
<b>Cash Donations</b>	
Glenorchy Art and Sculpture Park	\$96,000
Glenorchy City Concert Brass Band	\$7,500
Glenorchy Community Fund	\$4,000
Eric Reece Scholarship	\$3,000
State Sporting Representations	\$4,460
Donations to various groups for performances or contribution to Moonah Taste of the World Festival	\$3,230
Claremont College Bursaries	\$1,000
Donation to Council of the Ageing Tasmania for Seniors Week 2018	\$125
Hear our voices	\$727
Gifts for Volunteers -Youth Week Tasmania	\$193
2018 Pride of workmanship sponsorship	\$6,000
<b>Total Cash Donations</b>	<b>\$126,235</b>

<b>Cash Contributions</b>	
Tasmanian Canine Defence League	\$98,450
Derwent Estuary Program	\$72,730
Wellington Park Management Trust	\$33,334
Greater Hobart State Emergency Service (SES)	\$20,146
Glenorchy Historical Society Inc.	\$2,180
Annual contribution to NAIDOC School Initiatives 2019	\$400
Donation for concert for compassion at Guilford Young College	\$200
Wellington Fire Trail Upgrade	\$100,000
<b>Total Cash Contributions</b>	<b>\$327,441</b>

## IN-KIND CONTRIBUTIONS, REDUCED OR WAIVED FEES AND/OR CHARGES, ASSISTANCE PROVIDED

Organisation	Amount (inc GST)
Dog registration fees – Pensioner discounts	\$49,640
Waiver of Planning and Development application and processing fees	\$2,611
Waiver of Environmental Health (temporary food business) fee	\$7,867
Waiving of Landfill Fees - various community organisations	\$8,125
Waiver venue hire fees - MAC	\$15,000
Waiver/ reduced DEC Hire charges	\$21,210
DEC ticket giveaway values	\$31,086
<b>Total in-kind contributions / reduced or waived fees and charges / assistance provided</b>	<b>\$135,540</b>

## REDUCED RENTALS

Organisation	Property
Glenorchy RSL	316 Main Road, Glenorchy
State Fire Commission	28 Vieste Drive, Glenorchy
Scouts Australia	3A Austins Ferry Road, Austins Ferry (part)
Glenorchy City Tennis Club	8 Alcorso Drive, Berriedale
Goodwood Community Centre	20A Acton Crescent, Goodwood
Guides Tasmania	1-5 Booth Avenue, Glenorchy
Guides Tasmania	5 Box Hill Road, Claremont
Model Makers & Collectors Association Inc	Goodwood Park, 137 Howard Road, Goodwood
State Fire Commission	14 Hall Road, Collinsvale (part)
Southern City BMX Club	671 Main Road, Berriedale (part)
Vicinity Centres Pty Ltd	425 Main Road, Glenorchy
Lance Atkinson	17 Westfield Street, Claremont
A.Y.C. Netball Association Inc	37 Bayswater Road, Moonah
The Friends School	Lallaby Road, Lutana
Claremont Football Club	1B Dewar Place, Claremont
Berriedale Bowls Club	4 Alcorso Drive, Berriedale
Glenorchy RSLA	322 Main Road, Glenorchy
Southern Tasmanian Softball Association	Gepp Parade, Derwent Park
SSAA, Glenorchy Inc.	210 Tolosa Street, Glenorchy (part)
SSAA Glenorchy Inc. and Tasmanian Small bore Air Rifle Association Inc.	210 Tolosa Street, Glenorchy (part)
Tasmanian Transport Museum	2B Anfield Street, Glenorchy
Lions Club of Glenorchy	637 Main Road, Berriedale
The Abbeyfield Society	17 Moorina Crescent, Berriedale
St Anne's Cricket Club	103 Cadbury Road, Claremont
Life without Barriers Inc.	210 Tolosa Street, Glenorchy (part)
Scout Association (Tas)	25 Anfield Street, Glenorchy
Golden Years Club Inc	314 Main Road, Glenorchy
Federation Custodian Pty Ltd	Cooper Street, Glenorchy
Collinsvale Community Association	14 Hall Road, Collinsvale (part)
Glenorchy History Group	2 Tolosa Street, Glenorchy (part)
Knights Cricket Club	10 Hall Road, Collinsvale (part)
Recovery (Tas) Pty Ltd	26A Jackson Street, Glenorchy (part)
Rumblers Hotrod & Custom Club	99A Main Road, Claremont
Collinsvale Machinery & Social Club	14 Hall Road, Collinsvale (part)
Claremont Petanque Club	103 Cadbury Road, Claremont
Migrant Resource Centre	1A Anfield Street, Glenorchy
Claremont Junior Football Club	103 Cadbury Road, Claremont
The Trustees of the Diocese of Tasmania	374 Main Road, Glenorchy (part)
Glenorchy Tennis Club	8 Alcorso Drive, Berriedale
Glenorchy Cricket Club	1B Anfield Street, Glenorchy
West Moonah Community House	130 Springfield Avenue, West Moonah



## MISCELLANEOUS

### CODE OF CONDUCT COMPLAINTS

#### SECTION 72(1)(BA)

No code of conduct complaints were upheld either wholly or in part during the 2018-19 financial year.

### CODE OF CONDUCT COSTS

#### SECTION 72(1)(BB)

Council did not expend any costs in respect of any code of conduct complaints during the 2018-19 financial year.

### ENTERPRISE POWERS

#### SECTION 72(1)(CA)

Council did not exercise any of the powers available under section 21 of the *Local Government Act 1993* in the 2018-19 financial year.

### LAND DONATED UNDER SECTION 177

#### SECTION 72(1)(DA)

Council did not make any donations of land pursuant to section 177 of the *Local Government Act 1993* during the 2018-19 financial year.

### OTHER PRESCRIBED MATTERS

#### SECTION 72(1)(E)

See Tenders and Contracts (page 48)



## FINANCIAL REPORTING

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## CERTIFICATION BY GENERAL MANAGER

Glenorchy City Council  
Financial Report

### Certification of the 2019 General Purpose Financial Report

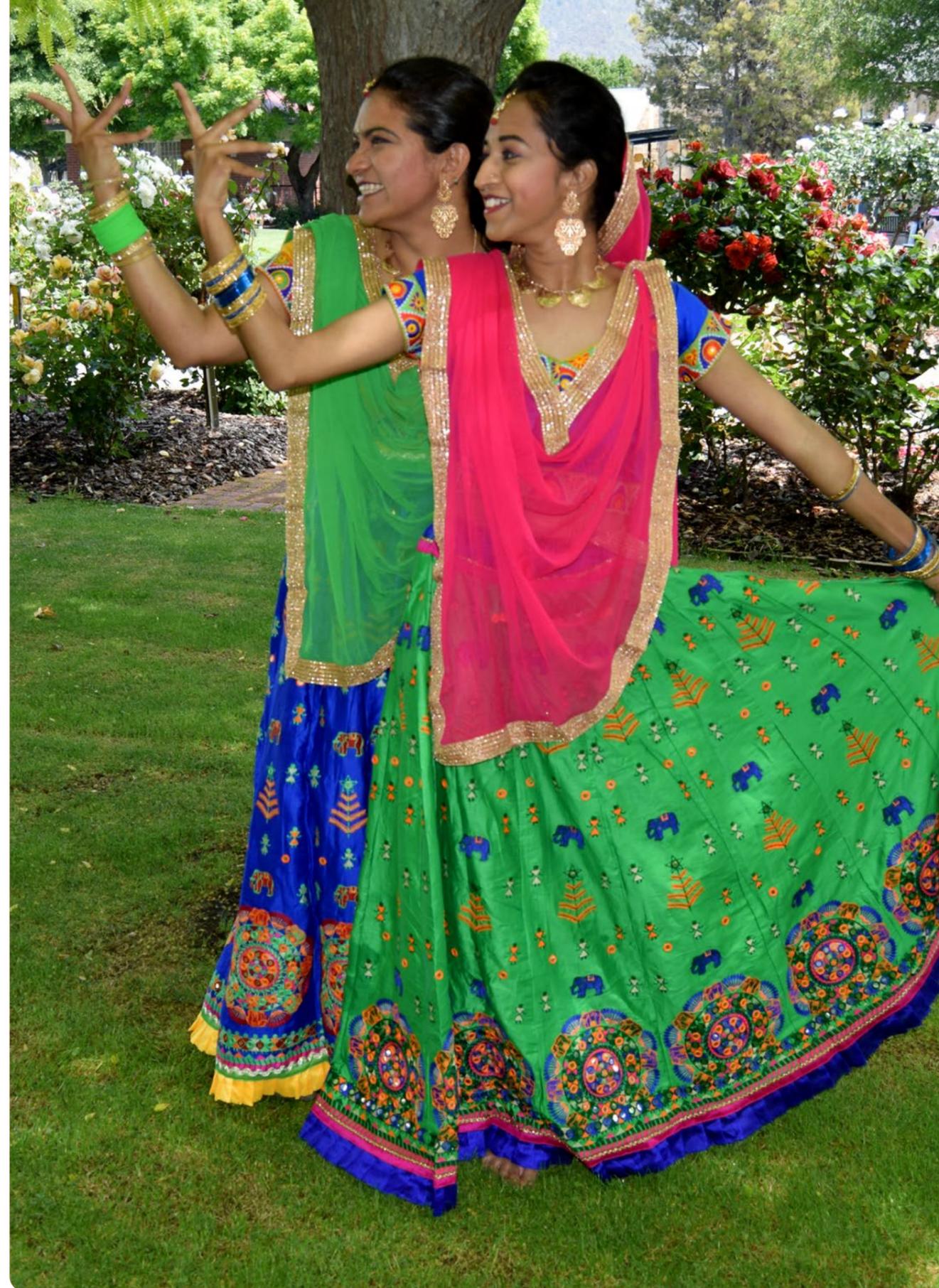
This financial report presents fairly the financial position of the Glenorchy City Council as at 30 June 2019, and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Tony McMullen

General Manager

Date: 15<sup>th</sup> October 2019



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Income</b>				
<b>Recurrent Income</b>				
Rates	2.1	39,874	39,940	35,531
User charges and licences	2.2	12,262	12,166	11,455
Interest	2.3	375	497	378
Grants	2.4	4,126	3,611	3,267
Contributions - cash	2.5(a)	118	143	297
Investment income from TasWater	2.6	2,172	2,024	3,268
Other income	2.7	649	849	1,038
		<b>59,576</b>	<b>59,230</b>	<b>55,234</b>
<b>Capital Income</b>				
Contributions - non-monetary assets	2.5(b)	-	3,284	4,723
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.9	(70)	(1,479)	74
Capital grants received specifically for new or upgraded assets	2.4	429	833	1,125
		<b>358</b>	<b>2,639</b>	<b>5,922</b>
<b>Total Income</b>		<b>59,934</b>	<b>61,869</b>	<b>61,156</b>
<b>Expenses</b>				
Employment costs	3.1	22,473	21,603	21,238
Materials and services	3.2	16,699	16,916	15,373
Depreciation and amortisation	3.3	13,818	12,655	12,822
State Fire Commission contribution	3.4	5,642	5,642	5,332
Finance costs	3.5	72	169	363
Assets written off	3.3	170	30	15,895
Bad and doubtful debts	3.6	2	11	7
Other expenses	3.7	650	639	570
<b>Total Expenses</b>		<b>59,526</b>	<b>57,665</b>	<b>71,600</b>
<b>Surplus/(deficit)</b>		<b>408</b>	<b>4,204</b>	<b>(10,444)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net gain/(loss) on revaluation of property, plant and equipment	6.1	-	15,015	11,477
		-	<b>15,015</b>	<b>11,477</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Fair value adjustment of TasWater Corporation	6.1	-	24,173	2,142
		-	<b>24,173</b>	<b>2,142</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>39,188</b>	<b>13,619</b>
<b>Total comprehensive result</b>		<b>408</b>	<b>43,392</b>	<b>3,175</b>

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	16,776	14,144
Trade and other receivables	4.2	1,905	1,919
Inventories	4.3	116	109
Assets held for sale	4.9	741	-
Other current assets	4.4	378	528
<b>Total current assets</b>		<b>19,915</b>	<b>16,700</b>
<b>Non-current assets</b>			
Investment in TasWater	4.5	191,317	167,145
Property, infrastructure, plant and equipment	4.6	700,261	675,797
Other non-current assets	4.7	4,993	16,102
<b>Total non-current assets</b>		<b>896,571</b>	<b>859,044</b>
<b>Total Assets</b>		<b>916,486</b>	<b>875,744</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.1	3,893	4,004
Provisions	5.2	4,534	4,944
Borrowings	5.3	963	952
Other current liabilities	5.4	2,783	2,839
<b>Total current liabilities</b>		<b>12,173</b>	<b>12,739</b>
<b>Non-current liabilities</b>			
Provisions	5.2	3,952	4,888
Borrowings	5.3	2,159	3,307
<b>Total non-current liabilities</b>		<b>6,111</b>	<b>8,195</b>
<b>Total Liabilities</b>		<b>18,284</b>	<b>20,934</b>
<b>Net Assets</b>		<b>898,202</b>	<b>854,810</b>
<b>Equity</b>			
Accumulated surpluses		532,889	525,385
Reserves		365,313	329,425
<b>Total Equity</b>		<b>898,202</b>	<b>854,810</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

2019	Note	Total equity \$'000	Accumulated surpluses \$'000	Asset revaluation reserve \$'000	Fair value reserve \$'000	Other revenue reserves \$'000
<b>Balance at the beginning of the financial year</b>		<b>854,810</b>	<b>525,385</b>	<b>349,870</b>	<b>(29,759)</b>	<b>9,314</b>
Comprehensive result		43,392	4,204	15,015	24,173	-
Transfers to reserves	6.1	-	(306)	-	-	306
Transfers from reserves	6.1	-	3,607	(3,607)	-	-
<b>Balance at the end of the financial year</b>		<b>898,202</b>	<b>532,889</b>	<b>361,279</b>	<b>(5,586)</b>	<b>9,620</b>

2018	Note	Total equity \$'000	Accumulated surpluses \$'000	Asset revaluation reserve \$'000	Fair value reserve \$'000	Other revenue reserves \$'000
<b>Unadjusted balance at the beginning of the financial year</b>		<b>849,418</b>	<b>532,882</b>	<b>336,176</b>	<b>(31,901)</b>	<b>12,261</b>
Prior period error adjustment	4.8	2,217	-	2,217	-	-
<b>Adjusted balance at the beginning of the financial year</b>		<b>851,635</b>	<b>532,882</b>	<b>338,393</b>	<b>(31,901)</b>	<b>12,261</b>
Comprehensive result		3,175	(10,444)	11,477	2,142	-
Transfers to reserves	6.1	-	(725)	-	-	725
Transfers from reserves	6.1	-	3,672	-	-	(3,672)
<b>Unadjusted balance at the end of the financial year</b>		<b>854,810</b>	<b>525,385</b>	<b>349,870</b>	<b>(29,759)</b>	<b>9,314</b>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 '000	2018 \$'000
<b>Cash Flows from operating activities</b>			
Rates		39,824	35,569
Operational government grants		3,611	3,267
Contributions - cash		143	297
Interest		497	378
User charges and licences		12,440	10,980
Other income		818	2,369
Investment income from TasWater		2,024	3,268
GST receipts		3,275	3,129
Employee costs		(22,026)	(21,049)
Materials and services		(17,348)	(13,591)
Finance costs		(169)	(363)
Levies paid to State Government		(5,642)	(5,332)
Other payments		(408)	(1,635)
GST Payments		(3,269)	(3,129)
<b>Net cash provided by/(used in) operating activities</b>	<b>6.2</b>	<b>13,770</b>	<b>14,158</b>
<b>Cash Flows from investing activities</b>			
Capital government grants		833	1,125
Payments for property, plant and equipment		(11,072)	(12,076)
Proceeds from sale of non-current assets		238	254
<b>Net cash provided by/(used in) investing activities</b>		<b>(10,000)</b>	<b>(10,697)</b>
<b>Cash Flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		(1,138)	(909)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,138)</b>	<b>(909)</b>
Net increase/(decrease) in cash and cash equivalents		2,632	2,552
Cash and cash equivalents at the beginning of the financial year		14,144	11,591
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4.1</b>	<b>16,776</b>	<b>14,144</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 1 OVERVIEW

#### 1.1 REPORTING ENTITY

Glenorchy City Council ("Council") was established on 24th October 1964 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 374 Main Road Glenorchy.

#### 1.2 BASIS OF ACCOUNTING

These financial statements are a general-purpose financial report that consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general-purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Local Government Act 1993 (LGA1993) (as amended). Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report is prepared on the accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.5, 4.6, and 5.2.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 7.2.

#### 1.3 USES OF JUDGEMENTS AND ESTIMATES

##### JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, Council is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The 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.

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

##### Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 6.5.

##### Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 22.

##### Investment in TasWater

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.2.

##### Landfill Rehabilitation

Assumptions and judgements are utilised in determining Council's landfill close-down and restoration costs. These are discussed in note 23.

### 1.4 FUNCTIONS AND ACTIVITIES OF THE COUNCIL

(A) REVENUE, EXPENDITURE AND ASSETS ATTRIBUTABLE TO EACH FUNCTION AS CATEGORISED IN (C) BELOW:

		Income \$'000	Expenses \$'000	Assets \$'000
Legislative, financial, executive and fiscal	2018-19	45,634	19,829	211,175
	2017-18	42,128	19,572	184,601
Public order, fire and safety	2018-19	846	1,021	638
	2017-18	841	940	640
Community and public health	2018-19	285	713	609
	2017-18	168	506	613
Welfare	2018-19	1,563	2,060	1,031
	2017-18	1,341	2,307	1,021
Housing	2018-19	5	330	609
	2017-18	8	286	613
Community amenities	2018-19	-	-	-
	2017-18	-	-	-
Household garbage/protection of the environment	2018-19	6,596	4,702	-
	2017-18	6,590	3,862	-
Other protection of the environment/biodiversity	2018-19	102	5,408	147,589
	2017-18	246	4,343	145,926
Community and regional development	2018-19	1,253	2,865	609
	2017-18	1,325	2,707	613
Recreation facilities and services	2018-19	2,159	6,474	258,431
	2017-18	1,653	23,746	250,521
Cultural facilities and services	2018-19	632	1,864	609
	2017-18	536	1,589	613
Road, bridge and street infrastructure	2018-19	83	12,243	294,736
	2017-18	36	11,594	290,148
Road, plant, parking and other road transport	2018-19	-	-	451
	2017-18	-	-	435
Other economic affairs	2018-19	-	-	-
	2017-18	-	-	-
Other purpose	2018-19	72	157	-
	2017-18	360	149	-
<b>Total</b>	<b>2018-19</b>	<b>59,230</b>	<b>57,665</b>	<b>916,486</b>
	<b>2017-18</b>	<b>55,234</b>	<b>71,600</b>	<b>875,744</b>

(B) RECONCILIATION OF TOTAL ASSETS WITH THE STATEMENT OF FINANCIAL POSITION AT 30 JUNE:

	2019 \$'000	2018 \$'000
Current assets	19,915	16,700
Non-current assets	896,571	859,044
	916,486	875,744

## 1.4 FUNCTIONS AND ACTIVITIES OF THE COUNCIL *(continued)*

### C) FUNCTIONS AND ACTIVITIES DEFINED

#### *Legislative, financial, executive and fiscal*

Aldermen expenses, election costs, public relations and strategic planning. Also other expenses such as, finance, General Managers department, information technology and human resources not otherwise allocated.

#### *Public order, fire and safety*

Fire protection services, State Emergency Service contributions, enforcement of by-laws, animal and nuisance control.

#### *Community and public health*

Infant health services, immunisation services, environmental health - inspection and general services.

#### *Welfare*

Childcare, family day care, youth services, handicapped assistance programs and services that serve the social security and welfare systems.

#### *Housing*

Rental housing for council employees and others, housing information dissemination.

#### *Community amenities*

Crematoria and cemeteries, public conveniences, drinking fountains, public clocks, street furniture and lighting.

#### *Household garbage/protection of the environment*

Garbage and refuse disposal, garbage collection and recycling.

#### *Other protection of the environment/biodiversity*

Flood protection, street cleaning, stormwater drainage and biodiversity/habitat protection.

#### *Community and regional development*

Building inspections, statutory planning - town planning and development applications.

#### *Recreation facilities and services*

Parks and reserves, playgrounds, swimming pools, indoor and outdoor sports facilities, halls and civic centres.

#### *Cultural facilities and services*

Art galleries, museums, theatres and libraries.

#### *Road, bridge and street infrastructure*

Road, bridge and street construction and maintenance, road design and research, road and highway extensions and traffic lights.

#### *Road, plant, parking and other road transport*

On and off street parking, bikeway maintenance, roadside revegetation and landscaping and footbridges.

#### *Other economic affairs*

Saleyard and markets, development support and incentives, market and promotion - tourism events and Central Business District.

#### *Other purpose*

Un-allocatable private works and other.

## NOTE 2 REVENUE

### 2.1 RATES

Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is defined by the Valuer General as the gross annual rental value of a property excluding GST, municipal rates and land tax. The AAV is multiplied against the rate in the dollar to give the annual rates amount.

The valuation base used to calculate general rates for 2019 was \$391,596,982 (2018: \$388,511,238). The 2019 rate in the dollar was \$0.089370 (2018: \$0.079440).

Rates	2019 \$'000	2018 \$'000
Rates charge	35,694	31,654
Interest charge	57	49
Penalty charge	196	160
Recovery of legal expenses	58	61
<b>State Government charges and levies</b>		
State Fire Commission contribution	5,684	5,346
Less Government subsidies	(1,749)	(1,738)
<b>Total Rates</b>	<b>39,940</b>	<b>35,531</b>

The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2016, and the valuation was first applied in the rating year commencing 1 July 2017.

### ACCOUNTING POLICY

#### *Rates and charges income*

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt. Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property.

### 2.2 USER CHARGES AND LICENCES

User charges and licences	2019 \$'000	2018 \$'000
Childcare	485	551
Registration and licences	660	534
Derwent Entertainment Centre	1,760	1,357
Derwent Park Reuse sales	-	191
Development and building	1,427	1,276
Garbage and recycling	6,397	6,453
General fines and Infringements	440	458
Rental revenue	900	551
Other fees and charges	97	84
<b>Total User charges and licences</b>	<b>12,166</b>	<b>11,455</b>

### ACCOUNTING POLICY

#### *User charges and licences income*

User fees and charges (including fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Rents are recognised as revenue when the payment is due, or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

### 2.2 USER CHARGES AND LICENCES *(continued)*

#### *Operating leases as lessor*

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not-for-profit organisations, such as sporting clubs. In these cases, subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140 *Investment Property*. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the Statement of Financial Position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.

### 2.3 INTEREST

Interest	2019 \$'000	2018 \$'000
Bank and Investment Interest	497	378
<b>Total Interest</b>	<b>497</b>	<b>378</b>

### 2.4 GRANTS

Grants	2019 \$'000	2018 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	3,932	4,004
State funded grants	487	373
Others	25	14
<b>Total Grants</b>	<b>4,444</b>	<b>4,392</b>
<b>a) Grants - recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	986	949
Commonwealth Government Financial Assistance Grants - Roads	1,439	1,415
Childcare Services	1,030	736
Moonah Taste of the World	19	15
Community Development	24	63
Other	113	89
<b>Total recurrent grants</b>	<b>3,611</b>	<b>3,267</b>
<b>b) Capital grants received specifically for new or upgraded assets</b>		
Blackspot	-	159
Department of Transport	429	866
Eady Street Recreation Ground Improvements	77	-
Other	327	100
<b>Total capital grants</b>	<b>833</b>	<b>1,125</b>
<b>Total Grants</b>	<b>4,444</b>	<b>4,392</b>

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 obtained control. In the financial years ended 30 June 2018 and 30 June 2019 the Australian Government has made early payment of the first two quarterly instalments for the following financial year. The early receipt of instalments resulted in Australian Government Financial Assistance Grants being a minor variation to that originally budgeted in 2018-19.

## 2.4 GRANTS (continued)

Non-reciprocal grants which were obtained on the condition that they be expended for specific purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2019 \$'000	2018 \$'000
Unexpended at the close of the previous reporting period	854	959
Less: expended during the current period from revenues recognised in previous reporting periods		
Community and Multicultural Centre Master Plan	-	(8)
Glenorchy Skate Park	-	(29)
Eady Street Recreation Grounds Improvements	-	(7)
Wave Action Neighbourhood Day	(1)	-
Sports Ground Improvements - Lighting	-	(160)
Liveable Communities	(3)	-
Moonah Moves - DPAC/Arts Tasmania	(33)	-
26TEN Community Project	(15)	-
Full Gear Motor Cycle Safety	(8)	-
Local Drug Action Team	(3)	-
Relocation of Backing Nets at POW Bay	(100)	-
CBD Revitalisation	(433)	(67)
	(596)	(271)
Add: received during the current period and not expended during the period		
Glenorchy Mountain Bike Park	100	-
26TEN Community Project	45	-
Full Gear Motor Cycle Safety	-	8
AEDC Action Reflection Project	-	6
Liveable Communities	-	3
Moonah Moves - DPAC/Arts Tasmania	-	38
Local Drug Action Team	-	10
Wave Action Neighbourhood Day	-	1
Relocation of Backing Nets at POW Bay	-	100
	145	166
Unexpended at the close of this reporting period	403	854
Net increase (decrease) in non-reciprocal grant revenues for the year:	(451)	(105)

### ACCOUNTING POLICY

#### Grant Income - operating and capital

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

Unreceived contributions over which Council has control are recognised as receivables

## 2.5 CONTRIBUTIONS

Contributions	2019 \$'000	2018 \$'000
<b>a) Cash</b>		
Recreational, leisure and community facilities	80	55
Parks, open space and streetscapes	8	171
Recharge work contributions	55	55
Other	-	16
	<b>143</b>	<b>297</b>
<b>(b) Non-monetary assets</b>		
Buildings	210	533
Land	514	495
Stormwater	1,065	1,519
Transport	1,495	2,176
	<b>3,284</b>	<b>4,723</b>
<b>Total Contributions</b>	<b>3,427</b>	<b>5,020</b>

During 2018-19 there was a significant amount in non-monetary contributions for Stormwater and Transport assets primarily from land subdivisions in Brent Street Glenorchy and Tavistock Road / Alexa Drive Austins Ferry. During 2017-18 the Stormwater asset contributions primarily included stormwater pits and drains identified through field work investigations. Similarly, the 2017-18 increase in Transport asset contributions was also due to field work investigations that identified carpark assets at the Derwent Entertainment Centre as well as a number of property subdivisions within the municipality.

### ACCOUNTING POLICY

#### Contribution income

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured and are valued at their fair value at the date of transfer. Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Unreceived contributions over which Council has control are recognised as receivables.

## 2.5 CONTRIBUTIONS (continued)

Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses that amount of unused contribution from prior years that was expended on Council's operations during the current year.

## 2.6 INVESTMENT INCOME FROM TASWATER

Investment income from TasWater	2019 \$'000	2018 \$'000
Dividend income	1,139	2,009
Guarantee fee	145	298
Tax equivalent	740	961
<b>Total Investment income from TasWater</b>	<b>2,024</b>	<b>3,268</b>

### ACCOUNTING POLICY

#### Investment income

Investment revenue from TasWater is recognised when Council's right to receive payment is established and it can be reliably measured. Investment revenue from TasWater is received in the form of dividends, tax equivalent payments and guarantee fees.

## 2.7 OTHER INCOME

Other income	2019 \$'000	2018 \$'000
Fuel Tax Credits	79	92
State Fire Commission contribution	226	213
Refund	28	325
Insurance refunds	177	2
Other	339	406
<b>Total Other income</b>	<b>849</b>	<b>1,038</b>

### ACCOUNTING POLICY

#### Other income

Other income is recognised when the service has been provided or the payment is received.

## 2.8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2019 \$'000	2018 \$'000
Proceeds from disposal of property, infrastructure, plant and equipment	238	254
Less carrying amount of property, infrastructure, plant and equipment	(\$1,717)	(180)
<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(\$1,479)</b>	<b>74</b>

### ACCOUNTING POLICY

#### Sale of property, plant and equipment, infrastructure

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

## NOTE 3 EXPENSES

### 3.1 EMPLOYEE BENEFITS

Employment benefits	2019 \$'000	2018 \$'000
Wages and salaries	18,548	18,256
Redundancies	-	278
Relief/casual staff	843	875
Superannuation	2,675	2,779
Payroll tax	1,291	1,417
Workers compensation	274	307
FBT	54	10
Other	35	25
	<b>23,720</b>	<b>23,947</b>
Less amounts capitalised	(2,117)	(2,709)
<b>Total Employment benefits</b>	<b>21,603</b>	<b>21,238</b>

### ACCOUNTING POLICY

#### Employee benefits

Employee benefits expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, personal leave, long service leave, superannuation and any other post-employment benefits.

### 3.2 MATERIALS AND SERVICES

Materials and services	2019 \$'000	2018 \$'000
Materials and services	5,891	5,324
Board of Inquiry	-	96
Contract payments	8,849	8,140
Plant and equipment maintenance	254	190
Utilities	1,247	1,345
Consultants	675	552
<b>Total Materials and services</b>	<b>16,916</b>	<b>15,647</b>

### ACCOUNTING POLICY

#### Materials and services expense

Materials and services expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### 3.3 DEPRECIATION AND AMORTISATION

Depreciation and amortisation	2019 \$'000	2018 \$'000
Buildings and other land improvements	1,538	2,028
Plant and vehicles	335	294
Equipment and furniture	638	347
Transport	7,856	7,561
Stormwater and drainage	1,966	2,275
Valuation roll	62	57
Restoration costs	260	260
<b>Total Depreciation and amortisation</b>	<b>12,655</b>	<b>12,822</b>

Assets written off	2019 \$'000	2018 \$'000
Buildings and other land improvements	30	2,353
Transport	-	2,072
Stormwater and drainage	-	11,470
<b>Total Assets written off</b>	<b>30</b>	<b>15,895</b>

During 2017-18 Building and other land improvement assets as well as Stormwater and drainage assets written off included a number of assets primarily associated with the Derwent Park Stormwater Reuse Scheme with Council approving the closure of the Scheme on 28 May 2018. Assets associated with the Derwent Park Stormwater Reuse Scheme written off or down in 2017-18 include Buildings and other land improvements \$2.02 million, and Stormwater & Drainage assets \$11.0 million. These assets include sheds, electrical items, power supply fittings, switchboards, instrumentation controls, valves and fittings, bores and wells and storage structures.

Transport assets written off in 2017-18 included a number of pathways and traffic management devices that were found to not exist following detailed in field condition assessments and investigations.

Other assets written off include assets renewed and upgraded during the year including picnic shelters, footpaths, roads, roundabouts and access ramps.

#### ACCOUNTING POLICY

##### Depreciation and amortisation expense

Depreciation and amortisation expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets.

All non-current assets excluding land are depreciated over their useful lives (as determined by Council's officers) on a straight line basis. Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Type	Useful life (years)
<b>Buildings and other land improvements</b>	
Freehold buildings	20 to 100
Buildings fixed equipment and furniture	5 to 100
<b>Equipment and furniture</b>	
Furniture, fittings and office equipment	3 to 20
Computer systems and technical equipment	3 to 10
<b>Other infrastructure</b>	
Artwork (depreciating)	25
Electrical	20 to 30
Outdoor equipment and furniture	5 to 80
Instrumentation	20 to 30
Lighting	50
Play and sports equipment	20 to 75
Signs	15
<b>Plant and vehicles</b>	
Infrastructure	5 to 75
Fleet	3 to 5
Mobile plant	5 to 20
Minor plant	3 to 5
<b>Transport</b>	
Bridge	20 to 80
Car park surface	22 to 40
Car park base	80
Car park formation	non depreciable
Kerb	75
Pathway	10 to 75
Road pavement surface	22 to 40
Road pavement base	70 to 80
Road formation	non depreciable
Traffic management device	15 to 75
<b>Stormwater and drainage</b>	
Bore & Well	80
Irrigation	10 to 20
Lagoon	120
Storage structure	50 to 80
Stormwater drain	40 to 135
Stormwater pit	40 to 120
Water main	100 to 120
Water node	80
Water plant and equipment	10 to 135
Water pump	20
Valuation rolls of the municipality	5 to 6

### 3.4 STATE FIRE COMMISSION CONTRIBUTION

State Fire Commission contribution	2019 \$'000	2018 \$'000
Fire Commission contribution	5,642	5,332
<b>Total State Fire Commission contribution</b>	<b>5,642</b>	<b>5,332</b>

#### ACCOUNTING POLICY

##### State Fire Commission contribution

State Fire Commission contributions are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

### 3.5 FINANCE COSTS

Finance costs	2019 \$'000	2018 \$'000
Interest	169	207
Unwinding of discounts applied to provisions	-	156
<b>Total Finance costs</b>	<b>169</b>	<b>363</b>

#### ACCOUNTING POLICY

##### Finance costs

Finance costs are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period (2018: nil).

Finance costs include interest on bank overdrafts, interest on borrowings, and unwinding of discounts.

### 3.6 BAD AND DOUBTFUL DEBTS

Bad and doubtful debts	2019 \$'000	2018 \$'000
Bad debts	11	7
<b>Total Bad and doubtful debts</b>	<b>11</b>	<b>7</b>

#### ACCOUNTING POLICY

##### Bad and doubtful debts

Bad and doubtful debts are recognised in the Statement of Comprehensive Income when a decrease in future economic benefit's related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

### 3.7 OTHER EXPENSES

Other expenses	2019 \$'000	2018 \$'000
Land Tax	466	465
External auditor's remuneration (Tasmanian Audit Office)	60	30
Grants and specific purpose benefits	22	23
Other	91	52
<b>Total Other expenses</b>	<b>639</b>	<b>570</b>

#### ACCOUNTING POLICY

##### Other expenses

Other expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen can be measured reliably.

## NOTE 4 ASSETS

### 4.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	2019 \$'000	2018 \$'000
Current investment funds	11,000	6,000
Operating account	5,641	8,007
Glenorchy City Concert Brass account	9	7
Petty cash floats	6	6
Derwent Entertainment Centre operating cash floats	28	53
Derwent Entertainment Centre Automatic Teller Machine	92	71
<b>Total Cash and cash equivalents</b>	<b>16,776</b>	<b>14,144</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Internal restrictions	2019 \$'000	2018 \$'000
Statutory reserves	1,117	1,081
Refundable deposits	339	361
Derwent Entertainment Centre Automatic Teller Machine	91	71
	<b>1,547</b>	<b>1,513</b>
<b>External restrictions</b>		
Conditions on grants	403	854
Glenorchy City Concert Brass account	9	7
	<b>412</b>	<b>861</b>
Restricted funds	<b>1,959</b>	<b>2,374</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>14,817</b>	<b>11,770</b>

#### ACCOUNTING POLICY

##### Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

#### 4.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables	2019 \$'000	2018 \$'000
Employees and advanced salaries	-	7
Rates and charges	600	507
Sundry Debtors	982	2,684
Provision for impairment - liquidated damages claim	-	(1,597)
Provision for impairment - other debtors	-	(25)
Expected credit loss	(13)	-
	<b>1,569</b>	<b>1,576</b>
Goods and Services Tax	336	343
Goods and Services Tax receivable	<b>336</b>	<b>343</b>
<b>Total Trade and other receivables</b>	<b>1,905</b>	<b>1,919</b>

All debtors are due and payable after thirty days from the date of invoice. Council does not charge interest on debtors. Outstanding rate revenue attracts a penalty of 10% (2018: 10%) fourteen days after instalments are due. Interest of 8.81% (2018: 8.72%) is charged after the instalments are due and is calculated fortnightly (2018: fortnightly) on the outstanding balance.

All outstanding trade receivables have been assessed as past due but not provided for. Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property.

A provision for credit loss on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

An allowance has been made for those debts considered doubtful. Council evaluates unsecured debts through its debt collection process and where applicable these debts are transferred into the allowance.

Credit checks are completed for larger customers and all waste management customers.

Reconciliation of movement in expected credit loss	2019 \$'000	2018 \$'000
<b>Carrying amount at 30 June 2018 under AASB 139</b>	<b>1,621</b>	-
Amounts restated through Accumulated Funds	-	-
<b>Carrying amount at 1 July under AASB 9</b>	<b>1,621</b>	-
Amounts written off during the year	1,613	-
Amounts recovered during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	5	-
<b>Carrying amount at 30 June</b>	<b>13</b>	-
Reconciliation of movement in provision for impairment of receivables		
<b>Carrying amount at 1 July</b>	-	<b>1,649</b>
Amounts written off during the year	-	36
Amounts recovered during the year	-	1
Increase / (decrease) in provision recognised in profit or loss	-	9
<b>Carrying amount at 30 June</b>	-	<b>1,621</b>

#### ACCOUNTING POLICY

##### Trade and other receivables - applicable from 1 July 2018

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment.

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

##### Trade and other receivables - applicable for 2018 comparative

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

#### 4.3 INVENTORIES

Inventories	2019 \$'000	2018 \$'000
Stores and materials	116	109
<b>Total Inventories</b>	<b>116</b>	<b>109</b>

#### ACCOUNTING POLICY

##### Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

#### 4.4 OTHER CURRENT ASSETS

Other current assets	2019 \$'000	2018 \$'000
Prepayments	250	242
Accrued revenue	128	286
<b>Total Other current assets</b>	<b>378</b>	<b>528</b>

#### ACCOUNTING POLICY

##### Other current assets

Other current assets are carried at amortised cost using the effective interest rate method.

#### 4.5 INVESTMENT IN TASWATER

Investment in TasWater	2019 \$'000	2018 \$'000
Balance at the beginning of the year	167,145	165,003
Fair value adjustments on available-for-sale assets	24,172	2,142
<b>Total Investment in TasWater</b>	<b>191,317</b>	<b>167,145</b>

Council has derived returns from TasWater as disclosed at note 2.6.

Council does not have significant influence to allow it to use the equity method to account for this interest.

#### ACCOUNTING POLICY - APPLICABLE FROM 1 JULY 2018

##### Investment in TasWater

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2019, Council continues to hold a 10.29% ownership interest (2018 10.41%) in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

#### ACCOUNTING POLICY - APPLICABLE FOR 2018 COMPARATIVE

Council's investment in TasWater is valued at its fair value determined by Council's ownership interest against the water corporation's net asset value at balance date. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to an Available-for-sale Fair value reserve each year (refer note 9.1).

Council has classified its investment in TasWater as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

4.6 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	Carrying amount 1/07/2018 \$'000	Additions \$'000	Assets held for sale \$'000 Note 4.8	Other asset adjustments \$'000	Disposals \$'000	Net revaluation adjustments \$'000 Note 6.1	Depreciation, Amortisation and Impairment \$'000 Note 3.3	Fair value recognised in profit or loss \$'000	Carrying amount 30/06/2019 \$'000
2019									
Transport	283,731	8,664	-	-	(993)	8,467	(7,856)	-	292,012
Stormwater and drainage	139,511	2,829	(722)	-	(221)	4,712	(1,966)	-	144,144
Land	206,703	547	-	-	(77)	-	-	-	207,174
Building and other land improvements	37,430	12,297	(19)	(915)	(286)	1,835	(1,798)	-	48,543
Plant and vehicles	2,039	514	-	-	(110)	-	(335)	-	2,109
Equipment and furniture	6,131	627	-	-	(30)	-	(638)	-	6,089
Valuation roll	252	-	-	-	-	-	(62)	-	190
	<b>675,797</b>	<b>25,478</b>	<b>(741)</b>	<b>(915)</b>	<b>(1,717)</b>	<b>15,014</b>	<b>(12,655)</b>	<b>-</b>	<b>700,261</b>
	Carrying amount 1/07/2017 \$'000	Additions \$'000	Assets held for sale \$'000 Note 4.8	Other asset adjustments \$'000	Disposals \$'000	Net revaluation adjustments \$'000 Note 6.1	Depreciation, Amortisation and Impairment \$'000 Note 3.3	Fair value recognised in profit or loss \$'000	Carrying amount 30/06/2018 \$'000
2018									
Transport	276,966	10,208	-	-	(2,470)	6,587	(7,560)	-	283,731
Stormwater and drainage	146,008	4,024	-	-	(11,483)	3,224	(2,262)	-	139,511
Land	198,943	495	-	-	-	7,265	-	-	206,703
Building and other land improvements	45,459	2,212	-	-	(2,353)	(5,599)	(2,289)	-	37,430
Plant and vehicles	1,674	846	-	-	(187)	-	(294)	-	2,039
Equipment and furniture	2,521	3,930	-	-	-	-	(320)	-	6,131
Valuation roll	308	-	-	-	-	-	(56)	-	252
	<b>671,879</b>	<b>21,715</b>	<b>-</b>	<b>-</b>	<b>(16,493)</b>	<b>11,477</b>	<b>(12,781)</b>	<b>-</b>	<b>675,797</b>

4.6 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (continued)

Transport	2019 \$'000	2018 \$'000
At fair value	545,084	521,317
Less accumulated depreciation	(253,072)	(237,586)
<b>Transport at fair value</b>	<b>292,012</b>	<b>283,731</b>

Stormwater and drainage	2019 \$'000	2018 \$'000
At fair value	226,468	217,515
Less accumulated depreciation	(82,324)	(77,966)
Less impairment expense	-	(38)
<b>Stormwater and drainage at fair value</b>	<b>144,144</b>	<b>139,511</b>

A provision for impairment was recognised for \$37,563 as at 30 June 2018. The impairment is based on the inspection and evaluation of Stormwater assets that were damaged during their construction. During 2018-19 works were completed to rectify the damaged assets.

Land	2019 \$'000	2018 \$'000
At fair value	66,855	66,384
Land under roads - at valuation (30 June 2011)	140,319	140,319
<b>Land at fair value</b>	<b>207,174</b>	<b>206,703</b>

Buildings and other land improvements	2019 \$'000	2018 \$'000
At fair value	104,502	90,242
Less accumulated depreciation	(55,958)	(52,812)
<b>Buildings and other land improvements at fair value</b>	<b>48,543</b>	<b>37,430</b>

Plant and vehicles	2019 \$'000	2018 \$'000
At cost	3,966	3,728
Less accumulated depreciation	(1,857)	(1,689)
<b>Plant and vehicles at cost</b>	<b>2,109</b>	<b>2,039</b>

Equipment and furniture	2019 \$'000	2018 \$'000
At cost	12,826	12,399
Less accumulated depreciation	(6,737)	(6,268)
<b>Equipment and furniture at cost</b>	<b>6,089</b>	<b>6,131</b>

Valuation roll	2019 \$'000	2018 \$'000
At cost	370	370
Less accumulated depreciation	(180)	(118)
<b>Valuation roll at cost</b>	<b>190</b>	<b>252</b>

Total Property, infrastructure, plant and equipment	2019 \$'000	2018 \$'000
	<b>700,261</b>	<b>675,797</b>

ACCOUNTING POLICY

Impairment losses

Impairment losses are recognised in the Statement of Comprehensive Income under Other expenses. Reversals of impairment losses are recognised in the Statement of Comprehensive Income under Other revenue.

4.7 OTHER NON-CURRENT ASSETS

Other non-current assets	2019 \$'000	2018 \$'000
Capital works in progress	4,993	16,102
<b>Total Other non-current assets</b>	<b>4,993</b>	<b>16,102</b>

ACCOUNTING POLICY

Impairment losses

Impairment losses are recognised in the Statement of Comprehensive Income under Other expenses. Reversals of impairment losses are recognised in the Statement of Comprehensive Income under Other revenue.

Recognition and measurement of assets

- All material items were considered and an assessment made to determine if such items are assets.
- If expenditure on an asset improves its service potential or future economic benefits (i.e. the useful life is extended) then this expenditure will be capitalised (added to the value of the asset). If not, the expenditure will be charged to the Statement of Comprehensive Income as repairs/maintenance.
- Asset categories of Council are specified in the asset matrix. Asset categories will be consolidated into the following broad categories of nature or type:
  - Transport;
  - Stormwater and drainage;
  - Land;
  - Buildings and other land improvements;
  - Plant and vehicles;
  - Equipment and furniture;
  - Valuations roll; and
  - Capital works in progress.
- All assets that have a cost or other value that can be reliably measured will be recorded in the Statement of Financial Position at the end of the reporting period. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.
- Council adopts depreciated replacement cost or fair value for all property assets.
- Assets are recorded by identifying separately their gross carrying value and any accumulated depreciation, other than capital works in progress.
- The asset capitalisation threshold adopted by council is \$1,500. Assets valued at less than \$1,500 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).
- Where a number of like items exist with individual values below the recognition threshold for future transactions, then these items will be recognised as a group, provided their total value as a group is in excess of the capitalisation threshold for that category.
- Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.
- Plant and Vehicles, and Equipment and Furniture other than plant associated with property are recorded at cost.

#### 4.7 OTHER NON-CURRENT ASSETS (continued)

- k) Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.
- l) All property, and plant and equipment assets which relate to property assets, are revalued to their depreciated replacement cost in accordance with the asset matrix. Revaluations will be conducted with sufficient regularity, so as to ensure they represent fair value.
- m) If Council believes asset values within a class have materially changed between scheduled revaluations, the asset class value will be indexed by an appropriate inflation factor.
- n) All net revaluation increments for a class are credited directly to the asset revaluation reserve account. However, the increment is charged to the Statement of Comprehensive Income to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the income statement. Net revaluation decrements for a class of assets will be debited to any previous revaluation increments for that class of assets, with any deficiency being charged to the Statement of Comprehensive Income.
- o) For assets acquired after a revaluation the cost method of accounting is used. Cost is determined as the fair value of the asset given as consideration plus costs incidental to the acquisition (e.g. architects fees, engineering design fees, administration charges, direct and indirect salary costs, overheads and all other costs incurred in getting the asset ready for use) and (if applicable) the initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located. All property, plant and equipment assets that are replaced or retired are removed from the asset register. This includes the gross replacement cost of the asset and the related accumulated depreciation.
- p) Capital works in progress are recorded at cost.
- q) In the 2016 Financial Report, Land under roads acquired prior to 30 June 2008 was recognised for the first time, consistent with the Report to Parliament by the Auditor-General No. 5 of the 2013-2014 Infrastructure Financial Accounting in Local Government.

#### 4.8 PRIOR PERIOD ADJUSTMENT

Comparative figures have been restated in the Statement of Financial Position and Statement of Changes in Equity. These changes are a result of prior period errors in Accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

In the Financial Year ending 30 June 2016 when the Stormwater Assets were revalued, the valuations of Gabions were removed in the system by error. As a result these assets were not revalued during the Financial Year ending 30 June 2017 & 30 June 2018. The error was identified when Council undertook extensive flood repair work on the Gabions during the Financial Year ending 30 June 2019.

As this adjustment reflected characteristics of assets that existed in the prior period, an adjustment to the prior period balances has been made in the 2018/19 Financial Statements. Adjustment were made in the Statement of Financial Position for "Property, infrastructure, plant & equipment" and in Statement of Changes in Equity for "Opening asset revaluation reserve". The prior period adjustments are detailed below:

#### STATEMENT OF FINANCIAL POSITION

Carrying amount of Property, infrastructure, plant & equipment as at 1 July 2017 was increased by \$2,217K due to the impact of Prior period error adjustment for Gabion assets in Stormwater & Drainage.

#### STATEMENT OF CHANGES IN EQUITY

Total equity as at 1 July 2017 was increased by \$2,217K due to the impact of Prior period error adjustment in the Asset revaluation reserve for Stormwater & Drainage.

For the Year Ended 30 June 2019 Prior period adjustment	1 July 2017 (Unadjusted) \$'000	1 July 2017 (Adjusted) \$'000	Prior Year Adjustment \$'000
<b>A) Statement of Financial Position</b>			
<b>Property, Infrastructure, Plant &amp; Equipment</b>			
At fair value	1,049,506	1,052,272	2,766
Less accumulated depreciation	(375,927)	(376,476)	(549)
<b>Total Property, infrastructure, plant &amp; equipment</b>	<b>673,580</b>	<b>675,797</b>	<b>2,217</b>
<b>B) Statement of Changes in Equity</b>			
<b>Total equity at the beginning of the financial year</b>	849,418	851,635	2,217
Comprehensive result	3,175	3,175	-
<b>Balance at the end of the financial year</b>	<b>852,593</b>	<b>854,810</b>	<b>2,217</b>

#### 4.9 ASSETS HELD FOR SALE

Assets Held for sale	2019 \$'000	2018 \$'000
Assets held for sale	741	-
Provision for impairment	-	-
<b>Total Non-current assets classified as held for sale</b>	<b>741</b>	<b>-</b>

Council decided on 28 May 2018 to close part of the Derwent Park Stormwater Harvesting and Reuse Scheme and dispose of a number of components that would not continue to be used. As at 30 June 2018 Council was not in a position to determine if those assets would be disposed of within 12 months and were not classified with the accounts as Assets held for sale. Subsequent to that time the assets have been identified, classified as Assets held for sale and a process of disposal is being undertaken.

#### ACCOUNTING POLICY

##### Assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and 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's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

## NOTE 5 LIABILITIES

#### 5.1 TRADE AND OTHER PAYABLES

Trade and other payables	2019 \$'000	2018 \$'000
Trade payables	1,086	1,782
Accrued expenses	2,798	2,215
Fringe Benefit Tax payable	9	7
<b>Total trade and other payables</b>	<b>3,893</b>	<b>4,004</b>

#### ACCOUNTING POLICY

##### Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within specific trading terms or 30 days, whichever is earlier.

For ageing analysis of Trade and other payables, refer to note 6.8.

5.2 PROVISIONS

2019	Annual Leave \$'000	Personal Leave \$'000	Long Service Leave \$'000	On Costs \$'000	Employee Support \$'000	Landfill Restoration \$'000	Total \$'000
Balance at the beginning of the financial year	2,019	886	2,206	312	375	4,034	9,832
Additional provisions	1,694	761	309	169	(272)	-	2,661
Amounts used	(1,726)	(739)	(396)	(175)	(56)	-	(3,092)
Other adjustments	-	-	-	-	-	(915)	(915)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	-	-	-	-	-	-
Balance at the end of the financial year	1,987	908	2,119	306	47	3,119	8,486

2018	Annual Leave \$'000	Personal Leave \$'000	Long Service Leave \$'000	On Costs \$'000	Employee Support \$'000	Landfill Restoration \$'000	Total \$'000
Balance at the beginning of the financial year	1,933	874	2,431	334	36	3,949	9,557
Additional provisions	1,766	712	338	158	339	-	3,313
Amounts used	(1,680)	(700)	(563)	(180)	-	-	(3,123)
Other adjustments	-	-	-	-	-	-	-
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	-	-	-	-	85	85
Balance at the end of the financial year	2,019	886	2,206	312	375	4,034	9,832

(a) Employment entitlements provision	2019 \$'000	2018 \$'000
<b>(i) Current</b>		
Annual leave	1,987	2,019
Sick Leave	908	886
Long service leave	1,333	1,402
	<b>4,229</b>	<b>4,307</b>
<b>(ii) Non-current</b>		
Long service leave	786	804
	<b>786</b>	<b>804</b>
Aggregate carrying amount of employee entitlements:		
Current	4,229	4,307
Non-current	786	804
	<b>5,014</b>	<b>5,111</b>
<b>(iii) Current</b>		
All annual leave, sick leave and the long service leave entitlements representing 10 or more years		
- short-term employee entitlements, that fall due within 12 months after the end of the period measured at nominal value	4,229	4,305
- other long-term employee entitlements that do not fall due within 12-months after the end of the period	-	-
	<b>4,229</b>	<b>4,305</b>
<b>(iv) Non-current</b>		
- Long-service leave representing less than 10 years of continuous service measured at present value	<b>786</b>	<b>804</b>

The following assumptions were adopted in measuring the present value of employee entitlements:

	2019	2018
Weighted average increase in employee costs	2.50%	2.50%
Weighted average discount rates	1.08%	2.30%
Weighted average settlement period	11	11

5.2 PROVISIONS (continued)

(b) Landfill Restoration

Council operates a Landfill at Jackson Street, Glenorchy. Under legislation Council is obligated to rehabilitate the landfill site to a particular standard. Current projections indicate that the landfill site will cease operation in 2023. On closure of the landfill, Council will face close-down and rehabilitation costs. Rehabilitation is occurring progressively with major works planned after the landfill closes in 2023. The forecast life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration was recalculated as at 30 June 2019 based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. The recalculation resulted in a decrease in the value of the Provision of \$915,000.

Council does not expect to receive reimbursement from a third party.

(c) Provision summary	2019 \$'000	2018 \$'000
<b>Current</b>		
Employee entitlements	4,228	4,307
Employment on-costs	259	262
Payroll tax		
Employee Support	47	375
	<b>4,534</b>	<b>4,944</b>
<b>Non-current</b>		
Employee entitlements	786	804
Employment on-costs	47	50
Payroll tax		
Landfill restoration	3,119	4,034
	<b>3,952</b>	<b>4,888</b>
<b>Total Provisions</b>	<b>8,486</b>	<b>9,832</b>

ACCOUNTING POLICY

Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably.

Employee entitlements provision

Employee entitlements are accrued for salaries, annual leave, personal leave and long service leave in respect of services provided by employees up to the reporting date. The personal leave accrual relates to 25.00% of the outstanding balance, which is payable to permanent employees upon termination.

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating personal leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee entitlements. All other short-term employee entitlement obligations are presented as payables.

(ii) Other long term employee benefit obligations

The liability for long service leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Provisions - Other

Employment on-costs

Payroll tax is not an employee benefit and is recognised separately as a liability when the employment to which it relates has occurred. Payroll tax is included as part of the Council's 'Employee costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment on-costs provision'.

Close-down and restoration costs - Landfill

Close-down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this is during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates were calculated during June 2019 to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operation and are subject to formal review at regular intervals, generally once each year.

Close-down and restoration costs are a normal consequence of landfill operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operation. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the Statement of Comprehensive Income in each accounting period where material. The amortisation of the discount is shown as a finance cost (refer note 16).

Employee support

Employee support is not a direct employee entitlement and is recognised separately as a liability with the transfer of unused Personal Leave from terminating employees and may be used by sick employees where their Leave entitlements have been extinguished. Employee support, established as part of the 2016 Enterprise Agreement, is included as part of the Council's 'Employee costs' in the Statement of Comprehensive Income. The related liability is included in 'Employee support provision'.

### 5.3 BORROWINGS

	2019 \$'000	2018 \$'000
Borrowings at the beginning of the year	4,259	5,168
New borrowings	-	-
Repayments	(1,137)	(909)
Borrowings at the end of the year	<b>3,122</b>	<b>4,259</b>
Current borrowings	963	952
Non-current borrowings	2,159	3,307
<b>Total Borrowings</b>	<b>3,122</b>	<b>4,259</b>

The loan portfolio owed by Council to Tascorp has been reviewed by Tascorp effective 30 June 2019. Following this review it was determined that having regard to the fixed rate of interest applicable for the remaining life of each loan, that the approximate net fair value (which equates to current market value) is \$3,228,296 (2018: \$4,367,832) compared to the actual value of \$3,121,785 (2018: \$4,259,000). All loan funds are secured against future council rate revenue.

	2019 \$'000	2018 \$'000
The maturity profile or Council's borrowings is:		
Not later than one year	963	952
Later than one year and not later than five years	2,020	3,042
Later than five years	139	264
	<b>3,122</b>	<b>4,259</b>

### ACCOUNTING POLICY

#### Borrowings

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

Interest is expensed as it accrues, and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period. Borrowings are secured by way of mortgages over the general rates of the Council.

#### Leases

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.

### 5.4 OTHER CURRENT LIABILITIES

	2019 \$'000	2018 \$'000
Other current liabilities		
Trust monies held (Derwent Entertainment Centre)	-	3
Vehicle Funding Facility	1,337	1,417
Revenue received in advance	1,107	1,058
Refundable building deposits	318	323
Refundable contract deposits	-	-
Other refundable deposits	21	38
<b>Total Other current liabilities</b>	<b>2,783</b>	<b>2,839</b>

### ACCOUNTING POLICY

#### Other current liabilities

Amounts received as deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited.

## NOTE 6 OTHER FINANCIAL INFORMATION

### 6.1 RESERVES

	Balance at beginning of year		Transfers between Reserves		Transfers to Reserves		Transfers from reserves		Balance at end of year	
	1-Jul-18 \$'000	1-Jul-17 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	30-Jun-19 \$'000	30-Jun-18 \$'000
<b>Revenue reserves</b>										
Statutory reserves										
Car parking	445	435	-	-	11	10	-	-	456	445
Public open space	636	581	-	-	25	55	-	-	661	636
Incomplete works	-	3,431	-	-	-	-	-	(3,431)	-	-
Other reserves	1,081	4,446	-	-	36	65	-	(3,431)	1,117	1,081
Irregular operating expenses	51	101	-	-	51	51	-	(101)	103	51
Landfill future close out costs	2,653	2,340	-	-	69	313	-	-	2,722	2,653
Landfill future plant and equipment	2	2	-	-	-	-	-	-	2	2
Property, plant and equipment	171	166	-	-	4	4	-	-	175	171
City revaluation	176	123	-	-	5	53	-	-	180	176
Asset sales	5,101	4,988	-	-	132	113	-	-	5,233	5,101
Community based programs	(273)	(177)	-	-	-	44	-	(140)	(273)	(273)
Strategic Asset Management Group Capital	353	271	-	-	9	82	-	-	362	353
	8,233	7,815	-	-	270	660	-	(241)	8,503	8,233
	9,314	12,261	-	-	306	725	-	(3,672)	9,620	9,314
<b>Fair Value reserve</b>										
Investment in TasWater	(29,759)	(31,901)	-	-	24,173	2,142	-	-	(5,586)	(29,759)
	(29,759)	(31,901)	-	-	24,173	2,142	-	-	(5,586)	(29,759)
<b>Asset revaluation reserves</b>										
Asset revaluation reserve - transport	217,776	211,189	-	-	8,468	6,587	-	-	226,244	217,776
Asset revaluation reserve - buildings and other land	10,214	15,813	-	-	1,835	-	-	(5,599)	12,049	10,214
Asset revaluation reserve - land	51,954	44,689	-	-	-	7,265	-	-	51,954	51,954
Asset revaluation reserve - stormwater and drainage	66,320	63,095	-	-	4,712	3,224	-	-	71,032	66,320
Asset revaluation reserve - plant and vehicles	2,740	2,740	(2,740)	-	-	-	-	-	-	2,740
Asset revaluation reserve - furniture and equipment	867	867	(867)	-	-	-	-	-	-	867
	349,870	338,393	(3,607)	-	15,015	17,077	-	(5,599)	361,279	349,870
Total revenue, fair value and asset revaluation reserves	329,425	318,753	(3,607)	-	39,495	19,943	-	(9,271)	365,313	329,425

## 6.1 RESERVES (continued)

### NATURE AND PURPOSE OF RESERVES:

#### Revenue reserves

Revenue reserves for car parking, public open space and community-based programs reflect the statutory or third-party compulsory contributions that are required to be expended for specific purposes in future periods. On that basis, a portion of the operating result must be set aside in these reserves.

The City revaluation reserve represents funds set aside to undertake a city-wide revaluation as authorised by the Valuer General. This revaluation occurs every six years.

The Landfill future close out costs reserve is maintained for the restoration or rehabilitation of land to meet planning requirements and environmental standards.

The other reserves noted are maintained to provide for recurring, non-annual expenditure (Irregular operating expenses reserve); to provide for future property, plant and equipment requirements (Property, plant and equipment); and specific expenditure not completed in the previous year (Incomplete works). Net proceeds from asset sales are set aside to fund future property purchases.

#### Fair value reserve

The Fair value reserve includes the net revaluation increments and decrements arising from the revaluation of Council's share of the investment in TasWater.

#### Asset revaluation reserves

The Asset revaluation reserves include the net revaluation increments and decrements arising from the revaluation of property, plant and equipment assets in accordance with accounting policy (note 27).

Where a revalued asset is sold, that portion of the asset revaluation reserve which relates to that asset and is effectively realised is transferred directly to Community Equity.

## 6.2 RECONCILIATION OF NET SURPLUS/ (DEFICIT) FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2019 \$'000	2018 \$'000
Net surplus/(deficit)	4,204	(10,445)
<b>Items not involving cash</b>		
Carrying value of assets sold or retired	1,717	180
Sale of property, plant and equipment	(239)	(254)
Capital government grants and external contributions	(833)	(1,125)
Contribution - non-monetary assets	(3,284)	(4,723)
Depreciation expense	12,655	12,822
Assets written off	30	15,895
Unwinding of discounts applied to provisions	-	156
Bad and Doubtful debts / Impairment Expense	11	7
<b>Unlocated</b>		
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	14	(376)
(Increase)/decrease in other current assets	150	56
(Increase)/decrease in inventories	(7)	2
Increase/(decrease) in trade and other payables	(111)	1,479
Increase/(decrease) in other current liabilities	(106)	296
Increase/(decrease) in provisions	(431)	188
<b>Net cash from operating activities</b>	<b>13,770</b>	<b>14,158</b>

## 6.3 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

Interest bearing loans and borrowings	2019 \$'000	2018 \$'000
Acquisitions / New leases	4,259	5,169
Foreign exchange rates movements		
Changes in fair value		
Other movements	-	-
Transfers to / (from) other Government entity	-	-
Changes from financing cash flows	-	-
Cash received	-	-
Cash Repayments	(1,137)	(910)
<b>Balance at 30 June 2019</b>	<b>3,122</b>	<b>4,259</b>

## 6.4 FINANCING ARRANGEMENTS

	2019 \$'000	2018 \$'000
The credit limit with the Commonwealth Bank of Australia for the vehicle funding facility as at 30 June:	2,000	2,000
Council has access to an established line of credit to the value of \$2 million. This line of credit has been approved to purchase Council's fleet of vehicles.		
The credit limit with the Commonwealth Bank of Australia for Council's purchasing card facility as at 30 June:	60	60

## 6.5 SUPERANNUATION

### Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the Statement of Financial Position and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e. as an expense when it becomes payable.

Council makes superannuation contributions for the vast majority of its employees (around 94%) into various accumulation schemes and for the remaining employees (around 6%), Council makes superannuation contributions to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2019 Council contributed a minimum of 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund as at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58.94 million the value of vested benefits was \$51.17 million, the surplus over vested benefits was \$7.77 million, the value of total accrued benefits was \$50.606 million, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The financial assumptions used to calculate the Accrued Benefits for the Fund were:

Net Investment Return	7.0% p.a.
Salary Inflation	4.0% p.a.
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2017.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2017.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% of salaries from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position of the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2020 and is expected to be completed late in 2020.

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the Superannuation Guarantee (Administration) Act 1992.

As required in terms of paragraph 148 of AASB 119 Employee Benefits, Council discloses the following details:

- The 2017 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2014.
- Under the aggregate funding method of financing the benefits, the stability of Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.

## 6.5 SUPERANNUATION (continued)

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators). The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However, it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus, the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$14,119 (2018, \$130,312), and the amount paid to accumulation schemes was \$2,317,602 (2018, \$2,202,707).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$15,000, and the amount to be paid to accumulation schemes is \$2,366,000.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2017, showed that the Fund had assets of \$57.48million and members' Vested Benefits were \$48.39 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2018 the fund had 119 members and the total employer contributions and member contributions for the year ending 30 June 2018 were \$1,515,272 and \$266,000 respectively.

## 6.6 COMMITMENTS OF EXPENDITURE

### (a) Operating lease Commitments

At the reporting date, Council had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities):

	2019 \$'000	2018 \$'000
Not later than one year	832	1,117
Later than one year and not later than five years	827	1,567
Later than five years	-	-
	1,659	2,684

The Council leases vehicles and mobile plant and equipment under operating leases, expiring from 1 - 4 years. Leases generally provide the entity with a right of renewal at which time all terms are renegotiated.

Lease payments are initially established based on expected operating criteria and may adjust depending upon material variations in such operating criteria.

The Council leases office equipment under operating leases, expiring from 1 - 3 years. Leases generally provide the entity with a right of renewal at which time all terms are renegotiated. Terms of the leases are fixed at the time of the lease start date.

The Council leases office premises under operating leases, expiring within 1 year. Leases generally provide the entity with a right of renewal at which time all terms are renegotiated. Terms of the lease are fixed at the time of the lease start date.

### (b) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial report as liabilities:

	2019 \$'000	2018 \$'000
Property	-	1,287
Transport	2,588	1,440
Stormwater	739	138
	3,327	2,865
Not later than one year	3,327	2,865
Later than one year and not later than five years	-	-
Later than five years	-	-
	3,327	2,865

### (c) Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows:

	2019 \$'000	2018 \$'000
Garbage collection and disposal contracts	2,395	1,260
	2,395	1,260

## 6.6 COMMITMENTS OF EXPENDITURE (continued)

### ACCOUNTING POLICY

#### Operating leases

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 Statement of Comprehensive Income on a straight-line basis over the period of the lease. Council leases vehicles and mobile plant and equipment, office equipment and office premises.

Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, 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 (i) it has control over the land and (ii) it will derive economic benefits from it.

#### Finance leases

Council has no finance lease obligations at 30 June 2019.

## 6.7 CONTINGENT LIABILITIES

Council has not identified any matter that would give rise to a contingent liability.

## 6.8 FINANCIAL INSTRUMENTS

### a) Accounting policy, terms and conditions

Financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and Cash equivalents</b>	<b>4.1</b>	Comprises cash on hand and cash in bank.	On call deposits returned an average interest rate of 1.27% (2018: 1.30%).
		Term deposits and at call accounts are held to maximise interest returns on surplus cash.	The weighted average interest rate received for investments was 2.59% (2018: 2.60%).
		Interest revenues are recognised as they accrue.	
<b>Trade and other receivables</b>			
<b>Receivables rates and charges</b>	<b>4.2</b>	Rates are carried at nominal amounts due plus interest. Rate debts are a charge attached to the rateable land and are recoverable on sale, therefore, no allowance for doubtful debts is made. Interest rates are reviewed annually.	Rates are payable by 2 instalments during the year. Arrears, including deferred rates, attract interest. The interest rate at 30 June 2019 was 10.0% for general rates (2018: 8.72%).
<b>Receivables other</b>	<b>4.2</b>	Receivables are carried at nominal amounts due less any allowance for doubtful debts. An allowance for doubtful debts is recognised when collection in full is no longer probable.	General debtors are unsecured.
<b>Investment at Fair value through Comprehensive Income</b>			
<b>Investment in TasWater</b>	<b>4.5</b>	The investment in TasWater is valued at its fair value at 30 June 2019. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at 30 June 2019.	
<b>Financial liabilities</b>			
<b>Payables</b>	<b>5.1</b>	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date, whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within specific trading terms or 30 days, whichever is earlier.
<b>Borrowings</b>	<b>5.3</b>	Loans are carried at amortised cost. Interest is accrued over the period it becomes due and recognised as part of payables.	All loans are secured against the future rate revenue of Council. The weighted average interest rate on borrowings was 4.06% (2018: 4.26%).

6.8 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Council manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities. Council monitors cash flows on a regular basis to further reduce liquidity risks.

b) Liquidity and interest rate risk table

The following table details the Council's remaining contractual maturity for its financial liabilities and expected maturity for financial assets:

	Weighted average Interest rate %		Less than 1 year \$'000		1 to 5 years \$'000		More than 5 years \$'000		Non-bearing \$'000		Total \$'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Financial assets</b>												
<i>Variable Interest rate</i>												
Cash and cash equivalent assets	2.59%	2.60%	16,650	14,014	-	-	-	-	-	-	16,650	14,014
<i>Non interest bearing</i>												
Cash and cash equivalent assets			125	129	-	-	-	-	-	-	125	129
Trade and other receivables			969	1,069	-	-	-	-	-	-	969	1,069
Investment in TasWater			-	-	-	-	191,317	167,145	-	-	191,317	167,145
<i>Fixed interest rate</i>												
Trade and other receivables (rates and charges)	8.81%	8.72%	623	507	-	-	-	-	-	-	623	507
<b>Total</b>			18,367	15,719	-	-	191,317	167,145	-	-	209,684	182,864
<b>Financial liabilities</b>												
<i>Non interest bearing</i>												
Trade and other payables			3,894	4,004	-	-	-	-	-	-	3,894	4,004
Other current liabilities			2,807	2,839	-	-	-	-	-	-	2,807	2,839
<i>Fixed interest rate</i>												
Borrowings:												
- Not later than one year			963	952	-	-	-	-	-	-	963	952
- Later than one year and not later than five years	3.72%	4.20%	-	-	2,020	3,042	-	-	-	-	2,020	3,042
- Later than five years	4.06%	5.26%	6,701	6,843	2,020	3,042	139	265	139	139	9,823	11,102
<b>Total</b>			6,701	6,843	2,020	3,042	139	265	139	139	9,823	11,102
<b>Net financial assets/(liabilities)</b>											199,861	171,762

6.8 FINANCIAL INSTRUMENTS (continued)

c) Fair value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at 30 June are as follows:

Financial Instruments	Total carrying amount		Aggregate Net Fair Value	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	16,776	14,143	16,776	14,143
Investment in TasWater	191,317	167,145	191,317	167,145
Trade and other receivables	1,928	1,919	1,928	1,919
<b>Total Financial Assets</b>	<b>210,021</b>	<b>183,207</b>	<b>210,021</b>	<b>183,207</b>
<b>Financial Liabilities</b>				
Trade and other payables	3,894	4,004	3,894	4,004
Borrowings	3,122	4,259	3,228	4,368
Other liabilities	2,807	2,839	2,807	2,839
<b>Total Financial Liabilities</b>	<b>9,823</b>	<b>11,102</b>	<b>10,039</b>	<b>11,211</b>

d) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by those assets as indicated in the Statement of Financial Position.

e) Risks and mitigation

Financial risk management

Council undertakes a Strategic and Key Operational risk review on an annual basis. The review evaluates Council's exposure to significant business and financial risks with these outcomes reported to Audit Panel and to Council. The council manages its exposure to key financial risks through this process and also through the independent Internal Audit program. The Audit Panel monitors any key risk exposure activities undertaken and reviews all strategic policy documentation for the Council's management or mitigation of Council's risk exposure.

The Council does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

Capital risk management

Council manages its capital to ensure that Council will be able to continue as a going concern while still being able to meet the needs of the community through the optimisation of debt and equity balance. The capital structure of Council consists of debt, which includes the borrowings disclosed in note 5.3, cash and cash equivalents disclosed in note 4.1 and equity including community equity and reserves as disclosed in the Statement of Changes in Equity. Council is not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand Council's infrastructure and other assets, as well as to make the routine repayment of maturing debt. Council borrows from Tascorp to meet anticipated funding requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only an insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which Council is exposed are outlined below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that Council uses. Non-derivative interest-bearing assets are predominantly short term liquid assets. The interest rate liability risk arises primarily from long term borrowings at fixed rates which exposes Council to fair value interest rate risk.

Council manages the interest rate exposure on the net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from Treasury each year.

Council maintains policies to guide management in the undertaking of borrowings and the investment of short term, surplus funds.

Council's Borrowing Policy establishes a structure to ensure the organisation:

- minimises its costs of borrowings;
  - minimises its liquidity risk;
  - matches the characteristics of debt with those of the assets being funded, where possible; and
  - operates its borrowing activities within legislative and common law responsibilities.
- Council's Investment of Short-Term Funds Policy establishes a structure to ensure the organisation:
- maximises interest earned on surplus funds within prudent risk limits;
  - minimises its liquidity risk; and
  - operates its investment activities within legislative and common law responsibilities.

Maturity of investments is staggered to provide for interest rate variations and to minimise interest rate risk.

## 6.8 FINANCIAL INSTRUMENTS (continued)

### Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on all financial assets included in the Statement of Financial Position. To help manage this risk Council:

- has a policy for establishing credit limits for the entities it deals with;
- may require collateral where appropriate; and
- only invests surplus funds with financial institutions which have a recognised credit rating of A- or above.

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 6.7.

### Credit quality of contractual financial assets that are neither past due or impaired

	Financial institutions (AAA credit rating)	Government agencies (BBBB credit rating)	Other (min BBB credit rating)	Total
<b>2019</b>				
Cash and cash equivalents	16,776	-	-	16,776
Trade and other receivables	1,905	-	-	1,905
Investments and other financial assets	-	-	-	-
<b>Total contractual financial assets</b>	<b>18,681</b>	<b>-</b>	<b>-</b>	<b>18,681</b>
<b>2018</b>				
Cash and cash equivalents	14,144	-	-	14,144
Trade and other receivables	1,919	-	-	1,919
Investments and other financial assets	-	-	-	-
<b>Total contractual financial assets</b>	<b>16,063</b>	<b>-</b>	<b>-</b>	<b>16,063</b>

### Movement in Provisions for Impairment of Trade and Other Receivables

	2019 \$'000	2018 \$'000
Balance at the beginning of the year	1,621	1,649
New Provisions recognised during the year	5	9
Amounts already provided for and written off as uncollectible	1,613	36
Amounts provided for but recovered during the year	-	1
Balance at end of year	<b>13</b>	<b>1,621</b>

### Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2019 \$'000	2018 \$'000
Current (not yet due)	993	991
Past due by up to 30 days	75	42
Past due between 31 and 180 days	288	302
Past due between 181 and 365 days	255	232
Past due by more than 1 year	294	352
<b>Total Trade &amp; Other Receivables</b>	<b>1,905</b>	<b>1,919</b>

### Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$13,368 (2017-18: \$1,621,449) were impaired. The amount of the provision raised against these debtors was \$5,000 (2017-18: \$9,000). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with the Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2019 \$'000	2018 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
<b>Total Trade &amp; Other Receivables</b>	<b>13</b>	<b>1,622</b>

## 6.8 FINANCIAL INSTRUMENTS (continued)

### Liquidity risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements the Council:

- will not have sufficient funds to settle a transaction on the date;
- will not have sufficient funds to settle a transaction on the date;
- may be unable to settle or recover a financial asset at all.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum level of cash and cash equivalents to be maintained;
- monitors budget to actual performance on a regular basis; and
- limit's set on borrowings in accordance with Council's borrowing policy.

The Council's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

### f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the council believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Commonwealth Bank of Australia):

- A parallel shift of +0.25% and -0.25% in market interest rates (AUD) from the end of year rate of 1.27% (2018: 1.30%).

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

For the year ended 30 June 2019

2019	Carrying amount subject to interest \$'000	Interest Rate Risk			
		-0.25% (25 basis points) Profit \$'000	Equity \$'000	+0.25% (25 basis points) Profit \$'000	Equity \$'000
<b>Market Risk Exposure</b>					
<b>Financial Assets:</b>					
Cash and cash equivalents	16,650	(42)	(42)	42	42
Trade and other receivables	623	(2)	(2)	2	2

2018	Carrying amount subject to interest \$'000	Interest Rate Risk			
		-0.25% (25 basis points) Profit \$'000	Equity \$'000	+0.25% (25 basis points) Profit \$'000	Equity \$'000
<b>Market Risk Exposure</b>					
<b>Financial Assets:</b>					
Cash and cash equivalents	14,014	(35)	(35)	35	35
Trade and other receivables	507	(1)	(1)	1	1

## 6.9 EVENTS OCCURRING AFTER BALANCE DATE

- i) There are no events that occurred after balance date that will have a material impact on the financial position of the Council.

## 6.10 FAIR VALUE MEASUREMENTS

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

- Investment properties
- Property, infrastructure, plant and equipment
- Buildings and other land improvements
- Land
- Transport
- Stormwater and drainage
- Valuation roll

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. This asset category comprises land as disclosed in note 4.6. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

### a) Fair value hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2019.

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 infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

6.10 FAIR VALUE MEASUREMENTS (continued)

As at 30 June 2019

Recurring fair value measurements	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment properties	4.6	-	-	-	-
Transport	4.6	-	-	545,084	545,084
Stormwater and drainage	4.6	-	-	222,007	222,007
Land	4.6	-	207,174	-	207,174
Buildings and other land improvements	4.6	-	-	104,520	104,520
Valuation roll	4.6	-	-	370	370
		-	207,174	871,981	1,079,155
<b>Non-recurring fair value measurements</b>					
Assets held for sale	4.8	-	737	-	737
		-	737	-	737

As at 30 June 2018

Recurring fair value measurements	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment properties	4.6	-	-	-	-
Transport	4.6	-	-	521,317	521,317
Stormwater and drainage	4.6	-	-	216,965	216,965
Land	4.6	-	206,703	-	206,703
Buildings and other land improvements	4.6	-	-	90,242	90,242
Valuation roll	4.6	-	-	370	370
		-	206,703	828,894	1,035,597
<b>Non-recurring fair value measurements</b>					
Assets held for sale	4.8	-	-	-	-
		-	-	-	-

**Transfers between levels of the hierarchy**

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

**b) Highest and best use**

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

**Transfers between levels of the hierarchy**

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

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

**Land**

Land fair values were determined by the Valuer-General effective 30 June 2018.

**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 cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

**Land under roads**

Land under roads acquired since 30 June 2008 has been recognised in past Financial Reports as part of road assets. Land under roads acquired prior to 30 June 2008 was recognised for the first time in the 2016 Financial Report, consistent with the Report to Parliament by the Auditor-General No. 5 of 2013-2014 Infrastructure Financial

Accounting in Local Government. Because of its materiality, land under roads is now reported within the land category of non-current assets. Those assets previously recognised have been removed from road assets for inclusion in land under roads.

**Buildings and other land improvements**

The fair value of buildings including buildings of a specialist nature (eg heritage buildings) and including Parks and recreation infrastructure were determined by a qualified independent Valuer effective 30 June 2018 and indexed at 3.38% for the financial year ended 30 June 2019. The most significant input into this valuation approach was price per square metre.

In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

As part of the revaluation, significant components were separately identified and new useful lives were assigned to each component. As a result depreciation expense is expected to increase in future periods due to shorter useful lives being applied over a number of components.

6.10 FAIR VALUE MEASUREMENTS (continued)

**Infrastructure assets**

All Council infrastructure assets were fair 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.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in note 4.6.

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 table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

**Transport**

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban and rural roads are managed in segments. These segments are based on intersections. An intersection is where a road intersects with another road. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements for high traffic areas that were constructed after 1984 are constructed to depths of 40cm. All other pavements are constructed to depths of 20cm or less. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists, and labour rates are based on Council's Enterprise Bargaining Agreement (EBA) with a percentage provision for any other employee on costs.

A full revaluation of transport assets was undertaken as at 30 June 2017 and indexed at 2.42% for the financial year ended 30 June 2018 and at 3.38% for the financial year ended 30 June 2019. A review of transport infrastructure useful life was undertaken by Council's Asset Management Coordinator effective 30 June 2016. A comprehensive review including benchmarking, sample testing and collating condition data was undertaken. In addition, a suitably qualified expert was engaged to review and endorse the proposed changes.

A full valuation of bridge assets was undertaken by independent valuers (AusSpan) effective 30 June 2017. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

**Stormwater and drainage**

A review of useful life for drainage infrastructure was undertaken by Council's Engineer and Asset Coordinator effective 30 June 2015. Similar to roads, stormwater and drainage assets are managed in segments; pits and pipes being the major components. A full revaluation of Stormwater and drainage assets as at 30 June 2016 and indexed at 1.50% for the financial year ended 30 June 2017, at 2.42% for the financial year ended 30 June 2018, and at 3.38% for the financial year ended 30 June 2019.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the type of asset component. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

**Other Infrastructure**

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

**d) Valuation processes**

Council uses unit rates based on internal estimating software where available or a contracted rate when the internal information is not available. Where there is no basis to provide a rate from these two sources Rawlinson's Construction Cost Guide is used.

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment properties and investment in TasWater (recurring fair value measurements) is set out in note 4.5.

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

**e) 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 4.6).

Council borrowings are measured at amortised cost with interest recognised in the Statement of Comprehensive Income when incurred. The fair value of borrowings disclosed in note 5.3 equates to the carrying amount as the carrying amount approximates fair value (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).

## NOTE 7 OTHER MATTERS

### 7.1 RELATED PARTY TRANSACTIONS

#### i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

#### Aldermen

Kristie Johnston, Mayor  
Matt Stevenson, Deputy Mayor  
Peter Bull  
Melissa Carlton  
Jan Dunsby  
Simon Fraser  
Steven King  
Gaye Richardson  
Kelly Sims  
Rebecca Thomas

#### Key Management Personnel

Name	Position	Term
Tony McMullen	General Manager	(01/07/2018 to 30/06/2019)
Sam Fox	Director Development and Customer Service	(08/10/2018 to 14/04/2019)
	Director Strategy and Development	(15/04/2019 to 30/06/2019)
Paul Garnsey	Acting Director, City Services and Infrastructure	(01/07/2018 to 08/10/2018)
William Richardson	Acting Chief Financial Officer	(01/07/2018 to 08/10/2018)
David Ronaldson	Acting Director, Community Economic Development and Business	(01/07/2018 to 05/10/2018)
	Director Community and Strategy	(06/10/2018 to 14/04/2019)
	Director Community and Customer Service	(15/04/2019 to 30/06/2019)
Edward Ross	Director, Infrastructure and Works	(01/07/2018 to 30/06/2019)
Simon Scott	Acting Director, Corporate Governance	(01/07/2018 to 08/10/2018)
Jenny Self	Director, Corporate Services	(08/10/2018 to 30/06/2019)

#### ii) Aldermen Remuneration

2019	Allowances \$	Vehicles <sup>1</sup> \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	101,754	9,243	110,997	1,655	112,652
Deputy Mayor	49,275	-	49,275	814	50,089
Alderman	232,589	-	232,589	3,962	236,551
	383,618	9,243	392,861	6,431	399,292

2018	Allowances \$	Vehicles <sup>1</sup> \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Commissioner	131,247	4,177	135,424	-	135,424
Mayor	41,316	4,212	45,528	1,499	47,027
Deputy Mayor	20,007	-	20,007	194	20,201
Alderman	94,438	-	94,438	339	94,777
	287,008	8,389	295,397	2,032	297,429

<sup>1</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel, other consumables and maintenance costs.

### 7.1 RELATED PARTY TRANSACTIONS (continued)

#### iii) Key Management Personnel Remuneration

2019	Remuneration band	Number of employees	Salary <sup>1</sup> \$	Vehicles <sup>2</sup> \$	Short term employee benefits		Post-employment benefits		Total \$
					Other Allowances and Benefits <sup>3</sup> \$	Super-annuation <sup>4</sup> \$	Non-monetary Benefits <sup>6</sup> \$		
	\$40,001 - \$60,000	2	87,249	-	-	11,342	6,346	104,937	
	\$60,001 - \$80,000	1	53,265	-	1,060	6,925	4,863	66,113	
	\$160,001 - \$180,000	2	273,308	5,300	-	35,530	15,391	329,529	
	\$200,001 - \$220,000	2	345,375	5,064	-	44,899	12,915	408,253	
	\$260,001 - \$280,000	1	233,654	6,498	-	28,673	(2,559)	266,265	
			992,851	16,862	1,060	127,368	36,954	1,175,096	

2018	Remuneration band	Number of employees	Salary <sup>1</sup> \$	Vehicles <sup>2</sup> \$	Short term employee benefits		Post-employment benefits		Total \$
					Other Allowances and Benefits <sup>3</sup> \$	Super-annuation <sup>4</sup> \$	Non-monetary Benefits <sup>6</sup> \$		
	\$40,001 - \$60,000	1	32,692	-	1,346	4,425	3,345	41,808	
	\$60,001 - \$80,000	1	77,008	-	-	7,733	(21,693)	63,048	
	\$140,001 - \$160,000	1	113,593	-	3,487	14,625	14,760	146,465	
	\$160,001 - \$180,000	3	398,222	-	89,000	61,394	(24,789)	523,827	
	\$180,001 - \$200,000	1	154,649	-	-	20,104	19,041	193,794	
	\$260,001 - \$280,000	1	209,328	-	150	26,651	29,384	265,513	
	\$360,001 - \$380,000	1	216,757	1,637	192,841	37,076	(78,569)	369,742	
			1,202,249	1,637	286,824	172,008	(58,521)	1,604,197	

<sup>1</sup> Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

<sup>2</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel, other consumables and maintenance costs.

<sup>3</sup> Other benefits include all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, termination payments and any other compensation paid and payable.

<sup>4</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>5</sup> Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

<sup>6</sup> Other non-monetary benefits include annual and long service leave movements.

#### iv) Remuneration Principles

##### Aldermen

Aldermen are paid allowances and compensation for certain expenses consistent with the *Local Government Act 1993*.

##### Executives

Remuneration of key management personnel is based on an assessment of current market remuneration for similar positions. The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

#### v) Transactions with related parties

A review of Council's records has revealed that there were no significant related party transactions during the 2018-19 financial year.

#### vi) 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 municipality. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates on a primary residence
- Dog registration
- Use of Council's swimming pool

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

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

## 7.2 SPECIAL COMMITTEES

### a) Special committees

Glenorchy City Council recognises a special committee when the committee has been adopted by Council under section 24 of the Local Government Act 1993.

The Glenorchy Brass Band is a special committee of Council and maintains its own books and records and operates a separate bank account.

The operations of the Glenorchy Brass Band during 2018-19 were as follows:

2019	Income \$'000	Expenditure \$'000	Net result \$'000	Cash at Bank \$'000
Glenorchy Brass Band	25	23	2	8

These results have been consolidated into Council's financial report.

## 7.3 SIGNIFICANT BUSINESS ACTIVITIES

	Derwent Ent Centre		Landfill Operations		Childcare Centres	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<i>Revenue</i>						
Government Grants	-	-	-	-	1,030	736
User Charges	1,586	1,228	5,246	2,807	485	551
Other Income	80	55	50	49	32	55
<b>Total Revenue</b>	<b>1,666</b>	<b>1,283</b>	<b>5,296</b>	<b>2,857</b>	<b>1,548</b>	<b>1,341</b>
<i>Expenditure</i>						
<i>Direct</i>						
Employee Costs	722	651	1,093	1,132	1,299	1,304
Material and Contracts	899	769	1,676	1,241	147	132
Other	4	16	19	(2,326)	1	1
<i>Indirect</i>						
Engineering and Administration	203	180	349	6	181	180
<b>Total Expenses</b>	<b>1,828</b>	<b>1,616</b>	<b>3,137</b>	<b>53</b>	<b>1,627</b>	<b>1,617</b>
	<b>(163)</b>	<b>(332)</b>	<b>2,159</b>	<b>2,804</b>	<b>(79)</b>	<b>(276)</b>
<i>Notional cost of free services received</i>						
<i>Capital Costs</i>						
Depreciation and amortisation	194	869	15	1	46	30
Opportunity cost of capital	345	403	32	18	36	21
<b>Total Capital Costs</b>	<b>538</b>	<b>1,272</b>	<b>48</b>	<b>19</b>	<b>82</b>	<b>51</b>
<i>Competitive neutrality adjustments</i>						
<b>Rates and land tax</b>	<b>57</b>	<b>52</b>	<b>16</b>	<b>11</b>	<b>23</b>	<b>8</b>
<b>Calculated Surplus/(Deficit)</b>	<b>(758)</b>	<b>(1,656)</b>	<b>2,096</b>	<b>2,773</b>	<b>(185)</b>	<b>(335)</b>
<i>Taxation</i>						
Tax Equivalent rate	30%	30%	30%	30%	30%	30%
Taxation equivalent	-	-	629	832	-	-
<b>Net Surplus / (Deficit)</b>	<b>(758)</b>	<b>(1,656)</b>	<b>1,467</b>	<b>1,941</b>	<b>(185)</b>	<b>(335)</b>

## ACCOUNTING POLICY

### Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that Derwent Entertainment Centre, Landfill Operations and Childcare Centres as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- opportunity cost of capital based upon indicative yield of the Federal Government 10-year bond rate.
- rates and charges based upon council's rate 2016-17 rate calculation.
- engineering and administration costs have been based upon a charge of 12.5% of direct operating costs.

### b) Audit Panel

Glenorchy City Council has an Audit Panel established under section 85 of the Local Government Act 1993. Under section 85B of the Act, the Audit Panel complies with the requirements under the Local Government (Audit Panels) Order 2014. All expenses associated with the Audit Panel has been included in the Financial Report.

## 7.4 MANAGEMENT INDICATORS

	Benchmark	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>a) Underlying surplus or deficit</b>					
Recurrent income*		59,302	55,275	54,002	51,835
Less recurrent expenditure#		59,242	55,188	53,399	52,239
Underlying surplus/deficit	>\$0	60	87	603	(404)

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

# Recurrent expenditure excludes costs associated with the restructure and impairment expenses.

<b>b) Underlying surplus ratio</b>					
Underlying surplus or deficit		60	87	603	(404)
Recurrent income*		59,302	55,275	54,002	51,835
Underlying surplus ratio %	2.5% - 5.0%	0.10%	0.16%	1%	(1%)

This ratio serves as an overall measure of financial operating effectiveness.

Council's underlying surplus/deficit reflects deficits in three of the last four years. The negative ratios indicate that Council did not generate sufficient revenue to fulfil its operating requirements. Council is budgeting for an ongoing sustainable financial position in 2018/19 as a result of the rise in general rate income.

<b>c) Net financial liabilities</b>					
Liquid assets		18,680	16,349	13,385	16,097
Less total liabilities		18,284	20,934	19,709	21,576
Net financial liabilities	>\$0	396	(4,585)	(6,324)	(5,479)

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Council recorded negative results in three of the last four years, primarily due to the reduction in Council's cash holdings as capital grant funding has been expended on capital works projects. Council adopted a Long Term Financial Management Plan as part of the 2018/19 Budget on 25 June 2018 that plans within three years a surplus of Liquid Assets over Total Liabilities.

<b>d) Net financial liabilities ratio</b>					
Net financial liabilities		396	(4,585)	(6,324)	(5,479)
Recurrent income*		59,302	55,275	54,002	51,835
Underlying surplus ratio %	0% - (50%)	0.67%	(8.29%)	(12%)	(11%)

This ratio indicates the net financial obligations of Council compared to its recurrent income.

As noted in note (c) the declining trend reflects Councils reducing cash balances that has included capital grant funding for projects close to being completed.

#### 7.4 MANAGEMENT INDICATORS (continued)

##### e) Asset consumption ratio

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

	Benchmark	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<i>Transport</i>					
Depreciated replacement cost		292,012	283,731	276,966	264,355
Current replacement cost		545,084	521,317	503,894	485,587
Asset consumption ratio %	40-60%	54%	54%	55%	54%
<i>Buildings and other land improvements</i>					
Depreciated replacement cost		48,543	37,430	45,459	45,377
Current replacement cost		104,502	90,242	95,899	92,085
Asset consumption ratio %	40-60%	46%	41%	47%	49%
<i>Stormwater and drainage</i>					
Depreciated replacement cost		144,144	137,294	143,791	179,084
Current replacement cost		226,468	216,965	216,038	356,038
Asset consumption ratio %	40-60%	64%	63%	67%	50%

This ratio indicates the level of service potential available in Council's existing asset base. All classes reported above are within the target range.

##### f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

<i>Transport</i>					
Projected capital funding outlays**		100,345	97,439	82,533	81,000
Projected capital expenditure funding***		100,345	97,439	82,533	81,000
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Buildings and other land improvements</i>					
Projected capital funding outlays**		27,127	25,046	21,894	21,700
Projected capital expenditure funding***		27,127	25,046	21,894	21,700
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Stormwater and drainage</i>					
Projected capital funding outlays**		15,623	16,561	17,910	19,000
Projected capital expenditure funding***		15,623	16,561	17,910	19,000
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

\*\* Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

\*\*\* Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

This ratio measures Council's capacity to fund future asset replacement requirements. The above results indicate that the Council is presently planning to fund all required asset renewal over the next 25 year period.

##### g) Asset sustainability ratio

Capital expenditure on replacement/renewal of existing assets		7,819	6,959	11,179	11,481
Annual depreciation expense		12,655	12,822	12,494	12,882
Asset consumption ratio %	100%	62%	54%	89%	89%

This ratio indicates whether Council is maintaining operating capacity through renewal of its existing asset base.

The ratio trend over the last four years reflects the current long-term strategy to maintain replacement and renewal capital programs for the long term sustainability of Council's assets.

#### 7.4 MANAGEMENT INDICATORS (continued)

##### As at 30 June 2019

Asset Class	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
Buildings and other land improvements	654	2,018	2,672
Transport	5,568	896	6,465
Stormwater	870	478	1,348
Other	726	445	1,171
<b>Total</b>	<b>7,819</b>	<b>3,837</b>	<b>11,656</b>

##### As at 30 June 2018

Asset Class	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
Buildings and other land improvements	515	1,734	2,249
Transport	4,083	1,821	5,904
Stormwater	913	190	1,103
Other	1,448	1,372	2,820
<b>Total</b>	<b>6,959</b>	<b>5,117</b>	<b>12,076</b>

#### 7.5 OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS

##### a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax, Land Tax and the Goods and Services Tax.

##### Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included as part of current receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

##### b) Impairment of non-financial assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income, unless the asset is carried at the re-valued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

##### c) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being Council's operating cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

##### d) Comparative information

Where required by Accounting Standards or other requirements, comparative figures are adjusted to conform with changes in presentation for the current financial year.

##### e) Budget

The estimated revenue and expense amounts in the Statement of Comprehensive Income represent revised budget amounts and are not audited.

##### f) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

##### g) Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value and inclusive of the GST payable.

## 7.5 OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS

(continued)

### h) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

#### i) AASB 9 Financial Instruments

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 Council's business model for holding the particular asset and its contractual cash flows. Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of

both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

There was no impact of adopting AASB 9 as at 1 July 2018.

#### i) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

#### i) AASB 15 Revenue from Contracts with Customers

The standard has been deferred by AASB 2016-7 Deferral of AASB15 for Not-for-Profit Entities, until the 2019-20 reporting period. 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 where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 7. Council's assessment is that the grant amounts received unexpended for the year, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

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.

#### ii) AASB 1058 Income of Not-for-Profit Entities

This standard has been deferred until the 2019-20 reporting period.

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. Council does not anticipate a material impact upon the introduction of the standard.

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. 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 nil, as revenue recognised when received from Rates and charges in advance, is already being recorded as a liability (refer notes 5.4) with revenue deferred until the commencement of the applicable rating period.

## 7.5 OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS

(continued)

### iii) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Council will apply the standard from 1 July 2019. Exemptions allow councils to apply AASB 117 for the 30 June 2019 reporting year. 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. Council's existing lease commitments are disclosed in Note 6.6. 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. Council's current operating lease expenditure is shown at Note 6.6. 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 will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

### iv) AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Council is yet to determine a likely financial impact but anticipates that will have no material impact.

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

## 7.6 MATERIAL BUDGET VARIATIONS

Council's original budget was adopted by Council on 25 June 2018. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and decisions made by the Council. Material variations of more than 10% are explained below:

### REVENUES

#### Interest

Interest was up \$124,000 on budget due to higher than budgeted interest rates and slightly higher than expected cash balances due to lower than expected expenditures.

#### Grants

Grant revenue was down \$515,000 due to a delay in receipt of budgeted income from the State Government being reimbursement for expenditure incurred remediating Council infrastructure arising from the May 2018 flood events, partially offset by increased child care income from increased enrolments.

#### Contributions - cash

Cash contributions are up \$25,000 primarily due to a higher than budgeted receipt from the DEC ticket seller.

#### Other income

Other income is up primarily due to the receipt of unbudgeted insurance refunds.

#### Contributions - non-monetary assets

Council does not budget for Non-monetary Contributions due to the variability of the value of the assets donated. Council received assets with a fair value of \$3,284,000 during the 2018-19 financial year.

#### Net gain / (loss) on disposal of property, infrastructure, plant and equipment assets

Net loss on the disposal of assets was up \$1,409,00 over budget primarily due to unforeseen costs associated with the renewal of Council assets.

#### Capital grants received specifically for new or upgraded assets

Unbudgeted Capital grants were received for the Granton Cycleway, Eady Street sporting facility and a Flood Early Warning Alert System.

### EXPENSES

#### Finance costs

Finance costs are higher than expected due to the discount on the unwinding of the Provision for Landfill Remediation not being processed this year with the Provision being separately calculated and reduced.

**Independent Auditor's Report**

To the Aldermen of Glenorchy City Council

Report on the Audit of the Financial Report

**Opinion**

I have audited the financial report of Glenorchy City Council (Council), which comprises the statement of financial position as at 30 June 2019 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 2019 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 7.4, nor the Significant Business Activities disclosed in note 7.3 to the financial report and accordingly, I express no opinion on them.

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

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<b>Why this matter is considered to be one of the most significant matters in the audit</b>	<b>Audit procedures to address the matter included</b>
<b>Valuation of property and infrastructure</b>	
<i>Refer to notes 3.3, 4.6 and 6.10</i>	
<p>Property and infrastructure at 30 June 2019 includes transport, stormwater and drainage, land, buildings and other land improvements, totalling \$692.61m. The fair values of land is derived from observable market information with the fair values of buildings and other infrastructure assets are based on depreciated replacement cost.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations where considered necessary.</p> <p>In 2018-19 Council revalued transport assets, stormwater and drainage assets and buildings and other land improvement assets. These assets were revalued by applying appropriate indexation.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged</p> <p>Capital payments in 2018-19 totalled \$10.16m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental</p>	<ul style="list-style-type: none"> <li>• Assessing the scope, expertise and independence of experts involved to assist in the valuations.</li> <li>• Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>• Critically assessing assumptions and other key inputs in the valuation model, including corroboration of assumptions to external data and application of indexation.</li> <li>• Testing, on a sample basis, the mathematical accuracy of the indexation calculations.</li> <li>• Evaluating management's assessment of the useful lives.</li> <li>• Performing substantive analytical procedures on depreciation expenses.</li> <li>• Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.</li> <li>• Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.</li> <li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>

### 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 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.

From the matters communicated with the General Manager, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Ric De Santi**  
**Deputy Auditor-General**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

5 November 2019  
Hobart

## AUDIT PANEL REPORT

### BACKGROUND / INTRODUCTION

Glenorchy City Council's Audit Panel was formally established by a decision of Council. The operation of the Panel is guided by Council's Audit Panel Charter which is based on the requirements of the *Local Government (Audit Panels) Order* issued by the Minister for Local Government under section 85B (1) of the *Local Government Act 1993*.

### AUDIT PANEL MEMBERSHIP AND MEETINGS

Membership of the Audit Panel comprises two Councillors and three independent members. Following their election to Council in January 2018, Aldermen Matt Stevenson and Peter Bull were appointed to the Audit Panel.

During 2018-19 the independent members of the Panel were Robert Hogan, David Sales and Michael Stevens. Mr Hogan was Chair of the Panel during this whole period.

### MEETINGS OF THE PANEL

The Panel met seven times during the financial year ending 30 June 2019. In addition to Panel members, meetings were also attended by a range of Council staff including the General Manager, Director Corporate Services, Chief Finance Officer, Manager Corporate Governance, Manager People and Culture, Executive Officer and Senior Risk and Assurance Advisor (who acts as secretariat for the Panel).

Representatives from Council's Internal Auditors, Deloitte and WLF, as well representatives from the Tasmanian Audit Office (TAO) also attended Audit Panel meetings.

### ROLE OF THE PANEL

The role of the Audit Panel is to support the elected Council by providing independent assurance and advice in relation to Council's financial reporting and controls, risk management framework and practices, internal controls, legislative compliance, long term planning, fraud control and corruption prevention. Its role is complemented by both internal and external auditors.

The main responsibilities of the Audit Panel include reviewing:

- whether the annual financial statements of the Council accurately represent the state of affairs of Council
- whether and how the Part 7 plans (these include the Strategic Plan, Long Term Financial Plan and Strategic Asset Management Plan) are integrated and the processes by which, and assumptions under which, those plans were prepared
- the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the Council has in relation to safeguarding its long-term financial position
- whether the Council is complying with the provisions of the Act and any other relevant legislation, and
- whether the Council has taken any action in relation to previous recommendations provided by the Audit Panel to the Council, and so, what that action was and its effectiveness.

In addition, as the result of a Ministerial Direction issued by the then Minister for Planning and Local Government, the Panel was directed by Council to review and report annually on compliance with a range of matters including Local Government legislation, Council policy, procedures and codes and Council's Statement of Expectations between Aldermen and the General Manager. The Panel's first report was provided to Council in May 2019.

### EXTERNAL AND INTERNAL AUDIT

#### External Audit

As legislated, Council's external audit service is provided by TAO, whose staff attended two Audit Panel meetings during the 2018-19 financial year.

During these meetings, the Audit Panel and TAO officers reviewed and discussed Council's interim and final Financial Report for 2017-18 including the TAO completion report.

The Panel also discussed with TAO staff the 2018-19 Financial Year Audit Strategy and Plan and a review of key audit areas identified for the year. In addition, outstanding audit recommendations from previous external audits were reviewed including findings from the previous 2017-18 audit. There was a total of eight (8) findings that needed to be addressed by Council. The Audit Panel has followed up progress on these matters during 2018-19.

The Panel also responded to a survey from the TAO on materiality. The survey was preparatory to reporting on materiality in the 'future years' financial reports.

#### Internal Audit

Internal audits support the work of Council and the Audit Panel by reviewing Council's systems and operations in accordance with an agreed internal audit plan. The plan is based on a risk management approach, is reviewed annually and can be altered should specific issues require attention.

These audits aim to identify how well risks are managed, whether the right processes are in place, whether agreed procedures are being followed and whether improvement can be made. Recommendations to address issues or to adopt improvements are considered by Council's management. The final report reviewed by the Audit Panel and all recommendations are monitored by the Audit Panel at each ordinary meeting, to ensure they are implemented.

To discuss the progress of the internal audits undertaken during the year, senior staff from Deloitte attended three Audit Panel meetings and senior staff from WLF attended two (2) Audit Panel meetings.

The planned internal audit program for 2018-19 included:

- workforce specialisation and licences
- merit based employment
- payroll processes
- a fraud risk assessment, and
- emergency management

As the existing contract for internal audit finished in June 2018, a tender for internal audit and fraud risk assessment services was issued. Audit Panel independent members participated in the tender evaluation process.

The tender process delayed the roll out of the 2018-19 internal audit program. In particular, the proposed fraud risk assessment was deferred to 2019-20 and an audit of emergency management was delayed. The adoption of the three-year internal audit plan was also delayed. The internal audit plan for 2021-22 was endorsed in May 2019 for adoption by Council.

An audit from the 2017-18 internal audit program, Materials Management Handling (non-store items), was reported early 2018-19.

In addition to the audit plan, an audit on Council's management of private information was undertaken in 2018-19. This audit has led to the development of an extensive program across Council to address issues and improvements identified in the audit.

The Audit Panel regularly monitors progress with adopted internal audit recommendations. As at June 2019 there were 32 recommendations outstanding of which 19 related to areas identified as being of high, significant or notable risk. This compares to the situation in July 2018 when there were 48 recommendations still to be finalised including 24 recommendations that related to areas identified as being high, significant or notable risk.

While there is some difficulty in comparing year on year progress, as new audit recommendations are added and completed recommendations are removed, the Audit Panel, as in previous years, remain concerned at the number of outstanding audit recommendations that relate to higher risk rated issues. While the Panel appreciates the progress that has been made in addressing outstanding audit recommendations further progress is essential in 2019-20.

The Panel would like to acknowledge the additional funding that was provided in 2018-19 budget by Council to enable the implementation of internal audit recommendations.

### Other Panel Activities during the Reporting Period

During the year under review the Audit Panel:

- monitored progress with, and reporting on, the action plan to address Ministerial Direction 5(b)
- more generally monitored progress with implementation of all the Ministerial Directions
- monitored the roll-out of the legislative compliance process
- finalised the internal audit program both short term for 2018-19 and longer term to 2022
- continued to review and advocate for implementation of outstanding audit recommendations
- reviewed and endorsed the Financial Statements for financial year ending June 2018
- meet with TAO to discuss the 2017-18 audit and any issues that arose and recommendations made
- oversaw the 2018-19 External Audit planning process
- completed the biennial Audit Panel performance self-assessment survey and identified seven items that required action

- provided with an initial brief and ongoing progress reports on Council's Compliance and Delegations project, including reports on the project actions implemented
- monitored progress towards the implementation of the actions arising from the Ministerial Directions issued following the Board of Inquiry Report
- received a brief on Council's Good Governance Framework and the results of the desktop audit of Council's performance in the governance area together with proposed improvement actions
- considered and recommended for adoption a Fraud Prevention and Corruption Control Policy
- received an update on the Records Management compliance audit conducted by the state government's 'Government Information Strategy Unit
- reviewed the Audit Panel Charter and made recommendations for improvements to its Charter, as well as considered and recommended an Audit Panel Code of Conduct to Council
- provided with, and considered a briefing on Council's Information Security Framework and Cyber Security
- reviewed the Long-Term Financial Management Plan (LTFP) financial prediction against the actual 2016-17 results and discussed areas of difference. The Panel also considered the updated 2018-19 - 2027-28 LTFP and the possible introduction of parabolic depreciation for some long-term assets
- considered a draft Business Continuity Policy and Framework and discussed business continuity planning and testing proposed for 2019-20
- regularly reviewed and commented on General Manager's Quarterly Report information and issues raised by this information
- received information about the renewal of Council's insurance for both 2018-19 and 2019-20 including proposed changes in insurance coverage for some items in 2019-20
- signed off on the financial audits of the Roads to Recovery Project
- reviewed credit card expenditure held by Council's General Manager, and
- Received briefings by Council management on key legal, insurance and operational issues.

Audit Panel members also attended Audit Panel workshops conducted by the Local Government Association and two (2) meetings of the Southern Region Council Audit Panel Chairs. In addition, Audit Panel members attended relevant Council workshops over the course of the 2018-19 financial year.

**Robert Hogan**  
Chairman, Audit Panel

August 2019





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