



# Glenorchy City Council

## QUARTERLY REPORT

FOURTH QUARTER, 2019-20

Quarter  
ending  
30 JUNE  
2020



**GLENORCHY**  
CITY COUNCIL

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# Strategic and Operational Highlights

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I am pleased to present Glenorchy City Council's quarterly report for the fourth quarter of 2020.

In my third quarter report, I noted that the impacts of COVID-19 on the Glenorchy community and our Council were only just beginning to be felt. It's safe to say that our fourth quarter, and indeed the entire financial year, has been dominated by managing our Council's response to the pandemic.


This has required a considerable amount of effort, both operationally, to ensure that Council was continuing to provide essential services to the community, and strategically, to manage the economic and social impacts on our municipality and ensure that Council's financial position remained sustainable and we were able to recover from the disruption.

I am pleased to report that while there was an initial shift in focus in some areas of Council to manage the day to day changes necessitated by large amounts of staff working from home and the need to ensure safety, key projects and programs continued to be progressed and there was minimal service disruption to our ratepayers. Our initial focus in our pandemic response was to ensure the wellbeing of our community members and the health and safety of Council's staff.

Early in the pandemic period, Council passed the COVID-19 Community Assistance Package, which offered financial support to ratepayers and businesses directly affected by the COVID restrictions. Internally, we were forced to activate our business continuity plan, which included splitting and relocating teams to the Derwent Entertainment Centre and Moonah Arts Centre and making provision for other staff to work remotely. Another key focus from the beginning of the pandemic was the shift in focus of our annual budget, which was at an advanced stage, but required a considerable change in direction. It became evident in early April that our forecast budget surplus would not be achieved and that the need to increase spending on economic stimulus measures, along with a large hit to our revenue, meant that a substantial deficit was inevitable. Further details of our 2019/20 budget are provided below.

As we moved closer to announcing our budget and as COVID restrictions began to ease, we moved from an emergency response mode to the development and actioning of our economic stimulus projects, and changes to our capital works program, to give our economy the best chance of recovery. A large part of our forecast budget deficit of \$9.6 million for the next financial year is taken up by a \$5m interest free loan from the Tasmanian Government, which will be spent exclusively on projects to stimulate our economy and other capital works projects.

Throughout all of this, Council continued to deliver key services to the community. Roads and footpaths were maintained, planning and building applications were assessed, environmental health regulations were monitored and enforced, and our Customer Service Team continued to be available to assist community members. I am immensely proud of the collective effort of our staff and Aldermen, to keep Council functioning with an eye on the future, and particularly of the resilience that our workforce, and our community, has shown throughout such a trying and unprecedented time.



This report gives a more detailed overview of our response, as well as how our ‘business as usual’ functions performed during the fourth quarter. Whilst the year didn’t finish in a way that anyone could have predicted, I remain comfortable and optimistic about Glenorchy’s immediate future, and am excited about what we can achieve in the months and years to come.

## COVID-19 Community Assistance Packages


In the last quarterly report, I provided details of the Interim Community Assistance Package adopted by Council during a Special Council Meeting in March. At a further special council meeting on 18 May 2020, Council introduced its COVID-19 Community Assistance Package for the 2020/21 financial year. The package included:

- A zero bill increase on 2020/21 rates bills for all Glenorchy ratepayers through introduction of a COVID-19 Rate Relief Rebate for the 2020/21 year
- Specific COVID-19 financial hardship guidelines to streamline applications for relief on rates and charges under Council’s hardship policy
- Deferral of penalties and interest on overdue rates incurred during the COVID-19 emergency period
- Waiver of rent for grassroots community and sporting organisations
- Partial waiver and/or deferral of commercial rents for eligible commercial tenants
- Community and e-commerce grants (discussed below)
- Additional business support measures
- Stimulus projects (detailed earlier in this report)
- A faster payment cycle for supplier accounts.

Council’s COVID-19 Financial Hardship Guidelines were revised and updated to include those suffering hardship as a result of the pandemic. Residents and ratepayers can apply for immediate relief in the form of waiver or deferral of Council fees, charges, penalties and interest. Provisions were also made for tenants of Council properties in the form of immediate rent relief.

Two rounds of quick-response grants aimed at small businesses and local community groups were released in June. The Small Business e-Commerce grant program provided funding to small business wanting to move their business online, and the cost associated with creating a website or accepting online payments. The Can-do Community Grants provided opportunities for local community groups to obtain funding of \$1000, to assist in delivering projects providing social inclusion and connection for our community.

The COVID-19 Community Assistance Package was incorporated into Council’s 2020/21 budget.



## 2020/21 Budget

Council voted unanimously to adopt its budget for the 2020/21 financial year at a special meeting on Friday, 19 June. As noted above, the economic impacts of COVID-19 meant the budget forecasts a budget deficit of \$9.6 million.

Prior to COVID-19, Council was forecasting a modest budget surplus, however we were required to adjust the focus of the budget as the pandemic impacted more and more on Council's finances and the wider community.

The pillars of this year's budget are providing community assistance measures, through initiatives such as the COVID-19 Rate Relief Rebate (above) and increasing Council's capital expenditure through our Capital Works Program, and economic stimulus projects.

Council's priority in preparing the budget was to continue to deliver vital services to our community and to continue investing in programs to improve Glenorchy, and to set us up for a strong recovery from COVID.

The budget included an increased capital works budget of \$21.1 million – a \$7.1 million increase on last year. This includes \$3.4 million towards a range of economic recovery projects, such as developing a regional sport and recreation hub, relocation of the Southern City BMX Track to Tolosa Park, and works which will support strategic investment in tourism, retail and hospitality precincts in the City. It is also planned to spend \$2 million on road resurfacing across the city, and put an extra \$900,000 into the maintenance of our facilities, keeping local businesses in work.

Council's operational expenditure will be increased by \$1.6 million, to \$63.6 million, with almost all of that delivered in the form of COVID-19 community assistance measures, including \$1.5 million in operational spending towards Council's economic recovery projects such as Activity City, Green Shoots Glenorchy, as well as the development of the city's new Arts and Culture Strategy, and fostering a creative workforce hub.

Council is also spending \$1.9 million on the COVID-19 Rates Relief Rebate, which will ensure the amount our ratepayers pay for rates and charges stays the same as their last rates bill.

Our revenue will take an \$8 million hit as it combines the cost of delivering the rebate with other community assistance measures, such as reducing the rent on properties Council owns and waiving interest on overdue rates, as well as losing more than \$2.3 million it would normally receive from its stake in TasWater.

Whilst we are now looking at a forecast \$9.6 million deficit, we are confident we will ride out this storm and come back stronger than ever.

## Derwent Entertainment Centre and Wilkinsons Point

As reported last quarter, a deal was reached at the end of February to sell the Derwent Entertainment Centre (DEC) and Wilkinsons Point area to the Tasmanian Government. Negotiations to finalise this deal were paused at the height of the pandemic, but all parties remained committed to the project, which took on extra significance given the investment in the area will now act as an important economic stimulus.

In early July, it was announced that the Tasmanian Government and LK Group had reached a deal to bring an NBL Team, based at the DEC, to Tasmania in the 2021-22 season. This will require a \$68.5 million investment by the Government in upgrading the DEC and will result in over \$200 million in infrastructure investment in our city.


Negotiations to finalise the sale of the DEC to the State Government continue, with settlement expected to occur some time in August 2020.

The DEC has been part of the GCC family for many years, and we will be sad to see it change hands. However, the trade-off is Glenorchy will receive a huge economic boost, with \$60 million of State Government investment in the upgrade of the DEC and a new indoor sports facility as well as the potential for a key strategic area of land to be developed. It will also free up more of Council's resources to focus on core services. I'd like to acknowledge the outstanding work done by our dedicated DEC Venue Manager, Renee Brown, and her deputy, Ben Gibbons over the past years. Under Renee and Ben's watch, and expertise, the DEC has had more success in recent years than it ever has, and, had attracted some major international acts, including Disney on Ice (which was unfortunately cancelled due to COVID). They have also shown amazing leadership for their staff as the sale was negotiated and progressed.

## Economic Stimulus Projects

As part of Council's COVID-19 response, a decision was made to access \$5 million from the Tasmanian Government's local government interest free loan program to fund Council's COVID-19 Economic Recovery Program. The Program consists of the following projects.

- Activity City - a business support program and buy local campaign
- Greater Glenorchy Plan - planning for strategic investment in tourism, retail and hospitality
- City Scape - creating a vibrant city centre for Glenorchy
- Green-shoots in Glenorchy - a small business and start-up incubator
- Showcase - delivering an Arts and Culture Strategy and creative workforce hub
- Corridor of Modern Art - leveraging Glenorchy's arts and culture reputation through a public art trail and tourism asset
- Marine and Defence precinct and innovation - leveraging the marine and defence precinct
- Regional Sport and Recreation Hub

- 
- Cycling Hub at Tolosa Park, and
  - Making the Berriedale Peninsula Caravan Park development ready

Implementation of the majority of projects is already underway with City Scape and the Marine and Defence Precinct projects subject to further review by Council.

The Economic Recovery Program includes projects that will utilise both operating and capital expenditure, with the capital categorisation to be determined as project plans are developed and refined.

## Activity City

In May, Council's Economic Development and City Strategy team actioned the first of the economic recovery projects, with the launch of the Activity City website and program.

Activity City ([www.activitycity.com.au](http://www.activitycity.com.au)) is an online directory to showcase local Glenorchy businesses. The site includes information about accessing business grants, free advice and programs, as well as links to sources of government funding.

The Activity City initiative aims to provide a launchpad for local business and encourage the whole community to buy local. Retailers in our city employ more than two-thousand Glenorchy residents. Council staff have been contacting hundreds of local businesses encouraging them to sign up and have invested considerable time in marketing and promoting featured businesses through Council's social media channels.

## Montrose and Giblin's Playspaces

Despite the disruption of the COVID pandemic, planning for the new destination playspaces at the Montrose Foreshore and Giblin's Reserve continued in earnest, with draft designs released for public comment in the middle of May 2020.

Due to COVID-19 the project team was forced to change the way they displayed the designs. The Social Pinpoint platform provided a popular interactive viewing space where the community could leave their feedback. The Mayor and the designers also provided additional support through short videos to explain the design concepts and encourage feedback from the community. Consultation on the draft designs closed at the beginning of June.

Final designs were expected to be presented at the June Council meeting however the timeline was extended as designers navigated more complex design elements that were identified during community consultation. The custom designs, which champion inclusive and accessible play, require further technical scrutiny before the final designs are released.

The final designs are expected to be presented at the September Council meeting for approval. Once the designs are approved the project team will submit development applications and begin the procurement process with construction estimated to begin in early 2021.



## CBD Revitalisation Project

Stage 3B of the Glenorchy CBD Revitalisation Project was officially concluded in early May, with works on the final stage, Stage 3C, beginning on 11 May 2020. All works to date have been completed within estimated time frames and on budget.

The final stage was able to commence a month earlier than anticipated. During the fourth quarter, work on Stage 3C identified further complexities which added additional difficulty to the build. This included the location of retaining walls and underground services, the presence of trees and other road alignment issues. As a result, the works are now expected to be finished in November 2021, slightly later than originally planned.

Stage 3C of the project will include:

- Another raised table intersection at Regina Street and Main Road allowing safer pedestrian access
- A raised table pedestrian crossing at Main Road and Barry Street intersection
- New garden beds, seating, steps and access ramps
- Further tree plantings and safety bollards to be installed
- Removal and relocation of the current taxi rank.

The Project team continues to provide regular updates on a weekly basis, engaging with the community through the Council's social media and its dedicated project page on the Council website.

## Hobart City Deal

The Hobart City Deal is a ten-year agreement between the State and Federal governments and the four Hobart councils to deliver a range of initiatives to benefit Greater Hobart. Council signed the deal on 24 February 2019.


Council adopted the City Deal Implementation Plan on 30 September 2019.

Implementation of the City Deal has now commenced, with senior Council staff represented on the the Implementation Board for the project and Working Groups relating to Transport and Housing and Smart Cities.

Key working groups have continued to meet and progress the implementation of the deal during the quarter, with Council advocating strongly for funds to be allocated towards the development of the Northern Suburbs Rail Corridor and introduction of passenger rail for Hobart. The State Government's transport mode analysis study for Greater Hobart is being developed and is due to be finalised by late July.

The Greater Hobart Committee was also formed during the quarter, with its first meeting held on 28 May 2020. The Committee will oversee the implementation of the Greater Hobart Act, and ensure that its strategic benefits are realised by all four Greater Hobart councils. A draft Vision for greater





Hobart and an implementation schedule for the Greater Hobart Work Plan were endorsed during the quarter.

## Berriedale Foreshore Reserve and Masterplan

On 23 December 2019, following the completion of an initial investigation and community consultation, Council voted to commence the process for the potential disposal (sale) of part of the Berriedale Foreshore Reserve, which is currently being used as a BMX Track and MONA's overflow car park.

Council conducted formal community consultation and notification in accordance with the process set out in the Local Government Act throughout the quarter, including the proactive engagement with key stakeholders, including MONA and the Southern City BMX club. Following the completion of the section 178 consultation, Council voted at its meeting on 27 April 2020 to approve the disposal of the site and to enter into a 120-day exclusive negotiation period with MONA for the sale or lease of part of the area. Council's decision is currently subject to an appeal to the Resource Management and Planning Appeal Tribunal which will be heard in August 2020.

Council will work closely with MONA and other key stakeholders to develop a masterplan for the Berriedale Peninsula. Project scoping and procurement progressed during the quarter, with a consultant and project team to be appointed early next quarter and the project progressed. The Berriedale Peninsula is an important strategic site, and the Masterplan will seek to preserve large parts of it for public open space, while striking a balance between recreational and commercial uses (including MONA's) and foreshore access. The public will be given the opportunity to comment on a draft masterplan after it is developed.

## Customer Service Strategy

Another significant project which came to fruition during the quarter was the development of Council's Customer Service Strategy, which was endorsed and approved for public consultation on 29 June.

The draft Strategy has been developed and finalised through extensive consultation with customers, staff and Aldermen, with the assistance of consultants. The purpose of this Strategy is to define what outstanding customer service looks like at Council, and to provide a clear action plan for how we will improve our customer service and deliver on our commitment to the community. Its objectives are:

- To enable Council to understand its customers' needs and support their dealings with Council
- To learn from customers and identify better methods of interacting with a diverse customer base
- To identify progressive and contemporary practices in the world of Customer Service, starting with positive experiences
- To enable Council to work with its customers to understand exactly what they expect from their Council regarding the Customer Service Experience, putting Council in a better position to meet expectations.

The strategy will be released for public consultation and feedback early in the next quarter.



## Glenorchy Mountain Bike Park Masterplan

Council endorsed the preparation of a Masterplan for the Glenorchy Mountain Bike Park at Tolosa Park at its meeting on 30 September 2019. Funding for the Masterplan came from a \$100,000 grant from the Tasmanian Department of Communities, Sport and Recreation.

Development of the Masterplan has proceeded since then, with a draft presented to and endorsed by Council at its meeting on 29 June 2020.

The Masterplan aims to re-establish the Glenorchy Mountain Bike Park as a leading mountain bike destination, with a focus on key points-of-difference such as family-friendly riding, a broad range of track riding options, excellent contemporary facilities and connectivity to other riding opportunities such as the Intercity Cycleway and those available around the Springs/Lower Foothills of kunanyi/Mt. Wellington.

The draft Masterplan was developed in close consultation with all stakeholders, including the mountain biking community, and will be released for public consultation during the next quarter.

## Ministerial Directions

The Minister for Local Government has indicated that he is pleased with Council's completion of the Ministerial Directions arising from the Board of Inquiry process and now only requires an annual report from the Council's Audit Panel.

Tony McMullen  
**General Manager**

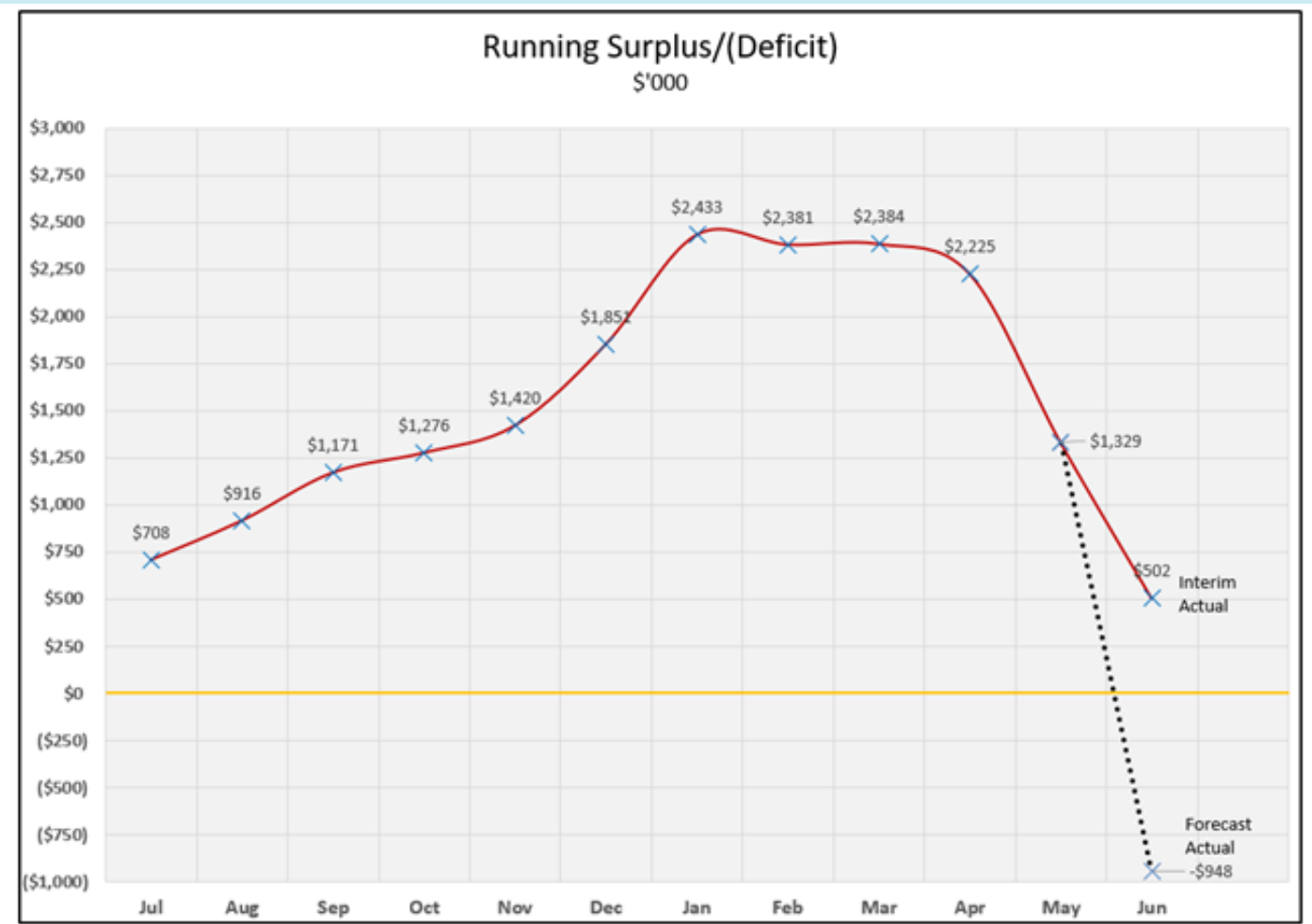
July 2020

# Financial Performance

## Summary

Council's interim net operating result for the year ending 30 June 2020 is currently showing a surplus of \$1.308 million compared to the budgeted position of \$806,000. This represents a \$502,000 improvement comprising \$1.476m less in revenue offset by \$1.978 million less in expenditure.

The interim result will change once end of year adjustments are undertaken with the current forecast indicating a \$948,000 deficit instead of a budgeted \$806,000 surplus.



Contributors to the quarterly result are as follows [(Favourable) / Unfavourable variances from budgeted amounts]:

### **Revenue**

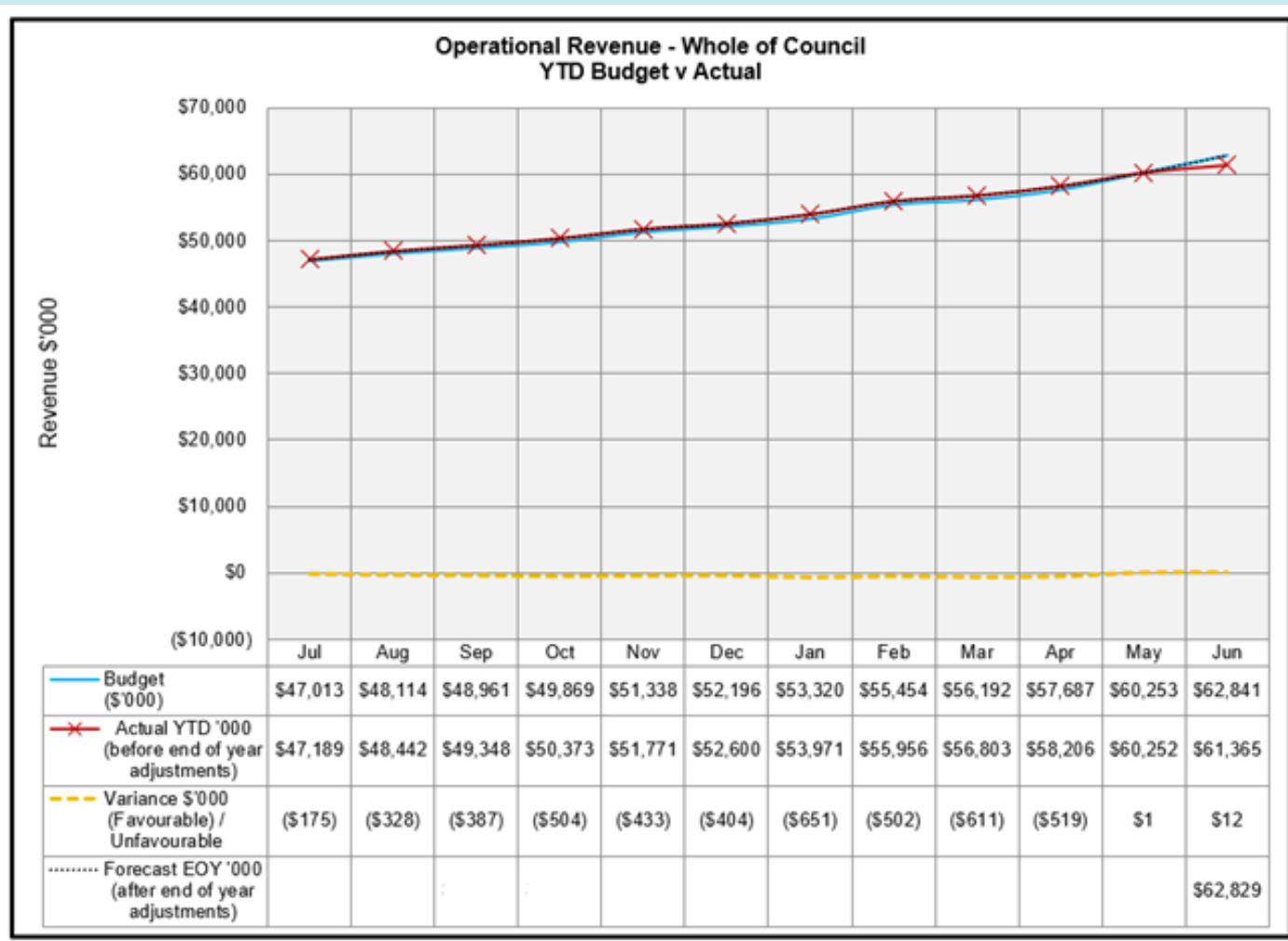
(\$688,012)	Capital grants
(\$404,364)	Net gain/(loss) on disposal of assets
(\$374,783)	Contributions - monetary
(\$90,830)	Operational Grants
(\$59,804)	Other income
\$46,559	Contributions - Cash
\$133,589	Investment interest
\$470,828	Rates
\$1,086,000	Investment in TasWater
\$1,357,079	User charges and licences

### **Expenditure**

(\$1,400,425)	Employee costs
(\$500,000)	Assets written off
(\$197,873)	Depreciation
(\$91,976)	Materials and services
(\$34,224)	Other expenses
(\$7,493)	Internal transfers
(\$2)	State Fire Levy
\$85,209	Finance costs
\$168,721	Bad debts

## **Operational Income**

Interim actual revenue is \$61.365 million compared to budgeted revenue of \$62.841 million. This represents an unfavourable result of \$1.476 million or 2.3% compared to budget (see chart over page).



The following are of particular note at the program level (\*denotes directly impacted by COVID-19)

User charges and licences see shortfalls in Landfill (\$490,000), Building Governance (\$186,000), Public Compliance (\$268,000\*), Derwent Entertainment Centre (\$596,000\*) and Environmental Health (\$116,000\*). On the positive side, there is increased revenue from Planning Services (\$165,000), Waste Kerbside Collection (\$95,000) and Property Services (\$72,000).

TasWater has suspended dividend payments due to the impact of COVID-19, resulting in budgeted revenue not being received (\$1,086,000\*).

Rate revenue has recorded a shortfall (\$470,000\*) for several reasons including (a) the requirement to grant charitable rebates after the budget was adopted (b) the 0.50% supplementary growth factor was not achieved and (c) the introduction of a COVID-19 Community Assistance Package.

Record low interest rates since the budget was prepared has resulted in reduced interest on investments (\$133,000).

Capital grants in excess of budget have been received for Roads-2-Recovery (\$188,000) and Recreation (\$500,000).

Operating grants in excess of budget have been received for Childcare Subsidies (\$256,000) however claims for reimbursement of 2018 Flood Damage Works has fallen short of budget (\$305,000).

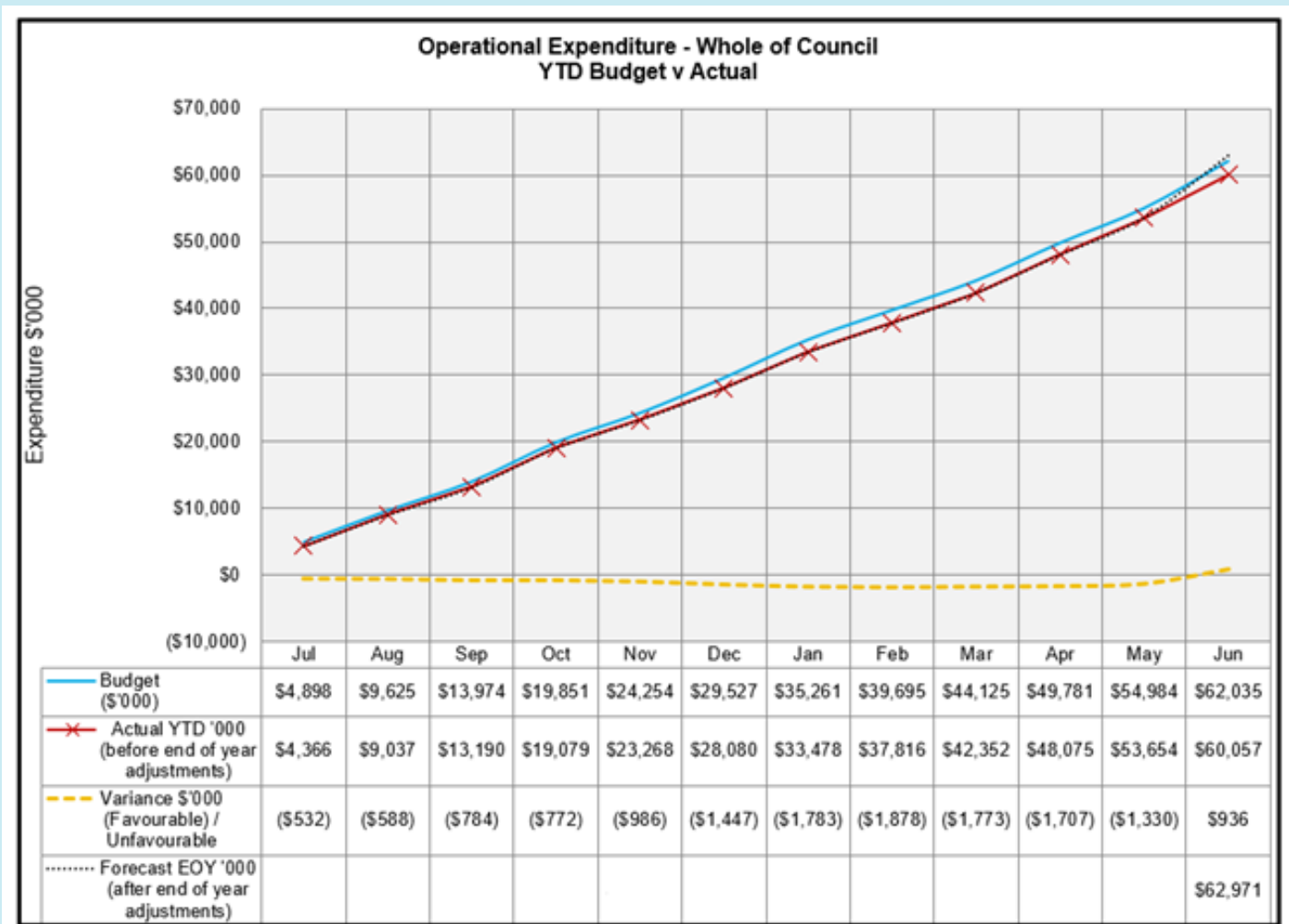
Other Revenue is primarily a one-off contribution towards employee costs of the 26TEN project (\$44,000).


Monetary contributions for future capital works or reimbursement of current works have been received (\$374,000).

Proceeds from the sale of surplus or redundant assets (vehicles, plant & equipment, land and computers) records a positive net result against budget (\$404,000) however this will be partly reduced by written-down value adjustments to disposed assets on 30 June.

## Operational Expenditure

Interim actual expenditure is \$60.056 million compared to budgeted expenditure of \$62.034 million. This represents a favourable result of \$1.978 million or 3.2% compared to budget.





Of particular note at the program level for this quarter:

Employment costs are under budget by 5.6% (\$1,400,425) which is reflective of each month this year due to vacancies at the start of the year.

Assets written off calculations are yet to be undertaken resulting in the budgeted amount not yet being utilised (\$500,000).

Depreciation expense is below budget (\$197,000) mainly due to reduced depreciation for landfill restoration.

Materials and services is on track at just 0.6% variance in a \$16 million budget. Programs recording under expenditure are Waste Management (\$365,000), Landfill (\$136,000), Contingency (\$408,000) and Derwent Entertainment Centre (\$286,000). Programs recording over expenditure are Vegetation Control (\$257,000), Urban Services (\$254,000), Land Sales (\$212,000), Facilities Maintenance (\$165,000) and Infrastructure (\$147,000).

Finalisation of outstanding matters in the KGV development and a range of uncollectable invoices has resulted in the writing-off of some debts (\$168,000).

The unwinding provision calculation is yet to be undertaken resulting in the budgeted amount under Finance Costs not yet being utilised (\$104,000).

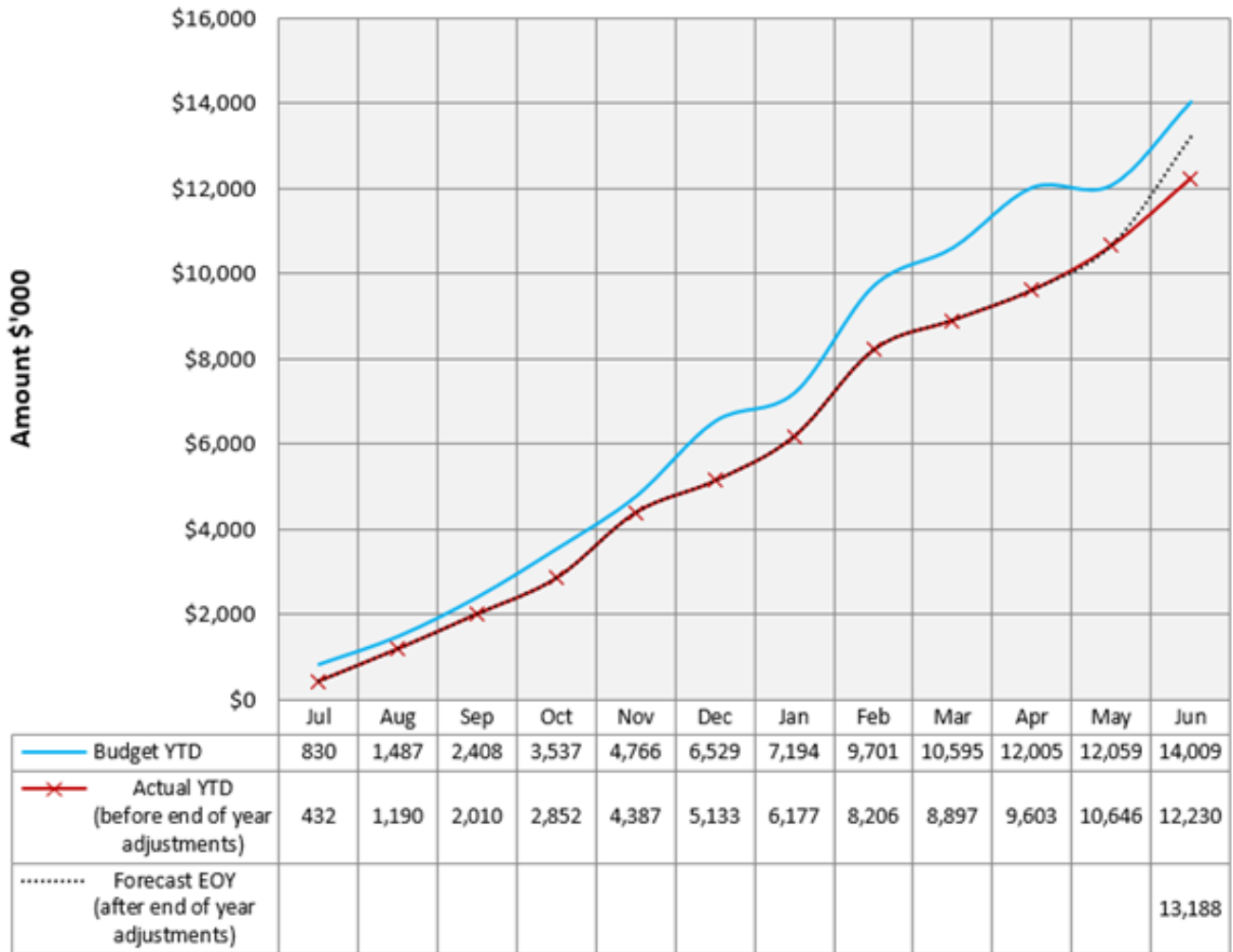
## Cash and Investments

At 30 June 2020, actual funds available in cash and investments totalled \$16.868 million representing a marginal improvement on \$16.776 million for the same period last year.

## Capital Works

The capital works program at 30 June 2020 shows actual expenditure of \$12.230 million against a budget of \$14.009 million. However after accounting for invoices paid in July for works performed prior to 30 June, the adjusted expenditure is \$13.188m thus delivering approximately 94% of the 2019/20 program (see chart over page).

### Capital Works ALL PROGRAMS YTD - Budget v Actual & Forecast \$'000



The difference of just under \$1 million is in line with previous forecasts reported to Council and represents a good result in a difficult year.

Program	Actual	Budget	Variance
Information & Communication	\$261,575	\$501,000	\$239,425
Transport	\$7,584,290	\$7,911,729	\$327,439
Property	\$1,163,523	\$1,585,200	\$421,677
Plant & Equipment	\$1,602,752	\$1,541,473	(\$61,279)
Vehicle Replacement	\$336,871	\$359,727	\$22,856
Stormwater	\$1,280,855	\$1,479,945	\$199,090
Unallocated	\$0	\$630,242	\$630,242
<b>TOTALS:</b>	<b>\$12,229,866</b>	<b>\$14,009,316</b>	<b>\$1,779,450</b>

*nb: Figures are prior to end of year adjustments*



## Rates Collections

At 30 June 2020, the total rates collected under the new four instalment method was 98.4% compared to a collection rate at the same time last year under the former two instalment method of 98.6%. The impact of COVID-19 on the final result was minimal as the pandemic occurred after the fourth and final instalment due date. The full impact will become more evident in the 2020/21 quarter one report to be presented to the October meeting.

## FTE (full time equivalent) Positions

For the year ending 30 June 2020, there is an increase of approximately four full-time FTE positions but a corresponding decrease of three in part-time FTE positions. Overall, the employment position for the 2019/20 year has been relatively stable compared to previous years.

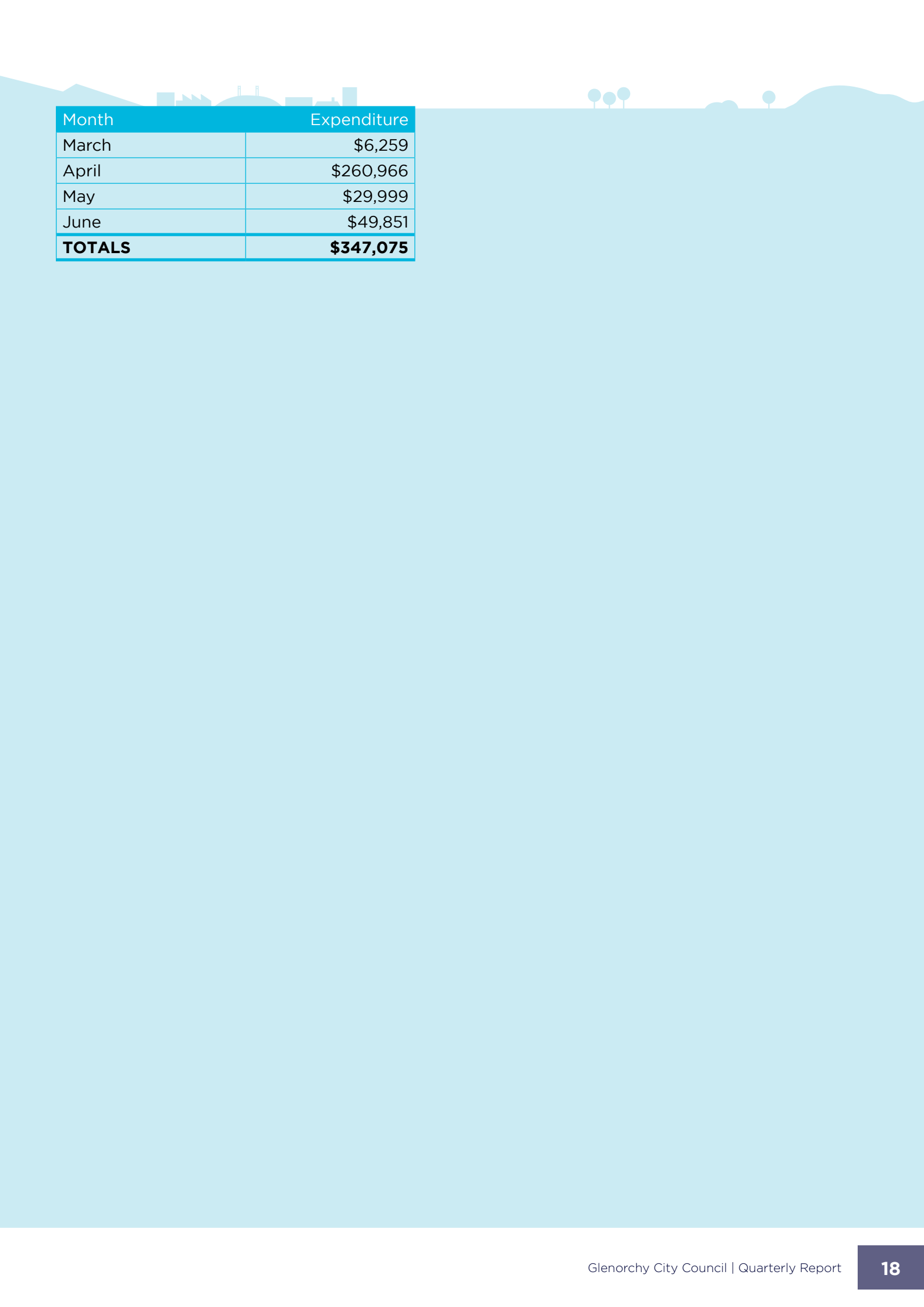
Employment Class	Q4 FTE (30/6/19)	Q1 FTE	Q2 FTE	Q3 FTE	Q4 FTE
Full time	193	196	195	193	197
Part time	54	52	55	56	51

*nb: rounded up to nearest whole number.*

## COVID-19

Finance has been recording expenses incurred in implementing COVID-19 restrictions and, to date, has identified \$347k in expenditure as follows:

Category	Expenditure	Purchase Orders
Communication	\$5,156	\$40
Contractors	\$20,839	\$23,799
Employee Costs	\$245,428	
Equipment Hire	\$9,142	\$2,216
Information Technology	\$18,700	
Labour Hire	\$3,496	\$535
Materials	\$27,627	\$2,333
Media / Advertising	\$2,905	
Plant and Equipment	\$890	
PPE	\$4,835	
Public Relations	\$440	
Safety Equipment	\$6,586	\$1,085
Security Services	\$391	
Subscriptions	\$42	
Vehicle Use	\$599	
<b>TOTALS</b>	<b>\$347,075</b>	<b>\$30,008</b>



Month	Expenditure
March	\$6,259
April	\$260,966
May	\$29,999
June	\$49,851
<b>TOTALS</b>	<b>\$347,075</b>

# Financial Reports

## Statement of Comprehensive Income to 30 June 2020

Year to date (YTD)	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	2020 Variance Actual to Budget \$'000
<b>Income</b>					
<b>Recurrent Income</b>					
Rates	1	41,466	40,995	39,940	▼ 1.1%
User charges and licences	2	12,358	11,001	12,166	▼ 1.0%
Interest	3	463	329	497	▼ 28.9%
Grants	4	5,115	5,2065	3,611	▲ 1.8%
Contributions - cash		138	91	135	▼ 3.7%
Investment income from TasWater		2,172	1,086	2,024	▼ 50.0%
Other income		468	528	849	▲ .8%
		<b>62,180</b>	<b>59,237</b>	<b>59,221</b>	<b>1.1%</b>
<b>Capital Income</b>					
Contributions – monetary		5	380	-	▲ 100
Contributions – non-monetary assets		-	-	3,284	0.0%
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	5	77	481	(1,479)	▲ >100%
Capital grants received specifically for new or upgraded assets	6	579	1,267	833	▲ >100%
Fair value recognition of land under roads		-	-	-	
		<b>661</b>	<b>2,128</b>		▲ >100%
<b>Total Income</b>		<b>62,841</b>	<b>61,365</b>	<b>61,860</b>	▼ 2.3%
<b>Expenses</b>					
Employment costs	7	25,006	23,606	21,603	▼ 5.6%
Materials and services	8	16,231	16,131	16,916	▼ 0.6%
Depreciation and amortisation		13,719	13,521	12,655	▼ 1.4%
State Fire Commission contribution		5,899	5,899	5,642	0.0%
Finance costs		31	116	169	▼ >100%
Assets written off		500	-	30	▼ 100%
Bad and doubtful debts		2	171	11	▼ >100%
Other expenses		647	613	640	▼ 5.3%
<b>Total expenses</b>		<b>62,035</b>	<b>60,057</b>	<b>57,665</b>	▼ 62.2%

## Statement of Financial Position to 30 June 2020 (con't)

Year to date (YTD)	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	2020 Variance Actual to Budget \$'000
<b>Surplus/(deficit)</b>		806	1,308	4,195	▲ 62.2%
<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		-	-	15,106	
		-	-	15,106	
<b>Items that may be reclassified subsequently to surplus or deficit</b>					
Financial assets available for sale reserve					
- Fair value adjustment on available for sale assets		-	-	24,173	
				24,173	
<b>Total other comprehensive income</b>		-	-	39,189	
<b>Total comprehensive result</b>		806	1,308	43,384	▲ 62.2%

## Statement of Financial Position

	2020 YTD \$'000	2019 YTD \$'000
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	16,868	16,776
Trade and other receivables	1,813	1,905
Inventories	91	116
Non-current assets classified as held for sale	741	741
Other current assets	77	129
<b>Total current assets</b>	<b>19,589</b>	<b>19,666</b>
<b>Non-current assets</b>		
Investment in TasWater	191,317	191,317
Property, infrastructure, plant and equipment	689,021	700,261
Investment properties	-	-
Other non-current assets	14,904	4,993
<b>Total non-current assets</b>	<b>895,242</b>	<b>896,571</b>
<b>Total assets</b>	<b>914,832</b>	<b>916,236</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,719	3,894
Provisions	4,835	4,534
Borrowings	1,005	963
Trust funds	318	339
Contract liabilities	1,002	1,107
Other current liabilities	1,337	1,337
<b>Total current liabilities</b>	<b>10,215</b>	<b>12,173</b>
<b>Non-current liabilities</b>		
Provisions	3,952	3,952
Borrowings	1,155	2,159
<b>Total non-current liabilities</b>	<b>5,107</b>	<b>6,111</b>
<b>Total Liabilities</b>	<b>15,322</b>	<b>12,284</b>
<b>Net assets</b>	<b>899,510</b>	<b>897,952</b>

## Explanatory Notes

These notes are provided where a single or collective variance within the Statement of Comprehensive Revenue requires explanation. To enable \$ variances to be contextualised, they are also expressed as a % variance (rounded to a whole number).

Notes:

1. The threshold for variance reporting only details those areas deemed to be significant

2. Arrow indicators represent:

Revenue higher than budget	▲	Revenue lower than budget	▼
Expense higher than budget	▲	Expense lower than budget	▼

Note	Revenue / Expenditure Item								
1	<p><b>Rates</b></p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Variance \$'000</th> <th>Variance %</th> </tr> </thead> <tbody> <tr> <td>General, Interest, Penalty, Legal Cost Recovery</td> <td>▼</td> <td>470</td> <td>1%</td> </tr> </tbody> </table> <p>Rates revenue is below budget due to the:</p> <ul style="list-style-type: none"> <li>• Suspension of interest charges*</li> <li>• Suspension of rate recovery action*</li> <li>• Lack of growth from supplementary valuations (\$75k)</li> <li>• The granting of charitable exemptions after the budget was adopted (\$150k)</li> </ul> <p>* COVID-19 related</p>			Variance \$'000	Variance %	General, Interest, Penalty, Legal Cost Recovery	▼	470	1%
			Variance \$'000	Variance %					
General, Interest, Penalty, Legal Cost Recovery	▼	470	1%						
2	<p><b>User Fees and Charges:</b></p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Variance \$'000</th> <th>Variance %</th> </tr> </thead> <tbody> <tr> <td>Various</td> <td>▼</td> <td>1,357</td> <td>11%</td> </tr> </tbody> </table> <p>User Fees and Charges ended substantially behind budget due to COVID-19 impacts. Of particular note:</p> <ul style="list-style-type: none"> <li>• Closure of the Derwent Entertainment Centre (\$596k)*</li> <li>• Lower than expected landfill fees (\$490k)</li> <li>• Slow uptake on fees from the Building Permit Finalisation project (\$186k)</li> <li>• Deferred health licence fees (\$116k)*</li> <li>• Reduced parking fines (\$224k)*</li> <li>• Hire of halls &amp; huts (\$78k)*</li> </ul> <p>* COVID-19 related</p>			Variance \$'000	Variance %	Various	▼	1,357	11%
			Variance \$'000	Variance %					
Various	▼	1,357	11%						

Note	Revenue / Expenditure Item			
3	<b>Interest:</b>			
			<b>Variance \$'000</b>	<b>Variance %</b>
	Interest on investments	▼	134	29%
Lower than budgeted interest rates have resulted in reduced returns for Council investments..				
4	<b>Grants:</b>			
			<b>Variance \$'000</b>	<b>Variance %</b>
	Commonwealth Childcare Subsidies – Berriedale	▲	178	34%
	Commonwealth Childcare Subsidies – Benjafield	▲	77	22%
	Flood Damage 2018	▼	138	9%
Commonwealth childcare subsidies continue to track ahead of budget, much of which was received prior to the effects of COVID-19.				
Finalisation of the claim for 2018 flood damage will extend into the 2020/21 year.				
5	<b>Gain/(Loss) on Disposal of Assets:</b>			
			<b>Variance \$'000</b>	<b>Variance %</b>
	Various	▲	404	>100%
Council has budgeted for a gain/(loss) on disposed assets (book value minus sale proceeds), however report represents only the sale proceeds. Adjustments to the book values will take place after 30 June which will offset most, if not all, of the current reported gain.				
6	<b>Capital Grants:</b>			
			<b>Variance \$'000</b>	<b>Variance %</b>
	Various	▲	688	>100%
Council received a state government grant for Levelling the Playing Fields which is to be used for infrastructure upgrades at KGV (\$500k). Also, funding for the Roads-to-Recovery program is ahead of budget (\$121k)				
7	<b>Employee Costs</b>			
			<b>Variance \$'000</b>	<b>Variance %</b>
	Salaries and on-costs	▼	1,400	6%
Employee costs are presently under budget by 6% which is in line with the July starting position and subsequent variances of between 7% to 10% each month for the year. This indicates a stable employment profile with entering and exiting employees turning over at similar rates.				

Note	Revenue / Expenditure Item						
8	<b>Materials and services</b>						
	<table border="1"> <thead> <tr> <th></th> <th>Variance \$'000</th> <th>Variance %</th> </tr> </thead> <tbody> <tr> <td>Various programs</td> <td>99</td> <td>1%</td> </tr> </tbody> </table>		Variance \$'000	Variance %	Various programs	99	1%
		Variance \$'000	Variance %				
Various programs	99	1%					
<p>The actual to budget variance is just 0.6% with particular note to:</p> <ul style="list-style-type: none"> <li>Vegetation Control – contract labour (\$219k)</li> <li>Urban Services – contract labour (\$182k)</li> <li>Landfill – contract labour (\$169k)</li> <li>Contingency (\$500k)^</li> <li>Derwent Entertainment Centre (\$266k)*^</li> </ul> <p>* COVID-19 related</p> <p>^ underspend</p>							

In most instances, variances are “year specific” and are not an indicator of potential budget or actual outcomes in subsequent years.

#### Revenue - Whole of Council \$'000

Variance	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Last Month	(175)	(328)	(387)	(504)	(433)	(404)	(651)	(502)	(611)	(519)	1
This Month	(175)	(328)	(387)	(504)	(433)	(404)	(651)	(502)	(611)	(519)	1
Change	0	0	0	0	0	0	0	0	0	0	0

This month, there is no variation to previously reported revenue.

#### Expenditure - Whole of Council \$'000

Variance	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Last Month	(532)	(588)	(784)	(772)	(986)	(1447)	(1783)	(1878)	(1773)	(1707)	(1330)
This Month	(532)	(588)	(784)	(772)	(986)	(1447)	(1783)	(1878)	(1773)	(1707)	(1330)
Change	0	0	0	0	0	0	0	0	0	0	0

This month, there is no change to previously reported expenditure.



# Key Performance Indicators

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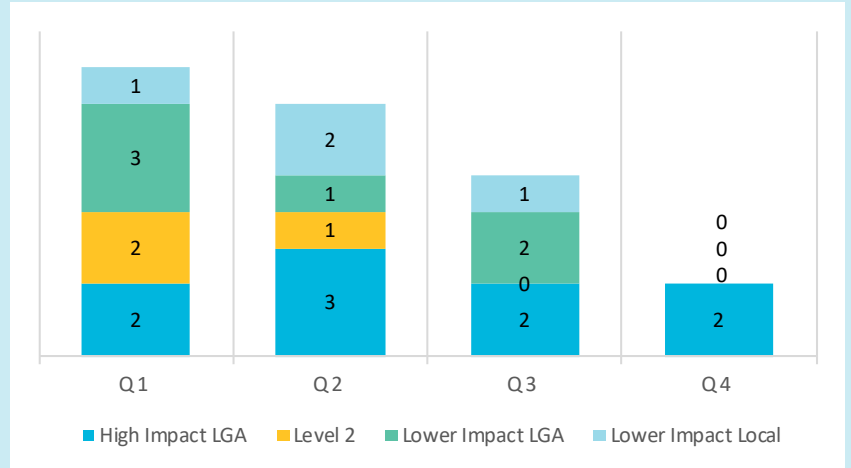
# Making Lives Better

## Number of Engagements

### Quarter 3

There were 5 community engagements during the third quarter, all at the “consult” level. Regarding the level of impact, there were:

- 2 x level 1 engagements (high impact LGA),
- 2 x level 3 engagement (lower impact LGA) and
- 1 x level 4 (lower impact local).



Engagements were: Multicultural Hub

Advisory Forum, Berriedale Foreshore Reserve (disposal of land), Glenorchy Mountain Bike Masterplan, Economic Development Strategy, Sport and Play Infrastructure projects (Montrose Foreshore and Giblins Reserve).

### Quarter 4

Community engagement activities were impacted this quarter due to the COVID 19 situation.

There were 2 community engagements during the fourth quarter, both at the “consult” level, both at level 1 impact (high impact LGA). Engagements were: Sport and Play Infrastructure projects stage 2 (Montrose Foreshore and Giblins Reserve) and the Customer Service Review.

Work also continued on the Glenorchy Mountain Bike Masterplan with a view to further engagement in the next quarter, and planning is underway for the Customer Service Review Stage 2, COVID-19 social recovery and youth network engagements.

Throughout the quarter, there were also a number of “informal” engagements with businesses, community groups and networks regarding how they were coping during COVID-19 and what services were available to the community.

# Making Lives Better

## Community Participation

### Quarter 3

The MAC closed on 20 March 2020 due to COVID19.

During the January-March quarter there were 79 borrowers and 15 social members at the Claremont Community Library. The Library was not open for all of January due to the Christmas break, and closed on 14 March due to COVID-19.

2,100 people attended the Multicultural Hub between January and March.

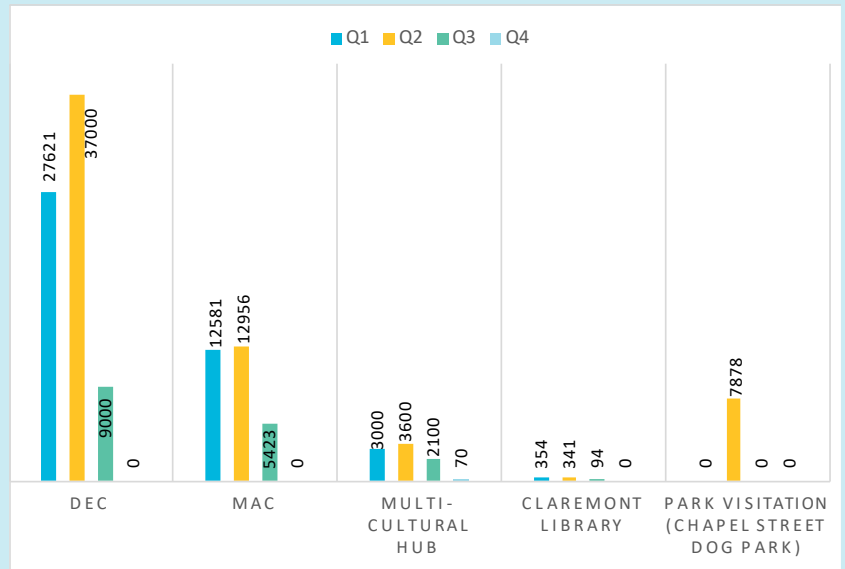
There has been an increase in diversity of groups and activities. The Multicultural Hub was closed from 21 March due to COVID-19

### Quarter 4

The Multicultural Hub was closed from 21 March until COVID-19 restrictions were reduced to allow a maximum of 10 people access in mid-June. 70 people have attended the Hub since re-opening. These were from small groups that included Chinese dancing group, Chinese language group and a women’s group.

All facilities were closed during Q4 due to COVID-19.

The popularity of Council’s Chapel Street Dog Park continues to grow, with numbers generally increasing despite the closure of this facility for a period due to COVID-19. No data has been provided for Q3 and Q4 due to technical problems with Council’s datalogger hardware which stores all of the information.



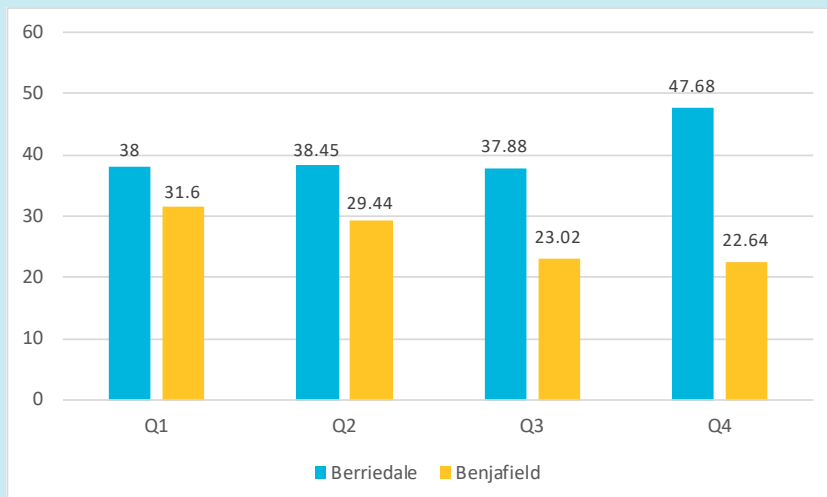
# Making Lives Better

## Capital Works Completed (\$m)

Council spent \$13.2 million (after of end of year adjustments) for the financial year against a \$14 million budget.

Some key projects delivered during the 2019/20 financial year include:

- \$0.3m in ICT projects, including roll out of replacement computers with a focus on mobile work (laptops/tablets)
- \$8m in roadworks projects including:
  - Construction of the Gould's Lagoon Shared Cycle/Walkway
  - CBD Revitalisation Project Stage 3A up to Regina Street, completed
  - Clydesdale Avenue and Myella Drive reconstruction
  - Road resurfacing program, including major work on Sunderland Street, Derwent Park Road, and Elwick Road
  - Barossa Road bus shelter works
- \$1.5m in Stormwater upgrades including works at Milton Crescent, Neera Court and Leonard Avenue
- \$1.4m in property projects including:
  - Consultation and commencement of detailed design work on play spaces at Montrose Foreshore and Giblins Reserve
  - Consultation and commencement of detailed design work on upgrades to Eady Street and KGV Soccer facilities
  - Continuation of the "Pimp My Park" project, including works at Station Street, Moonah
  - Claremont Football Club changeroom upgrade
- \$2m in vehicle, plant and equipment projects including:
  - Roll-out of FOGO kerbside service bins
  - Replacement of a range of heavy equipment and light vehicles

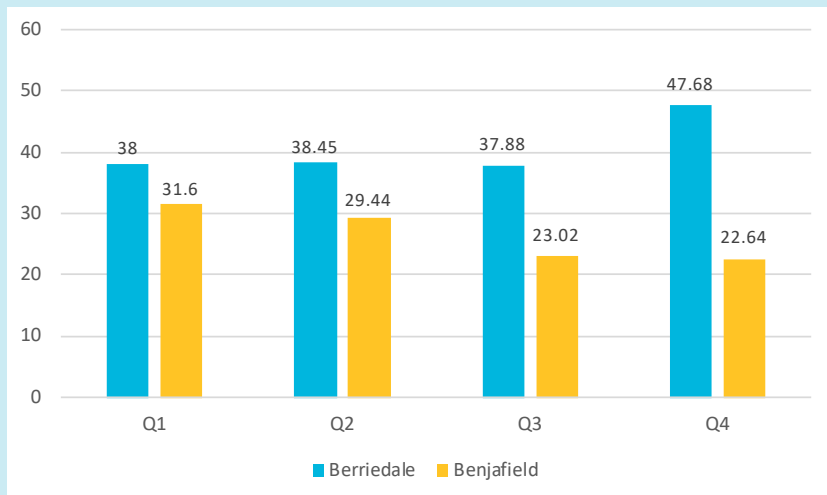


# Making Lives Better

## Service Delivery – Childcare

### Quarter 3

Benjafield and Berriedale Child Care Centres have continued to have high utilisation until the COVID-19 Pandemic which began to affect utilisation from the week beginning 2 March. Benjafield's utilisation Equivalent Full Time (EFT) places was 23.02 and Berriedale's was 37.88. Both Services EFT's remained consistent during this quarter. Both services had a high volume of enquiries for immediate and future care and each service had a waitlist for care for the beginning of the 2020 calendar year.



Both services continued to maintain a 'Meeting' rating under the National Quality Standards and remain compliant with the Education and Care Services National Law and Regulations.

Both Benjafield and Berriedale were successful in their applications to facilitate the Working Together (State Government) program on an ongoing basis throughout 2020 and 2021. Each service will have 5 places available for children of families who are vulnerable or at risk. All of Berriedale's families have commenced in the Working Together program for 2020. Enrolment enquires are being taken for Benjafield's places.

### Quarter 4

The COVID-19 Pandemic began to affect utilisation from the week beginning 2 March 2020, close to the beginning of Q4. Berriedale and Benjafield centres were combined for the period 27 April 2020 to 3 July 2020. Utilisation at Berriedale Equivalent Full Time (EFT) places was 47.68, while Benjafield operated only on Mondays for the above period, with Equivalent Full Time (EFT) places at 22.64. There continued to be new inquiries for care during the quarter.

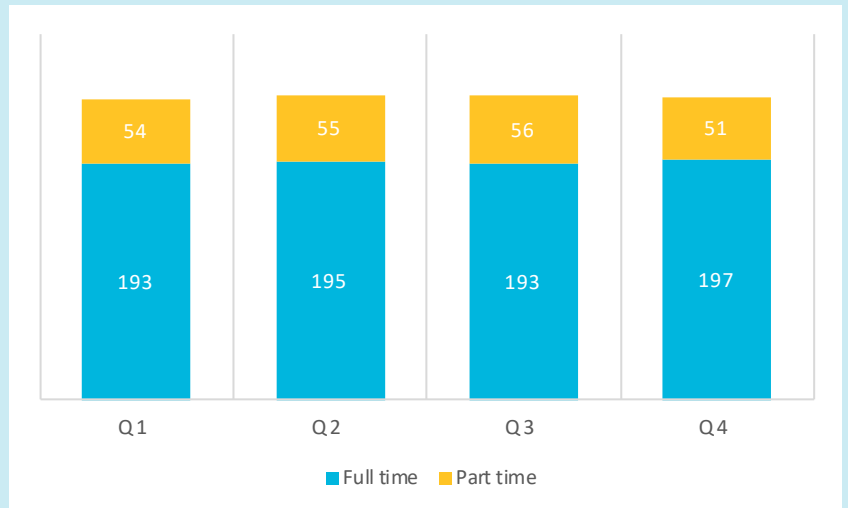
Both services continued to maintain a 'meeting' rating under the National Quality Standards and remained compliant with the Education and Care Services National Law and Regulations. The Education and Care Unit suspended all Assessment and Rating Visits due to the COVID-19 Pandemic.

Berriedale has 5 children participating in the Working Together (WT) program. Benjafield families will be placed when the services re-opens on the nominated Working Together days (Wednesday and Thursday). There are currently 3 families waiting to enrol.

# Open for Business

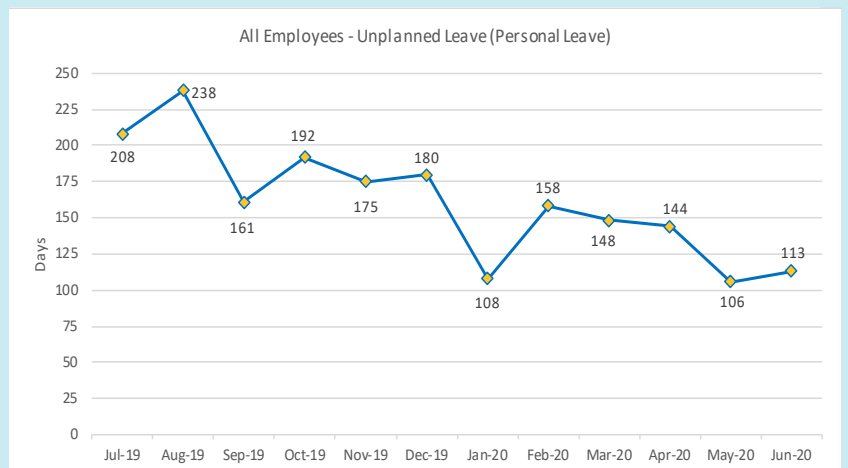
## Full Time Equivalent

Tight controls are in place to ensure recruiting for positions are planned and budgeted as new positions now require a Point of Entry form to justify their approval by the ELT.



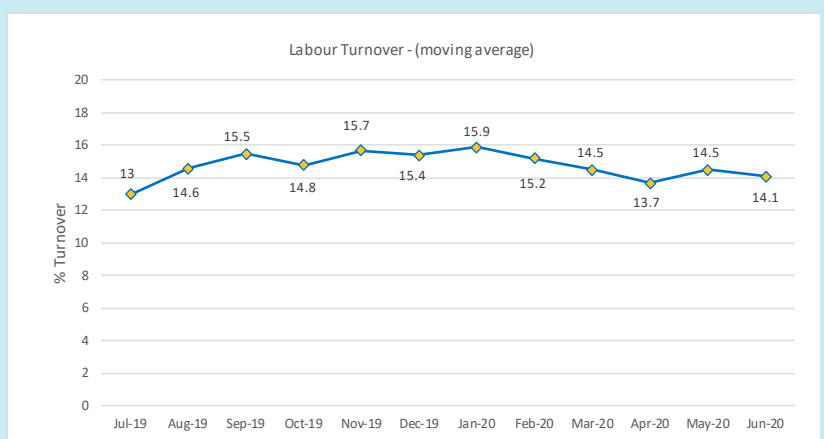
## All Employees – Unplanned Leave (Personal Leave)

There was an obvious decline in unplanned absences that commenced in September 2019 and continued to June 2020. Unplanned leave is considered by some to be an indicator of employee morale, on the basis that if people are unmotivated to come into work, they are more likely to call in sick. This trend has to be considered along with the unknown effects of the COVID-19 lockdown and the reduced severity of the seasonal flu.



## Labour Turnover – 12 Month Moving Average

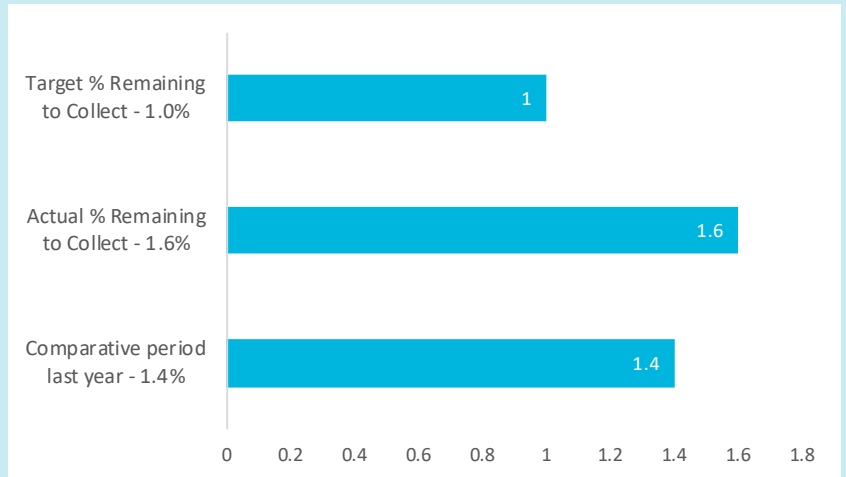
Turnover is trending down with levels returning to the same rate as early 2019.



# Open for Business

## Outstanding Rates Debt Percentage

At 30 June 2020, 1.6% of rates remained uncollected (compared to 1.4% last year) against a target of 1%. The suspension of recovery action due to COVID-19 is the main reason for the increase.

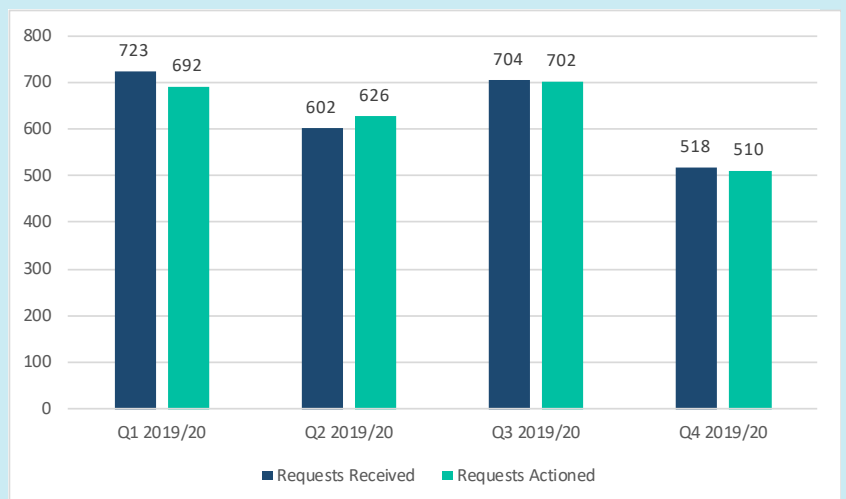


## Work Centre Customer Service Requests

The Work Centre is maintaining an acceptable level of customer request actions in comparison to those being received.

The Works Centre continues to increase its' proactive maintenance activities.

The third and fourth quarter results generally show an increase in Vegetation Management requests, however the highest percentage of requests are in relation to the road and footpath network.



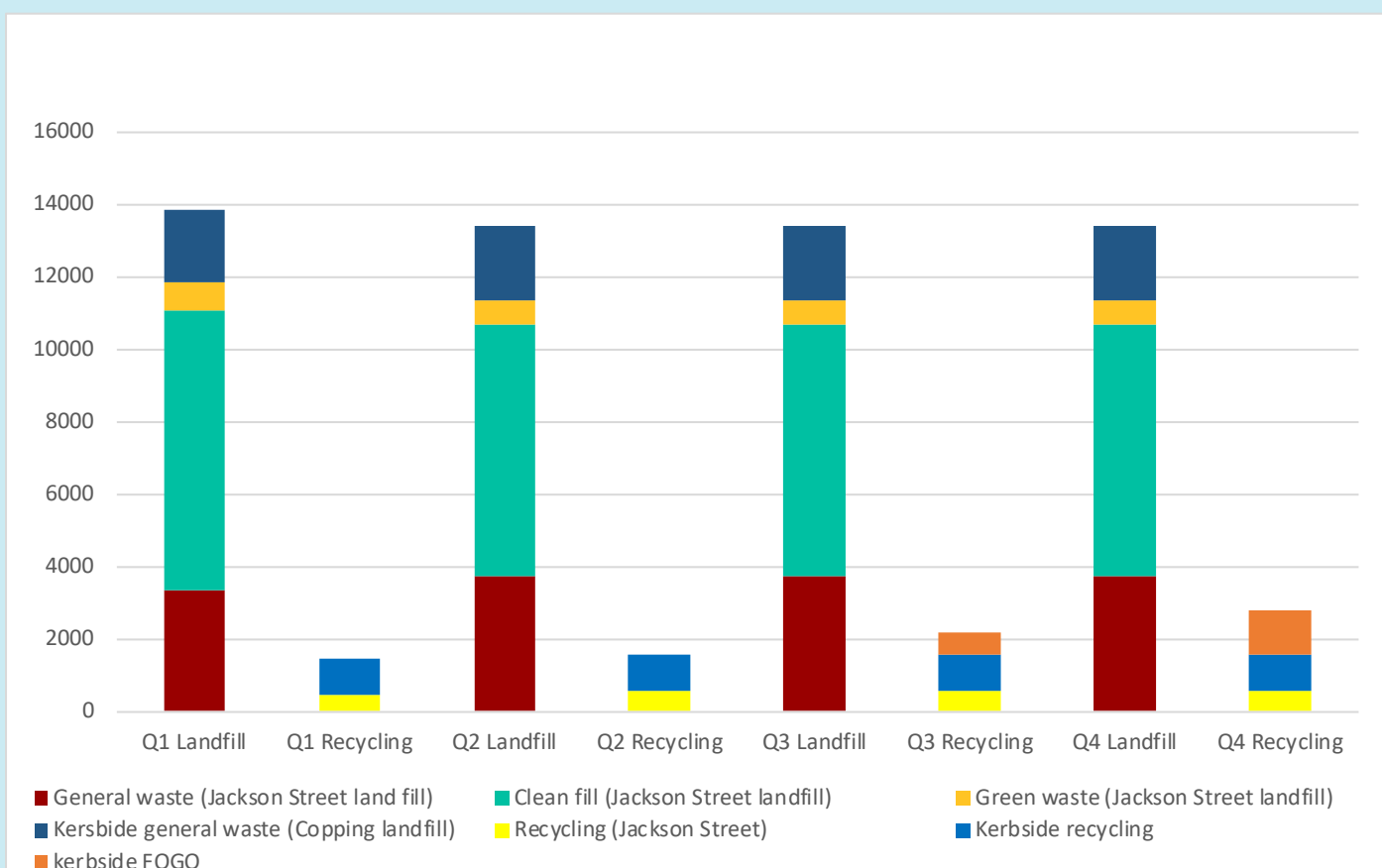
# Valuing our Environment

## Waste Received By Council By Quarter (Tonnes)

Council completed the roll out of FOGO bins and commenced this service in mid-February 2020. The introduction of FOGO has increased the percentage of waste diverted from landfill from 10% to 17%.

There has been an average of 90 tonnes of FOGO waste collected per week during in Q4 and a corresponding decrease of 30 tonnes per week of general waste. With the current participation rate of 52%, there is room for increasing the community’s use of the service, which we expect over time and with further education. The Central Coast Council, for example, has operated for 9 months and has a set out rate of 65-70%.

The Jackson Street Landfill also saw a 70% increase in green waste during Q4, some of which is a result of COVID-19 restrictions, as residents spending time in lockdown cleaning up their yards.





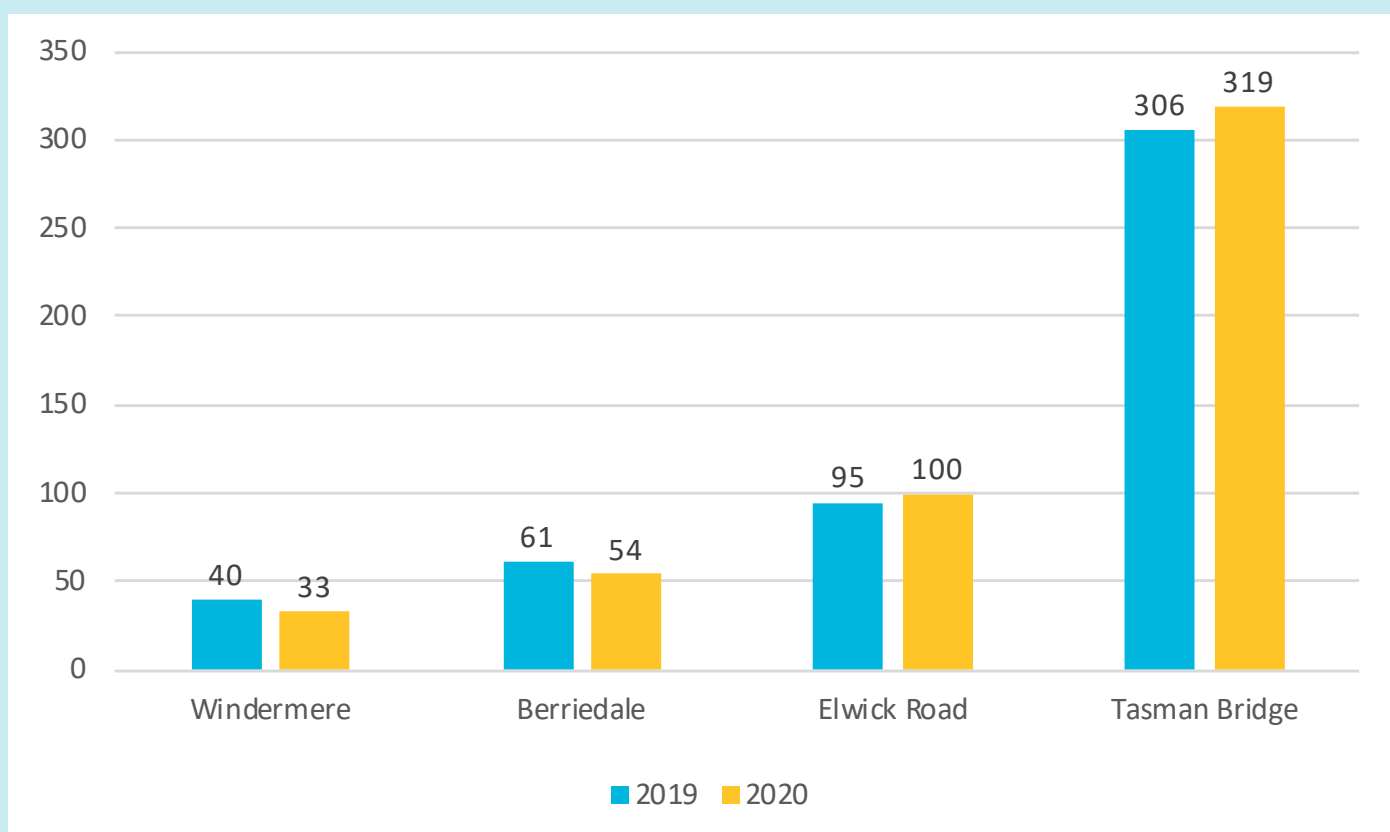
# Valuing our Environment

## Intercity Cycleway Commuters

In early March, Council, as part of a regional initiative, undertook cycling counts at key sites for commuters from 7am to 9am on weekdays. This showed that over the last few years that the numbers have remained consistent. The feedback from the cycling community is that this is a reflection on minimal changes to the network.

During April, at the height of the COVID-19 lockdown, counts were undertaken from 11am to 1pm at the Elwick Road junction. During this period, an average of 260 cyclists and 82 runners/walkers were counted.

This data is a reflection on the importance of the ongoing delivery of the Tracks, Trails, and Pathways project in improving Council's network for both transport and recreation.



# Leading our Community

## Media Mentions

Council had a positive six months in the media, with extensive coverage of the agreement to sell the DEC and Wilkinson's Point to the State Government, resulting in further coverage around an official agreement between LK Group and the State Government, and the announcement of an NBL team for Tasmania.

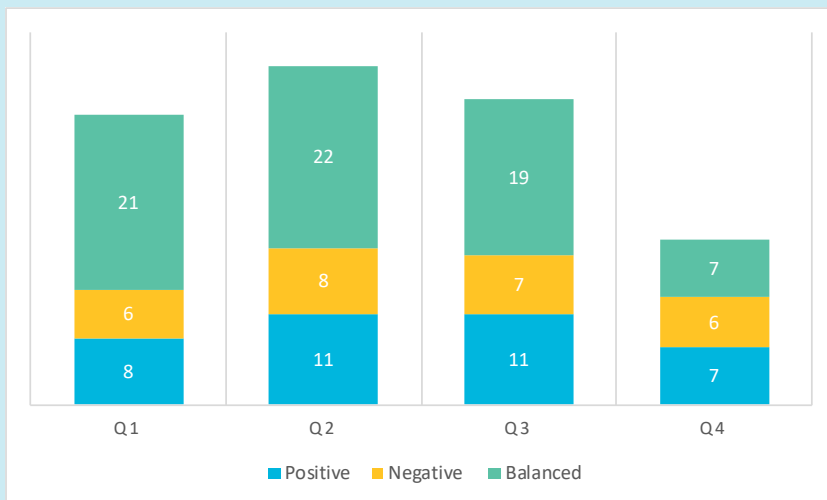
The majority of coverage, however, was dominated by the COVID-19 global pandemic, which saw Council under the spotlight with its response, as well as the provision of assistance to the greater community and local businesses. This was also a predominant focus when delivering the 2020/21 budget.

Other positive stories included the development of the Mountain Bike Master Plan to see upgrades to the Tolosa Park bike track, the innovative use of 'glassphalt' in a successful trial on Sutherland Road, as well as coverage of public advocacy for better public transport solutions for our community.

There was rolling coverage on topics such as the City Deal, and the 'shovel ready' status of the rail, as well as the Bridgewater Bridge and the implications of this on the rail corridor and access to the future service for those on the northern side of the bridge.

There is still a downward trend in negative media commentary around Council, with mentions limited to one-time incidents, such as the ceasing of the GASP funding, historical mentions, providing contextual narrative when reporting other on dysfunction in councils around the state, as well as ongoing negative letters to the editor from a community member against the sale of the DEC and Wilkinsons Point agreement.

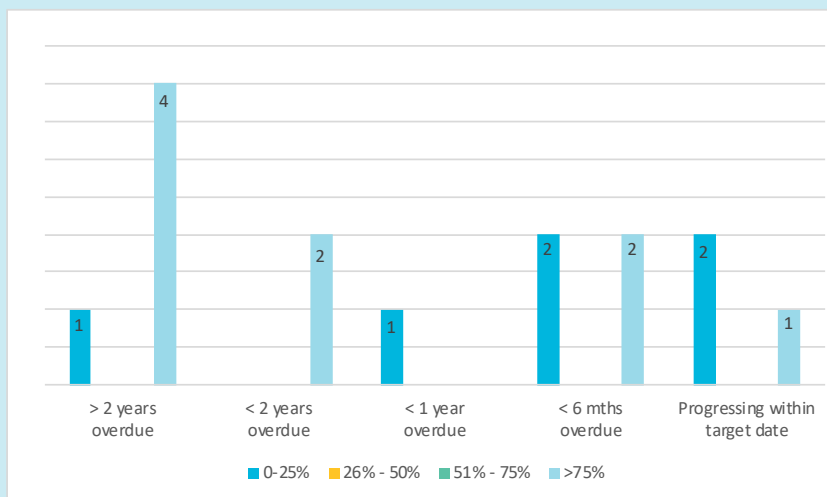
The media has also reported positively on the appointment of Ald Ryan to Council, Ald Thomas to the position of Deputy Mayor, as well as the successful completion of the 58 Ministerial Directions.



# Leading our Community

## Outstanding Audit Items - Percentage Complete

Items overdue are primarily related to the TechOne review which is currently underway. The Audit Panel is aware of this and is comfortable that no high-risk items are overdue and outstanding. Overall, the report indicates an increasing number of audit items are finalized within their due date.



# Leading our Community

## Delivering Services for our Community

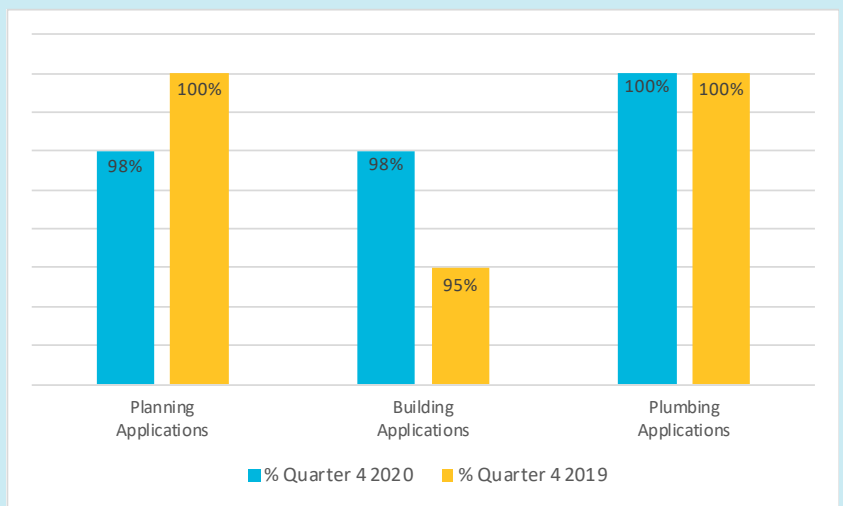
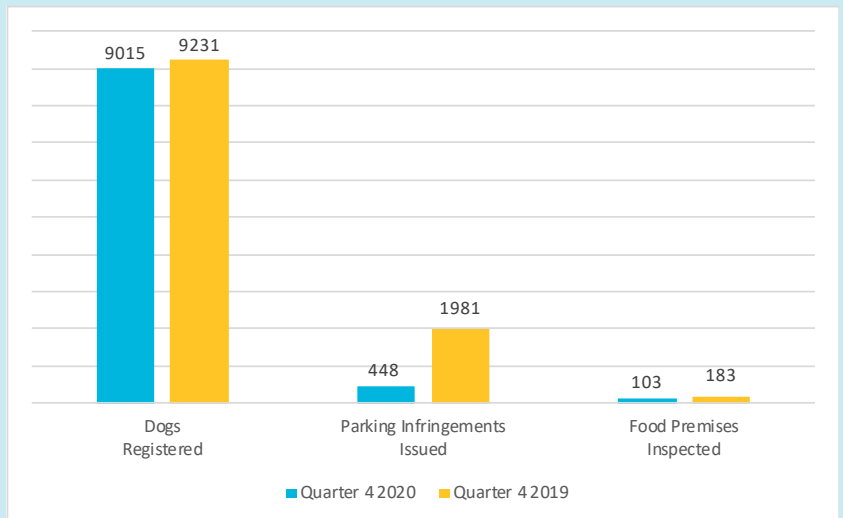
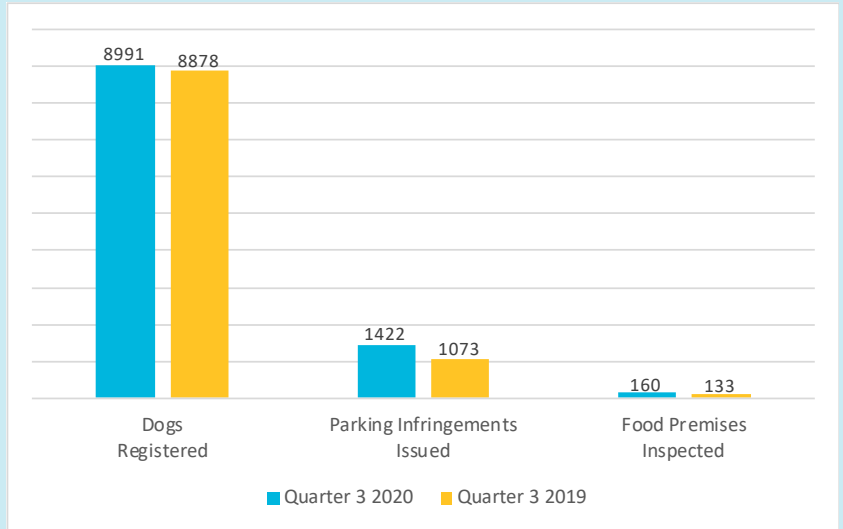
### Dogs, parking and food business inspections

The number of registered dogs continues to climb throughout the year, showing an encouraging trend towards responsible dog ownership in the municipality. The final figure is down from last year, most likely due to the impact COVID-19 has had on Animal Management activity.

The number of parking infringements that were issued dropped significantly due to the reduction in patrols during the COVID-19 restrictions to aid the community. The only infringements that were issued during this time were for unsafe actions (such as parking in a way that obstructs traffic).

### Development, Building and Plumbing Applications Assessed on Time

To help grow our city, Council's Development Department works hard to assess applications for development, building and plumbing works in a timely and efficient manner. In Q4, 98% of planning and building applications and 100% of plumbing applications were assessed within statutory timeframes. The number of planning and building application numbers has increased significantly compared with the same period last year.





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**GLENORCHY**  
CITY COUNCIL