

Glenorchy City Council

ANNUAL REPORT 2017-2018

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THE HANGING GARDENS OF IRAQ
STALL HOLDERS AT MOONAH
TASTE OF THE WORLD FESTIVAL

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This Annual Report was re-published on 28 November 2018 to make minor corrections to the information on pages 38 and 91 related to Aldermanic allowances.



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Mayor Kristie Johnston



Message from the Mayor

THE 2017–18 FINANCIAL YEAR WAS A CHALLENGING YEAR FOR BOTH THE COMMUNITY AND GLENORCHY CITY COUNCIL

The year began with the elected members still suspended and continuation of the administration by Commissioner Sue Smith. A new legal challenge, by the then General Manager in July, saw the Board of Inquiry process delayed yet again and community frustration with the process increase.

With a groundswell of discontent in the community, the State Government stepped in to find a circuit-breaker to the threat of continuous legal challenges by the then General Manager and some suspended aldermen. By an Act of Parliament, the Council was formally dismissed on 22 November 2017, bringing an end to over three years of dysfunction.

On 28 November, the long-awaited Board of Inquiry Report was released publicly and for the first time the community was able to see, catalogued, over 100 findings relating to the maladministration, dysfunction, misconduct and poor governance that had plagued the elected body

and two senior managers for many years. In summary, the independent Board found that:

“Council failed to perform many of its functions, which seriously affected the operation of the council. The irregularity of the conduct of council seriously affected the council’s operations. Council failed to provide leadership and good governance to the city and is need of major reforms in governance and management. The Board is strongly of the view that this cannot be achieved by the council elected in October 2014, and a management structure which includes the current general manager and current DCG&GC [Director of Corporate Governance and General Counsel]”.

As a result a fresh new election was called and the community was given the opportunity to have democracy restored to Council and to elect the functioning Council that they deserved. Whilst a postal ballot Council election held over the Christmas holiday period presented some logistical challenges, the engagement of the community in the process was record breaking. Voters had a strong field of 24 candidates from which to choose and ballot returns were the highest they had been in many years.

On 19 January 2018 Council had a fresh new start. The new General Manager, Tony McMullen, presided over a ceremony to officially appoint the new elected body at the Moonah Arts Centre and members of the community welcomed myself back as Mayor, new Deputy Mayor Matt Stevenson, returning aldermen Jan Dunsby and Steven King, and six new aldermen – Peter Bull, Melissa Carlton OAM, Simon Fraser, Gaye Richardson, Kelly Sims and Bec Thomas. With six out of ten aldermen female, six aldermen 40 years of age or younger, and all with a diverse range of skills and experience the new elected body is a genuine reflection of the community’s desire for change.

The first six months of the new Council focused on establishing a strong foundation of sound governance, community trust and confidence, financial sustainability, and sorting out the legacy issues it had inherited. The new Council wasted no time in starting its work. The Board of Inquiry Report, the Auditor-General’s Report into the procurement of CT Management Group, and then the Integrity Commission Report provided important context and information about the extent of the maladministration and misconduct and the resultant impact on the organisation.



All aldermen undertook a detailed induction and training program which covered important matters such as ethical decision making, financial competency, meeting procedures, planning, roles and functions of elected members and the code of conduct. This training equipped the new Council with the tools necessary to address the legacy issues that Council faces.

Right from the start the new Council has been determined to distinguish itself from the previous administration by demonstrating its commitment to transparency, accountability and putting the community's best interest first.

When the Minister for Local Government delivered his Ministerial Directions, Council did not hesitate in adopting them as a road map to better governance and restoring the confidence of the community. By way of an example, members of the public who attend Council meetings will notice a significant difference in that public question time has been extended, policies are being reviewed, more information is being released from closed council meetings, and the level of engagement and debate from aldermen is robust and respectful.

Council recognises that trust and confidence of the community will take time to regain but we hope that the community can see by our deeds, both now and in the future, that we are once again deserving of that trust and confidence.

Arguably the biggest challenge facing the new Council was the financial situation it inherited. A detailed analysis of Council's financial true position quickly revealed an organisation that was in perilous circumstances beset by a structural deficit, historical mismanagement and increasing liabilities arising out of the poor decisions and legacies left by the previous administration. The new Council was faced with the challenge of needing to urgently rectify the financial position of Council, while trying to minimise the burden on ratepayers. A preliminary assessment of the situation revealed that a rate revenue increase in the high teens was required to provide some financial sustainability for the Council. The elected body worked closely with the new senior management team to analyse and assess saving and expenditure measures that would ameliorate a rate revenue increase of the initial magnitude forecast. Council engaged with the State Government in its budget discussions and is appreciative of the assistance that it was able to provide.

Council also took the view that it was important that we provided information about the true finances of the Council to the community and explained the steps that we were taking to rectify the situation. The 'warts and all' presentation of information to the community was important as it provided the context for the difficult decisions that Council

would face in determining the 2018–19 budget and ultimately the rate revenue increase. Council presented its proposed operational and capital budget to an open community briefing attended by about 200 people. This briefing was an important opportunity for members of the public to be genuinely informed about Council's budget process and position and to ask questions of both myself and the General Manager.

Ultimately, in June 2018, Council voted unanimously to adopt a budget that incorporated a rate revenue increase of 12.5%. This was not an easy decision to make for any of the elected members but given the financial position Council had been left in and the legacy liabilities that we face in the future, it was on balance the most responsible course of action Council could take. Council did, and still does, equally share the frustration and anger that many in the community feel as they face the burden of paying for the wrongdoings of the past. However, the new Council has not, and will not, shy away from making difficult decisions if they are in the best interest of the community. The hard work of the new Council and the new senior management team in developing the budget will address the financial sustainability of the Council and deal with the legacy issues giving Council a strong foundation on which to build a better future for our community.

Council has also adopted this approach to dealing with the major project legacies and liabilities. As the elected body works through each of the issues it will continue to focus on acting with integrity, in the best interest of the community and with an awareness that we are the custodians of the community's hard-earned money.

In my experience nothing worth having comes easily. Glenorchy has a bright future with a plethora of opportunities to see our community prosper but we needed a Council that could provide true leadership and could work for the benefit of the community rather than themselves. It has been a difficult and often painful journey, but I am confident that we now have the solid foundations for a Council the community so richly deserves.

Personally, the last year has been challenging. They say that absence makes the heart grow fonder and whilst the 11 months absence from the role of Mayor was difficult it has made me more acutely aware of what an honour and privilege it is to serve my community and how much I genuinely enjoy my role.

I have not been alone in this journey and I'd like to take this opportunity to acknowledge the significant contribution of others.

Firstly, I'd like to acknowledge the new General Manager, Tony McMullen, for his steady leadership during difficult times and his commitment to working with the new Council. His dedication to delivering on our commitment to being open and transparent in the best interest of the community is refreshing.

Secondly, I must thank Council staff for their hard work and commitment to our community. Again, in difficult circumstances, particularly where they were unfairly tarnished by the misdeeds of others, they have continued to deliver professional services to our community. Their efforts are greatly appreciated.

Thirdly, I'd like to acknowledge my aldermanic colleagues. As I outlined above, the new Council has had to face numerous challenges – many not of its own making. However, collectively we have worked well together, acted with respect for each other and our community, and shared our skills and experiences to help

build a better Council. I'd particularly like to acknowledge the efforts of the new aldermen in stepping into this challenging role to represent the community that they are clearly passionate about. I'm grateful also for the assistance and support that Deputy Mayor Matt Stevenson has provided to me in my role as Mayor.

Finally, and arguably most importantly, I must sincerely thank the community for their support and encouragement. In true Glenorchy spirit the community has led the charge for change and stepped up to be heard and counted when elections were held. Your support for those who stood for honesty and integrity in local government will never be forgotten, is appreciated, and will be rewarded with a better and brighter future for Glenorchy.

KRISTIE JOHNSTON
MAYOR





Message from the General Manager

2017–18 HAS BEEN A YEAR OF POSITIVE CHANGE AT GLENORCHY CITY COUNCIL

Commissioner Sue Smith

The 2017–18 financial year started with Council under the leadership of Commissioner Sue Smith AM. Commissioner Smith, who had been appointed by the Minister for Planning and Local Government, Peter Gutwein MP in February 2017, saw Council through a complex period involving the Board of Inquiry into Glenorchy City Council, which handed down its report on 28 November 2017 and a Tasmanian Audit Office investigation into the procurement of contracts with CT Management Group.

Commissioner Smith finished her term with Council following the January 2018 election. We thank her for her contribution to Glenorchy – providing steady leadership during a particularly difficult time for the city.

Priority Work Plan

During the Commissioner's term, Council's Executive Leadership Team worked on a Priority Work Plan to tackle the pressing challenges facing the organisation. Some of the outcomes of that plan included:

- improved internal and external communication, including appointment of a Communications and Marketing Advisor
- abandonment of the previous administration's model for restructure of the Works Centre and development and implementation of a new structure (announced on 19 July 2017 after consultation with staff and the unions). The new structure is now largely in place
- benchmarking of local government organisation structures to inform repair of Council's organisation structure
- a completely redesigned and revamped Glenorchy City Council website launched on 5 December 2017
- public launch of a Community Engagement Framework on 7 August 2017 including a policy, procedure, toolkit, manual and Community Engagement Plan template to assist Council in its community engagement activities

- termination of ICT Projects for Desktop as a Service and Mobile Device Management
- review of delegations: GM's statutory and non-statutory delegations approved by Council 10 July 2017 and non-statutory delegations on finance and HR matters sub-delegated by GM September and October 2017
- a Code for Contracts and Tendering approved by Council on 10 July 2017 with procurement exemptions reported to Council from 2 October 2017
- introduction of a new Finance system on 3 July 2017

During this period, Council staff also responded to ongoing Board of Inquiry and Auditor-General inquiries into the operation of the Council.

Tasmanian Audit Office Report

Independent of the Board of Inquiry, the Tasmanian Audit Office undertook an investigation into Council's procurement of goods and services from CT Management Group Pty Ltd which was tabled in Parliament in October 2017 (Report of the Auditor-General No. 1 of 2017–18).

Overall, the report concluded the process Council adopted in expending \$1.05M on a number of projects lacked transparency,

independent review, reporting and appropriate governance. In particular, the report found:

- failure to comply with the *Local Government Act 1993* and its own procurement codes
- Council did not adequately test the market or meet its procurement principles
- there was evidence to indicate intentional splitting of procurement for certain projects into two or more separate contracts to avoid the public tender requirement
- failure to adequately document its assessment and decision not to follow its quotation process or seek tenders

Board of Inquiry

After a process lasting more than two years, the Glenorchy City Council Board of Inquiry established on 14 October 2015 by the Minister for Planning and Local Government, provided its report to the Minister.

The Minister tabled the Board of Inquiry's report in Parliament on 28 November 2017.

The Board of Inquiry found:

- the failure of the Council to perform many of its functions seriously affected the operation of the Council
- the irregularity of the conduct of the Council seriously affected the operation of the Council. Further, the Board found that the Council failed to provide leadership and good governance to the city and was in need of major reforms in governance and management

Glenorchy City Council (Dismissal of Councillors) Act 2017

On 15 November 2017, the Tasmanian Parliament approved a Bill to dismiss the Glenorchy City councillors and set 16 January 2018 as the closing date for a fresh council election. The aldermen were officially dismissed on 22 November 2017, when the Bill received Royal Assent.

New Council and General Manager

In line with the *Glenorchy City Council (Dismissal of Councillors) Act 2017*, a Council election was held on 16 January 2018. Alderman Kristie Johnston was convincingly re-elected as Mayor. Alderman Matt Stevenson was elected Deputy Mayor. Aldermen Peter Bull, Melissa Carlton OAM, Jan Dunsby, Simon Fraser, Steven King, Gaye Richardson, Kelly Sims and Bec Thomas were also elected.

After acting in the General Manager role from April 2017, I was substantively appointed to the General Manager role by Commissioner Smith, for a three year contract from 12 January 2018.

Ministerial Directions

As a flow on from the Board of Inquiry process into Council, which concluded in November 2017, the (then) Minister for Planning and Local Government issued a series of Ministerial Directions to Council on 23 January 2018.

The Ministerial Directions require Council to undertake a range of tasks over the Council term relating to governance, training, policies and procedures, committees and membership and employment contracts. Council is required to report to the Minister quarterly on its progress on actioning the Ministerial Directions. Officers are reporting progress to Council monthly. By 25 June 2018, 43 out of 58 Ministerial Directions had been complied with.

Integrity Commission Report

The Integrity Commission released the *Operation Pyramid* report of its investigation into the conduct of former senior staff and a former alderman.

Council referred the report to Tasmania Police for its consideration. Tasmania Police advised that there were no matters arising from the *Operation Pyramid* report that warranted investigation.

Budget

In framing this year's budget, which was adopted unanimously by Council on 25 June 2018, the incoming Council faced a range of legacy challenges arising from the previous administration and future challenges confronting the Council.

Council briefed the community about these challenges at a Community Budget Briefing, held at the Moonah Arts Centre on 19 June 2018 which was attended by about 200 people.

Council resolved to adopt a rate revenue increase of 12.5%. While Council was very mindful of the potential impact of such an increase on the community, it was also mindful of its obligation to ensure the financial sustainability of the Council.

Annual Plan

Council unanimously adopted the Glenorchy City Council Annual Plan 2018–19 to 2021–22 at its meeting on 25 June 2018. The Annual Plan sets out Council's annual program of actions for the forthcoming year and is based on the community priorities in the *Glenorchy Community Plan 2015-2040* and key risks facing the organisation.

Organisational Structure Repair Project

Council approved an organisational structure repair project on 26 February 2018. The aim of the project is to repair the organisational structure. The project outcomes are to fill vacancies in the existing management team, improve the way Council's different activities are organised and increase productivity.

Position descriptions were finalised for the director positions, with advertising commencing at the end of June. We expect to see appointments made to director and manager positions in the second half of 2018.

Corporate Reporting

Council endorsed a new corporate performance reporting framework on 26 February 2018. The framework requires monthly financial updates to Council and a more extensive quarterly report that reports on Council's financial position, annual plan progress and strategic and operational highlights over the preceding quarter.

City Deal

Council is working closely with the Commonwealth and State governments and the Hobart, and Clarence City Councils and Kingborough Council on a Hobart City Deal. The City Deal involves a range of projects to benefit Glenorchy and Greater Hobart including a Greater Hobart Act, affordable housing, urban passenger transport, a university STEM precinct and development at Macquarie Point.

Major Events

Council's major annual events Glenorchy Carols and Symphony Under the Stars were held at Tolosa Park. Moonah Taste of the World was held on 24 March 2018 highlighting food and culture of our multi-cultural community.

Multicultural Hub

A multicultural hub in the former Moonah Arts Centre opened in October 2017. Identified as part of Council's Multicultural Framework, it provides a much-needed community space for new and emerging communities.

The hub is operated by the Multicultural Council of Tasmania with funding from the State government and Council for provision of the facility.

Engagement and usage of the hub has continued to grow, with an estimated 12,000 people from 23 different cultural groups having used the centre from October 2017 to June 2018.

Waste Strategy South

Council resolved to withdraw from Waste Strategy South at its meeting on 30 April 2018 to sharpen its focus on significant forthcoming waste management planning challenges including landfill extension, introduction of food and organic (FOGO) bins, landfill closure and rehabilitation, waste transfer facility planning.

May 2018 Storm Event

While the Hobart City Council area bore the brunt of the once in 100-year storm event that took place on the night of 10 and 11 May 2018, infrastructure in Glenorchy was also significantly affected, with road subsidence, damage to fire trails and stream bank erosion. The damage bill in Glenorchy is estimated at \$3M. Council officers are working to repair this storm damage.

Derwent Park Stormwater Harvesting

Council decided on 28 May 2018 to switch off the water treatment component of the Derwent Park Stormwater Harvesting and Reuse Scheme and to dispose of and write off the saleable elements of the plant. The decision will save Council approximately \$200,000 in its first year of closure and an estimated \$500,000 per year thereafter. Council is working on a business case to submit to the Federal Government to substantiate its decision under the terms of the grant deed.

The flood mitigation components of the scheme will continue to operate, as they did during the 10 May 2018 storm event to minimise flooding in the Derwent Park catchment.

CBD Revitalisation

Project works began on improving the connection between the InterCity Cycleway and the CBD (via Peltro Street).

The next scheduled phase of the project is streetscape works around the new Integrated Care Centre at O'Briens Bridge.

Detailed project planning has also been underway for Phase 3 on Main Road between Terry Street and Barry Street.

Community feedback on Tolosa Park Dam

A major public consultation was undertaken on the future of Tolosa Park and reported to Council on 25 June 2018.

Council received 747 submissions during the consultation process. These submissions provided invaluable comment that will help Council to improve our public open spaces not only at Tolosa Park but also through the whole of the city.

New Telephone System

Council successfully introduced a new telephone system in January 2018 after many months of planning. The new telephone system is a much improved tool for our staff to deliver customer service.

Capital Works Projects

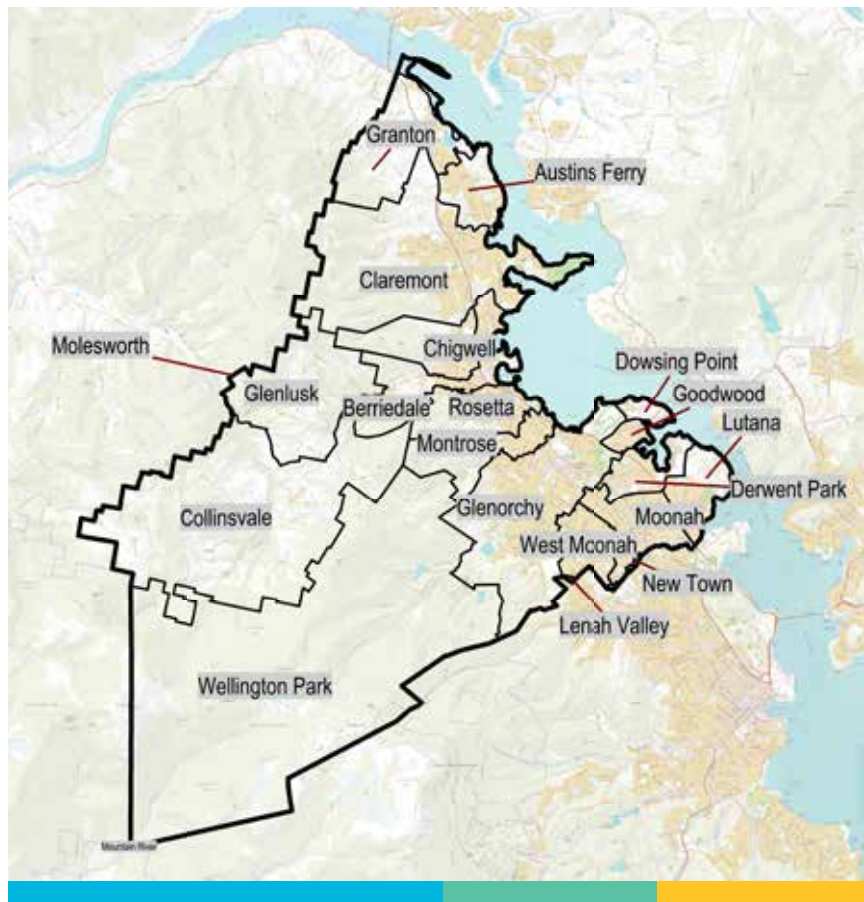
Major projects completed during the quarter include:

- Stage 1 (Peltro Street Link) protected bike lane construction
- Grove/Arnold Street intersection upgrade (blackspot project)
- Main Road cycle lanes from Austins Ferry to Granton
- Tolosa Street 93-99 stormwater service extension
- Somerdale Road turning circle reconstruction



TONY MCMULLEN
GENERAL MANAGER

About Glenorchy



GLENORCHY IS ON THE WESTERN SHORE OF THE DERWENT RIVER AND IS TASMANIA'S FOURTH LARGEST LOCAL GOVERNMENT AREA BY POPULATION WITH ABOUT 46,000 RESIDENTS AT THE LAST CENSUS.

The City of Glenorchy is in southern Tasmania, about seven kilometres north of the Hobart CBD. Glenorchy is on the western shore of the Derwent River and is Tasmania's fourth largest local government area by population with about 46,000 residents at the last Census. The city encompasses a total land area of about 120 square kilometres and includes Hobart's Northern Suburbs from just north of the Queen's Domain to the Bridgewater Bridge and Causeway. It is known for its beautiful parks and reserves, tourist attractions, walking and mountain bike trails and magnificent views of Mt Wellington.

Glenorchy was proclaimed a municipality in 1864 and was granted city status in 1964. European settlement dates from 1804 when the first land grant was made. The area's original inhabitants were the Mouheeneener Aboriginal people.

The median age for residents is 39 years, with the largest age group being 55-59 years.

Glenorchy City features both urban and semi-rural areas and is characterised by a diverse mix of industrial, commercial and residential development. Industries in the city include ship building, metal fabrication, zinc processing, food processing, furniture production and more recently, high technology industry.

Forty per cent of the city's working residents live and work in the area. Manufacturing is the largest employer in the municipality, making up 14.1% of total employment.

Nineteen schools are located within the city. Forty per cent of the population aged 15 and over held educational qualifications in 2016, with 10% having a Bachelor or higher degree and 23% a vocational qualification.

The value of building approvals in Glenorchy City was \$5M in the 2017-18 financial year. Nineteen per cent of the dwellings in the city in 2016 were medium and high-density housing.

The city is rich in cultural diversity. In 2016, 12.5% of people living in the municipality were born overseas, with residents representing 63 countries with 9% from non-English speaking backgrounds. Between 2011-2016, the number of people born overseas increased by 17.8%. Glenorchy is the first Tasmanian city to become part of the Welcoming Cities network and celebrates its diversity through programs and events including the annual Moonah Taste of the World Festival.

Glenorchy City Council continues to work with residents, businesses and service organisations to create the community vision for 2040 – "We are a proud city; a city of arts; of opportunity; of partnerships; a city that makes exciting things happen."

Source for statistics:
.idcommunity demographic resource



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.

Your Leadership Team



Mayor
Alderman
Kristie Johnston

General Manager
Tony McMullen

Corporate Governance
Simon Scott
Acting Director

Community, Economic Development and Business
David Ronaldson
Acting Director

City Services and Infrastructure
Paul Garnsey
Acting Director

Governance and Risk

Business and Finance

Environment and Development

People and Safety

Community and Customer Service

Property Assets

Legal and Procurement

City Strategy and Economic Development

Infrastructure, Engineering and Design

Infrastructure and Works
Ted Ross, Director – *Commenced on 9 April 2018 as part of new organisational structure.*

Waste Services

Works

Your City

City Services and Infrastructure

Council's City Services and Infrastructure Directorate encompasses a broad range of activities from development services such as town planning, building and plumbing as well as public health and environmental management. The directorate is also responsible for the renewal and maintenance of the city's transport, stormwater and property assets through our property management, engineering and design, capital construction and infrastructure maintenance teams.

What we've achieved

CAPITAL

From an organisational perspective, a new directorate, Infrastructure and Works was established to oversee the management of Council's infrastructure and related services. A new reporting chain at the Works Centre is now in place facilitating a more effective and efficient delivery of the work on assets and infrastructure that is critical to making the city function.

The focus for the last 12 months was on delivering services that Council committed to provide and major projects that the community expects. We have successfully delivered several infrastructure renewal and upgrade projects programmed in 2017–2018, including both Stage 1 and Stage 2 of the footpath upgrade at Main Road, Granton, the inter allotment drainage upgrade at Tolosa Street, Creek Road footpath and the road rehabilitation work in Sinclair Avenue.

Council also kept improving and expanding infrastructure to provide better services via new and upgraded roads, footpaths, drainage systems and facilities. In the last reporting period, our infrastructure team built a new road turning facility at Somerdale Road, a new cycle lane on Main Road from Austins Ferry to Granton and the new accessible on-street parking outside the Claremont Hall. All were completed on time and at, or under, budget.

Following extensive preparation work, including concept urban design and community consultation, on the Glenorchy CBD Revitalisation Project, the first stage of the Project (Peltro Street Cycle Lane) was successfully completed in March 2018. It is Tasmania's first separated cycle lane, with its own bicycle traffic lights to cross King George V Avenue between the Intercity Cycleway and Peltro Street. This formed an important and safer link between the Intercity Cycleway and the CBD area.

During the major flood event in May 2018, Council's emergency management team came together and successfully fulfilled all required tasks in the Emergency Management Plan. Throughout the year, our emergency management staff continued to attend gatherings with Tasmania Police, SES, Tas Fire and other local government areas and services, to achieve a better regional disaster management and inter-agency collaboration.

PUBLIC HEALTH

Council was pleased to participate in a Meningococcal W initiative which saw 1241 teenagers ranging from 15 to 19 years of age vaccinated, free of charge, against this deadly disease. This was over and above our normal infant and school vaccination program across the city.

Our Environmental Health team has also been planning for a transition to a new Food Risk Classification System that will be introduced for all our food businesses in 2019. The aim of this project is to introduce a simpler registration system that is consistent across the state.

ENVIRONMENT

Work in our natural areas has focused on weed and pest management. Further work has been done on how to best manage feral goats in the NR Pierce Reserve and partnerships have been developed with government and non-government

agencies to tackle priority weeds such as Chilean Needle Grass and Boxthorn infestations at Wilkinson's Point, Goulds Lagoon and Dowsing Point.

Internal resources have also been re-focused to facilitate better engagement with our community, specifically on actively supporting volunteer groups and providing information and education.

Council continued with efforts to ensure that we are managing fire risk to our community. Over the last 12 months more resources were concentrated into this area and a fuel reduction burn on the Montrose fire trail was completed, four kilometres of fire trail re-established and bushfire mitigation plans developed for our smaller reserves.

DEVELOPMENT

The 2017–18 financial year continued to be a strong year for development within our city with planning and building applications remaining buoyant and showing no signs of slowing. Some increase may be attributed to the strong economic growth for the state and positive trends in the state's population growth rate. Council received eight major development applications (greater than \$1M) including a 213-lot subdivision in Austins Ferry.

Work continued on developing Council's new planning scheme to be consistent with the State Planning Scheme, with a focus on developing our Local Provisions Schedule.

WASTE

Council successfully completed the roll-out and upgrade of new 240L recycling bins within the municipality as part of Council's Waste Management Strategy 2013–2023 to minimise waste to landfill and increase recycling. This was done over four weeks during August and September 2017 and saw the delivery and retrieval of about 17,800 recycling bins which have been put into storage for future reuse.



622
registered food
business inspections



86,252
tonnes waste
diverted from landfill



123,382
tonnes waste
delivered to landfill



2,265
free vaccinations
administered



310
planning applications
approved



370
building applications
received

In March 2018 Council entered into a new domestic waste collection contract for both refuse and recycling, resulting in several key improvements particularly in the way we report and track bin collections. Council continued to maintain and improve the management of public litter with the ongoing replacement of old public litter bins with the new standardised 60L and 140L bin cages. This has allowed Council to effectively reduce bin numbers and at the same time increase overall collection capacity.

Council's waste services section continues to promote sustainable waste management practices to the community by assisting and educating residents and students within the municipality on the four Rs (Refuse, Reduce, Reuse and Recycle). Council collaborated with MONA's 24 Carrot Garden program to educate students and teachers on the benefits of gardening and composting.

Council enjoyed further success in waste prevention and sustainability, receiving awards for its Asbestos Awareness campaigns, Garage Sale Trail, Mobile-Muster and received nine state awards including Litter Prevention and Waste Management at the Keep Australia Beautiful awards ceremony held in Burnie.

Council continued to work closely with the Environmental Protection Agency to plan for the future of our Jackson Street landfill facility.

Where we're going

As part of the ongoing planning and delivery of Council's Waste Management Strategy, Council has identified the following key actions to be undertaken in 2018/2019:

- extension and optimisation of the Jackson Street Landfill including future disposal options
- review of Kerbside collection for Food Organic Green Organic material (FOGO)

Other significant project works will include the review and update of the Waste Management Strategy 2013-2023 to ensure that Council is taking all possible steps to reduce waste within our community while establishing the means to address future demands.

In coming years Council will continue to maintain, renew and upgrade our infrastructure to provide the services that our community wants, in a sustainable and strategic manner. This includes reviewing and optimising Council's asset portfolios

and disposing of non-critical assets to realise savings and improve efficiency. Council will also be refining and updating the 10-year capital programs for road, drainage and property assets to achieve long term sustainability.

Stage 2 of the CBD Revitalisation Project (outside the Integrated Care Centre on Main Road) will get underway providing a glance of the fresh look of our new CBD area and Stage 3a will follow later in the year. Other significant civil engineering projects for 2018-19 include Moss Park Drive bridge renewal, a new roundabout at the intersection of Charles Street and Amy Street, and storm damage repair works at multiple locations such as O'Brien Bridge.

Early in the new financial year Council plans to engage a dedicated staff member to establish and support a volunteer network to harness the increasing public interest in protecting our valuable natural assets.

Council will also finalise the Local Provisions Schedule for our new planning scheme and plans to have this ready for public consultation in the first half of the financial year.



Your Community

Community, Economic Development and Business

Council's Community, Economic Development and Business directorate covers a wide range of Council services. The directorate encompasses Council's community planning, community development and engagement functions and oversees arts and culture, including Moonah Arts Centre.

This directorate is also responsible for Council's financial management and ICT services, customer service team as well as city strategy and economic development, the management of Council's two child care facilities at Berriedale and Moonah and the Derwent Entertainment Centre.

What we've achieved

CUSTOMER SERVICE

Council continues to deliver excellent customer service through its call centre and front counter at the main office in the Glenorchy CBD. Council is pleased to report that service rates with phone calls and customer service counter times continue to improve with 89% of calls being answered within one minute. Over the past year Council has served customers at our front desk at an average of under three

minutes 30 seconds and has served 62,706 customers at our front desk or in the call centre.

Council has ensured all staff are familiar with Council's updated Customer Service Charter. New systems are assisting with the recording of customer complaints and contact requests to improve our service to you.

Our customer service team continues to strive for excellence in serving the community and welcomes continued feedback on how we are doing.

ECONOMIC DEVELOPMENT

Council continued to be involved with Hobart City Council as we collectively investigated use of the public transit corridor that runs through the city that may act as a catalyst for urban renewal, improve connectivity and recognise the opportunities provided by diversification of transport modes on social equity and lowering car dependency.

Council endorsed concept designs for the new Glenorchy CBD at its meeting on 19 December 2017 after exciting and extensive 2016 consultation for the upcoming Glenorchy CBD Revitalisation Project. Project work started on Peltro Street, Glenorchy

which included a cycle link and work around the newly developed Glenorchy Health Centre on the corner of Main Road and Barry Street, Glenorchy. Council's aim of the revitalisation is to create a vibrant city centre to provide a commercial heart that is inviting for investors and customers and a great place to do business.

Council continues to collaborate with Destination Southern Tasmania to produce a visitor's map in line with 'Hobart and Beyond' branding. Maps are distributed at all major tourist gateways in Tasmania and feature Glenorchy's Moonah Arts Centre, Derwent Entertainment Centre and the Glenorchy Art and Sculpture Park (GASP).

COMMUNITY DEVELOPMENT

The Community Development team continues to deliver community and capacity building activities working in partnership with young people, families and older citizens, focusing on making our city a better place to live. A Positive Ageing Framework 2017-2022 and a new Safer Communities Framework was developed and will be put to Council in 2018-19 for adoption.

A RANGE OF ACTIVITIES ACROSS COMMUNITY DEVELOPMENT IS OUTLINED BELOW:

JULY 2017	
What	Who
Exterminart Project – promoting positive social behaviours	16 students from Cosgrove High School and New Town High School
AUGUST 2017	
Make your Mark youth art project	5 students from New Town High School
RUOK Convoy	200 community members
SEPTEMBER 2017	
RUOK Day event	250 community members
'Kids and Keys' motor vehicle safety competition	24 Primary School Students
OCTOBER 2017	
Safer Communities Young People's Awards (formerly Junior Neighbourhood Support)	63 primary school students 350 family and friends 10 people from organisations
Mental Health Week arts project at Risdon Prison	45 people
Mental Health Week event at LINC	800 community members
Youth Leadership module at Austins Ferry leadership camp	65 Primary students Grade 4/5
NOVEMBER 2017	
Festival of Smiles (hosted in Clarence)	64 community members attended (main event cancelled due to weather conditions)
'We are who we are' – photographic competition	24 High School and college students
DECEMBER 2017	
Gig in the Gardens	200 young people
JANUARY 2018	
'The Ride' film screening	100 community members
MARCH 2018	
Community Conversations forum for seniors	127 community members
Neighbour day Wave Action activity at MTOWF	45 community members
APRIL 2018	
National Youth Week participation by young people (hosted in Hobart)	300 community members
MAY 2018	
Hear Our Voices Multicultural Women's Forum	100 women from community 32 women from services/organisations
'The Ride' film screening	65 community
Community partnerships information session at Risdon Prison	15 community members and services
JUNE 2018	
Full Gear Motorbike Safety Program	11 young people (previous year 6)

Council continued to participate in the National Prevention Tracker Health Research Project (the only Tasmanian council to do so and one of four nationally), Seniors Week events and Abuse and Neglect (NAPCAN) Play Your Part Awards.

Opening and development of the new Multicultural Hub in Moonah was a key success with about 1200 people and 40 communities using the venue. The Community Development team also facilitated and/or supported programs that enabled the community to actively participate in city life, youth leadership groups, the annual Hear Our Voices multicultural women's gathering, the conversation couch (a safer communities consultation method), children's voices project and Glenorchy on the Go health and exercise sessions.

COMMUNITY ENGAGEMENT

Council's Community Planning and Engagement team delivered civic events including Glenorchy Citizen and Young Citizen of the Year Awards, the annual Volunteer Awards and ANZAC Day ceremony.

Major events, in conjunction with the Arts and Culture team, included the successful annual Moonah Taste of the World Festival in March, which despite heavy rain, attracted large crowds and increased participation from our multicultural community with over 30 nationalities represented in food stalls, performances and the activity marquees. Glenorchy Carols – A Not So Silent Night and Symphony Under the Stars at Tolosa Park were also successful events. The Queens Baton Relay for the Gold

Coast 2018 Commonwealth Games was held in February with Council hosting a leg through the municipality.

The Glenorchy Volunteer Program, volunteers at Claremont Library and major event volunteers were also supported and managed.

Council's Community Engagement Framework was launched in August. Team members use the framework procedure and toolkit to advise and assist with a range of engagement projects with community members and other stakeholders.

EDUCATION AND CARE

Council operates two long-day care centres at Berriedale and Benjafield (Moonah). Both locations provide quality, nationally accredited, care to local families. Both centres can assist and support children with complex needs and diagnoses. Council is committed to training and ongoing support to ensure the provision of high-quality care and outcomes for these families and children.

The Benjafield Centre provided the CHAT Program (Children Helping Adults Together) which incorporates a visit to the Glenview Aged Care Facility once per week to interact and engage with the dementia residents. Outcomes included social inclusion, relationship building and language and literacy.

Benjafield has also undergone its National Assessment and Rating review by the Department of Education during 2017/2018 and met National Quality Standards in all seven quality areas assessed.

ARTS AND CULTURE – MOONAH ARTS CENTRE (MAC)

Council's Arts and Culture Program is based at the MAC. Over 37,000 people visited MAC and participated in a diverse program of exhibitions, workshops, performances and events. Over 1420 days of activity was delivered across the MAC's nine spaces spanning visual arts, theatre, music, literature, dance, film, circus, textiles and more.

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. Ninety-two per cent of hirers used MAC's spaces for arts related activities.

The annual exhibition program at MAC presented 22 exhibitions, including larger scale exhibitions like Poets and Painters, a collaboration between artists and the Tasmanian Land Conservancy, and MAC's much-loved Glenorchy Open, an open art exhibition for artists based in Glenorchy.

Arts and Culture partnered with individuals and community organisations to present and facilitate multi-artform projects that engage the local community. These included A Luta Continua, a project exploring art in activism, Thread, a film project working with young creatives, and Portrait of a Community, a project working with musicians with diverse cultural backgrounds.

MAC's curated program of live music concerts (Friday Nights Live), film screenings (Real to Reel), and dance performances and workshops (presented as part of Moonah MOVES) presented over 20 events.

School holiday workshops ran through the year for young people aged between four and 17.

The Arts and Cultural Program also provided programming and creative support for council events and festivals including Moonah Taste of the World and Glenorchy Carols – A Not So Silent Night.





DERWENT ENTERTAINMENT CENTRE (DEC)

During 2017–18 the DEC hosted the second year of the Hobart Chargers games with attendance numbers increasing throughout the season. The DEC continues to enjoy the partnership with the Hobart Chargers and looks forward to a bigger 2018–2019 season.

Sporting events continued to grow at the DEC with Netball Tasmania hosting two games at the start of 2018. An international pre-Commonwealth Games match between Ireland and Wales and a Super Netball Collingwood versus Greater Western Sydney match were also held. Over 1000 people attended each event. The internationally renowned Harlem Globetrotters added Hobart to their 2018 World Tour with over 3500 people in attendance.

Concerts held during the year included two sell-out concerts of over 5000 patrons each for Sir Elton John, with the DEC being the only venue on

the tour to secure two shows. The DEC also played host to Midnight Oil, and a Queen Tribute show.

Another successful Southern Tasmanian Dancing Eisteddfod was held, with over 18,000 people who enjoyed the event over nine days. The DEC also hosted the Australian Drill Dance Championships with over 2000 people attending over the two-day event. The organisers stated it was one of the best organised competitions they have seen, in the ideal venue.

The DEC continues to host several private events throughout the year including school formals and graduation ceremonies, religious assemblies, conferences and exhibitions.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The roll-out of a new phone system across Council including external sites resulted in all Council staff now being on the same telephone system providing many opportunities for improved communications between venues, staff and the public.

Council also rolled out/upgraded phase 2 of the transition of main business and records management systems into the Cloud, plus the introduction of electronic cash receipting which will improve the payment experience for both staff and our customers.

Council's new website launched to the public in December 2017. It is more user-friendly, has more relevant content and an improved menu structure. Feedback has been overwhelmingly positive. It replaced the ten-year old website, so users are enjoying a much more state-of-the-art web experience.

FINANCE

The major achievement for finance was, in consultation with City Strategy and Economic Development, the delivery of a new Corporate Reporting Framework and Timetable. The new reports are cleaner, simpler and more effective for Aldermen, staff members and the public.

The newly elected Council approved the annual budget for 2017–18.



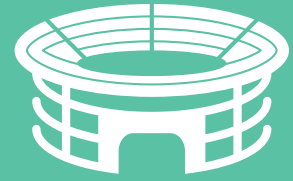
6,000

attendees at Moonah Taste of the World



37,379

visitors to Moonah Arts Centre



42

major events held at the DEC



95,979

attendees at major events held at the DEC



63

countries represented of overseas born residents living in Glenorchy



62,706

customers served at front desk and call centre

Where we're going

The Glenorchy CBD Revitalisation Project stage 3 will start during early 2019 aiming to achieve initial economic benefits by improving pedestrian and road safety, reducing on-going maintenance in the area and stimulating an increase in retail expenditure. The project, including construction expenditure, is estimated to generate approximately \$3.7M of additional economic activity. The impact of construction expenditure on job creation has been assessed and is estimated that 61 full-time equivalent (FTE) jobs will be generated during the project. Jobs will primarily be in the construction sector, but the flow-on impact is expected to create additional employment, particularly in retail trade, accommodation and food services and professional, scientific and technical services. The on-going impact on employment will result from increased retail expenditure and is estimated at 11 FTE jobs per annum.

The flow on effect for the local economy is estimated to be an increase of about \$1.16M per year.

Increased opportunities for residents to comment on Council initiatives will occur with our new Community Engagement Framework in place.

Completion of White Ribbon E-Learning by all staff is a high priority with the aim to have all Council staff trained by the end of 2018.

The Community Development team will continue to work with services through networking groups such as the Youth Action Network Group (YANG), Linkages and the Glenorchy Action Interagency Network (GAIN) as well as provide expanded opportunities for partnerships to deliver gaps in services in the Glenorchy area. A focus will also be to further strengthen the health and wellbeing network as a resource for service providers in Glenorchy, with the aim of increasing community participation in healthy lifestyles.

The youth program will focus on youth leadership and hold their annual camp with the Glenorchy Youth Task Force, working with local schools and youth services to provide an opportunity for young people to have a voice in the city.

'Wave Action' is a new initiative aimed at creating connected communities where people acknowledge each other's presence. Wave Action can act as a way to generate more conversations in the community about suicide prevention and mental wellbeing.

A continuing priority will be support of developing the Multicultural Hub in Moonah. The centre experienced high usage and growth in its first 12 months of operation and needs further focus in providing a space for people from newly arrived communities to come together.

Your Organisation

Corporate Governance

Governance and leadership are the yin and the yang of successful organisations. If you have leadership without governance you risk tyranny, fraud and personal fiefdoms. If you have governance without leadership you risk atrophy, bureaucracy and indifference
(Mark Goyder, Director of Tomorrow's Company)

Council's Corporate Governance Directorate encompasses three key departments: Governance and Risk, People and Safety and Legal and Procurement. The directorate will shift to a more orthodox corporate services structure during 2019–20 with the completion of Council's organisational repair project. The existing directorate oversaw a diverse portfolio of Council functions including human resources, workplace health and safety, risk management, insurance, Council policy, public compliance (animal management and parking), procurement, and Council's in-house legal team. The directorate also acts as the secretariat for meetings of Council and Council's Audit Panel. During the 2019/20 financial year, public compliance will move to the Development and Customer Services Directorate, and the departments

of finance, information and communication technology services will move into the new Corporate Services Directorate.

Council was subject to several key critical investigations from regulatory bodies that rightfully scrutinised and criticised past governance and leadership shortcomings. The reports produced from those investigations were the Tasmanian Audit Office Report of the Auditor General (No. 1 of 2017-18 Glenorchy City Council 2017), the Glenorchy City Council Board of Inquiry Report November 2017, and the Tasmanian Integrity Commission Report No. 2 of 2018 – Three investigations relating to Glenorchy City Council.

After the first two reports, the Tasmanian Parliament approved a Bill to dismiss Council's Aldermen and set 16 January 2018 as the closing date for a fresh Council election. Council's former Aldermen were officially dismissed on 22 November 2017 when the Bill received Royal Assent (*Glenorchy City Council (Dismissal of Councillors) Act 2017*).

Despite these circumstances, Council's Corporate Governance Directorate continued to meet the challenges of supporting the organisation through what proved to be a tempestuous year.

What we've achieved

CORPORATE GOVERNANCE

During the first six months leading to the release of the Board of Inquiry report, the directorate worked closely with Commissioner Sue Smith, the then Acting General Manager and the state regulatory authorities to ensure that Council improved its public accountability and transparency of dealings and brought to light previous failings and irregularities of conduct by the previous senior administration. It should be acknowledged that this assistance required significant use of Council resources from across the organisation. The directorate thanks all Council staff for their fortitude and resilience.

2018 Glenorchy City Council Election

The directorate was responsible for managing the election of the new Council, with the polling period occurring from 19 December 2017 to 16 January 2018. Corporate Governance oversaw compliance with all statutory processes associated with the 2018 Glenorchy City Council Election. Activities included:

- ensuring strict compliance by Council with mandatory legislative requirements





- reviewing and updating the General Manager's Roll in compliance with statutory processes and mandatory time lines
- daily liaison with the Tasmanian Electoral Commission
- supervising voting at Council Chambers, including ballot security procedures and compliance with electoral legislation during the election period

The election period culminated in the election of a new Council with a Declaration of Office event held at Moonah Arts Centre on Friday, 19 January 2018.

Ministerial Directions

Ministerial Directions, based on the Board of Inquiry's recommendations were issued by the Minister for Planning and Local Government, Peter Gutwein MP, under the *Local Government Act 1993* to the newly elected Council in late January 2018. The directions focused on several key areas including governance, training, policies and procedures, committees

and memberships, compliance and employment contracts.

Of the 58 separate directions, Council completed 43 as at 30 June 2018. At the time of this report, the Minister was satisfied with Council's progress in complying with the directions.

Aldermanic Induction and Training

The newly elected aldermen received training at a formal induction day held at Council Chambers on Saturday, 3 February 2018. Guest speakers from Directorate of Local Government, Tasmanian Audit Office and the Local Government Association of Tasmania gave valuable presentations.

GOVERNANCE AND COMPLIANCE

Significant progress had been made towards establishing a program of compliance with key legislation and governance documents (Compliance Project) and developing a centralised register of statutory and non-statutory delegated powers (Delegations Project).

The Compliance Project aims to ensure that Council's compliance obligations are managed centrally through a digital platform, ensuring that compliance assessments and supporting evidence are monitored and reported independently on an ongoing basis. The Delegations Project will provide a central database of all delegations and the associated processes and controls to ensure currency.

Twenty-nine policies were adopted by Council over the period. Council has a total of 119 policies (47 to which relate to Council's Child Care Connections). At 30 June 2018, 11 Council policies were overdue for review and will be either rescinded or amended as appropriate during the next financial year.

Risk and Assurance

Council's 2018 Strategic and Key Operational Risks Register was completed in January 2018 and subsequently adopted by Council and Council's Audit Panel. The register will be used to guide Council's strategic decision making for the foreseeable future.

Council's Internal Audit Plan for the 2017–18 financial year was endorsed by the Audit Panel on 28 June 2017. More information is contained in the Audit Panel Chair's report on page 112.

Council conducted a competitive tender for two panels of firms to undertake risk assurance services (including internal audit services) and forensic and investigation services for Council.

Public Compliance

Corporate Governance was responsible for administering animal management and parking administration across the municipality, as well as urban fire abatement.

Glenorchy has one of the highest rates of dog ownership per capita in Australia, which requires significant logistical management and technical skill. At 30 June 2017, nearly 9,500 dogs were registered. Key statistics from the financial year were:

- 9,458 dogs were registered
- 450 routine barking complaints were received
- 723 field request calls to Animal Management and Compliance officers (roaming animals, deceased animals etc.)
- Council processed 17 formal barking complaints
- 59 dog attacks were recorded against other dogs/animals
- 17 dog attacks were recorded against people
- 515 infringements were issued under the Dog Control Act 2000
- 7 infringements were issued under Council's *Animal Management By-Law*

Council employs a small parking enforcement team. Key parking statistics over the period were as follows:

- 5,939 infringement notices were issued
- 339 infringement notices were withdrawn
- 1,521 infringements were referred to the State Monetary Penalties Enforcement Agency
- 37 abandoned vehicles were collected and disposed

Significant progress was made towards implementing a new parking infringement system that will allow real-time monitoring of parking infringement data and result in other efficiency dividends. It will also allow people receiving parking infringements to view evidentiary photographs of their vehicles using an online portal. It is anticipated that full functionality will be achieved in 2018–19 financial year.

The Public Compliance unit will move into a new directorate in the 2018–19 financial year.

PEOPLE AND SAFETY

The primary focus for Council's People and Safety Department is ensuring that Council has a skilled, capable and safety-focussed workforce.

Human Resources

Several key People and Safety directives (internal policies) were developed, consulted on and/or approved in the period, underpinning Council's overarching People and Safety Strategy. These included changes requested through the Ministerial Directions, which saw improvements in the handling of staff grievances and merit-based recruitment.

Staff learning and development was a continued focus and the review of the classification structure for all employees covered under Council's Enterprise Agreement gained momentum over the period. An improved system to deal with Council's contractors and their associated mandatory training and licensing requirements was scoped and settled.

Recruitment was very busy during the period, with specific focus on Council's Works Centre and whole of Council organisational repair. Notably:

- 43 positions advertised
- 46 positions closed
- 858 applications processed
- 139 interviews undertaken
- 21 positions offered
- 23 new employees started

Workplace Health and Safety

Council is committed to providing a safe and healthy workplace for all its stakeholders, including contractors, volunteers and visitors. As part of a

focus on continuous improvement, a whole of Council Workplace Health and Safety (WH&S) reinduction program has commenced, with the Infrastructure and Works Directorate, the first area to undertake and complete this important program. Due to the varied nature of work activities and environments across Council, this program will be customised to the business and delivered to the remainder of employees in the 2018–19 financial year. Key WH&S statistics over the period include:

- 38 near misses reported
- 78 hazard reports completed
- 31 safety committee meetings and forums held
- 44 workplace inspections
- 71 personal injuries recorded
- 23 new lost time injury claims submitted (one day/shift or more)
- 19 new medical treatment injury claims submitted (no lost time incurred)

Insurance

A comprehensive review of Council's insurable requirements was undertaken during the year and a broader portfolio of insurance coverage was taken out. Claim activities against Council continue to require on-going resourcing and close monitoring. Key statistics:

- 85 ongoing potential claims
- 116 new potential claims dealt with
- 110 claims closed

LEGAL AND PROCUREMENT

Legal Services

Council's Legal Team was at capacity for the entire period, with several major contractual and litigious matters requiring high level legal advice. A legal services policy was approved by Council to ensure ongoing appropriate use of external legal advisers, including guidance on the circumstances in which the General Manager may seek external advice, and clear and transparent reporting of legal expenses to Council. This also satisfied the Ministerial Directions.

After a rigorous tendering process, a legal service panel is in the process of being established in the first half of the 2018–19 financial year.



26
policies adopted,
updated or rescinded



\$412,510
infringement
revenue



9,458
dogs
registered



23
positions
recruited



21
Council and Audit Panel
meetings administered



37
abandoned vehicles
collected and disposed

Procurement and Tendering

Council's procurement section continued to establish improved procurement and tendering processes across Council, led by Council's Strategic Procurement Co-ordinator. A new Tender Review Committee (TRC) was established to reinforce professional skills and diversity of experience and requirements. New terms of reference for the TRC were adopted to govern the TRC's operations.

A new Code for Tenders and Contracts was adopted by Council in July 2017. The new Code and a centre-led approach resulted in better compliance and more streamlined processes. A number of key projects

were also completed, including the establishment of new panels for legal services, printing services and labour hire following open public tender processes. Development of a tendering and contract manual to provide additional guidance to staff (in conjunction with the new Code) is in development and will be completed during the next financial year.

Where we're going

Corporate Governance will continue to assist Council operations in restoring the public confidence of Council.

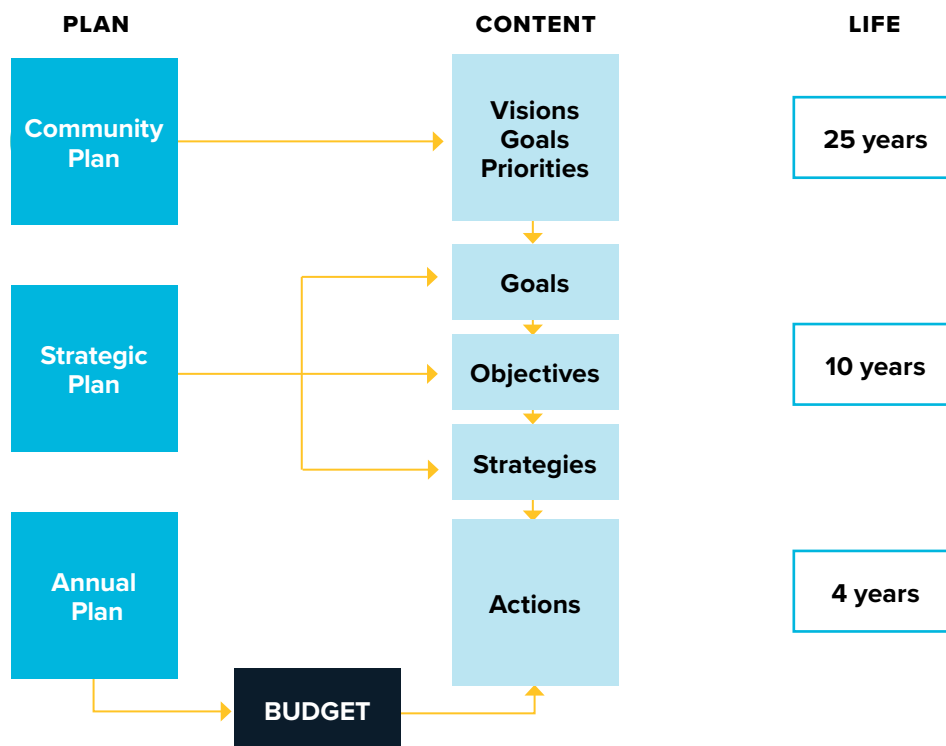
Council expects that with the finalisation of the organisational repair project, better synergies between Corporate Services departments

will develop as they become under the umbrella of a new mainstream Corporate Services Directorate model.

Focus on addressing the Ministerial Directions requirements and improved governance and compliance systems will continue into the new year.

The main focus of the new Corporate Services Directorate will be consolidation and partnering with internal stakeholders to better meet and deliver internal services.

Strategic Planning and Performance Reporting



Council's vision for the City of Glenorchy and our community is set out in the Glenorchy City Council Community Plan 2015-2040. Our strategic planning framework is made in accordance with the requirements set out in the *Local Government Act 1993*. It aims to achieve the community goals set out in the community plan by implementing objectives and strategies set out in a 10-year Strategic Plan, which are actioned annually through Council's annual plan.

How 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 estimates. 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 2017 identified 92 actions for the 2017-18 financial year of which 13 were identified as high priority items. Of the 92 actions, 74 were either completed or on-schedule/ongoing items (which were being substantially met) by the end of the reporting period.

Council's performance for 2017-18 represents a marginal improvement over the preceding year.

Making Lives Better



ACTION STATUS

- **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	✓
Analyse the 2016 ABS Census data and distribute this knowledge across Council to enable operational planning based on community need	✓

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	✓
Review the Positive Ageing Strategy	✓
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	✓
Review the Community Safety Framework	✓
Implement the Community Safety Framework and Action Plan	✓
Deliver the externally funded KGV Sports and Community Precinct Project	●
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	✓

*GAIN – Glenorchy Action Interagency Network

*YANG – Youth Action Network Glenorchy

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	✓
Maintain, renew and replace Council's infrastructure in accordance with Council's asset management framework	●
Implement the Customer Experience Strategy	✓
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 an Operational Service Level Review	✓
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 and marketing plan for the Derwent Entertainment Centre	●
Partner with the Glenorchy Arts and Sculpture Park	✓
Develop an economic development strategy for Glenorchy	●
Implement the Wilkinson's Point and Elwick Bay Precinct Master Plan	●

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 Property Strategy	●
Implement the Property Strategy	●

Valuing our Environment



Objective 3.1

CREATE A LIVEABLE AND DESIRABLE CITY

Strategy

3.1.1 Revitalise our CBD areas through infrastructure improvements

Actions	Status
Implement the Glenorchy CBD Strategic Framework	●
Implement the Public Space Enhancement Grant Project for a children's playground in the Glenorchy CBD	●

Strategy

3.1.2 Enhance our parks and public spaces with public art and contemporary design

Actions	Status
Develop a Master Plan for Tolosa Park	●
Implement the Tolosa Park Master Plan	●
Develop a Master Plan for the Berriedale Peninsula	●
Implement the Berriedale Peninsula Master Plan	●
Update the KGV Master Plan	●

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 the City's transport network to promote sustainability, accessibility, choice, safety and amenity	●
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
Develop a nature strip management policy and procedure	●
Implement a nature strip management policy and procedure	●
Implement a tree management policy and guideline	●
Implement the Access Action Plan 2016-2021	✓
Ensure the construction and maintenance of safe and healthy buildings through compliance with building and plumbing codes	✓
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	●
Deliver 10 year capital program for Council owned 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
Implement Priority Actions identified in the Environment Strategy	●
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 Natural Resource Management (NRM) 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

3.1.3 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
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	●
Implement the performance reporting system for corporate strategic planning	●

Strategy

4.1.2 Manage the City's assets soundly for the long term benefit of the community

Actions	Status
Manage the operation and maintenance of the Derwent Park Stormwater Re-use scheme	●
Develop an Accommodation Strategy	●
Deliver the maintenance program for Council in accordance with agreed service levels	●
Undertake a plant and fleet review	●
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	✓
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	●

Objective 4.2

PRIORITISE RESOURCES TO ACHIEVE OUR COMMUNITIES' GOALS

Strategy

4.2.1 Deploy the Council's resources effectively to deliver value

Actions	Status
Coordinate development and production of Council's 2018–19 – 2021–22 Annual Plan	✓
Review the information and communications technology (ICT) Strategy	✓
Implement the information and communications technology (ICT) strategy	✓
Complete the Annual Financial Report compliant with Australian Accounting Standards	✓
Develop the Corporate Risk Management Action Plan	✓
Implement the Corporate Risk Management Action Plan	●
Develop the annual budget estimates in line with the Financial Management Strategy and provide regular reporting of actuals to budget	✓
Scope GCC Project Management coordination	●
Develop the Procurement Strategy action plan	●

Strategy

4.2.2 Ensure that we have a skilled, capable and safety-focused workforce

Actions	Status
Implement the People and Safety Strategy	●
Implement the GCC Enterprise Agreement	●

Objective 4.3

BUILD STRONG RELATIONSHIPS TO DELIVER OUR COMMUNITIES' GOALS

Strategy

4.3.1 Foster productive relationships with other levels of government, other Councils and peak bodies to achieve community outcomes

Actions	Status
Liaise with the State Government as appropriate on matters of strategic priority	●
Continue to contribute to the local government reform process in accordance with Council's guiding principles	●
Partner and, where feasible, share resources with other Councils	●
Actively participate in peak local government bodies (LGAT and the STCA) to advance community priorities	●

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*. The statement is also required to 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 administered by the Environmental Health section as part of the City Services and Infrastructure Directorate. The program includes activities to support the key action 3.1.4.11 in Council's Annual Plan 2017–18 being to "promote, implement and monitor public health standards".

For 2017–18 the Environmental Health section was resourced with an Acting Coordinator of Environmental Health Services, an Acting Senior Environmental Health Officer, one Environmental Health Officer (full time), one Environmental Health Officer (short contract) and an Environmental Health Technical Officer. Immunisations are conducted with two contracted *Authorised Nurse Immunisers*. Environmental Health's expenditure budget for the 2017–18 financial year was \$596,323. The section also generated \$168,357 in income, primarily from licencing.

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

- *Local Government Act 1993*
- *Public Health Act 1997*
- *Food Act 2003*
- *Litter Act 2007*
- *Environmental Management and Pollution Control Act 1994*

The key functions of these acts include the regulation of:

- notifiable diseases (food borne illness)
- immunisation
- 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
- food safety
- on site waste water management
- private burials/exhumations
- cooling towers and warm water systems
- pollution (air, liquid and solid)

The table outlines statistics for Environmental Health activities undertaken by Council during the 2017–18 financial year.

Food Act 2003	Number (2017–18)	Inspections (2017–18)	Number (2016–2017)	Inspections (2016–17)
Registered food businesses	342	713	372	622
Temporary food permits	261	33	307	35
Improvement Notices	4	8	6	6
Prohibition Orders	1	2	1	1
Infringement Notices	12	N/A	32	N/A

Public Health Act 1997	Number (2017–18)	Inspections (2017–18)	Number (2016–2017)	Inspections (2016–17)
Notifiable disease notification/investigations	24	24	17	17
Gastroenteritis outbreak investigations in vulnerable population settings	2	2	2	2
Vaccinations administered at Council immunisation clinics	217	N/A	208	N/A
Vaccinations administered at school immunisation clinics	2043	N/A	1592	N/A
Registered cooling tower and warm water systems	22	0	32	0
Immunisation record requests	132	N/A	125	N/A
Registered public health risk activity premises (tattooing and ear/body piercing)	4	8	7	14
Licensed operators – Public Health Risk activity	13	8	20	20
Registered water carters	2	0	2	2
Licensed special events (Place of Assembly)	9	4	8	6
Water samples (pools, beaches, rivulets, etc.)	5 sites	77 samples	118	118
Building Act 2016				
Plumbing Permits assessed (on-site waste water approvals)	13	13	7	4
Food Verification assessments (approval of plans for new or alterations to existing food premises)	9	11	9	9
Local Government Act 1993, Environmental Management and Pollution Control Act 1994, Litter Act 2007				
Public/environmental health nuisances investigated	501	417	604	346
Development application referrals	64	N/A	57	N/A
Abatement Notices issued	6	30	8	10
Environmental Protection Notices issued	1	1	1	1
Infringement notices (litter, nuisance etc.)	1	1	35*	N/A

Table 1: statistics for Environmental Health activities undertaken by Council during the 2017–2018 financial year.

*this is the total number of infringements issued across all the legislation. The 2017–2018 figure does not include the Food Act as this is reported separately.

2017–18 KEY ACTIONS/INITIATIVES**Actioned**Undertake the auditing, reporting, registering and regulation of food businesses under the *Food Act 2003*

Review all written communication for plain English and accessible adult literacy



Administer a Meningococcal W immunisation program to all 15 to 19-year-olds



Review current food business risk classification system for consistency with new state-wide structure

Undertake the audit, reporting, licencing, registration and regulation of Public Health Risk Activities under the *Public Health Act 1997***Food Businesses in Glenorchy**

Food business inspections to audit commercial kitchens against the *Food Act 2003* and associated legislation is the highest priority of the Environmental Health section. All known food businesses within the city were registered and there was a marked improvement with the number of operators registering their business within the required renewal period.

Registered food premises have decreased slightly compared with the previous year. However there was an increase in the number of inspections undertaken to ensure compliance with the *Food Standards Code*, demonstrating a proactive approach to food safety in partnership with business. Inspections are also an opportune time to proactively include health promotion, disease prevention and risk management.

Review current Food Business risk classification system for consistency with new State-wide structure

Council participated in the State Government's new Food Risk Priority System Working Group aiming to develop and implement a more consistent food business risk classification system across the State. A new Food Risk Priority System has been agreed upon and will come into effect at the beginning of the 2019 financial year. Council's focus has been on progressively assessing and classifying current food businesses under the new system in time for the renewal process in June 2019. Internal systems have also been reviewed and adapted to accommodate the new classification system.

Review of Written Communication

The Environmental Health team completed a comprehensive review of all written external communication. This was to ensure that information was presented in a way to help someone understand it the first time they read it. The review has paid dividends and since the changes were made there has been a noticeable decrease in the need for follow up inspections or further letters.

Meningococcal W Immunisation Program

Following an increase in illness attributable to Meningococcal W, an immunisation program was conducted by Council across schools and colleges in addition to the usual scheduled immunisations. This was a significant undertaking by Council and involved a rapid coordinated response with the Department of Health, including advertising. Nine schools and colleges were visited on two occasions each, with additional students in the target age group attending Council's immunisation clinics. Council successfully immunised all consenting students, providing an additional 1241 immunisations for Meningococcal W in addition to the usual scheduled immunisation program.

Public Health Goals

Environmental Health officers represented Council on the State working group to develop new Public Health Risk Activity Guidelines under the *Public Health Act 1997*, which regulate skin penetration activities such as tattooing. This work will continue into the 2018–19 reporting year. Council has several tattooing businesses which are actively monitored twice a year to ensure they are conducting their business safely.

Council continues to monitor recreational water quality throughout key sites although sampling activity reduced this year due to the reduction in the number of sample sites and generally dryer weather. Overall, water quality improved this year and fewer re-samples were required following a reduced number of heavy rainfall events compared to last year.

While fewer abatement notices were issued under the *Local Government Act 1993*, they required many more inspections. This demonstrates the increasing complexity of the nuisance complaints reported to Council. There were three infringements issued for the *Local Government Act 1993*, the *Environmental Management and Pollution Control Act 1994* and the *Litter Act 2007* in 2016–17. One infringement was issued under these Acts in 2017–18. The total number of infringements issued in 2017–18 was 13, reflecting improved compliance with registration requirements.

Aldermen Allowances and Reimbursement of Expenses

Section 72(1)(cb)*

Alderman / Commissioner	Allowance	Car Allowance – Mayor / Commissioner	Memberships	Minor Equipment	Stationery	Telecommunication Reimbursement	Total
Ald. Johnston	\$41,315.79	\$4,211.91	\$154.55	\$81.77	\$48.18	\$1,214.55	\$47,026.75
Ald. Stevenson	\$20,007.54				\$48.18	\$145.46	\$20,201.18
Ald. Bull	\$11,804.79				\$48.18	\$145.46	\$11,998.43
Ald. Carlton	\$11,804.79					\$145.46	\$11,950.25
Ald. Dunsby	\$11,804.79				\$48.18	\$145.46	\$11,998.43
Ald. Fraser	\$11,804.79				\$48.18	\$145.46	\$11,998.43
Ald. King	\$11,804.79					\$145.46	\$11,950.25
Ald. Richardson	\$11,804.79				\$48.18	\$145.46	\$11,998.43
Ald. Sims	\$11,804.79				\$48.18	\$145.46	\$11,998.43
Ald. Thomas	\$11,804.79					\$145.46	\$11,950.25
Commissioner Smith	\$131,246.79	\$4,176.83					\$135,423.62
	\$287,008.44	\$8,388.74	\$154.55	\$81.77	\$337.26	\$2,523.69	\$298,494.45

* **Please note:** This table was amended on 27 November 2018 (prior to Council's Annual General Meeting) to correct erroneous information.

Meeting Attendance

Section 72(1)(cc)

COUNCIL MEETINGS

Aldermen / Commissioner	Attended
10 July 2017 – 15 January 2018 (8 held)[†]	
Commissioner Sue Smith	8
8 February 2018 – 25 June 2018 (7 held)[†]	
Ald. Johnston	7
Ald. Stevenson	7
Ald. Bull	7
Ald. Carlton	7
Ald. Dunsby	7
Ald. Fraser	7
Ald. King	7
Ald. Richardson	7
Ald. Sims	7
Ald. Thomas	7

GLENORCHY PLANNING AUTHORITY MEETINGS

Aldermen / Commissioner	Attended
3 July 2017 – 15 January 2018 (9 held)[†]	
Commissioner Sue Smith	9
13 February 2018 – 12 June 2018 (5 held)[†]	
Ald. Johnston	5
Ald. Stevenson	4
Ald. Dunsby	5
Ald. Sims	5
Ald. Thomas	5
Ald. King (Proxy)	1

AUDIT PANEL MEETINGS

Committee Members	Attended
23 August 2017 – 8 December 2017 (4 held)[†]	
Commissioner Sue Smith	4
Mr. R. Hogan	4
Mr. M. Stevens	4
Mr. D. Sales	4
15 February 2018 – 3 May 2018 (2 held)[†]	
Mr. R. Hogan	2
Mr. M. Stevens	2
Mr. D. Sales	2
Ald. Stevenson	2
Ald. Bull	2

[†]On and from 9 February 2017, the elected aldermen were suspended and replaced with Commissioner Sue Smith, whose appointment continued until 18 January 2018.

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 2017–18 financial year.

Contract Description	Contract Start Date	Original Contract Expiry Date	Amended Contract Expiry Date	Period of any option to extend the contract	Total value of tender awarded (exc GST)	Business name of successful contractor	Location of contractor business
Main Road, Road Granton Pathway Improvements including Reseal	04/04/2018	31/05/2018	N/A	N/A	\$365,107.60	Kelly Civic Contracting Pty Ltd	Unit 1/5 Runway Place, Cambridge TAS 7170
Road Improvement Works, Creek Road, Newtown	20/11/2017	09/04/2018	N/A	N/A	\$385,577.00	Kelly Civic Contracting Pty Ltd	Unit 1/5 Runway Place, Cambridge TAS 7170
Supply, Delivery & Retrieval of Kerbside Recycle Bins	01/07/2017	30/09/2017	N/A	N/A	\$737,810.00	Trident Plastics SA Pty Ltd	589 Torrens Road, St Clair SA 5011
Part A – Kerbside Refuse Collection Service	10/03/2018	01/02/2023	N/A	1 + 1 Years	Schedule of Rates	Veolia Environmental Services (Australia) Pty Ltd	Level 4 Bay Centre, 65 Pirrama Rd, Pyrmont NSW 2009
Part B – Kerbside Recycle Collection Service	10/03/2018	01/02/2023	N/A	1 + 1 Years	Schedule of Rates	Veolia Environmental Services (Australia) Pty Ltd	Level 4 Bay Centre, 65 Pirrama Rd, Pyrmont NSW 2009
Supply and/or Laying of Bituminous Surfacing of Roads, Footpaths and Slurry/Micro Sealing of Roads	01/06/2018	31/05/2020	N/A	1 Year	Schedule of Rates	Roadways Pty Ltd	28 Jackson Street, Glenorchy TAS 7010
Provision of Kerbside Refuse Collection Services	Extension on existing contract 0471-2010	30/06/2015	N/A	01/07/2017 to 09/03/2018	Schedule of Rates	Veolia Environmental Services (Australia) Pty Ltd	Level 4 Bay Centre, 65 Pirrama Rd, Pyrmont NSW 2009
Supply of Crushed Rock Metals	Extension on existing contract 0632-2015	30/11/2017	N/A	01/12/2017 to 30/11/2018	Schedule of Rates	Boral Construction Materials Group Ltd	61 Lindsay Street, Invermay TAS 7250
Labour Hire Panel	26/03/2018	25/03/2020	N/A	2 Years	Schedule of Rates	Panel of Providers	Various
Legal Services Panel	24/07/2018	30/06/2020	N/A	2 Years	Schedule of Rates	Panel of Providers	Various
Printing Services Panel	14/05/2018	14/05/2020	N/A	2 Years	Schedule of Rates	Panel of Providers	Various

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) extended by Council during the 2017–18 financial year.

Contract Description	Contract Start Date	Original Contract Expiry Date	Amended Contract Expiry Date	Period of any option to extend the contract	Total value of tender awarded / contract value	Business name of successful contractor	Location of contractor business
EXTENSION OF CONTRACTS							
Supply of asphalt products and bitumen surfacing of roads and footpaths	31/08/2014	01/09/2017 (including exercise of 1-year option)	31/05/2018	1 year (original option) Further extension to 31/05/2018 approved by Council resolution	\$1,528,946.77*	Roadways Pty Ltd	28 Jackson Street, Glenorchy TAS 7010
Labour hire	01/10/2013	01/10/2017 (including exercise of 1-year option)	25/03/2018	1 year (original option) Further extension to 25/03/2018 approved by Council resolution	\$441,534.78*	Group Employment Tasmania t/a AES Employment Group	Tasmanian Technopark, Innovation Drive, Dowsing Point TAS 7010

* Value of funds spent during period of contract extension only.

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 2017–18 financial year.

Contract Description	Contract Start Date	Original Contract Expiry Date	Amended Contract Expiry Date	Period of any option to extend the contract	Total value of tender awarded (exc GST)	Business name of successful contractor	Location of contractor business
Glenorchy Recreation Ground Sports Field Drainage	28/09/2017	23/10/2017	N/A	N/A	\$119,278.00	Carteman Pty Ltd trading as Total Turf Care	32 Harvest Lane Old Beach TAS 7017
Provision of Building Services – KGV Sports and Community Precinct	26/02/2018	05/05/2018	N/A	N/A	\$163,310.00	CDC Development (Tas) Pty Ltd	PO Box 87 Blackmans Bay TAS 7052
Management of Glenorchy Multi-Cultural Hub	25/08/2017	25/08/2018	N/A	3 Years	\$200,000.00	Multicultural Council of Tasmania Inc.	40 Melville Street Hobart TAS 7000
Design and Construction of Prince of Wales Bay Sports Precinct Lighting System	04/05/2018	03/07/2018	31/12/2018	N/A	\$236,370.00	RBD Contracting Services Pty Ltd	3 Bay Drive Spreyton TAS 7310



CONTRACTS WHERE PUBLIC TENDERS NOT INVITED

Regulation 29(2), Local Government (General) Regulations 2015

Supplier	Services provided	Value of goods and services acquired	Reasons for not inviting public tenders
Sugden & Gee Pty Ltd	Project Management and Consultancy and Superintendent services	\$236,393.61*	<p>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</p> <p>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.</p> <p>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.</p>
AES Group Employment	Labour hire services	\$441,534.78**	<p>An extension to an existing contract with the supplier was required due to the need to complete a tender process for a new contract.</p> <p>A new contract was unable to be awarded prior to its expiry, and the need for continuity of services meant that the existing contract needed to be extended.</p> <p>The original contract was awarded through a tender process. The extension of the contract resulted in the additional reported expenditure being incurred.</p>
Roadways Pty Ltd	Supply of asphalt products and bitumen surfacing of roads and footpaths	\$1,528,946.77**	<p>An extension to an existing contract with the supplier was required due to the need to complete a tender process for a new contract.</p> <p>A new contract was unable to be awarded prior to its expiry, and the need for continuity of services meant that the existing contract needed to be extended.</p> <p>The original contract was awarded through a tender process. The extension of the contract resulted in the additional reported expenditure being incurred.</p>

* Expenditure did not reach the \$250,000 limit during the reporting period, but total expenditure of \$350,000 on the project was approved by Council on 28 May 2018.

** Value of funds spent during period of contract extension only.

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 adopted by Council on 2 October 2017. The manual can be accessed on Council's website 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 2017–18 financial year.

Section of PID Act	Disclosure Requirement	Reportable matters in 2017–18
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 2017–18
\$40,001 - \$60,000	1
\$60,001 - \$80,000	1
\$140,001 - \$160,000	1
\$160,001 - \$180,000	3
\$180,001 - \$200,000	1
\$260,001 - \$280,000	1
\$360,001 - \$380,000	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
- 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	\$10,908.95
Guilford Young College, 64a Bowden Street, Glenorchy	\$6,663.43
Trustees of the Property of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$10,977.02
Trustees of the Property of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$587.86
Trust Corporation of The Roman Catholic Church, 72-76 Bowden Street, Glenorchy	\$14,299.20
Oakwood School - Northern Campus Pty Ltd, 1 Kestrel Street, Claremont	\$6,990.72
St. Virgils Christian Brothers College, St Virgils College, 195-229 Main Road, Austins Ferry	\$45,757.44
Guilford Young College, 71 Bowden Street, Glenorchy	\$26,215.20
Trust Corporation of The Roman Catholic Church, 44a Charles Street, Moonah	\$1,156.65
Aust Conference Assoc Ltd, Hilliard Christian School 32 Cheviot Road, West Moonah	\$12,710.40
Northern Suburbs Family Care Ltd, Northern Suburbs Family Church 26a Tregear Street, Moonah	\$699.07
Trustees of the Property of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$1,096.27
Trustees of the Property of the Roman Catholic Church, 24-30 Hopkins Street, Moonah	\$1,858.90
Optia Inc, 1 View Point Road, West Moonah	\$1,398.14
Lady Clark Centre Association, Lady Clark Centre, 6 Lady Clark Avenue, Claremont	\$30,504.96
The District Nurses, Hobart Nursing Service 2-6 Birdwood Avenue Moonah	\$22,167.57
Community Based Support, South Incorporated, 24 Sunderland Street, Moonah	\$10,969.39
Uniting Church of Australia, 2B Chardonnay Drive, Berriedale	\$26,489.27
Tasmanian Association of People with Disability, 1/13-15 Mill Lane, Glenorchy	\$3,226.85
Claremont RSL Sub-Branch Inc., Claremont RSL Club, 9 Bilton Street, Claremont	\$7,467.36
Trust Corporation of the Roman Catholic Church, 23 Islington Road, Montrose	\$1,115.34
Missionary Sisters of Christ The King, 1 Kirala Court, Berriedale	\$1,123.60
Aurora Disability Services, 1a Chapel Street, Glenorchy	\$1,614.86
Glenview Community Services Inc., 2-10 Windsor Street, Glenorchy	\$60,646.08
Anglicare Tasmania Inc., 436 Main Road, Glenorchy	\$8,324.04
St Vincent De Paul Glenorchy, 12 Mill Lane, Glenorchy	\$4,364.12
Paraplegic Quadriplegic Association, 26-28 Tolosa Street, Glenorchy	\$2,160.77
Tasmanian Caledonian Society, 31 Homer Avenue, Moonah	\$714.96
Langford Support Services Ltd, 1/29 Windsor Street, Glenorchy	\$900.53
Anglicare Tasmania Inc., 12 Apollo Road, Rosetta	\$1,588.80
Lady Clark Centre Association, 2/11 Waldron Street, Claremont	\$830.31
Trustees of the Diocese of Tasmania, 478 Main Road, Montrose	\$1,811.23
The Salvation Army (Tas) Property Trust, 1/4 Ruthwell Street, Montrose	\$987.28
St Vincent De Paul Society (Tasmania) Inc., 5 Pear Avenue, Derwent Park	\$7,988.49

REDUCED RATES

Organisation	Amount (inc GST)
The Salvation Army (Tas) Property Trust, 3/98 Chapel Street, Glenorchy	\$859.22
The Salvation Army (Tas) Property Trust, 1/23 Vieste Drive, Glenorchy	\$797.26
The Salvation Army (Tas) Property Trust, 3/2 Philip Avenue, Montrose	\$871.62
Croatian Catholic Centre Inc, 17 George Street, Granton	\$1,027.95
YMCA Glenorchy, 8A Constance Avenue, Glenorchy	\$6,355.20
Trustees of the Property of the Roman Catholic Church, 64 Bowden Street, Glenorchy	\$812.67
Trust Corporation of the Roman Catholic Church, 12a Ashbolt Crescent, Lutana	\$784.87
National Fitness Southern Recreation Assoc., Moonah Sports Centre, 7 Gormanston Road, Moonah	\$2,224.32
Mission Australia, Chigwell House, 2b Myella Drive, Berriedale	\$8,274.79
Oak Tasmania, 6B Lampton Avenue, Derwent Park	\$15,148.57
Optia Inc, 26-28 Garden Road, Moonah	\$10,781.60
Womens Karadi Aboriginal Corporation, 38 Rothesay Circle, Goodwood	\$571.97
Hobart City Council, 500 Kalang Avenue, Glenorchy	\$1,366.37
St John Ambulance Australia (Tas) Inc., 171-181 Main Road, Moonah	\$25,422.07
Hole in the Ground Investments Pty Ltd & 4 others..., 9 Timsbury Road, Glenorchy	\$8,415.87
Kennerley Childrens Homes Inc., 99 Allunga Road, Chigwell	\$1,053.37
Kennerley Childrens Homes Inc., 22-24 Arunta Crescent, Chigwell	\$2,224.32
Kennerley Childrens Homes Inc., 77 Box Hill Road, Claremont	\$1,115.34
Uniting Church of Australia, Strathaven Nursing Home, 9 Strathaven Drive, Rosetta	\$48,586.30
Kennerley Childrens Homes Inc., 20 Cadbury Road, Claremont	\$1,164.91
Tasmanian Association of People with Disability, 5 Eady Street, Glenorchy	\$1,906.56
Indian Cultural Society of Tasmania Inc, India House Community Centre, 7 Lodge Street, Glenorchy	\$1,020.33
Glenorchy RSL, Glenorchy RSLA, 320 Main Road, Glenorchy	\$13,177.51
Uniting Church of Australia, 19 Montrose Road, Montrose	\$6,072.39
Karadi Aboriginal Corporation, 4 Rothesay Circle, Goodwood	\$1,620.58
Salesian Society Inc, 204 Tolosa Street, Glenorchy	\$47,664.00
Child Health Association, Moonah Child Health Centre, 26 Albert Road, Moonah	\$778.51
National Fitness Southern Recreation Assoc., Moonah Sports Centre, 21 Gormanston Road, Moonah	\$3,336.48
Tascare Society for Children Inc, 231 Main Road, Derwent Park	\$2,365.09
Able Australia Services, 137 Main Road, Moonah	\$4,763.54
The Salvation Army (Tas) Property Trust, 5 Mirool Place, Moonah	\$1,181.43
Christian Brothers Vic Property Ltd, 33 Ripley Road, West Moonah	\$1,620.58
Collinsvale Community Association, Uniting Church Cemetery, 20 Church Road, Collinsvale	\$247.85
Royal Agricultural Society of Tasmania, 2a Howard Road, Goodwood	\$16,477.59
Total	\$576,406.07

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)
Claremont Indigenous Boxing Club	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)
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
Collinsvale Community Association	14 Hall Road, Collinsvale (part)
Glenorchy History Group	2 Tolosa Street, Glenorchy (part)
Messrs Hope	345 Main Road, Glenorchy
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)
Hobart Petanque Club	103 Cadbury Road, Claremont
Claremont Junior Football Club	103 Cadbury Road Claremont
Migrant Resource Centre	1A Anfield Street, Glenorchy

REDUCED RENTALS	
Organisation	Property
The Trustees of the Diocese of Tasmania	374 Main Road Glenorchy (part)
Metro Football Club	131A Allunga Road, Chigwell
Multicultural Council of Tas	65 Hopkins Street, Moonah
YMCA	2A Anfield Street, Glenorchy
Glenorchy District Football Club	1A Anfield Street, Glenorchy

EVENT SPONSORSHIPS AND OTHER CONTRIBUTIONS (COMMUNITY AND CULTURAL EVENTS)

Organisation	Amount (inc GST)
---------------------	-------------------------

Cash Donations

Glenorchy Art and Sculpture Park	\$95,000
Glenorchy City Concert Brass Band	\$7,500
Glenorchy Community Fund	\$4,000
Eric Reece Scholarship	\$3,000
State Sporting Representations	\$2,225
Donations to various groups for performances or contribution to Moonah Taste of the World Festival	\$3,966
Claremont College Bursaries	\$1,000
Southern Tasmanian Dancing - 12 Years & Under Scholarship	\$1,120
Queens Baton Relay	\$500
St John Ambulance	\$100
Cash Donations	\$118,411

Cash Contributions

Tasmanian Canine Defence League	\$96,501
Derwent Estuary Program	\$51,696
Wellington Park Management Trust	\$32,681
Cycling South	\$23,500
Greater Hobart State Emergency Service	\$19,675
Glenorchy Historical Society Inc.	\$2,138
Festival of Smiles 2017	\$1,500
Cash Contributions	\$227,691

IN-KIND CONTRIBUTION REDUCED OR WAIVED FEES AND/OR CHARGES ASSISTANCE PROVIDED

Organisation	Amount (inc GST)
---------------------	-------------------------

Dog registration fees – Pensioner discounts	\$38,346
Waiver of Planning and Development application and processing fees	\$1,705
Waiver of Environmental Health (temporary food business) fee	\$7,867
Waiving of Landfill Fees - various community organisations	\$8,841
Waiver venue hire fees - MAC Partnership Projects	\$8,175
In-Kind contribution – Fees /Charges waived	\$64,934

Miscellaneous

Code of conduct complaints

Section 72(1)(ba)

No code of conduct complaints were upheld either wholly or in part during the 2017–18 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 2017–18 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 1992 in the 2017–18 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 2017–18 financial year.

Other prescribed matters

Section 72(1)(e)

See Tenders and Contracts (page 40).



MOONAH TASTE OF THE WORLD FESTIVAL



THIS ANNUAL FESTIVAL, RUN BY GLENORCHY CITY COUNCIL, IS HELD AT BENJAFIELD PARK IN MOONAH IN MARCH OF EACH YEAR.

Food, dance, music and cultural activities from across the globe were on display at the Moonah Taste of the World Festival in 2018.

Rain threatened to keep crowds away, but it cleared, and sunshine brought over 6000 people to the event in Moonah who enjoyed the wide array of entertainment and food on offer.

Local schools involved in the event through a food stall or activity included Guilford Young College, Cosgrove High School, Moonah Primary School, Dominic College and Bowen Road Primary School.

Unique and flavoursome dishes were on offer which included cuisine from food stalls such as Lucky Sri Lankan Kitchen, Hazara Community, Hobart Malayali Association, Cantina Latina, Migrant Resource Centre, the Taste of Salvadorian Food, Tibet Kitchen and Ukrainian Cuisine.

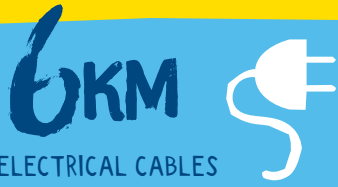
Mayor of Glenorchy Kristie Johnston said the festival was a great opportunity to celebrate the cultural diversity in the Glenorchy municipality. "The Festival has



50
VOLUNTEERS

19
COMMUNITY FOOD STALLS





6000 VISITORS



THE FESTIVAL PROVIDES A GREAT OPPORTUNITY FOR PEOPLE FROM ALL OVER THE WORLD TO SHARE THEIR STORIES, FOOD AND CULTURE

MAYOR KRISTIE JOHNSTON

been running since 2011, and provides a great opportunity for people from all over the world to share their stories, food and culture,” Mayor Johnston said.

“An important aspect of the event was that it demonstrated Glenorchy Council’s commitment to being a member of the international Welcoming Cities Network. The network is part of an international movement of more than 120 Cities in Australia, USA, Germany, the United Kingdom and New Zealand.

“Glenorchy is the first Tasmanian city to become a member and this aligns with Council’s Community Plan commitment to welcome new arrivals from all countries and work with them to build on the multicultural traditions in our community through arts, food, music, entertainment and shared experiences.

Glenorchy City Council thanks event sponsors – the Tasmanian Government and Nyrstar – and supporters Allocca Electrical, Two-Way Taxi Trucks, Moreton Group Medical Services and the Glenorchy Gazette.



40L BORSCH 

120 TABLES



30+ NATIONALITIES

1000 UKRAINIAN DUMPLINGS





GLENORCHY CITIZEN AND
YOUNG CITIZEN OF THE
YEAR, LYNETTE GREEN
AND MITCHELL WOOLLEY

Financials



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Certification of the 2018 Financial Report

Glenorchy City Council Financial Report

Certification of the 2018 General Purpose Financial Report

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



.....
Tony McMullen

General Manager

Date: 28 September 2018

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Income				
Recurrent income				
Rates	4	35,654	35,531	34,541
User charges and licences	5	12,117	11,455	11,402
Interest		395	378	412
Grants	6	1,696	3,267	4,322
Contributions – cash	7a	280	297	382
Investment income from TasWater	8	3,258	3,268	3,339
Other income	9	552	1,038	685
		53,952	55,234	55,083
Capital income				
Contributions – non-monetary assets	7b	-	4,723	1,184
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	10	74	91
Capital grants received specifically for new or upgraded assets	6	865	1,125	2,022
Fair value recognition of land under roads	27q	-	-	-
		875	5,922	3,297
Total income		54,827	61,156	58,380
Expenses				
Employment costs	11	21,487	21,238	20,561
Materials and services	12	13,887	15,373	15,780
Depreciation and amortisation	13a	14,369	12,822	12,494
State Fire Commission contribution		5,332	5,332	5,056
Finance costs	14	146	363	451
Assets written off	13b	170	15,895	4,005
Bad and doubtful debts	15	2	7	17
Other expenses	16	639	570	691
Total expenses		56,032	71,600	59,055
Surplus/(deficit)		(1,205)	(10,444)	(675)
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net gain/(loss) on revaluation of property, plant and equipment	27	-	11,477	(25,117)
		-	11,477	(25,117)
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve				
- Fair value adjustment on available for sale assets	27	-	2,142	1,075
		-	2,142	1,075
Total other comprehensive income		-	13,619	(24,042)
Total comprehensive result		(1,205)	3,175	(24,717)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	14,144	11,591
Trade and other receivables	18	1,919	1,543
Inventories	19	109	111
Non-current assets classified as held for sale	20	-	-
Other current assets	20	528	584
Total current assets		16,700	13,829
Non-current assets			
Investment in TasWater	21	167,145	165,003
Property, infrastructure, plant and equipment	22	673,580	669,662
Other non-current assets	22	16,102	20,633
Total non-current assets		856,827	855,298
Total assets		873,527	869,127
Liabilities			
Current liabilities			
Trade and other payables	23	4,004	2,439
Provisions	24	4,944	3,802
Borrowings	25	952	852
Other current liabilities	26	2,839	2,543
Total current liabilities		12,739	9,636
Non-current liabilities			
Provisions	24	4,888	5,756
Borrowings	25	3,307	4,317
Total non-current liabilities		8,195	10,073
Total liabilities		20,934	19,709
Net assets		852,593	849,418
Equity			
Accumulated surpluses		525,385	532,882
Reserves	27	327,208	316,536
Total equity		852,593	849,418

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

		Total equity	Accumulated	Asset	Fair value	Other revenue
	Note	\$'000	surpluses	revaluation	reserve	reserves
		\$'000	\$'000	reserve	\$'000	\$'000
		\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Balance at the beginning of the financial year		849,418	532,882	336,176	(31,901)	12,261
Comprehensive result		3,175	(10,444)	11,477	2,142	-
Transfers to reserves	27	-	(725)	-	-	725
Transfers from reserves	27	-	3,672	-	-	(3,672)
Balance at the end of the financial year		852,593	525,385	347,653	(29,759)	9,314
2017						
Balance at the beginning of the financial year		874,134	531,474	361,293	(32,976)	14,343
Comprehensive result		(24,716)	(675)	(25,117)	1,075	-
Transfers to reserves	27	-	(1,180)	-	-	1,180
Transfers from reserves	27	-	3,262	-	-	(3,262)
Balance at the end of the financial year		849,418	532,882	336,176	(31,901)	12,261

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Rates		35,569	34,602
Operational government grants (inclusive of GST)		3,267	4,335
Contributions – cash		297	382
Interest		378	412
User charges and licences (inclusive of GST)		10,980	11,777
Other income (inclusive of GST)		2,369	1,374
Investment income from TasWater		3,268	3,339
Employee costs		(21,049)	(20,255)
Materials and services (inclusive of GST)		(13,591)	(18,447)
Finance costs		(363)	(301)
Levies paid to State Government		(5,332)	(5,056)
Other payments (inclusive of GST)		(1,634)	(700)
Net cash provided by/(used in) operating activities	28	14,159	11,462
Cash flows from investing activities			
Capital government grants		1,125	2,022
Payments for property, plant and equipment		(12,076)	(15,628)
Proceeds from sale of non-current assets		254	214
Net cash flows provided by/(used in) investing activities		(10,697)	(13,392)
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		(909)	(852)
Net cash flows provided by/(used in) financing activities		(909)	(852)
Net increase/(decrease) in cash and cash equivalents		2,553	(2,783)
Cash and cash equivalents at the beginning of the financial year		11,591	14,374
Cash and cash equivalents at the end of the financial year	17	14,144	11,591

The above statement should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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.

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 21, 22, and 24.

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 36.

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 24.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 37.

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 21.

Landfill Rehabilitation

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

4. 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 2018 was \$388,511,238 (2017: \$355,387,322). The 2018 rate in the dollar was \$0.079440 (2017: \$0.080600).

Rates	2018 \$'000	2017 \$'000
Rates charge	31,653	30,802
Interest charge	49	51
Penalty charge	160	191
Recovery of legal expenses	61	84
State Government charges and levies		
State Fire Commission contribution	5,346	5,140
Less Government subsidies	(1,738)	(1,727)
	35,531	34,541

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.

5. User charges and licences

User charges and licences	2018 \$'000	2017 \$'000
Childcare	551	512
Registration and licences	534	498
Derwent Entertainment Centre	1,357	1,338
Derwent Park Reuse sales	191	230
Development and building	1,276	1,208
Garbage and recycling	6,453	6,420
General fines and infringements	458	451
Rental revenue	551	638
Other fees and charges	84	106
	11,455	11,402

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.

Operating leases as lessor

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

5. User charges and licences (continued)

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.

6. Grants

	2018 \$'000	2017 \$'000
Summary of grants		
Commonwealth funded grants	4,004	6,001
State funded grants	373	270
Others	14	73
	4,392	6,344
Grants – recurrent		
Commonwealth Government Financial Assistance Grants – General Purpose	949	1,378
Commonwealth Government Financial Assistance Grants – Roads	1,415	2,072
Childcare Services	736	690
Moonah Taste of the World	15	15
Community Development	63	115
Other	89	53
Total recurrent grants	3,267	4,322
Capital grants received specifically for new or upgraded assets		
Blackspot	159	843
Department of Transport	866	999
Sport Ground Improvements (Lighting)	-	160
King George V Community Park	-	20
Prince of Wales Bay Sporting Nets	100	-
Total capital grants	1,125	2,022
Total grants	4,392	6,344

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2017-18, the Commonwealth made early payment of the first two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2017-18 by \$1,189,224. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2017-18 by the same amount.

6. 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:

	2018 \$'000	2017 \$'000
Unexpended at the close of the previous reporting period	959	898
Less: expended during the current period from revenues recognised in previous reporting periods		
Community & Multicultural Centre Master Plan	(8)	(37)
Glenorchy Skate Park	(29)	-
Eady Street Recreation Grounds Improvements	(7)	(73)
Safer Roads	-	(9)
Sports Ground Improvements (Lighting)	(160)	-
CBD Revitalisation	(67)	-
	(271)	(119)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Sports Ground Improvements (Lighting)	-	160
King George V Community Park	-	20
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 Prince of Wales Bay	100	-
	166	180
Unexpended at the close of this reporting period	854	959
Net increase (decrease) in non-reciprocal grant revenues for the year:	(105)	61

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 is valued at its 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.

7. Contributions

	2018 \$'000	2017 \$'000
a) Cash		
Recreational, leisure and community facilities	55	64
Parks, open space and streetscapes	171	186
Recharge work contributions	55	27
Other	16	105
	297	382
b) Non-monetary assets		
Buildings	533	-
Land	495	116
Stormwater	1,519	448
Transport	2,176	619
	4,723	1,184
Total contributions	5,020	1,566

There was a significant increase in non-monetary contributions for Stormwater and Transport assets in 2017-18. The majority of the Stormwater increase includes stormwater pits and drains identified through field work investigations. The 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. 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.

8. Investment income from TasWater

	2018 \$'000	2017 \$'000
Investment income from TasWater		
Dividend income	2,009	2,114
Guarantee fee	298	280
Tax equivalent	962	946
	3,268	3,340

Accounting policy

Investment income

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

9. Other income

	2018 \$'000	2017 \$'000
Other income		
Fuel Tax Credits	92	98
State Fire Commission contribution	213	202
Refund	325	26
Other	407	359
	1,038	685

Accounting policy

Other income

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

10. Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2018 \$'000	2017 \$'000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds from disposal of property, infrastructure, plant and equipment	254	214
Less carrying amount of property, infrastructure, plant and equipment	(180)	(122)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	74	91

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.

11. Employee costs

	2018 \$'000	2017 \$'000
Employee costs		
Wages and salaries	22,797	22,406
Redundancies	274	-
Relief/casual staff	841	878
Fringe Benefits Tax	10	4
Other	25	13
	23,947	23,300
Less amounts capitalised	(2,709)	(2,739)
	21,238	20,561

Accounting policy

Employee costs

Employee cost 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 costs include, where applicable, entitlements to wages and salaries, annual leave, personal leave, long service leave, superannuation, any other post-employment benefits as well as workers compensation expense and payroll tax expense.

12. Materials and services

	2018	2017
	\$'000	\$'000
Materials and services		
Materials and services	5,325	4,885
Board of Inquiry	96	791
Contract payments	7,857	7,469
Plant and equipment maintenance	190	240
Utilities	1,345	1,304
Consultants	560	1,091
	15,373	15,780

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.

13. Depreciation and amortisation

	2018	2017
	\$'000	\$'000
a) Depreciation and amortisation		
Buildings and other land improvements	2,028	1,959
Plant and vehicles	294	307
Equipment and furniture	347	198
Transport	7,561	7,498
Stormwater and drainage	2,275	2,211
Valuation roll	57	62
Restoration costs	260	260
	12,822	12,494
b) Assets written off		
Buildings and other land improvements	2,353	133
Transport	2,072	2,767
Stormwater and drainage	11,471	1,049
Land	-	55
	15,895	4,005
	28,716	16,499

Building and other land improvement assets as well as Stormwater and drainage assets written off in 2017-18 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.

13. Depreciation and amortisation (continued)

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)
Buildings and other land improvements	
Freehold buildings	20 to 100
Building fixed equipment and furniture	5 to 100
Equipment and furniture	
Furniture, fittings and office equipment	3 to 20
Computer systems and technical equipment	3 to 10
Other infrastructure	
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
Plant and vehicles	
Infrastructure	5 to 75
Fleet	3 to 5
Mobile plant	5 to 20
Minor plant	3 to 5
Transport	
Bridge	20 to 80
Car park surface	22 to 40
Car park base	80
Car park formation	Unlimited
Kerb	75
Pathway	10 to 75
Road pavement surface	22 to 40
Road pavement base	70 to 80
Road formation	Unlimited
Traffic management device	15 to 75

13. Depreciation and amortisation (continued)

	Useful life (years)
Stormwater and drainage	
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	
Valuation rolls of the municipality	5 to 6

14. Finance costs

	2018 \$'000	2017 \$'000
Finance costs		
Interest	207	294
Unwinding of discounts applied to provisions	156	156
	363	451

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 (2017: nil).

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

15. Bad and doubtful debts

	2018 \$'000	2017 \$'000
Bad and doubtful debts		
Bad debts	7	17
Total bad and doubtful debts	7	17

Accounting policy

Bad and doubtful debts

Bad and doubtful debts are recognised in the Statement 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.

16. Other expenses

	2018	2017
	\$'000	\$'000
Other expenses		
Land tax	465	462
External auditor's remuneration (Tasmanian Audit Office)	30	54
Grants and specific purpose benefits	23	117
Other	52	59
	570	691

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.

17. Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Cash and cash equivalents		
Current investment funds	6,000	8,545
Operating account	8,007	2,952
Glenorchy City Concert Brass account	7	9
Petty cash floats	6	6
Derwent Entertainment Centre operating cash floats	53	28
Derwent Entertainment Centre Automatic Teller Machine	71	51
	14,144	11,591

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:

	2018	2017
	\$'000	\$'000
Internal restrictions		
Statutory reserves	1,081	4,448
Derwent Entertainment Centre Automatic Teller Machine	71	51
	1,152	4,499
External restrictions		
Conditions on grants	854	709
Glenorchy City Concert Brass account	7	9
	861	718
Restricted funds	2,013	5,217
Total unrestricted cash and cash equivalents	12,131	6,373

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.

18. Trade and other receivables

	2018	2017
	\$'000	\$'000
Trade and other receivables		
Employees and advanced salaries	7	7
Rates and charges	507	545
Debtors	2,684	2,210
Provision for impairment – liquidated damages claim	(1,597)	(1,597)
Provision for impairment – other debtors	(25)	(52)
	1,576	1,113
Goods and Services Tax on purchases	389	463
Goods and Services Tax on sales	(46)	(33)
Goods and Services Tax receivable	343	430
Total trade and other receivables	1,919	1,543

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% (2017: 10%) fourteen days after instalments are due. Interest of 8.72% (2017: 8.40%) is charged after the instalments are due and is calculated fortnightly (2017: fortnightly) on the outstanding balance.

All outstanding trade receivables have been assessed as past due but not impaired. 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 impairment 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.

	2018	2017
	\$'000	\$'000
Ageing of past due – rates and charges		
30 – 60 days	-	-
60 – 90 days	-	-
Over 90 days	507	545
	507	545
Ageing of past due – debtors		
30 – 60 days	42	43
60 – 90 days	62	85
Over 90 days	274	74
	378	202
Movement in the provision for impairment – other debtors		
Balance at the beginning of the year	1,649	1,633
Amounts transferred to the provision during the year	9	16
Amounts recovered during the year	(1)	-
Amounts written off as uncollectable	(36)	-
Balance at the end of the year	1,621	1,649

18. Trade and other receivables (continued)

Accounting policy

Trade and other receivables

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.

Other receivables are payable within 30 days of issue of the account. No interest is charged to overdue sundry receivables.

19. Inventories

	2018 \$'000	2017 \$'000
Inventories		
Stores and materials	109	111
	109	111

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. Costs are assigned by the method most appropriate to each particular class of inventory.

20. Other current assets

	2018 \$'000	2017 \$'000
Other current assets		
Prepayments	242	332
Accrued revenue	286	251
	528	584

Accounting policy

Other current assets

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

21. Investment in TasWater

	2018 \$'000	2017 \$'000
Investment in TasWater		
Balance at the beginning of the year	165,003	163,927
Fair value adjustments on available-for-sale assets	2,142	1,075
Balance at the end of the financial year	167,145	165,003

Council has derived returns from TasWater as disclosed at note 9.

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

Accounting policy

Investment in TasWater

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against TasWater's net asset value at balance date. At 30 June 2018, Council held a 10.41% (2017: 10.41%) ownership interest in TasWater which is based on schedule 2 of the Corporation Constitution which reflects the Council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to a Fair Value Reserve each year (refer note 27).

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.

On 1 May 2018 TasWater and the State Government announced a memorandum of understanding under which the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. As a shareholder the State Government will not receive any dividend distributions. The partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects. As at the date of these financial statements, the owner councils and the State Government were working together on the nature of the future reforms.

22. Property, infrastructure, plant and equipment

Reconciliation of Property, infrastructure, plant and equipment

	Note	Carrying amount 1/07/2017 \$'000	Additions \$'000	Transfer between asset classes \$'000	Assets classified as Investment Property \$'000	Disposals and write-offs \$'000	Net revaluation adjustments \$'000	Depreciation and amortisation \$'000	Fair value recognised in profit or loss \$'000	Carrying amount 30/06/2018 \$'000
Transport	22	276,966	10,208	-	-	2,470	6,587	7,560	-	283,731
Stormwater and drainage	22	143,791	4,024	-	-	11,483	3,224	2,262	-	137,294
Land	22	198,943	495	-	-	-	7,265	-	-	206,703
Buildings and other land improvements	22	45,459	2,212	-	-	2,353	(5,599)	2,289	-	37,430
Plant and vehicles	22	1,674	846	-	-	187	-	294	-	2,039
Equipment and furniture	22	2,521	3,930	-	-	-	-	320	-	6,131
Valuation roll	22	308	-	-	-	-	-	56	-	252
		669,662	21,715	-	-	16,493	11,477	12,781	-	673,580

	Note	Carrying amount 1/07/2016 \$'000	Additions \$'000	Transfer between asset classes \$'000	Assets classified as Investment Property \$'000	Disposals and write-offs \$'000	Net revaluation adjustments \$'000	Depreciation and amortisation \$'000	Fair value recognised in profit or loss \$'000	Carrying amount 30/06/2017 \$'000
Transport	22	264,356	10,139	46	2,043	(2,767)	10,648	(7,498)	-	276,966
Stormwater and drainage	22	179,085	4,428	-	-	(1,049)	(36,462)	(2,211)	-	143,791
Land	22	190,869	116	1,148	6,865	(55)	-	-	-	198,943
Buildings and other land improvements	22	45,377	1,359	(36)	416	(133)	695	(2,219)	-	45,459
Plant and vehicles	22	1,588	514	-	-	(122)	1	(307)	-	1,674
Equipment and furniture	22	2,331	388	-	-	-	-	(198)	-	2,521
Valuation roll	22	19	352	-	-	-	-	(62)	-	308
		683,624	17,296	1,158	9,325	(4,127)	(25,117)	(12,494)	-	669,662

22. Property, infrastructure, plant and equipment (continued)

Accounting policy

Recognition and measurement of assets

- a) All material items were considered and an assessment made to determine if such items are assets.
- b) 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.
- c) 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.
- d) 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.
- e) Council adopts depreciated replacement cost or fair value for all property assets.
- f) Assets are recorded by identifying separately their gross carrying value and any accumulated depreciation, other than capital works in progress.
- g) 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).
- h) 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.
- i) 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.
- j) Plant and Vehicles, and Equipment and Furniture other than plant associated with property are recorded at cost.
- 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.

22. Property, infrastructure, plant and equipment (continued)

- 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

	2018	2017
	\$'000	\$'000
Transport		
At valuation (30 June 2017)	521,317	503,894
Less accumulated depreciation	(237,586)	(226,928)
Roads at fair value	283,731	276,966

	2018	2017
	\$'000	\$'000
Stormwater and drainage		
At valuation (1 July 2016)	214,748	213,821
Less accumulated depreciation	(77,416)	(69,979)
Less impairment expense	(38)	(51)
Stormwater and drainage at fair value	137,294	143,791

A provision for impairment has been recognised for \$37,563. The impairment is based on the inspection and evaluation of Stormwater assets that were damaged during their construction.

	2018	2017
	\$'000	\$'000
Land		
At valuation (30 June 2018)	66,384	59,119
Land under roads – at valuation (30 June 2017)	140,319	139,825
Land at fair value	206,703	198,943

	2018	2017
	\$'000	\$'000
Buildings and other land improvements		
At valuation (30 June 2018)	90,242	95,899
Less accumulated depreciation	(52,812)	(50,440)
Buildings and other land improvements at fair value	37,430	45,459

	2018	2017
	\$'000	\$'000
Plant and vehicles		
At cost	3,728	3,305
Less accumulated depreciation	(1,689)	(1,631)
Plant and vehicles at cost	2,039	1,674

22. Property, infrastructure, plant and equipment (continued)

	2018 \$'000	2017 \$'000
Equipment and furniture		
At cost	12,399	8,469
Less accumulated depreciation	(6,268)	(5,948)
Equipment and furniture at cost	6,131	2,521
Valuation roll		
At cost	370	370
Less accumulated depreciation	(118)	(62)
Valuation roll at cost	252	308
Total property, infrastructure, plant and equipment	673,580	669,662
Other non-current assets		
Capital works in progress	16,102	20,633
Total other non-current assets	16,102	20,633
Investment properties		
Balance at the beginning of financial year	-	9,326
Transfer in	-	-
Transfer out	-	(9,326)
Balance at the end of financial year	-	-

Investment Properties

A review of investment properties during the 2017 year established that none of the properties were being held for their ability to earn rental or for their potential capital appreciation. As a consequence of this finding, investment properties have been re-classified back to their underlying asset class components as at 30 June 2017. The re-classification has been made recognising the social service objectives of Council and the primary purpose for the acquisition of the asset which is to provide a service to the community. In doing so, Council has applied *AASB 140 Investment Property* paragraph 9.1 which provides an exemption from the definition of investment property for property held to meet service delivery objectives by not-for-profit entities.

Accounting policy

Investment properties

Investment properties are held to generate long-term rental yields and are measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment properties are carried at fair value. Changes to fair value are recorded in the Statement of Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Other Comprehensive Income on a straight line basis over the lease term.

¹ A review of properties held for sale during the 2017 year established that none of the properties were being actively marketed. As a consequence of this finding and in accordance with *AASB 105 Non-current Assets Held for Sale and Discontinued Operations*, properties held for sale have been re-classified back to transport, land and buildings as at 30 June 2017.

² A review of investment properties during the 2017 year established that none of the properties were being held for their ability to earn rental or for their potential capital appreciation. As a consequence of this finding, investment properties have been re-classified back to their underlying asset class components of transport, land and buildings as at 30 June 2017.

22. Property, infrastructure, plant and equipment (continued)

a) 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.

23. Trade and other payables

	2018 \$'000	2017 \$'000
Trade payables	1,782	-
Accrued expenses	2,215	2,431
Fringe Benefits Tax payable	7	8
	4,004	2,439

Accounting policy

Trade and other payables

All of Council's expenditure, both operating and capital, is brought to account at the time the invoice is processed, after the receipt of the goods and services.

Payables are settled within specific trading terms or 30 days, whichever is earlier.

24. Provisions

2018	Annual Leave \$ '000	Sick Leave \$ '000	On Costs \$ '000	Long Service Leave \$ '000	Employee Support \$ '000	Landfill Restoration \$ '000	Total \$ '000
Balance at the beginning of the financial year	1,933	874	334	2,431	36	3,949	9,558
Additional provisions	1,766	1,043	158	338	339	-	3,644
Amounts used	(1,681)	(700)	(180)	(563)	-	-	(3,124)
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	312	2,206	375	4,034	9,831

2017

	Annual Leave \$ '000	Sick Leave \$ '000	On Costs \$ '000	Long Service Leave \$ '000	Employee Support \$ '000	Landfill Restoration \$ '000	Total \$ '000
Balance at the beginning of the financial year	1,788	825	315	2,366	-	3,862	9,156
Additional provisions	1,970	713	190	381	36	-	3,290
Amounts used	(1,825)	(663)	(171)	(316)	-	-	(2,975)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	-	-	-	-	87	87
Balance at the end of the financial year	1,933	874	334	2,431	36	3,949	9,558

24. Provisions (continued)

	2018	2017
	\$'000	\$'000
Employee entitlements provision		
(i) Current		
Annual leave	2,019	1,933
Sick leave	886	874
Long service leave	1,402	775
<i>Other provisions</i>		
Employment on-costs:		
Payroll tax	263	183
	4,569	3,766
(ii) Non-current		
Long service leave	804	1,656
<i>Other provisions</i>		
Employment on-costs:		
Payroll tax	49	151
	853	1,807
Aggregate carrying amount of employee entitlements:		
Current	4,569	3,766
Non-current	853	1,807
	5,422	5,573
(iii) Current	2018	2017
	\$'000	\$'000
All annual leave, personal 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	3,529	2,439
– other long-term employee entitlements that do not fall due within 12 months after the end of the period	776	1,098
	4,305	3,537
(iv) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	804	1,656

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

	2018	2017
Weighted average increase in employee costs	2.50%	2.00%
Weighted average discount rates	2.30%	2.18%
Weighted average settlement period	11	11

The 2016 Enterprise Agreement provided for LSL entitlements for employees with greater than 10 years' service to be treated as immediately available and therefore current. The prior year treatment leave entitlement was incorrect in that it reflected the earlier position of employees having to wait until a second or third completion of ten years of service before being able to access and treat as current.

24. Provisions (continued)

a) Landfill restoration

Council operates a Landfill at Jackson Street, Glenorchy that is deemed to have a further useful life of at least 6 years from 30 June 2017. On closure of the landfill, Council will face close-down and restoration costs. Current estimates of the respective costs are based on management advice and engineering studies using current restoration standards and techniques.

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. Rehabilitation is occurring progressively with major works planned in 2018 and 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 has been calculated 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.

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

b) Provision summary

	2018	2017
	\$'000	\$'000
Current		
Employee entitlements	4,569	3,766
Employee Support	375	36
	4,944	3,802
Non-current		
Employee entitlements	853	1,807
Landfill restoration	4,034	3,949
	4,888	5,756
Total provisions	9,831	9,558

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. The 2016 Enterprise Agreement provided for LSL entitlements for employees with greater than 10 years' service to be treated as immediately available and therefore current. The prior year treatment was incorrect in that it reflected the earlier position of employees having to wait until a second or third completion of ten years of service before being able to access, and treat as current, the leave entitlement.

(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 and annual 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.

24. Provisions (continued)

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.

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 a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. 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 32(b) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

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.

Provisions – Other

Employment on-costs

Payroll tax is not an employee benefit and it 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 are calculated annually during the life of the operation 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.

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'.

25. Borrowings

	2018 \$'000	2017 \$'000
Borrowings at the beginning of the year	5,168	6,020
New borrowings	-	-
Repayments	(909)	(852)
Borrowings at the end of the year	4,259	5,168
Current borrowings	952	851
Non-current borrowings	3,307	4,317
	4,259	5,168

The loan portfolio owed by Council to Tascorp has been reviewed by Tascorp effective 30 June 2018. 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 \$4,367,832 (2017: \$5,341,202) compared to the actual value of \$4,259,000 (2017: \$5,168,000). All loan funds are secured against future council rate revenue.

	2018 \$'000	2017 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	-	-
Later than one year and not later than five years	3,429	4,237
Later than five years	830	931
	4,259	5,168

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.

26. Other current liabilities

	2018 \$'000	2017 \$'000
Other current liabilities		
Trust monies held (Derwent Entertainment Centre)	3	6
Trust monies held (Local Government Officers Group)	-	4
Vehicle Funding Facility	1,417	1,011
Revenue received in advance	1,058	1,060
Refundable building deposits	323	426
Refundable contract deposits	-	-
Other refundable deposits	38	37
	2,839	2,543

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.

27. Reserves

	Balance at beginning of year		Transfers between reserves		Transfers to reserves		Transfers from reserves		Balance at end of year	
	1-Jul-17 \$'000	1-Jul-16 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	30-Jun-18 \$'000	30-Jun-17 \$'000
Revenue reserves										
Statutory reserves	435	424	-	-	10	10	-	-	445	435
Car parking	581	567	-	-	55	14	-	-	636	581
Public open space	3,431	5,433	-	-	-	-	(3,431)	(2,002)	-	3,431
Incomplete works	4,446	6,424	-	-	65	24	(3,431)	(2,002)	1,081	4,446
Other reserves										
Irregular operating expenses	101	50	-	-	51	51	(101)	-	51	101
Landfill future close out costs	2,340	2,030	-	-	313	310	-	-	2,653	2,340
Landfill plant and equipment	2	2	-	-	-	-	-	-	2	2
Property, plant and equipment	166	162	-	-	4	4	-	-	171	166
City revaluation	123	432	-	-	53	61	-	(370)	176	123
Asset sales	4,988	4,758	-	-	113	241	-	(10)	5,101	4,988
Community based programs	(177)	(134)	-	-	44	83	(140)	(126)	(273)	(177)
Strategic Asset Management	271	618	-	-	82	406	-	(753)	353	271
Group Capital	7,815	7,919	-	-	660	1,155	(241)	(1,259)	8,233	7,815
	12,261	14,343	-	-	725	1,180	(3,672)	(3,262)	9,314	12,261

	Balance at beginning of year		Transfers between reserves		Revaluation Increments		Revaluation Decrements		Balance at end of year	
	1-Jul-17 \$'000	1-Jul-16 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	30-Jun-18 \$'000	30-Jun-17 \$'000
Fair value reserve										
Investment in TasWater	(31,901)	(32,976)	-	-	2,142	1,075	-	-	(29,759)	(31,901)
	(31,901)	(32,976)	-	-	2,142	1,075	-	-	(29,759)	(31,901)

27. Reserves (continued)

	Balance at beginning of year		Transfers between reserves		Revaluation increments		Revaluation decrements		Balance at end of year	
	1-Jul-17 \$'000	1-Jul-16 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	30-Jun-18 \$'000	30-Jun-17 \$'000
Asset revaluation reserves										
Asset revaluation reserve - transport	211,189	200,540	-	-	6,587	10,648	-	-	217,776	211,189
Asset revaluation reserve - buildings and other land improvements	15,813	15,118	-	-	-	695	(5,599)	-	10,214	15,813
Asset revaluation reserve - land	44,689	44,689	-	-	7,265	-	-	-	51,954	44,689
Asset revaluation reserve - stormwater and drainage	60,878	97,340	-	-	3,224	-	-	(36,462)	64,103	60,878
Asset revaluation reserve - plant and vehicles	2,740	2,739	-	-	-	1	-	-	2,740	2,740
Asset revaluation reserve - furniture and equipment	867	867	-	-	-	-	-	-	867	867
	336,176	361,293	-	-	17,077	11,344	(5,599)	(36,462)	347,653	336,176
Total revenue and asset revaluation reserves	316,536	342,660	-	-	19,943	13,600	(9,271)	(39,723)	327,208	316,536

27. 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 seven 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.

28. Reconciliation of net surplus/(deficit) for the period to net cash flows from operating activities

	2018	2017
	\$'000	\$'000
Net surplus/(deficit)	(10,444)	(675)
Items not involving cash		
Carrying value of assets sold or retired	180	122
Sale of property, plant and equipment	(254)	(214)
Capital government grants and external contributions	(1,125)	(2,022)
Contribution – non-monetary assets	(4,723)	(1,184)
Depreciation expense	12,822	12,494
Assets written off	15,895	4,005
Unwinding of discounts applied to provisions	156	156
Impairment expense	-	-
Unwinding of discounts applied to provisions		
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(376)	(14)
(Increase)/decrease in other current assets	56	(138)
(Increase)/decrease in inventories	2	31
Increase/(decrease) in trade and other payables	1,486	(1,676)
Increase/(decrease) in other current liabilities	296	261
Increase/(decrease) in employee entitlement provisions	188	316
Net cash from operating activities	14,159	11,462

28. Reconciliation of net surplus/(deficit) for the period to net cash flows from operating activities (continued)

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.

	2018 \$'000	2017 \$'000
Interest bearing loans and borrowings		
Balance as at 1 July 2017	5,169	6020
Acquisitions / New leases	-	-
Foreign exchange rate movements	-	-
Changes in fair value	-	-
Other movements	-	-
Transfers to / (from) other Government entity Changes from financing cash flows:	-	-
Cash Received	-	-
Cash Repayments	-	-
Balance as at 30 June 2018	(910)	(852)
	4,259	5,168

29. Financing arrangements

	2018 \$'000	2017 \$'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

30. Grants, donations and bursaries

	2018 \$'000	2017 \$'000
Cash Donations		
Glenorchy Art and Sculpture Park	95	95
Claremont College Bursaries	1	2
Glenorchy City Concert Brass Band Donation	8	8
Moonah Art Festival	2	-
Eric Reece Scholarship	3	3
Various minor contributions to community organisations	10	9
	119	117

31. 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):

	2018 \$'000	2017 \$'000
Not later than one year	982	520
Later than one year and not later than five years	1,915	1,237
Later than five years	1,699	816
	4,597	2,573

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:

	Note	2018 \$'000	2017 \$'000
Property		1,287	2,832
Transport		1,440	484
Stormwater		138	115
		2,865	3,431
Not later than one year		2,865	3,431
Later than one year and not later than five years		-	-
Later than five years		-	-
		2,865	3,431

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 2018.

32. Contingent liabilities

There are no contingent liabilities.

33. Financial instruments

a) Accounting policy, terms and conditions

Financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	17	Comprises cash on hand and cash in bank.	On call deposits returned an average interest rate of 1.30% (2017: 1.28%). The interest rate at 30 June 2018 was 1.30% (2017: 1.25%).
		Investments are held to maximise interest returns on surplus cash.	The weighted average interest rate received for investments was 2.60% (2017: 2.60%).
		Interest revenues are recognised as they accrue.	
Trade and other receivables			
Receivables rates and charges	18	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 2018 was 8.72% for general rates (2017: 8.40%).
Receivables other	18	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.
Available for sale financial assets			
Investment in TasWater	21	The investment in TasWater is valued at its fair value at 30 June 2018. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at 30 June 2018.	
Financial liabilities			
Payables	23	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.
Interest-bearing loans and borrowings	25	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 4.26% (2017: 5.07%).
Deposits	26	Deposits are lodged by organisations and individuals when performing work that may adversely affect Council assets. The deposits are repayable on demand or where certain conditions have been met. Deposits are recorded at fair value.	

33. 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Financial assets												
<i>Variable interest rate</i>												
Cash and cash equivalent assets	2.60%	2.60%	14,014	11,505	-	-	-	-	-	-	14,014	11,505
<i>Non interest bearing</i>												
Cash and cash equivalent assets			129	85	-	-	-	-	-	-	129	85
Trade and other receivables			1,069	568	-	-	-	-	-	-	1,069	568
Investment in TasWater			-	-	-	-	-	-	167,145	165,003	167,145	165,003
<i>Fixed interest rate</i>												
Trade and other receivables (rates and charges)	8.72%	8.40%	507	545	-	-	-	-	-	-	507	545
Total			15,719	12,703	-	-	-	-	167,145	165,003	182,864	177,706
Financial liabilities												
<i>Non interest bearing</i>												
Trade and other payables			4,004	2,439	-	-	-	-	-	-	4,004	2,439
Other current liabilities			2,839	2,543	-	-	-	-	-	-	2,839	2,543
<i>Fixed interest rate</i>												
Borrowings:												
– Not later than one year	-	-	-	-	-	-	-	-	-	-	-	-
– Later than one year and not later than five years	3.73%	4.20%	-	-	3,429	4,237	-	-	-	-	3,429	4,237
– Later than five years	4.26%	5.26%	-	-	-	-	831	931	-	-	831	931
Total			6,843	4,982	3,429	4,237	831	931	-	-	11,103	10,150
Net financial assets/(liabilities)											171,761	167,556

33. 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assets				
Cash and cash equivalents	14,143	11,591	14,143	11,591
Investment in TasWater	167,145	165,003	167,145	165,003
Trade and other receivables	1,919	1,543	1,919	1,543
Total Financial Assets	183,207	178,137	183,207	178,137
Financial Liabilities				
Trade and other payables	4,004	2,439	4,004	2,439
Interest bearing loans and borrowings	4,259	5,168	4,259	6,342
Other liabilities	2,839	2,543	2,839	2,543
Total Financial Liabilities	11,102	10,150	11,102	11,323

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 24, cash and cash equivalents disclosed in note 17 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.

33. Financial instruments (continued)

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.

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 30 June 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.

Trade and other receivables consist of a number of customers, spread across the consumer, business and government sectors. Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, an allowance for doubtful debts is raised.

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
- limits 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.

33. Financial instruments (continued)

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 1.30% (2017: 1.25%).

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.

2018

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

2017

	Carrying amount subject to interest \$'000	Interest Rate Risk			
		-0.25% (25 basis points)		+0.25% (25 basis points)	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Market Risk Exposure					
Financial Assets:					
Cash and cash equivalents	11,505	(29)	(29)	29	29
Trade and other receivables	545	(1)	(1)	1	1

34. Events occurring after balance date

i) Council is currently in discussions with the Environmental Protection Authority (EPA) on a proposal affecting the closure of the Jackson Street landfill. As at balance date, these discussions are ongoing and the closure date is not believed to materially differ from the current estimate of 2023.

35. 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	(from 19/01/2018 to 30/06/2018)
Matt Stevenson, Deputy Mayor	(from 19/01/2018 to 30/06/2018)
Peter Bull	(from 19/01/2018 to 30/06/2018)
Melissa Carlton OAM	(from 19/01/2018 to 30/06/2018)
Jan Dunsby	(from 19/01/2018 to 30/06/2018)
Simon Fraser	(from 19/01/2018 to 30/06/2018)
Steven King	(from 19/01/2018 to 30/06/2018)
Gaye Richardson	(from 19/01/2018 to 30/06/2018)
Kelly Sims	(from 19/01/2018 to 30/06/2018)
Rebecca Thomas	(from 19/01/2018 to 30/06/2018)

35. Related party transactions (continued)

Commissioner

Sue Smith (from 01/07/2017 to 18/01/2018)

Key Management Personnel

Peter Brooks, General Manager (01/07/2017 to 14/11/2017)

Tony McMullen,
Acting General Manager/General Manager (01/07/2017 to 30/06/2018)

Seva Iskandarli, Director, Corporate Governance
and General Counsel (01/07/2017 to 28/11/2017)

Simon Scott, Acting Director, Corporate Governance (01/07/2017 to 30/06/2018)

Paul Garnsey, Acting Director,
City Infrastructure and Works (01/07/2017 to 30/06/2018)

David Ronaldson, Acting Director,
Community Economic Development and Business (01/07/2017 to 30/06/2018)

Ted Ross, Director, Infrastructure and Works (09/04/2018 to 30/06/2018)

Craig French, Acting Chief Financial Officer (01/07/2017 to 04/11/2017)

William Richardson, Acting Chief Financial Officer (08/11/2017 to 30/06/2018)

Mr Tony McMullen filled the General Manager role and Mr Simon Scott filled the Director Corporate Governance role, both in an acting capacity, while the substantive occupants were on a leave of absence.

ii) Aldermen Remuneration

	Allowances	Vehicles¹	Total Compensation AASB 124	Expenses	Total allowances and expenses section 72
2018	\$	\$	\$	\$	\$
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
Aldermen	94,438	-	94,438	1,404	95,842
	287,008	8,389	295,397	3,097	298,494

	Allowances	Vehicles¹	Total Compensation AASB 124	Expenses	Total allowances and expenses section 72
2017	\$	\$	\$	\$	\$
Commissioner	92,054	-	92,054	-	92,054
Mayor	62,250	8,611	70,862	3,300	74,161
Deputy Mayor	30,145	-	30,145	257	30,402
Aldermen	142,291	-	142,291	8,882	151,173
	326,741	8,611	335,352	12,438	347,790

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

35. Related party transactions (continued)

iii) Key Management Personnel Remuneration

2018

Remuneration band	Short term employee benefits				Post employment benefits			Total \$
	Number of employees	Salary ¹ \$	Vehicles ² \$	Other Allowances and Benefits ³ \$	Super-annuation ⁴ \$	Other Long-term Benefits ⁵ \$	Non-monetary Benefits ⁶ \$	
\$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

2017

Remuneration band	Short term employee benefits				Post employment benefits			Total \$
	Number of employees	Salary ¹ \$	Vehicles ² \$	Other Allowances and Benefits ³ \$	Super-annuation ⁴ \$	Other Long-term Benefits ⁵ \$	Non-monetary Benefits ⁶ \$	
\$100,001 - \$120,000	1	112,228	-	-	13,435	-	(10,537)	115,126
\$120,001 - \$140,000	1	120,989	-	-	15,729	-	3,282	139,999
\$140,001 - \$160,000	3	379,343	-	-	50,174	-	31,151	460,668
\$180,001 - \$200,000	1	157,892	-	-	20,303	-	7,749	185,943
\$200,001 - \$220,000	1	192,822	-	-	23,661	-	(1,394)	215,088
\$320,001 - \$340,000	1	249,594	24,773	-	36,030	-	29,418	339,816
		1,212,867	24,773	-	159,331	-	59,669	1,456,641

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

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

3 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.

4 Superannuation means the contribution to the superannuation fund of the individual.

5 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).

6 Other non-monetary benefits include annual and long service leave movements.

35. Related party transactions (continued)

iv) Remuneration Principles

Alderman

Alderman 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 2017-18 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.

36. 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*. Below are the committees previously supported by Council, but ceased being supported on 1 August 2016:

- City of Glenorchy Australia Day Award;
- Citizen and Young Citizen of the Year Selection Committee;
- Community Precincts;
- Cultural Diversity Advisory Committee;
- General Manager Performance Review Committee;
- Glenorchy Arts and Culture Advisory Committee;
- Glenorchy City Council Access Committee;
- Glenorchy Emergency Management Committee;
- Glenorchy Tourism Taskforce;
- Glenorchy Tracks, Trails and Cycleways Committee;
- Safer Communities Committee;
- Sport and Recreation Advisory Committee; and
- Youth Task Force.

All expenses associated with these committees have been included in the financial report.

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 2017-18 were as follows:

	Income 2018 \$'000	Expenditure 2018 \$'000	Net result 2018 \$'000	Cash at bank 2018 \$'000
Glenorchy Brass Band	13	15	(2)	5

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

36. Special committees (continued)

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.

37. Superannuation

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 2018 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 Quadrant Superannuation Scheme's financial statements for Council employees.

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.

37. 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 \$130,312 (2017, \$124,228), and the amount paid to accumulation schemes was \$2,202,707 (2017, \$2,083,962).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$2,209,061.
- 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 \$58.9 million and members' Vested Benefits were \$51.2 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2017 the fund had 134 members and the total employer contributions and member contributions for the year ending 30 June 2017 were \$1,777,084 and \$267,506 respectively.

38. Significant business activities

	Derwent Entertainment Centre		Landfill Operations		Childcare Centres	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Revenue						
Government Grants	-	-	-	-	736	690
User Charges	1,228	1,230	2,807	5,215	551	512
Other Income	55	64	49	111	55	45
Total Revenue	1,283	1,294	2,857	5,326	1,341	1,247
Expenditure						
<i>Direct</i>						
Employee Costs	651	608	1,132	868	1,304	1,211
Materials and Contracts	769	742	1,241	1,222	132	131
Other	16	7	(2,326)	149	1	1
<i>Indirect</i>						
Engineering & Administration	180	170	6	280	180	168
Total Expenses	1,616	1,527	53	2,518	1,617	1,511
	(332)	(233)	2,804	2,807	(276)	(264)
<i>Notional cost of free services received</i>						
<i>Capital Costs</i>						
Depreciation and amortisation	869	860	1	6	30	33
Opportunity cost of capital	403	468	18	19	21	23
Total Capital Costs	1,272	1,328	19	25	51	56
<i>Competitive neutrality adjustments</i>						
Rates and land tax	52	59	11	15	8	11
	52	59	11	15	8	11
Calculated Surplus/(Deficit)	(1,656)	(1,620)	2,773	2,768	(335)	(331)
Tax Equivalent rate	30%	30%	30%	30%	30%	30%
Taxation equivalent			832	830		
Net Surplus/(Deficit)	(1,656)	(1,620)	1,941	1,938	(335)	(331)

38. Significant business activities (continued)

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.

39. a) Functions and activities of the Council

Income, expenses and assets have been attributed to the following functions and activities. The functions and activities are defined on the following page.

		Income \$'000	Expenses \$'000	Assets \$'000
Legislative, financial, executive and fiscal	2017-18	42,128	19,039	185,898
	2016-17	42,332	20,249	179,240
Public order, fire and safety	2017-18	841	915	640
	2016-17	815	921	238
Community and public health	2017-18	168	497	613
	2016-17	165	590	210
Welfare	2017-18	1,341	2,297	1,021
	2016-17	1,293	2,056	545
Housing	2017-18	8	282	613
	2016-17	5	296	210
Community amenities	2017-18	0	0	0
	2016-17	-	-	210
Household garbage/protection of the environment	2017-18	6,590	4,243	0
	2016-17	6,654	3,989	-
Other protection of the environment/biodiversity	2017-18	2,298	15,609	147,402
	2016-17	706	5,406	151,241
Community and regional development	2017-18	1,325	2,683	613
	2016-17	1,180	2,489	210
Recreation facilities and services	2017-18	1,704	9,856	241,840
	2016-17	1,785	7,687	251,824
Cultural facilities and services	2017-18	586	1,585	613
	2016-17	586	1,466	210
Road, bridge and street infrastructure	2017-18	3,236	13,232	294,274
	2016-17	2,594	13,778	284,416
Road, plant, parking and other road transport	2017-18	0	0	-
	2016-17	-	-	572
Other economic affairs	2017-18	0	0	0
	2016-17	-	-	-
Other purpose	2017-18	791	1,665	0
	2016-17	266	128	-
Total	2017-18	61,018	71,903	873,527
	2016-17	58,380	59,055	869,127

39. Functions and activities of the Council (continued)

b) Reconciliation of Total Assets with the Statement of Financial Position at 30 June:

	2018	2017
	\$'000	\$'000
Current assets	16,700	13,829
Non-current assets	856,827	855,298
	873,527	869,127

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

Unallocatable private works and other.

40. Management indicators

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
a) Underlying surplus or deficit					
Recurrent income*		55,276	54,002	51,835	50,765
Less recurrent expenditure#		55,189	53,399	52,239	58,706
Underlying surplus/deficit	> \$0	87	603	(404)	(7,941)

*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.

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
b) Underlying surplus ratio					
Underlying surplus or deficit		87	603	(404)	(7,941)
Recurrent income*		55,276	54,002	51,835	50,765
Underlying surplus ratio %	2.5% - 5.0%	0.16%	1.12%	-0.78%	-15.6%

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.

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
c) Net financial liabilities					
Liquid assets		16,349	13,385	16,097	26,651
Less total liabilities		20,934	19,709	21,576	23,028
Net financial liabilities	> \$0	(4,585)	(6,324)	(5,479)	3,623

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.

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
d) Net financial liabilities ratio					
Net financial liabilities		(4,585)	(6,324)	(5,479)	3,623
Recurrent income*		55,276	54,002	51,835	50,765
Net financial liabilities ratio %	<(25%)	(8.29%)	(12%)	(11%)	7%

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.

40. 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	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
<i>Transport</i>					
Depreciated replacement cost		283,731	276,966	264,355	210,021
Current replacement cost		521,317	503,894	485,587	462,864
Asset consumption ratio %	40-60%	54%	55%	54%	45%
<i>Buildings and other land improvements</i>					
Depreciated replacement cost		37,430	45,459	45,377	44,374
Current replacement cost		90,242	95,899	92,085	88,901
Asset consumption ratio %	40-60%	41%	47%	49%	50%
<i>Stormwater and drainage</i>					
Depreciated replacement cost		137,294	143,791	179,084	173,970
Current replacement cost		214,748	213,821	353,821	346,126
Asset consumption ratio %	40-60%	64%	67%	51%	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.

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
<i>Transport</i>					
Projected capital funding outlays**		97,439	82,533	81,000	104,877
Projected capital expenditure funding***		97,439	82,533	81,000	104,877
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Buildings and other land improvements</i>					
Projected capital funding outlays**		25,046	21,894	21,700	15,455
Projected capital expenditure funding***		25,046	21,894	21,700	15,455
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Stormwater and drainage</i>					
Projected capital funding outlays**		16,561	17,910	19,000	15,290
Projected capital expenditure funding***		16,561	17,910	19,000	15,290
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.

40. Management indicators (continued)

g) Asset sustainability ratio

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Capital expenditure on replacement/ renewal of existing assets		6,959	11,179	11,481	9,417
Annual depreciation expense		12,822	12,494	12,882	15,250
Asset sustainability ratio %	100%	54%	89%	89%	62%

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.

As at 30 June 2018	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
Asset class			
Buildings and other land improvements	515	1,734	2,249
Transport	4,083	1,821	5,904
Stormwater and drainage	913	190	1,103
Other	1,448	1,372	2,820
Total	6,959	5,117	12,076

As at 30 June 2017	Capital renewal expenditure \$'000	Capital new/upgrade expenditure \$'000	Total Capital Expenditure \$'000
Asset class			
Buildings and other land improvements	974	1,675	2,649
Transport	8,825	1,377	10,202
Stormwater and drainage	852	863	1,715
Other	528	535	1,063
Total	11,179	4,450	15,629

41. 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 20. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

41. Fair value measurements (continued)

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 2017.

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.

As at 30 June 2018

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment properties	22	-	-	-	-
Transport	22	-	-	521,317	521,317
Stormwater and drainage	22	-	-	214,748	214,748
Land	22	-	206,703	-	206,703
Buildings and other land improvements	22	-	-	90,242	90,242
Valuation roll	22	-	-	370	370
		-	206,703	826,677	1,033,380
Non-recurring fair value measurements					
Assets held for sale	22	-	-	-	-
		-	-	-	-

As at 30 June 2017

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment properties	22	-	-	-	-
Transport	22	-	-	503,894	503,894
Stormwater and drainage	22	-	-	213,821	213,821
Land	22	-	198,943	-	198,943
Buildings and other land improvements	22	-	-	95,899	95,899
Valuation roll	22	-	-	370	370
		-	198,943	813,984	1,012,927
Non-recurring fair value measurements					
Assets held for sale	22	-	-	-	-
		-	-	-	-

Transfers between levels of the hierarchy

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

41. Fair value measurements (continued)

b) Highest and best use

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

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

Land

Land fair values were determined by the Valuer-General effective 30 June 2013.

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 is being 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) were determined by a qualified independent Valuer effective 30 June 2018. 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.

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 13.

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.

41. Fair value measurements (continued)

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 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.

Bridges

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 1 July 2016. Similar to roads, stormwater and drainage assets are managed in segments; pits and pipes being the major components.

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 22.

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 33).

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 33 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).

42. Other significant accounting policies and pending accounting standards

a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll 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 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.

42. 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 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 28.

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 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. This standard replaces the existing standard, AASB139: *Financial Instruments: Recognition and Measurement*, and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by an entities business model for holding the particular asset and its contractual cash flows.

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

'When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Council will make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

'The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council does not expect an increase to impairment losses, and the standard is not expected to have a material impact overall. Council has reviewed and assessed other impacts on the classification, measurement and disclosure of financial instruments and determined only small immaterial impacts, if any change at all.

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

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

When adopted, the standard will affect, in particular, Council's accounting for its investment in TasWater which is an available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Council is likely to make an irrevocable election for its investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

Another impact of AASB 9 relates to calculating impairment losses for Council's receivables. Assuming no substantial change in the nature of receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Council will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised and also factor in any future changes or events.

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

42. Other significant accounting policies and pending accounting standards (continued)

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

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

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

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

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

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council currently has a very small number of Peppercorn leases, which will result in the recognition of an immaterial amount of right-of-use lease assets and a very small remaining lease liability. The balance will be adjusted against Accumulated surpluses.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has assessed these requirements and determined that there will be an immaterial amount of recognition.

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.

iii) *AASB 15 Revenue from Contracts with Customers*

The standard is applicable to annual reporting periods beginning on or after 1 January 2019.

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:

- 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. At present, such grants are recognised as revenue upfront. When the new standard becomes effective, Council will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.
- 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 expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Rates received in advance, which are currently required to be recognised as revenue when received will be deferred under the new requirements until the commencement of the rating period to which they relate.

42. Other significant accounting policies and pending accounting standards (continued)

- 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).

For Council there will not be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently does not present unexpended grant income received. Council's assessment is that the majority of the amounts received unexpended for the year, may be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled. 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.

- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). Council is yet to full complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

(iv) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. 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 31. 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 31a. 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.

v) *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB12 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

This standard is applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledged 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.

AASB 2017-5 defers the effective date of AASB 2014-10 to 1 January 2022.

Council's assessment is that there is likely to be no material impact following the introduction of the pending standard.

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

Audit Opinion



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 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income, the asset renewal funding ratio disclosed in note 40, nor the Significant Business Activities disclosed in note 38 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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- 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.



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

Tasmanian Audit Office

28 September 2018
Hobart

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Audit Panel Report

Background

Glenorchy City Council's Audit Panel was formally established by a decision of Council. The operation of the Panel is guided by the 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. The Audit Panel Charter sets out the roles, responsibilities and functions of the Panel, its authority, membership and the tenure of its members, the operation of its meetings, how decisions are made and its reporting responsibilities. A copy of the Charter is available on Council's website.

Audit Panel Membership and Meetings

Membership of the Audit Panel normally comprises two Councillors and three independent members. However, following the suspension of Glenorchy City Council by the Minister for Planning and Local Government in February 2017 the role of the elected Council was undertaken by a Commissioner. Commissioner Sue Smith was an Audit Panel member during the period July 2017 to January 2018. Consequent upon the formal dismissal of Council, elections for Glenorchy City Council were held in January 2018. Following their election to Council, Aldermen Matt Stevenson and Peter Bull were appointed to the Audit Panel.

During 2017/2018 the independent members of the Panel were Mr Robert Hogan, Mr David Sales and Mr Michael Stevens. Mr Hogan was Chair of the Panel during this whole period.

Meetings of the Panel

The Panel met six times during the financial year ending 30 June 2018. Representatives of Council's Internal Auditors, Deloitte and 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 (or the person acting in the place of 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.

Ministerial Directions following Board of Inquiry

On 21 January 2018 the Minister for Planning and Local Government issued a set of Ministerial Directions to Glenorchy City Council.

Direction 5 b) requiring that the Council direct the Audit Panel to review compliance with a range of matters including Local Government legislation; Council policy, procedures and codes and the Statement of Expectations.

Following a meeting with the Director of Local Government, the Audit Panel developed a series of actions to address the specific issues set out in Direction 5 b) of the Ministerial Directions. These proposed actions were reported to and agreed to by Council. The Audit Panel intends to report to Council on progress with these matters late in 2018.

External and Internal Audit

External Audit

Council's external audit service is provided by the Tasmanian Audit Office (TAO). Staff from the TAO attended three Audit Panel meetings during the 2017/2018 financial year. During these meetings the Audit Panel and TAO officers reviewed and discussed Council's interim and final Financial Report for 2016/2017 including the TAO completion report.

Outside of the normal audit cycle the TAO reported in October 2017 on an investigation it had conducted into the procurement of goods and services from CT Management Group Pty Ltd by Council.

Action was taken to address the report's recommendations. In addition, a number of related issues were also the subject of an audit on Procurement and Tendering undertaken by Council's internal auditors, Deloitte. Further details of this audit are set out below under *Internal Audit*.

Internal Audit

Internal audit supports the work of the Audit Panel by reviewing Council's systems and operations in accordance with an agreed internal audit plan which is adopted annually. The adopted program is based on a risk management approach.

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 for improvements are made and considered by Council management and the Audit Panel. Adopted recommendations are monitored by the Audit Panel to ensure they are implemented.

Senior staff from Council's internal auditors, Deloitte, attended two Audit Panel meetings during the year to discuss progress with audits scheduled to be conducted during the year as well as to discuss and confirm the proposed audit plan for 2017/2018.

Other Internal Audit Matters

The Audit Panel regularly monitors progress with adopted internal audit recommendations. As in the previous year, the Audit Panel remains concerned at the number of recommendations that relate to higher risk rated issues still to be finalised. The Audit Panel is pleased to note the decision by Council to include additional funds in the 2018/2019 budget to address outstanding audit recommendations. It is hoped this will lead to a noticeable change in the status of audit recommendations by the end of the 2018/2019 year.

Other Panel Activities during the Reporting Period

During the 2017/2018 year the Audit Panel also:

- reviewed and endorsed the Financial Statements for financial year ending June 2017.
- reviewed previous internal audit report recommendations that are still to be implemented.
- participated in a strategic risk workshop.
- worked with Council officers in a tender/EOI process to select an internal auditor prior to the expiration of the current contract in 2018.
- reviewed the Panel's Charter to ensure compliance and address issues in relation to members terms of appointment.

- worked with Council staff to develop an agreed legislative compliance program.
- considered and recommended for adoption a Fraud and Corruption Control Policy.
- received a risk identification report on the Derwent Entertainment Centre and the action taken and proposed to deal with the issues raised.
- were advised of the results of a property risk management audit and the recommended actions from this audit.
- received information about the renewal of Council's insurance for both 2017/2018 and 2018/2019.
- were provided with a comprehensive outline of ICT projects and progress with these projects.
- considered the TAO review of Credit Card usage within Councils and comments in relation to Glenorchy policy.
- reviewed expenditure on the credit card held by Council's General Manager.

Robert Hogan
Chairman, Audit Panel

24 August 2018

SUMMARY OF PANEL MEETINGS AND MEMBER ATTENDANCE JULY 2017 TO JUNE 2018

Meeting Date	Commissioner Sue Smith	Alderman Stevenson	Alderman Bull	Mr Robert Hogan (Chair)	Mr David Sales	Mr Michael Stevens
23 August 2017	✓			✓	✓	✓
19 September 2017	✓			✓	✓	✓
19 October 2017	✓			✓	✓	✓
8 December 2017	✓			✓	✓	✓
15 February 2018		✓	✓	✓	✓	✓
3 May 2018		✓	✓	✓	✓	✓

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Where ideas happen.