

**SPECIAL COUNCIL MEETING
AGENDA
MONDAY, 23 JUNE 2025**



GLENORCHY CITY COUNCIL

QUALIFIED PERSON CERTIFICATION

The Chief Executive Officer certifies that, in accordance with section 65 of the *Local Government Act 1993*, any advice, information and recommendations contained in the reports related to this agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

A handwritten signature in blue ink, appearing to read 'Tony McMullen'.

Tony McMullen
Chief Executive Officer
MONDAY, 23 JUNE 2025

Hour: 3:30 PM

Present (in Chambers):

Present (by video link):

In attendance (in Chambers):

In attendance (by video link):

Leave of Absence:

ELECTED MEMBER STATEMENT OF INTENT

November 2022

We will...	By...
Be curious, open to change and difference	Being progressive, proactive, and innovative Taking calculated risks Asking questions before offering opinions or solutions Debating ideas without getting personal Remembering everyone is equal Always having an open mind
Be authentic and act with integrity	Being accessible Being honest and trustworthy Demonstrating transparency and accountability
Be respectful to each other	Going to the source, in person, early Assuming good intent, always Acting with good intent, always Actively listening, seeking to understand Valuing other's opinions Being prepared
Own and right our wrongs	Self-reflecting Being open to feedback Being brave enough to be vulnerable
Show strong leadership	Challenging the status quo Continually learning and practicing good governance Striving for financial sustainability and strength Having clarity on role and purpose
Consider the impact we have on others	Practicing emotional intelligence Hearing both sides before making judgement Remembering our behaviour and words matter to staff



ELECTED MEMBER LEGACY

November 2022

At the end of our term, we will have made a real difference because, together:

We deliver

We're active and present

We put people first

We are inclusive

We are future focussed and brave

We improved communication and community engagement

We empowered our community

We rebuilt pride

We were accountable

We created a safe, clean, equitable city

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1. APOLOGIES

2. PECUNIARY INTEREST NOTIFICATION

3. PUBLIC QUESTION TIME (15 MINUTES)

Please note:

The Council Meeting is a formal meeting of the Elected Members elected by the Glenorchy community. It is chaired by the Mayor. Public question time is an opportunity in the formal meeting for the public to ask questions of their elected Council representatives about the matters that affect ratepayers and citizens.

In accordance with regulation 31(2) and (3) (Public question time) Local Government (Meeting Procedures) Regulations 2015, Council will allocate 15 minutes during each Council Meeting to invite members of the public to ask questions relating to the activities of Council.

The following rules and procedures apply to Public Question Time:

1. questions must relate to the activities of Council
2. members of the public are to announce their name and residential address before asking a question (which will be recorded in the minutes)
3. questions are to be put succinctly and in the form of a question, not a comment
4. questions must not be inflammatory, abusive, defamatory, contain a personal attack or otherwise breach any rules of the meeting which have been explained by the Chairperson
5. the Chairperson may limit the number of questions asked by each member of the public in order to ensure that all members of the public wishing to ask questions are given the opportunity within the allocated time
6. the Chairperson will decide the order in which questions are to be asked and may rotate the order between different members of the public if individuals have more than one question to ask
7. the Chairperson may, in their absolute discretion:
 - a) refuse to answer a question if the Chairperson deems that it is inappropriate or does not comply with these rules or the rules of the Council meeting, or
 - b) take a question 'on notice', in which case the answer will be provided in writing prior the next Council meeting and included on the agenda for the next Council meeting
8. if a question is taken on notice, the Chairperson may request that the member of the public submit their question in writing and may refuse to provide a response if the question is not provided as requested, and
9. the 15 minutes allocated for Public Question Time may be extended at the discretion of the Chairperson at the conclusion of the time period. Council is to publish information relating to Public Question Time, including any additional rules and procedures, on Council's website.

GOVERNANCE

Community Goal – Leading our Community

4. 2025/26 BUDGET ESTIMATES

Author: Chief Financial Officer (Michael Sokulski)

Qualified Person: Director Community and Corporate Services (Tracey Ehrlich)

ECM File Reference: 2025/26 Annual Budget

Community Plan Reference:

Leading Our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

The communities of Glenorchy will be confident that the Council manages the community's assets soundly for the long-term benefit of the community.

Strategic or Annual Plan Reference:

Leading Our Community

Objective: We are a leader and partner that acts with integrity and upholds our community's best interests.

Strategy: Listen to our community to understand their needs and priorities.

Strategy: Make informed decisions that are open and transparent and in the best interests of our community.

Objective: We responsibly manage our community's resources to deliver what matters most.

Strategy: Manage the City's assets responsibly for the long-term benefit and growth of our community.

Strategy: Deploy the Council's resources effectively to deliver value while being financially responsible.

Reporting Brief:

To present to Council the proposed Budget Estimates 2025/26, Long-Term Financial Management Plan 2025/26 to 2034/35 and Rates & Charges 2025/26.

Proposal in Detail:

Executive Summary

The 2025/26 Budget Estimates (Budget), Long-Term Financial Management Plan 2025/26 to 2034/35 (LTFMP) and Rates & Charges 2025/26 are presented to Council for consideration and adoption by absolute majority.

The current Council has strongly supported the path taken towards achieving a surplus budget. This budget achieves that target with an operating surplus of \$871,000 bringing Council to a sustainable financial path.

The focus for the 2025/26 budget is to continue to sustainably grow the investment in services that underpin the objectives in our 2023/32 Strategic Plan - and particularly the actions in Council's 2025/26 to 2028/29 Annual Plan. Now Council is on a path to financial sustainability, the 2025/26 budget concentrates on Council's priority actions for 2025/26, which in summary, are:

- Glenorchy Pool Repairs
- Clean City Initiatives
- Roads, Parks & Recreation
- Youth Engagement
- Community Safety
- Maintenance Improvements

The budget proposes a 4.95% general rate revenue increase, lower than last year's 5.95% general rate revenue increase. A 5% increase in the kerbside waste management charge was adopted by Council on 26 May 2025.

Council's State Fire Service Levy Contribution is \$7.097 million which is an increase of \$360,000 or 5.3% over the 2024/25 amount. This is a pass-through levy set by State Government.

As a guide, the increases across the general rate, waste management charges and fire services contribution results in a bill increase for the median residential property of \$96 per year or \$1.85 per week.

In its capital works program, Council has planned expenditure of \$31.869 million for 2025/26 including a budget of \$8.339 million for major projects with the major projects being the repair and reopening of the Glenorchy War Memorial Pool and the Humphreys Rivulet Restoration. The focus of the capital works program is asset renewal works, such as road resurfacing, footpath replacement and playground renewal, to provide a safe and fit-for-purpose environment for the residents and the wider community to use. Funds are also expended on upgrading existing assets or acquiring new assets to improve levels of service.

Importantly, Council is fully funding renewal in roads, footpaths, stormwater and property assets to ensure that the level of service provided to the community is maintained.

Last financial year, 2024/25, was a municipal property revaluation year for Glenorchy with the Valuer-General revaluing all properties in the City. In 2025/26, there are no change to valuations affecting the setting of rates so consistent rate increases applies to all properties.

For those community members in financial difficulty, assistance through flexible rate payment dates, reduced late payment fees and Council's Hardship Policy will continue.

Operating Budget Overview

Key outcomes of the proposed 2025/26 operating budget estimates are:

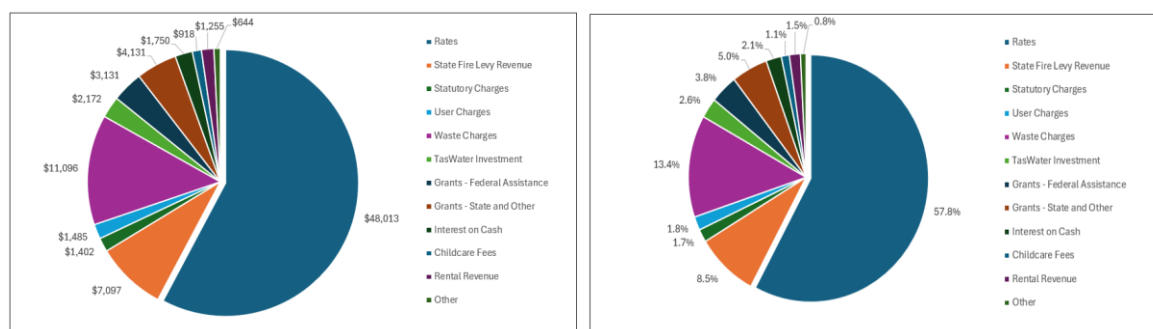
- Operating Surplus \$871,000
- Underlying Deficit \$1.204 million
- Rate Revenue (net) \$48.013 million
- Operating Revenue \$83.093 million
- Operating Expenditure \$82.222 million
- Depreciation and Amortisation \$17.882 million
- Asset Write-off and Disposal \$2.075 million
- Capital Expenditure \$31.869 million
- Average cash-cover 4.7 months
- No new borrowings and planned repayment of external debt.

Revenue

Total operational revenue is proposed to increase by \$5.378 million or 6.9% to \$83.093 million.

The increase is primarily from key revenue sources of Rates \$2.484 million, User Fees & Charges \$881,000, Interest income \$595,000 and operational Grants \$1.052 million.

Chart 1.1 Revenue (\$'000)

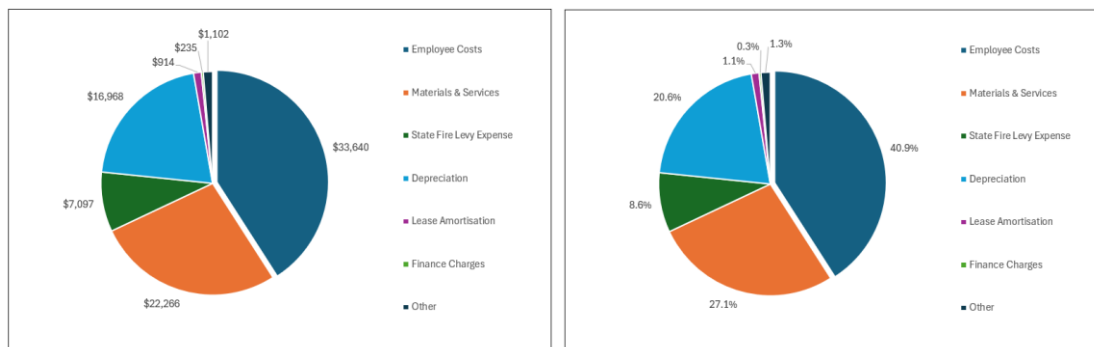


Expenditure

Total operational expenditure is proposed to increase by \$4.280 million or 5.5% to \$82.222 million.

The increase is primarily from key expenditure sources of Employee Costs \$2.435 million and Materials & Services \$1.917 million.

Chart 1.2 Expenditure (\$'000)



Annual Plan Key Priority Actions 2025/26

Parks and Recreation

- Repair and reopen the Glenorchy War Memorial Pool
- Progress Council's Playground Strategy and complete the Playground upgrade at Apex Park Lutana

Clean City

- Implement the upgraded city cleaning program including targeted graffiti management

Youth Engagement

- Seek funding and develop project plan for a Glenorchy Youth Hub
- Deliver programs to improve opportunities for our young people

Community Safety

- Partner with government and community organisations to deliver programs that improve community safety and inclusion

Advocacy and Engagement

- Advocate for key community priorities
- Develop and implement an engagement plan to hear the voices of harder to reach community members
- Support increased housing supply in the City through land release, proactive planning, and advocacy

Economic Development

- Review of the Glenorchy Economic Development Strategy

Capital Budget Overview

A separate report for the 2025/26 Capital Works program and Budget is presented to this Special Council meeting. However, a snapshot of the capital budget reveals planned works totalling \$31.869 million.

Capital works priorities for the proposed budget are focused on the renewal and maintenance of existing community assets and the delivery of grant funded facilities.

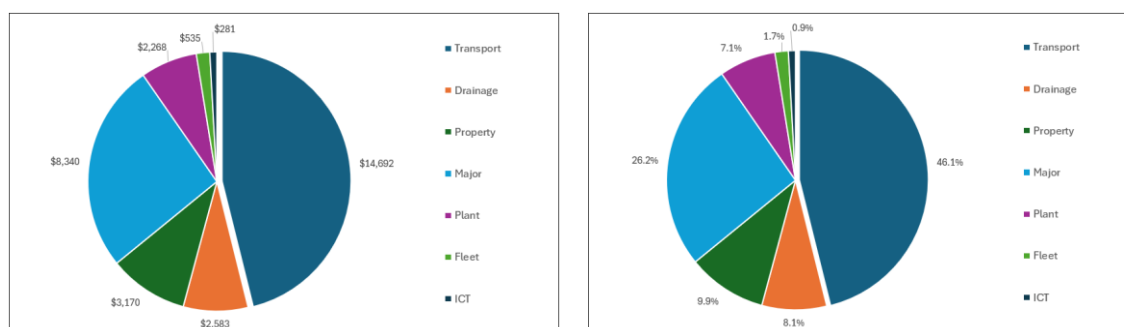
Key Major Projects for the 2025/26 financial year total \$8.340 million and include:

- Glenorchy War Memorial Pool
- Humphreys Rivulet Rehabilitation
- International Food Garden

Key renewal and upgrade projects for the 2025/26 financial year total \$23.529 million and include:

- Resurface up to 7 km of roads (2% of network)
- Replace up to 4 km of footpaths (1% of network)
- Main Road Footpath Renewal (Gavitt to Windsor)
- Abbotsfield Road Footpath Improvement
- Stage 2 of Renfrew Circle Reconstruction (Allardyce to Barron)
- Albert Road Resurfacing
- Giblins Reserve Playground Car Park Extension
- Cycling Pathway Stage 2A – Main Road Granton Shared Path
- Black Spot Projects at Sunmont Street High Friction Seal, Chapel Street Safety Barrier and Fourth Avenue High Friction Seal
- Vulnerable Road User Projects at Main Road Sealed Shoulder for Cyclists, KGV Pedestrian and Central Avenue Kerb Outstands
- Abbotsfield Park Cricket Wickets
- Abbotsfield Park Lighting Replacement
- Tracks and Trails – Windermere Continuation
- Public Toilet Replacement at Poimena Reserve
- Playspace Renewal at Apex Park
- Redlands Drive Flood Mitigation (sedimentation basin)
- Riverview Parade Stormwater Extension
- Catherine Street Reserve Channel Restoration
- Littlejohn Creek Flood Mitigation

Chart 2.1 Capital Works (\$'000)



2025/26 Budget Details

Section 82 of the *Local Government Act 1993* (the Act) requires the General Manager to prepare estimates of Council's revenue and expenditure for each financial year, in particular:

- (2) *Estimates are to contain details of the following:*
- (a) *the estimated revenue of the council;*
 - (b) *the estimated expenditure of the council;*
 - (c) *the estimated borrowings by the council;*
 - (d) *the estimated capital works of the council;*
 - (e) *any other detail required by the Minister.*
- (3) *Estimates for a financial year must –*
- (a) *be adopted by the council, with or without alteration, by absolute majority;*
 - (b) *be adopted before 31 August in that financial year;*
 - (c) *not be adopted more than one month before the start of that financial year.*

The 2025/26 Budget Summary, which includes the estimates required under the Act, are pages two and three in **Attachment 1** to this report.

The Long-Term Financial Management Plan 2025/26 to 2034/35 is page four in **Attachment 1** to this report.

The assumptions which underpin the 2025/26 Budget are contained in the Long-Term Financial Management Plan and are consistent with Council's Financial Management Strategy 2023-2032.

The major elements of the 2025/26 Budget are:

1. Statement of Comprehensive Income;
2. Statement of Financial Position;
3. Capital Expenditure;
4. Cash Flow and Funding;
5. Risks; and
6. Long-Term Financial Management Plan and Financial Management Strategy.

1. STATEMENT OF COMPREHENSIVE INCOME 2025/26*Table 1(a) Statement of Comprehensive Income for 2025/26.*

GLENORCHY CITY COUNCIL STATEMENT OF COMPREHENSIVE INCOME	Proposed Budget 2025/26	Original Budget 2024/25	Budget Difference
Operating Revenue			
Rates	48,013	45,529	2,484
Fire Service Contribution Levy	7,097	6,737	360
User Charges and Licences	16,268	15,388	881
Interest	1,750	1,155	595
Grants	7,262	6,210	1,052
Contributions - Cash	45	43	2
Investment TasWater	2,172	2,172	0
Other	485	481	4
Total Operating Revenue	83,093	77,715	5,378
Operating Expenditure			
Employee Costs	(33,640)	(31,205)	2,435
Materials and Services	(22,283)	(20,366)	1,917
Depreciation and Amortisation	(17,882)	(18,013)	(131)
Finance Costs	(147)	(151)	(4)
Other	(8,270)	(8,207)	63
Internal Income/Expenses	0	0	0
Total Operating Expenditure	(82,222)	(77,942)	4,280
OPERATING SURPLUS / (DEFICIT)	871	(227)	1,098
Non-Operating Income / Expenditure			
Assets Written Off	(1,700)	(1,700)	0
Asset Disposal	(375)	(375)	0
Total Non-Operating Income / Expenditure	(2,075)	(2,075)	0
UNDERLYING SURPLUS / (DEFICIT)	(1,204)	(2,302)	1,098
Capital Income			
Assets - Capital - Donated / Gifted	2,625	2,625	0
Assets - Capital - Found	1,050	1,050	0
Grants - Capital - Roads to Recovery Program	926	578	348
Grants - Capital – LR&CI	0	365	(365)
Grants - Capital – State & Federal	200	6,655	(6,455)
Total Capital Income	4,801	11,273	(6,472)
RESULT FROM CONTINUING OPERATIONS	3,597	8,971	(5,374)
Capital Budget			
Renewal Works	23,583	15,875	7,708
Upgrade Works	5,591	8,846	(3,255)
New Works	2,695	2,189	506
Total Capital Works	31,869	26,910	4,959

The comprehensive income statement for the 2025/26 budget reports an operating surplus of \$871,000 and an underlying deficit of \$1.204 million detailed as follows:

1.1. Rates Revenue

The Rate Revenue budget includes:

General Rate

The general rate revenue calculated on the Assessed Annual Value with a 4.95% increase to the rate in the dollar and a 0.75% growth factor. General rate revenue is budgeted to increase by \$2.346 million to \$49.742 million, excluding statutory rate remissions.

Remissions

The Act provides for exemptions to the general rate for various classes of property, notably public land and land used for charitable purposes. The offset to the general rate revenue for these remissions is \$1.438 million in 2025/26.

Penalty and Interest

The Act allows Council to charge daily interest on unpaid instalments, which is currently set at 5.0705% per annum. The Act prescribes the maximum rate allowed, being the 10-year Long-Term Bond Rate (at 28 February) plus 6%. The February 2025 bond rate is 4.423% thereby setting the 2025/26 maximum rate at 10.423%. In line with Council's support for lessening the cost to ratepayers, it is proposed to set the 2025/26 interest rate at 50% of the maximum permissible being 5.212%.

Direct Debits

Ratepayers, including those in arrears, can choose weekly, fortnightly, monthly, instalment or lump sum payments. There is no extra cost to the ratepayer by choosing to pay by direct debit with Council absorbing this cost.

There are currently 4,698 ratepayers taking advantage of our direct debit options. The direct debit options proposed for 2025/26 allow:

- 40 weekly payments
- 20 fortnightly payments
- 10 monthly payments
- 4 instalment payments
- 1 in full payment

The benefit of direct debit is the ratepayer can spread regular payments across ten months, with no payments required in June and July. The two-month moratorium on rate payments is of benefit to many ratepayers and also assists Council with its obligation to give advance notice of a change to the direct debit amount in July before deductions recommence.

Overdue Rates

A ratepayer with overdue rates has the opportunity to avoid future penalty and interest charges by selecting a weekly, fortnightly or monthly direct debit plan and adhering to the plan without default. Penalty and interest fees charged prior to the direct debit application cannot be waived and will be included in the payment calculation.

Legal Fee Recovery

If legal action is taken to recover overdue rates, the costs are recoverable. An amount of \$31,532 has been allowed for in the budget.

Differential Rating

Differential rating in Tasmania allows local councils to apply varied rates to different categories of rateable land within their municipality, as permitted under the Local Government Act 1993 (Part 9). This approach enables councils to distribute the rate burden equitably, reflecting factors such as land use, property value, community needs, and the impact of specific land uses on council services

The differential rating model between residential and non-residential rates will be continued for the 2025/26 financial year.

Municipal Revaluation

The Valuer-General carried out and completed a revaluation of every property in Glenorchy City Council for the 2024/25 year. For the 2025/26 year, there has been no global change to property valuations unless there has been a specific amendment to the property by the Valuer-General.

1.2. Fire Service Contribution

The *Fire Service Act* 1979 requires Council to pay a contribution to the State Fire Commission. The contribution for the 2025/26 financial year is \$7.097 million which is a 5.3% increase on the previous year. The levy is recovered as part of the annual rates notice.

1.3. User Charges

A wide range of user fees and charges across fifteen programs generate approximately \$16.268 million or 19.6% of Council's total operating revenue for 2025/26. The Schedule of Fees and Charges was approved by Council at the 26 May 2025 meeting. Further information can be obtained by viewing the report under 26 May 2025 Minutes and Agendas.

1.4. Operating Grants and Subsidies

The 2025/26 budget for operating grants and subsidies totals \$7.262 million and only includes amounts for which Council has signed commitments. These include:

- Federal Financial Assistance Grant
- Glenorchy Jobs Hub
- Multicultural Hub
- Child Care Subsidy and Special Needs Programs

It is expected new grants will become available during the financial year.

1.5. Investment Income

Council's largest investment income stream is through its shareholding in TasWater. The water authority's Draft Corporate Plan 2025-2029 commits to continued returns to its shareholders and our budget allows for an ordinary dividend of \$2.172 million to be received.

Council's remaining investment income stream is derived from interest earned on cash invested in term deposits. The \$1.750 million budget for 2025/26 is based on budgeted cash flow and anticipated interest rate decisions by the Reserve Bank.

1.6. Finance Charges

The budget for 2025/26 is \$147,000 which includes interest on loans and an assumed rate of interest on our leases of heavy vehicles used by the Works and Landfill departments.

1.7. Employee Costs

This includes a range of employee-related expenditure such as wages, superannuation, payroll tax, workers compensation insurance, fringe benefits tax and recruitment costs.

The increase to budgeted employee costs in 2025/26 is \$2.435 million with primary contributors being:

- new enterprise agreement and revised remuneration categories
- new works positions to maintain existing and new assets
- retention increases for staffing in the childcare program
- proportional increase in the Payroll Tax liability

1.8. Materials, Services and Contractors

The budget has increased to \$22.283 million up by \$1.917 million or 9.4%, representing a combination of mandatory increases and new council initiatives to provide better services to the community, offset with some operational savings.

1.9. Depreciation and Amortisation

The term depreciation refers to an accounting method used to allocate the cost of a tangible or physical asset over its useful life. Depreciation represents how much of an asset's value has been used. Typical classes of assets depreciated by Council include:

- roads, gutters and footpaths
- stormwater drains
- buildings
- plant and vehicles
- office equipment and furniture

Council invests in its own new assets such as sporting facilities, playgrounds, public toilets and upgraded roads and drains. Council also receives donated assets such as roads, drains and playgrounds from developers of residential subdivisions.

The 2025/26 depreciation expense will also be impacted by the revaluation of the transport asset category to the current fair value of assets. The revaluation was performed by Geoff Webb Consulting and has resulted in an increase in depreciation of the transport category by \$693,000.

Overall, the Depreciation and Amortisation expense is budgeted to decrease in 2025/26 by \$131,000 to \$17.882 million primarily due to savings in amortisation of leased assets and the reduction in asset indexation rates with lower inflation rates.

1.10. Other Expenses

There is a decrease of \$63,000 in other expenses for 2025/26, primarily the result of the decision to purchase trucks at the end of their lease period instead of acquiring new vehicles.

1.11. Asset Write-Off

As Council's assets are renewed and replaced in-line with our Asset Management Strategy, the residual value of the replaced assets is required to be written off. This results in operating expenditure each year that has traditionally been difficult to forecast accurately. For the 2025/26 budget, a base amount of \$1.700 million has been included.

1.12. Capital Grants

Projects funded by previous federal government grants have been completed in 2024/25, reducing the 2025/26 budget to \$1.126 million, representing amounts for which Council has signed commitments:

- Roads to Recovery - \$926,000
- Blackspot Funding Commitments - \$200,000

1.13. Donated and Found Assets

As a result of ongoing developments within the municipality particularly subdivisions, Council is given ownership of infrastructure assets each financial year. These assets are primarily roads, stormwater and footpaths. Council is required to include the value of these assets in its asset register and record the donation of them as non-operating revenue.

In addition, regular field audits may identify further infrastructure assets not currently recorded in our asset register. Typically, these assets are hidden or underground. The total budget for donated and found assets is \$3.675 million.

1.14. Profit / (Loss) on Disposal of Assets

Council has approved a surplus land sales program. Sales will generate cash flow but may also generate accounting surpluses or deficits depending on the relativity of the sale price to the value recorded in the asset system. Australian Accounting Standards applicable to government require asset values to be recorded at market value rather than historical cost price.

As a result, sales may appear to have generated a loss even though there is a positive impact on the Council's cash balance from actual proceeds of each sale (it is important to note the reverse may occur). In addition to land sales, there is also the disposal of changeover plant, vehicles and computer equipment throughout the year. For this reason, only sale expenses of \$375,000 are included in the budget.

2. STATEMENT OF FINANCIAL POSITION

Table 2(a) details the budgeted Statement of Financial Position. The Statement shows that the budgeted Net Asset position of Council will not materially change from the current financial year.

Table 2(a) Statement of Financial Position for 2025/26.

GLENORCHY CITY COUNCIL 2025/26 BUDGETED STATEMENT OF FINANCIAL POSITION			
	30 June 2026 Budget \$'000	30 June 2025 Forecast \$'000	30 June 2024 Actual \$'000
Asset			
Current assets			
Cash and Cash Equivalents	3,417	3,788	6,996
Trade and Other Receivables	2,435	2,135	4,259
Inventories	120	120	163
Assets classified as held for sale	1,200	1,197	1,876
Contract Assets	20	20	20
Current Investments	28,712	31,712	27,722
Other Assets	713	713	714
Total Current Assets	36,617	39,685	41,749
Non-Current Assets			
Trade and Other Receivables	300	485	288
Property, Infrastructure, Plant and Equipment	1,347,341	1,337,341	1,237,341
Investment in Water Corporation	185,227	177,227	177,227
Right of Use Assets	1,233	1,923	1,923
Other Non-Current Assets	19	19	19
Total Non-Current Assets	1,534,120	1,516,995	1,416,797
Total Assets	1,570,737	1,556,680	1,458,546
Liabilities			
Current Liabilities			
Trade & Other Payables	(5,835)	(5,835)	(5,835)
Provisions	(5,740)	(5,573)	(5,573)
Borrowings	0	(127)	(336)
Trust Funds and Deposits	(733)	(733)	(733)
Lease Liabilities	(865)	(865)	(865)
Contract Liabilities	(1,277)	(1,277)	(1,277)
Total Current Liabilities	(14,450)	(14,410)	(14,619)
Non-Current Liabilities			
Provisions	(12,810)	(12,615)	(12,615)
Borrowings	0	0	(182)
Lease Liabilities	(446)	(1,136)	(1,136)
Total Non-Current Liabilities	(13,256)	(13,751)	(13,934)
Total Liabilities	(27,706)	(28,161)	(28,552)
Net Position	1,543,031	1,528,519	1,429,994

2.1. Assets

It is not expected that Council's assets will materially change during the forthcoming financial year.

The Long-Term Financial Management Plan forecast projects Council's cash position to progressively improve over the life of the ten-year plan, subject to restrained new capital expenditure.

2.2. Liabilities

It is not expected that Council's liabilities will materially change during the forthcoming financial year except for the making of loan repayments totalling \$127,000 which will eliminate all external debt.

2.3. Equity

This will only change in unison with the movement in assets and liabilities. The budget allows for an increase in our equity position at 30 June 2026.

3. CAPITAL EXPENDITURE

A separate report for the 2025/26 Capital Works program and Budget is presented to this Special Council meeting. It is that report which formally recommends adoption of the 2025/26 Capital Works budget.

However, so that all aspects of Council's 2025/26 budget are presented in this report, a snapshot of the capital budget reveals works totalling \$31.869 million are planned.

It is proposed the 2025/26 capital program will expend the budgeted funds on:

Asset Investment	Amount \$	Amount %
Renewal	\$23,583,000	74%
Upgrade	\$5,591,000	18%
New	\$2,695,000	8%

3.1. Transport infrastructure

The transport infrastructure capital works budget for 2025/26 is \$14.692 million of which \$3.309 million is for new and/or upgraded assets and \$11.383 million for renewal and replacement of existing assets.

Major capital works budgeted for in the transport infrastructure program include:

- Pavement rehabilitation - \$3.448 million
- Road resurfacing - \$4.171 million
- Footpath renewal - \$3.388 million

- New footpaths and cycleways - \$844,000
- Road safety - \$1.545 million
- Bridge and street lighting - \$525,000
- Main Road Amenity - \$480,000
- Heavy patching - \$150,000
- Access Projects - \$140,000

3.2. Stormwater

The stormwater capital works budget for 2025/26 is \$2.583 million of which \$1.936 million is for new and/or upgraded assets and \$647,000 is for renewal and replacement of existing assets.

Major capital works budgeted for in the transport infrastructure program include:

- Flood mitigation and system upgrades - \$1.996 million
- Stormwater asset renewal - \$587,000

3.3. Property and Environment

The Property and Environment capital works budget for 2025/26 is \$3.170 million of which \$702,000 is for new and/or upgraded assets and \$2.468 million is for replacement and renewal of existing assets.

Major capital expenditure budgeted for the Property and Environment program include:

- Parks and reserves - \$868,000
- Facilities and sportsgrounds - \$662,000
- Public toilet replacement - \$600,000
- Council buildings - \$860,000
- Tracks and trails - \$180,000

3.4. Major Projects

The Major Projects capital works budget for 2025/26 is \$8.340 million including large projects:

- Glenorchy War Memorial Pool - \$6.500 million
- Humphreys Rivulet Rehabilitation - \$1.689 million
- International Food Garden - \$150,000

3.5. Vehicle Fleet

The 2025/26 vehicle fleet budget of \$535,000 enables the timely replacement of Council vehicles. Six vehicles are scheduled for replacement.

3.6. Plant and Equipment

Replacement of field equipment has been budgeted at \$2.268 million for the 2025/26 financial year. The largest project within this category is to continue with the purchase of heavy vehicles in lieu of leasing.

3.7. Information Communication and Technology (ICT)

The ICT capital works budget for 2025/26 is \$281,000 of which \$245,000 is for the cyclical replacement of laptops, PC's, tablets and monitors.

4. CASH FLOW AND FUNDING

4.1. Cash

Current forecasts indicate Council's cash position at 30 June 2025 (i.e. total cash held in operational and investment accounts) will be \$35.500 million. However as at 30 June 2026, this is forecast to reduce to \$32.129 million due to a higher than normal non-grant funded 2025/26 capital works program, including additional costs for the Glenorchy Pool repairs above the \$5 million grant and some one-off works. The \$25.472 million non-grant funded capital works will be funded from income and cash reserves.

Our analysis of the estimated cash cover ratio based on the Tasmanian Audit Office calculation indicates we will have sufficient cash to cover the recommended 3 to 6 months expenditure cover with the ratio reducing to 4.7 for 2025/26 before increasing to 5.9 and 6.6 in the following years.

4.2. Borrowings

Council has shown solid restraint in its borrowing decisions for some years. There is only one active loan at present being loan 31 (covid economic stimulus loan) with the \$127,104 remaining instalment to be paid in December 2025.

Following this payment, Council will have no borrowings.

In 2024/25, it was decided to use surplus cash to payout Loan 27 in advance of its 2027 maturity date.

There is no proposal for Council to borrow funds in 2025/26.

5. RISKS

5.1. Contingency

No contingency has been included in the budget.

5.2. Economic Conditions

The annual movement in the most recent LGAT Council Cost Index (CCI) is 3.13%, down from 3.74% last year. The Local Government Association of Tasmania releases the CCI each year as it is believed this measure better reflects the cost increases associated with the delivery of local government services. This compares to an annual increase of 1.6% in the Hobart Consumer Price Index to March 2025.

The disparity highlights that local government continues to incur a higher rate of inflation than the general population. It is essential the budget balances, as far as practicable, the conflicting priorities of rates, service provision and financial sustainability.

5.3. Interest on Cash Investments

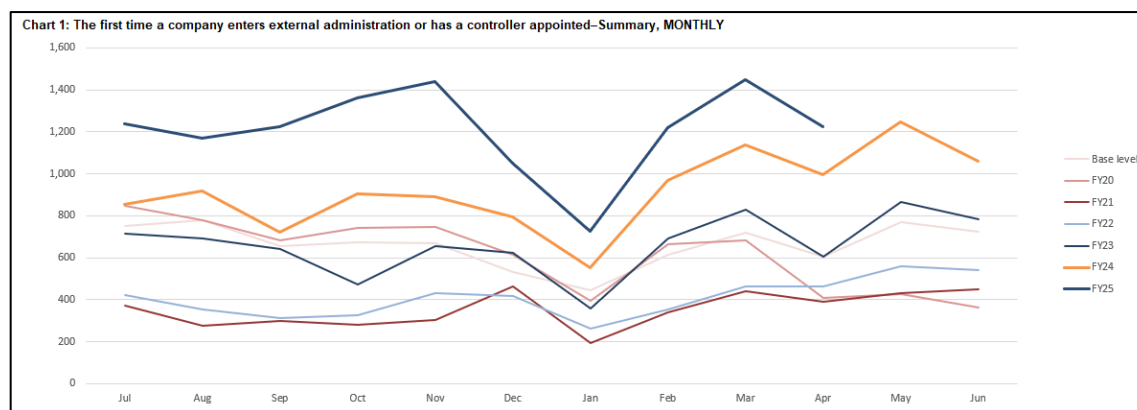
Cash reserves are invested in term deposits to generate additional operating revenue. The average interest rate at the beginning of 2024/25 was 5.05%. However, interest rates currently offered by our financial institutions have reduced to be in the range of 4.10% – 4.30% and may reduce again depending on Reserve Bank monetary policy. In light of this, recent term deposits have been locked in until 2026 at an average of 4.30% thereby providing some protection from decreasing rates.

The interest income budget has increased to \$1.750 million for 2025/26 based upon historical cash investments and locked in higher rates of interest. This forecast is also based on expected seasonal cash movements and an assumption that we will see further decreases over the next 6 to 12 months.

5.4. Payments for Materials, Services and Contractors

Council relies on competitive procurement processes and for our preferred suppliers to remain financially viable in the provision of their services in order to keep costs down as this makes up 27% of our total operating expenditure.

Latest statistics from ASIC indicate businesses continue to face financial difficulties at recent record levels. This may impact Council in both the availability and affordability of materials, services and contractors.



5.5. Infrastructure damage

The risk of damage to Council infrastructure including road, stormwater and property from events such as extreme weather, earthquake, or acts of terrorism are not insured due to the prohibitive cost. Council is exposed to significant costs to repair or replace these infrastructure assets should such events occur.

Council accepts this risk because the cost of mitigation by insurance coverage for the infrastructure assets is too high. There are, however, potential sources of relief or partial relief available to Council in the event of major damage, through the State Government Emergency and Disaster Relief Fund.

5.6. Local Government Reform

The Tasmanian Government has recently released the “*Local Government Priority Reform Program 2024-2026*”. It is considered any material changes in operations as a result of the implementation of this report will be funded through State Government.

No other local government reforms have been identified as potentially impacting the budget.

Therefore, the 2025/26 Budget and LTFMP does not consider or make any allowances for further possible local government reform impacts.

6. LONG-TERM FINANCIAL MANAGEMENT PLAN AND FINANCIAL MANAGEMENT STRATEGY

Council must plan for ongoing financial sustainability over the long term because it relies on long-life assets to continue to deliver critical community services.

Council has developed a Long-Term Financial Management Plan (LTFMP) and Financial Management Strategy (FMS) to provide a longer-term context and to support decision making particularly during the budget development process, in line with the requirements of the *Local Government Act 1993*.

The LTFMP developed to support the 2025/26 Rates revenue budget provides for the following long-term assumptions:

Table 6.1 – Long-Term Financial Management Plan Assumptions

	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029 and onwards
General Rate % Increase	5.95%	4.95%	3.95%	3.95%	3.95%

The *Local Government (Management Indicators) Order 2014* provides for seven measures that Council is assessed against for financial sustainability. Table 6.2, below, provides a summary of these indicators for the forthcoming year.

Table 6.2 – Forecast Management Indicators 2025/26

Indicator	Target Range	2025/26 Budget
Underlying Surplus / (Deficit)	>\$0	(\$1.204m)
Underlying Surplus / (Deficit) Ratio	>0%	(1.4%)
Net Financial Liabilities	>\$0	\$6.857m
Net Financial Liabilities Ratio	>0%	8.2%
Asset Consumption Ratio	>60%	57%
Asset Renewal Funding Ratio	>90%	100%
Asset Sustainability Ratio	100%	115%

In framing the budget for 2025/26, Council has focussed on financial sustainability with targeted new initiatives to address community priorities. The effect of the proposed budget on the management indicators is:

- the underlying deficit has been reduced and is forecast to return to surplus in 2026/27
- the asset consumption ratio has improved to 57%.
- all other asset ratios meet minimum targets.

BUDGET SUMMARY

The demand for increased community services and infrastructure has risen over recent years as has the cost of providing and maintaining those services and infrastructure to the required level. The budget for 2025/26 balances these needs with an appropriate rate revenue increase of 4.95% which is consistent with the LTFMP that was set in the prior financial year.

The 2025/26 budget seeks to assure Council's financial sustainability, provide appropriate funds for the operations of Council, acknowledging the difficult economic environment and cost of living concerns.

Consultations:

Elected Members
Executive Leadership Team
Managers and Coordinators
Finance Department Staff

Human Resource / Financial and Risk Management Implications:Human resources

The budget provides for funding of staff positions that are required to provide or support the activities of the council. Therefore, those positions will implement the budget as part of their ordinary duties.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation	Moderate (C3)	Likely (L4)	High	Present to Council the monthly Financial Performance Reports so as to monitor the budget-to-actual position. Present quarterly Annual Plan updates so as to monitor the progress of annual plan actions. Budget and LTFMP to be reviewed monthly and revised if required.
Unforeseen economic changes result in budget estimates that are no longer materially accurate.				
Changing State Government priorities affects established local government functions.	Major (C4)	Possible (L3)	High	Monitoring of internal and external financial conditions enabling remedial action to be taken.

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Our ratepayers have difficulty in making on-time rate payments.	Moderate (C3)	Unlikely (L2)	Medium	Level of overdue rates is monitored monthly to assess cash flow implications. Financial hardship processes are easily available.
The cash cover ratio falls below the minimum of three months.	Moderate (C3)	Unlikely (L2)	Medium	Available cash is regularly monitored and cash requirements are planned for the following three months. Consider the option of borrowing funds, noting Council's low debt levels.
Do not adopt the recommendation	Major (C4)	Possible (I3)	High	Undertake prior comprehensive discussions with Elected Members to ensure the presented Budget is acceptable.
The 2025/26 Budget would need to be amended and adopted at a later meeting, resulting in revenue and expenditure financial uncertainty.				
The Council fails to adopt the budget before the legislated date of 31 August.	Major (C4)	Possible (I3)	High	Undertake post comprehensive discussions with Elected Members to ensure the presented Budget is acceptable.

Community Consultation and Public Relations Implications:

Community consultation

Council regularly engages with the community on various projects and programs to shape its organisational priorities for the year. These consultations give community members the opportunity to have their say on Council's future direction and budget priorities for the coming Financial Year.

For the 2025/26 budget, the Council has conducted several consultation initiatives, including:

- The **Annual Future Directions Survey**, open from 16 October to 24 November 2024, resulting in over 220 contributions.
- A diverse range of **Community Engagement Activities**, such as Yarns, Pop-ups, and other innovative initiatives designed to amplify voices that are often harder to hear.
- A **Community Budget Briefing** held on 16 June 2025.

Public relations

Council will communicate key information relating to the 2025/26 budget through social media, our website and media releases.

Recommendation:

That Council:

1. ADOPT the Glenorchy City Council 2025/26 Budget Estimates as set out in **Attachment 1** in concurrence with the 2025/26 Capital Works Programs and Budget report
2. APPROVE the Glenorchy City Council Long-Term Financial Management Plan 2025/26 to 2034/2035 as set out in **Attachment 1**
3. RESOLVE that pursuant to section 90 of the *Local Government Act 1993 (the Act)*, for the period commencing on 1 July 2025 and ending on 30 June 2026 inclusive (**the financial year**), Council makes a general rate of 8.2680 cents in the dollar based on the assessed annual value (**AAV**) of all rateable land in the municipal area of Glenorchy
4. RESOLVE that pursuant to section 107(1)(a) of the Act, for the financial year, Council varies the general rate down to 6.5790 cents in the dollar based on the AAV, for all rateable land in the municipal area of Glenorchy used for residential purposes
5. RESOLVE that pursuant to section 90(4) of the Act, for the financial year, Council sets the minimum amount payable in respect of the general rate at \$251.90
6. RESOLVE that pursuant to section 93A of the Act, for the financial year, Council makes the following service rates in respect of fire protection based on the AAV of all rateable land on the valuation roll or assessment roll prepared under the *Valuation of Land Act 2001* as follows:
 - a) 1.0517 cents in the dollar for Council's contribution to the State Fire Commission for land that is situated within the Hobart Permanent Brigade Rating District, with a minimum contribution for each parcel of land of \$50.00 applying, and
 - b) 0.2434 cents in the dollar for Council's contribution to the State Fire Commission for land that is situated outside the Hobart Permanent Brigade Rating District with a minimum contribution for each parcel of land of \$50.00 applying
7. RESOLVE that a penalty of 5% pursuant to section 128(a) of the Act is to apply to the amount of any instalment not paid by the overdue reminder due date; and
8. RESOLVE that interest at a rate of 5.212% per annum pursuant to section 128(a) of the Act calculated daily is to apply to the amount of any instalment not paid by the overdue reminder due date, and

9. RESOLVE that rates levied in accordance with this resolution are payable to the Council by four (4) equal as practicable instalments:
 - a) the first instalment on the date specified in the rate notice being on or before the 31st day after the issue of the rates notice
 - b) the second instalment on or before 1 November 2025
 - c) the third instalment on or before 1 February 2026
 - d) the fourth instalment on or before 1 May 2026
10. RESOLVE a ratepayer may enter into an approved Direct Debit agreement in lieu of instalment payments detailed in recommendation 9
11. NOTE Waste Management Charges for kerbside bin collections and other User Fees and Charges were adopted as part of the 26 May 2025 Council meeting.

Attachments/Annexures

- 1 Attachment 1 - 2025/26 Budget Estimates



5. 2025/26 CAPITAL WORKS PROGRAM AND BUDGET

Author: Manager Asset, Engineering and Design (Patrick Marshall)

Qualified Person: Deputy Chief Executive Officer (Emilio Reale)

ECM File Reference: 2025/26 Annual Budget

Community Plan Reference:

Leading our Community

We will be a progressive, positive community with strong council leadership, striving to make Our Community's Vision a reality.

The communities of Glenorchy will be confident that the Council manages the community's assets soundly for the long-term benefit of the community.

Strategic or Annual Plan Reference:

Leading our Community

Objective: We are a leader and partner that acts with integrity and upholds our community's best interests.

Strategy: Make informed decisions that are open and transparent and in the best interests of our community.

Objective: We responsibly manage our community's resources to deliver what matters most.

Strategy: Manage the City's assets responsibly for the long-term benefit and growth of our community.

Strategy: Deploy the Council's resources effectively to deliver value while being financially responsible.

Reporting Brief:

To present the proposed capital works program to Council for the 2025/26 financial year and seek Council's approval of the \$31.9 million program.

Proposal in Detail:

Background

Council is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets, including roads, footpaths, drainage networks, bridges, public buildings, parks, recreation facilities, fleet, ICT and other equipment.

Council owns an asset pool currently valued at over \$1 billion (total replacement cost), which provide essential services to the Glenorchy community and the general public.

From a replacement value perspective, the top four asset classes that Council owns are Transport Assets, Drainage Assets, Building Assets and Parks and Recreation Assets, with an estimated total replacement value of \$1.1 billion in the 2023/24 financial year (FY2023/24).

The importance of these assets to the community and their significance for the budget means that asset management is a critical part of the Council's long-term planning and service delivery, and these assets must be maintained and replaced accordingly.

As required under the *Local Government Act 1993* (the Act), Council develops and maintains a set of crucial asset management documents, including its Asset Management Policy (the Policy), the Asset Management Strategy (AMS) and Strategic Asset Management Plan (SAMP). Each of the four major asset classes also has its own class-specific Asset Management Plan (AMP) developed to ensure they are managed in-line with the goals and objectives set out in the SAMP.

The AMS, SAMP and individual AMPs identify the community's need and demand for these assets and provides long-term projections of the renewal, upgrade and new asset acquisitions required, based on the adopted levels of service.

To deliver the objectives and goals in the SAMP and individual AMPs, Council develops and maintains a 10-year capital works program.

In addition to the projects from the four major asset classes, there are several minor asset classes, including Plant and Equipment, Vehicles and Fleet, and Information Communication and Technology (ICT) assets. Assets in these classes are also included in Council's annual capital works program to ensure Council's overall asset base is sufficiently renewed and reflects the emerging needs within the community.

This report is to present Council with the proposed 2025/26 financial year (FY2025/26) capital works program and seeks Council's approval of the capital expenditure associated with the program.

How the capital works program is developed

Council is required to maintain a 10-year capital works program and have the expenditure of the program projected in its Long-Term Financial Management Plan (LTFMP).

The development of the 10-year capital works program considers community objectives, affordability, and levels of service.

In general, the projects listed in the first year (Yr. 1) of the capital works program are used for budgeting and project programming purposes and give the most certainty in terms of costs and timing. The Yr. 1 program is the FY2025/26 capital works program which is presented to Council for endorsement as part of this report.

Subsequent years (Yr. 2 to Yr. 10) in the capital works program have been nominated and prioritised but are not confirmed until adopted for the budget year in which they are scheduled to commence.

The projects included in the capital works program are generated from several sources, including asset condition assessment and analysis, risk ratings, necessity, requests from the public and initiatives from community groups. These projects are further explored and prioritised by asset managers before being included in the capital works program.

For external-facing projects, such as transport, stormwater, property and environmental projects, community consultation and engagement form a vital part of the projects and program development process. Guided by Council's community engagement framework, suitable levels of engagement (e.g., 'inform', 'consult' or 'empower') were used further to refine the scope and outcomes of the projects.

This process ensures the outcomes of these projects are aligned with the Council's strategic direction and asset management goals, and that the benefits outweigh the expenditure over the whole lifespan of the assets.

FY2025/26 capital works program summary

For FY2025/26, Council officers have proposed a capital works program valued at \$31.9m for asset renewal, upgrade and acquisition.

The program consists of infrastructure projects from the four major asset classes as well as minor asset classes (e.g., ICT and vehicles and equipment) to ensure all the high-priority asset renewals, upgrades, and acquisitions are captured and budgeted for.

The program consists of six (6) sub-programs, mainly based on asset classes, and results in a total proposed capital expenditure of \$31.9m that requires Council funding.

The table below presents the names of these six capital sub-programs and their capital expenditures:

No.	Sub-Programs	Expenditure (\$)
1	Transport	\$14.7m
2	Stormwater	\$2.6m
3	Property and Environment	\$3.2m
4	Major Projects	\$8.3m
5	Fleet and Plant	\$2.8m
6	Information, Communication and Technology (ICT)	\$0.3m
Total Capital Budget Required:		\$31.9m

A copy of the FY2025/26 capital works program summary is included in **Attachment 1** to this report.

\$23.6m of the proposed \$31.9m Capital Works Program would be spent on asset renewal works, such as road resurfacing, footpath replacement and playground renewal, to provide a safe and fit-for-purpose environment for the residents and the

wider community to use. The remainder (\$8.3m) would be spent on upgrading existing assets or acquiring new assets to improve levels of service.

The overall FY2025/26 capital works program is approximately \$5m higher than last year's program. This is mainly due to the Glenorchy War Memorial Pool, which is funded by the State Government.

The breakdowns between renewal and new/upgrade amounts for each sub-program are presented in the table below (Figure 1).

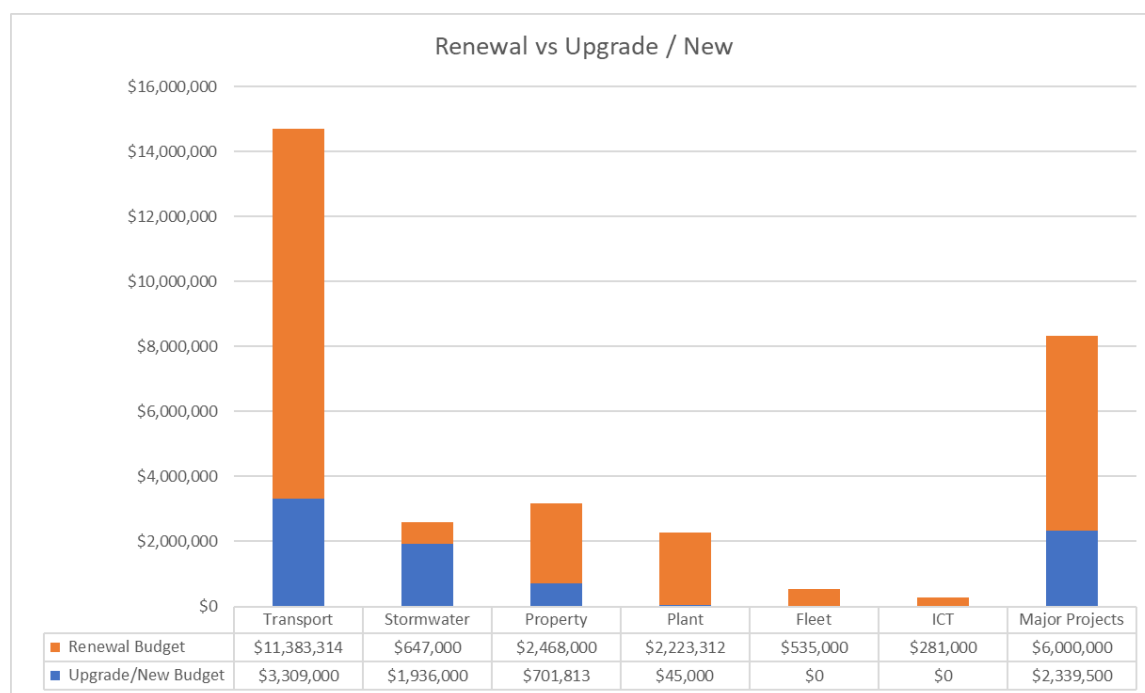


Figure 1: FY25/26 Capital Works Program Renewal and Upgrade/New Expenditure

The diagram above shows that the 'Transport' and 'Major Projects' capital works programs are the two most extensive capital programs in terms of their overall expenditures, around \$14.7m and \$8.3m respectively in FY2025/26.

It is noted that the majority (approximately 77%) of the Transport capital works program is made of renewal projects. \$3.3m of the Transport program will be spent on new and upgrade projects, mostly associated with the Vulnerable Road User and Black Spot programs, along with new cycling infrastructure projects. A significant amount of upgrade and new expenditure (\$2.3m) has also been included in the Major Projects works program, mainly consisting of the federally funded Humphreys Rivulet Rehabilitation project.

FY2025/26 capital works programs in detail

The FY2025/26 Capital Works Program consists of projects and assets from six (6) sub-programs and results in capital expenditure of \$31.9m that Council is required to fund.

Key information about each of the sub-capital works programs are:

1. Transport Capital Works Program and Budget

The Transport Capital Works Program is traditionally the most prominent capital works program in Council given the value (over \$639m) of Council-owned transport assets and the critical service they provide to the community.

Transport capital projects can vary from large-scale civil construction works, such as full road segment reconstruction, to minor upgrades, such as adding a pair of kerb ramps to an existing intersection.

Council's proposed transport capital works budget for FY2025/26 is valued at \$14.7m, of which \$11.4m is for renewal and replacement of existing assets and \$3.3m is for new and/or upgraded assets.

Comparing this with the FY2024/25 budget, Council has increased spending on transport asset renewals, with an increase of over \$1.2m planned in FY2025/26. This was a deliberate measure to focus on renewing the existing asset base and improving the condition of Glenorchy's roads and footpaths, which had been underfunded prior to 22/23.

Pleasingly, Council is now meeting the renewal spending required for transport assets as identified in the SAMP. This is a significant achievement for Council.

Major capital works budgeted for in the Transport Capital Works Program include:

- Resurface up to 7km of roads (2% of network);
- Replace up to 4 km footpaths (1% of network);
- Main Road Footpath Renewal (Gavitt to Windsor)
- Abbotsfield Road Footpath Improvement
- Stage 2 of Renfrew Circle Reconstruction (Allardyce to Barron);
- Albert Road Resurfacing
- Giblins Reserve Playground Car Park Extension
- Cycling Grant - Stage 2A – Main Road Granton Shared Path
- Black Spot Projects
 - Sunmont Street High Friction Seal
 - Chapel Street Safety Barrier
 - Fourth Avenue High Friction Seal

- Vulnerable Road User Projects
 - Main Road No 220 to 256 – Sealed Shoulder for Cyclists
 - KGV Pedestrian crossing near Wrights Ave (to cycleway)
 - Central Avenue at Garden Road - Kerb Outstands

2. Major Projects

This program consists of the significant sporting and community infrastructure projects funded by State and Federal Government grants as well as other major projects not within Council's usual capital works program.

The State and Federal Government grant projects, with a total budget of about \$8.3m, are:

- Glenorchy War Memorial Pool - \$6.5m
- International Food Garden – \$150K
- Humphreys Rivulet Rehabilitation – \$1.7m

The preparation works for these projects has already commenced during FY2024/25, focusing on project initiation, design and tendering.

In FY2025/26, these grant projects will come to fruition, with construction works expected to be completed during the year. Council should note that under the terms and conditions of some of the funding agreements, Council must first undertake the works and then seek milestone reimbursements. This results in timing delays between completing works and receiving payment of grant funds for some projects.

With the amount of new and upgraded assets, as detailed above, coming to Council's Property and Environment asset portfolio at the end of the financial year, an increase in depreciation and maintenance costs is expected, estimated to be \$0.4m (this is equivalent to 0.9% of Council's general rate).

This cost increase needs to be catered for in the development of next and future years' operational budgets and reflected in Council's LTFMP.

3. Property and Environment capital works program and budget

The total Property and Environment capital works budget for the 2025/26 financial year is \$3.2m, of which \$2.5m is for the replacement and renewal of existing assets and \$0.7m is for new and/or upgraded assets.

The Council-initiated capital projects budgeted in the Property and Environment Program include:

- Playspace renewal at Apex Park (Lutana)
- Public toilet replacement at Poimena Reserve
- Replacement of various picnic shelters, seating, tables and BBQs
- Abbotsfield Park cricket wickets

- Abbotsfield Park lighting replacement
- Chambers renovations

4. Stormwater Capital Works Program and Budget

The proposed stormwater capital works program (also known as the drainage program), focuses on the renewal, upgrade and extension of Council's stormwater system. It deals with stormwater-related issues, such as soakage and flooding, across the municipal area. Its purpose is to ensure sufficient drainage services are provided to the residents living in the urban area.

Council's proposed stormwater capital works budget for FY2025/26 is \$2.6m, with almost \$2.0m to be spent on flood mitigation and system upgrade projects. This is higher than previous years as Council is focussed on reducing the risk of flooding to its residents following flooding from high intensity rain events.

Due to the long-life nature of Council's stormwater assets, which are approximately halfway through their useful lives, renewal demand is not high as these assets do not deteriorate at a uniform rate.

The major Stormwater Capital Works Program proposed for FY2025/26 are:

- Redlands Drive Flood Mitigation (sedimentation basin)
- Riverview Parade Stormwater Extension
- Catherine Street Reserve Channel Restoration
- Littlejohn Creek Flood Mitigation (105 Grove Road)

The stormwater capital works program also has some recurring projects, such as \$50,000 per year, allocated to stormwater pit replacement and \$100,000 per year, allocated to patching repairs to ensure a functional underground drainage network is maintained.

5. Information Communication and Technology (ICT) program and budget

Council continues its investment in technology for FY2025/26, allocating a budget of \$0.3m to its hardware and software replacement.

We will see the replacement and upgrade of Council's mobile devices (e.g. laptops) and hardware to enable mobility and ensure business continuity.

6. Fleet and Plant program and budget

In FY2025/26, Council is planning to replace 10 vehicles, valued at \$0.5m, as part of its rolling fleet replacement program. Council's fleet has been managed based on a 3-year to 5-year replacement cycle, depending on the type of vehicles and the optimum point between resale value and holding cost.

Most of these vehicles are commercial vehicles (e.g. utility vehicles) and are replaced on a like-for-like basis. Options are being investigated to implement smaller, more fuel-efficient vehicles where possible and consider alternatives to owning or leasing fleet vehicles.

The overall plant and equipment budget for FY2025/26 is \$2.3m, including the replacement of several items of plant and equipment that service Council's day-to-day construction and maintenance activities. This is a significant increase on previous years as council looks to purchase plant items rather than renewing expiring leases.

These plant and equipment items range from small items, such as mowers, to large machines, such as an excavator.

In addition, kerbside and recycling bin replacements are included, given the fact that every year a small number of these bins are damaged and are required to be reissued to residents.

Conclusion:

In summary, the FY2025/26 capital works program has a total value of \$31.9m, made of six sub-programs based on asset classes. The capital works program allocates \$23.6m for asset renewal and \$8.3m for upgraded and/or new assets.

A copy of the Capital works program from the 2025/26 financial year is included in Attachment 1 for information.

Consultations:

Elected Members
Executive Leadership Team
Managers and Coordinators
Finance staff

Human Resource / Financial and Risk Management Implications:

Benchmarking SAMP and LTFMP with Budget

The long-life nature of Council's assets, which supports many Council services, necessitates Council's budget commitment, and reflects the long-term provision of services that meets community expectations whilst ensuring ongoing financial sustainability.

In line with the requirements of the Act, Council has developed its SAMP and AMPs for major asset classes. The capital expenditure projected in the SAMP and AMPs,

reflects the renewal and upgrade demands from an asset management perspective, matching the levels of service that the community needs.

Under the Act, Council is also required to develop and maintain its Long-term Financial Management Plan (LTFMP) and Financial Management Strategy to provide a longer-term context in managing its financial performance.

The LTFMP takes the capital expenditures projected in the SAMP and AMPs and adjusts them in the context of Council's long-term financial sustainability. The capital expenditures included in the LTFMP reflects what the community can afford in realistic terms.

The SAMP, AMPs and LTFMP are critical documents to support decision making, particularly during the budget development process. The funding gaps between AMPs, LTFMP and the annual capital budget need to be highlighted and their impacts need to be appropriately managed due to the long-term implications for Council's financial sustainability and asset performance.

Some comparisons between the renewal and upgrade/new amounts suggested in the AMPs, LTFMP and the proposed budget are illustrated below:

1. Budget vs. AMP Renewal Demand

Figure 2, below, presents the budget amounts proposed for the three major capital works programs, namely Transport, Stormwater and Property and Environment, compared with the renewal demand which is forecast in the relevant AMPs.

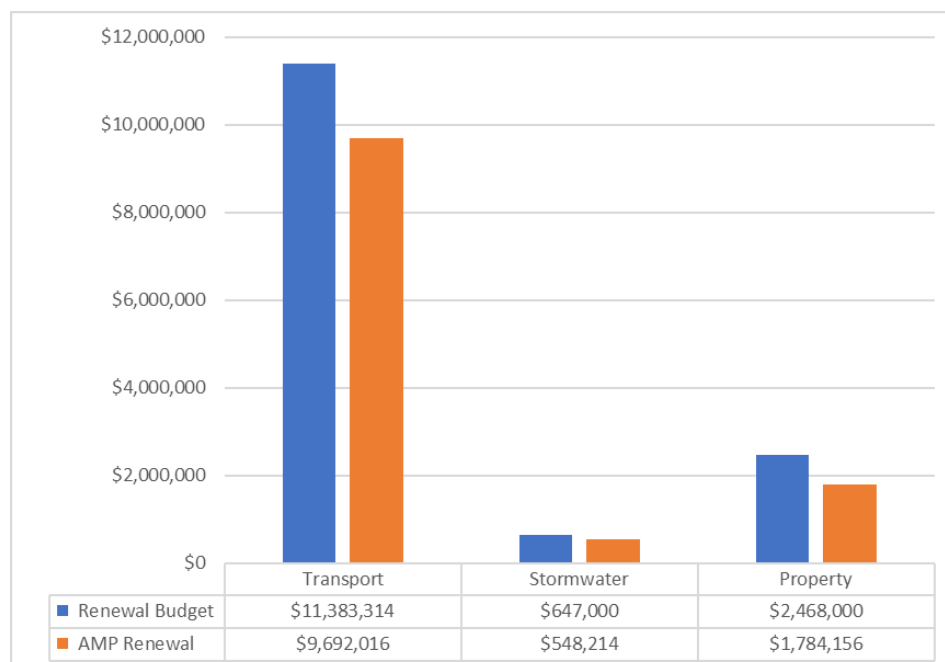


Figure 2: Budget vs. AMP Renewal Demand

The diagram above shows that the Transport, Stormwater and Property Capital Programs are funding near to or beyond their renewal demand in FY2025/26. This is similar to last financial year.

2. Budget vs. LTFMP Upgrade/New Forecast

Figure 3, below, presents the upgrade/new budget amounts proposed for all the capital works sub-programs and the amounts forecasted in the LTFMP.

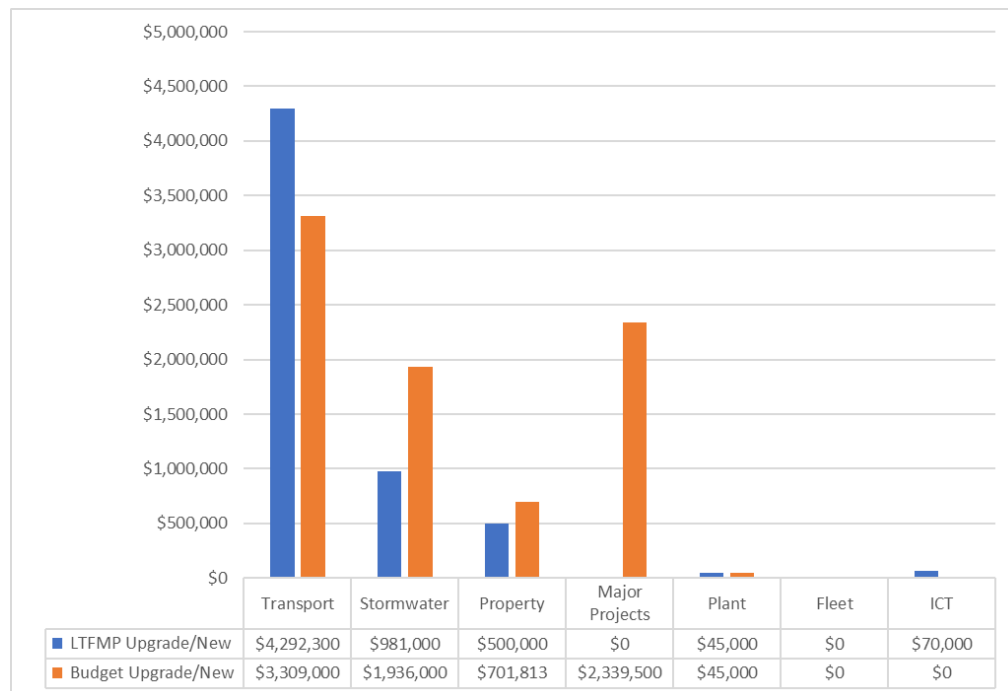


Figure 3: Budget vs LTFMP Upgrade / New Forecast

In the preparation of its LTFMP, Council recognised that there would continue to be a significant amount of State and Federal Government grant funding being injected into the Capital Works Program in FY2025/26.

Comparing the upgrade/new amount (\$8.3m) for the proposed FY2025/26 budget and the amount forecast in the LTFMP (\$5.9m), there is a significant amount of additional funding required compared to forecast. This is mostly due to the Glenorchy War Memorial Pool project.

The impacts of increasing Council's investment on upgraded/new assets to cater for these long-term impacts is reflected in the revised LTFMP brought forward for adoption in the separate Budget Estimates report on this agenda.

Gifted assets

As part of urban expansion, Council receives a significant amount of assets, such as roads, footpaths and drainage, for 'free' after subdivision works are carried out by developers in the city.

Although in most cases there is no upfront cost to Council to acquire the assets, they become part of our public transport and drainage networks serving the community and need to be maintained by Council for the rest of their asset lives and replaced at end of life.

It is expected that in FY2025/26, approximately \$1.0m transport and \$1.1m stormwater assets will be handed over to Council from individual developments. This additional \$2.1m in assets would enlarge Council's asset base and increase the total asset replacement value.

It is noted that gifted assets have no material impact on the proposed FY2025/26 capital works budget. However, the depreciation and maintenance costs associated with taking over gifted assets will have an ongoing impact on Council's operating expenditure and need to be reflected in the LTFMP and funded accordingly.

The forecast \$2.1m in gifted transport and drainage assets would result in a total asset value increase to \$34m (\$31.9m capital works program and \$2.1m gifted assets).

Infrastructure damage

The risk of damage to Council infrastructure, including roads, stormwater, and property from extreme weather, earthquakes, or acts of terrorism, is not insured due to the prohibitive cost. Council is exposed to significant costs to repair or replace these infrastructure assets should such extreme events occur.

Council accepts this risk because the cost of mitigation by insurance coverage for the infrastructure assets is too high. There are, however, potential sources of relief or partial relief available to Council in the event of major damage through the State Government Emergency and Disaster Relief Fund.

Human resources

Council has several departments involved in the planning, scoping, design and delivery of the annual capital works program and sourced its staff accordingly. It is confident that officers are prepared to implement the FY2025/26 capital works program.

Council has internal construction crews skilled and equipped to deliver some of the infrastructure projects proposed in the transport and stormwater capital works program. For projects outside of Council's current internal construction capacity or skill sets, the projects would go through the appropriate procurement processes (tenders, RFQs etc) and would be awarded to external contractors for construction.

Due to the size of the capital budget proposed for FY2025/26, it is understandable that Council would be facing human resource constraints when delivering these projects. The current construction market boom and potential skill shortage in the next 12 months may also hinder Council's ability to source contractors at a reasonable price.

Council officers are aware of the human resource risk associated with the proposed annual capital works program. Council's internal capital program governance group (the Infrastructure Management Group) and individual project managers will monitor the risk periodically and react to any risk related changes. Any major variations to the budget will be reported back to Council accordingly as either part of the quarterly financial report or on an "as required" basis.

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation				
Further economic changes result in estimates that are not materially accurate, leading to a need to revise estimates either up or down during the year	Minor (C2)	Possible (L3)	Medium	Updated 2025/26 budget and estimates will be presented at the January 2025 Council meeting.
The budget amount in one particular year is different from the capital expenditure projected in the Strategic Asset Management Plan and the Long-Term Financial Management Plan, causing adverse impacts on Council's long-term financial sustainability and asset performance.	Major (C4)	Likely (L4)	High	Monitoring the performance of Council's assets on an ongoing basis and revising the projection in both the Strategic Asset Management Plan and the Long-term Financial Management Plan to ensure Council's Elected Members and Management can make an informed decision should Council wish to underfund its capital renewal expenditure or overfund new/upgrade assets.
Suppliers, contractors, and service providers are unable to provide goods and services at competitive prices.	Minor (C2)	Possible (L3)	Medium	Robust procurements to engage with a broad range of potential suppliers and service providers to minimise dependencies.
Damage to Council infrastructure from unpredictable events resulting in significant costs to repair or replace.	Major (C4)	Unlikely (L2)	Medium	Limited insurance coverage in place for some events with Council accepting risk of a significant event where other financial support is not made available (e.g., State Government).
Do not adopt the recommendation				

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Delayed implementation of the capital works program in the 2025/26 financial year and adding financial uncertainty to Council as a result of the need to develop and endorse an alternative or updated version of the Annual Budget.	Major (C4)	Likely (L4)	High	Consultation and integration of feedback received is part of the Annual Budget drafting process to make sure the final draft meets Elected Members expectations.

Community Consultation and Public Relations Implications:

Council officers have carried out consultation with the key stakeholders who would be affected by the capital works program and its projects, including residents, community groups, utilities, and the wider community.

For instance, during the scoping and concept design phase of the stormwater projects where machinery access to private properties is required, affected residents have been approached by Council officers and relevant consents obtained when Council has no easement or existing assets within the properties.

Consultation with key stakeholders has been recognised as one of the critical success factors in the successful delivery of the FY2025/26 Capital Works Program and will be continually carried out through the whole lifespan of the capital works program.

Council will communicate the key information about this year's budget through face-to-face discussion and online platforms (e.g. Facebook and Council website), to explain the key aspects of the budget in a clear and accessible way.

Council will also periodically report the progress of its capital works program through a variety of channels including quarterly reporting to Council as well as website and social media updates.

Recommendation:

That Council:

1. ENDORSE the Glenorchy City Council Capital Works Program for the 2025/26 financial year, as detailed in this report; and
2. ADOPT the 2025/26 Capital Works Summary Budget Estimates as set out in **Attachment 1** in concurrence with the 2025/26 Budget Estimates report.

Attachments/Annexures

- 1 Capital Works Budget Summary



6. GLENORCHY CITY COUNCIL ANNUAL PLAN 2025/2026-2028/2029

Author: Coordinator Executive and Strategy (Emma Watkins)

Qualified Person: Chief Executive Officer (Tony McMullen)

ECM File Reference: Annual Plan 2025/26-2028/29

Leading Our Community

We will be a progressive, positive community with strong Council leadership, striving to make Our Community's Vision a reality.

Strategic or Annual Plan Reference:

Leading Our Community

Objective	We responsibly manage our community's resources to deliver what matters most.
Strategy	Manage the City's assets responsibility for the long-term benefit and growth of our community.
Strategy	Deploy Council's resources effectively to deliver value while being financially responsible.

Reporting Brief:

Council is required to adopt an Annual Plan under s.71 of the *Local Government Act 1993* (the Act). The draft Glenorchy City Council Annual Plan 2025/26 - 2028/29 (Annual Plan) is **Attachment 1** to this report.

Proposal in Detail:

Statutory Requirements

The Act sets out that:

- (1) *A council is to prepare an annual plan for the municipal area for each financial year.*
- (2) *An annual plan is to –*
 - (a) *be consistent with the strategic plan; and*
 - (b) *include a statement of the manner in which the council is to meet the goals and objectives of the strategic plan; and*
 - (c) *include a summary of the estimates adopted under section 82; and*
 - (d) *include a summary of the major strategies to be used in relation to the council's public health goals and objectives.*

The draft Annual Plan complies with the requirements of the Act.

Background and link to the Strategic Plan

The *Glenorchy City Council Strategic Plan 2023-2032* was developed following the installation of the Council after the 2022 Local Government Elections. Council adopted the *Glenorchy City Council Strategic Plan 2023 - 2032* (Strategic Plan) on 27 March 2023.

The Strategic Plan identifies the following community goals:

- Making lives better
- Building image and pride
- Open for business
- Leading our community
- Valuing our environment.

The Strategic Plan aims to deliver on the goals in the Community Plan through 10 objectives and 32 strategies.

The draft Annual Plan aligns to the Strategic Plan and identifies actions to be undertaken by Council over the next four years to deliver on the community's goals and vision.

This is the third Annual Plan linked to this Strategic Plan. This year, Council will continue to focus on service delivery, asset upgrades, new facilities, and will commence the grant funded repair and reopening of the Glenorchy War Memorial Pool.

This new Annual Plan sees a strong focus on advocating for government funding to deliver better community infrastructure. This underlines Council's commitment to developing the City to not only cater for a growing population, but to create more inclusive spaces to make Glenorchy a place people want to visit and enjoy, as well as a place to live, work and raise their families.

Development of the Annual Plan

The Annual Plan and Budget development processes are aligned to ensure Council has the financial capacity and resources to efficiently deliver the actions planned for the coming year, within a balanced and realistic Budget.

To develop the Annual Plan, an environmental scan was conducted to identify current and future factors that may impact the Council. The Annual Plan actions from the previous year were then reviewed and categorised as either:

- Complete
- Ongoing unchanged (i.e. multiyear projects)
- Ongoing amended (i.e. ongoing projects with a change/update, e.g. the Glenorchy War Memorial Pool business case was completed in 2024/25, and now the focus moves to repairing and reopening the existing pool and advocating for grant funding)

The language and context of the collated actions was then refined. Gaps and opportunities were identified, and new actions were drafted where necessary by Council's Executive Leadership Team and managers. 10 priority actions for 2025/26 Annual Plan were identified which highlight Council's key focus areas.

The Annual Plan actions and priorities were then presented to and reviewed by Elected Members at a Council Workshop on 14 April 2025, with feedback incorporated into the final draft.

Priority Actions for 2025/26

The 10 priority actions for 2025/26 incorporated into the draft Annual Plan are:

1. Repair and reopen the Glenorchy War Memorial Pool
2. Implement the upgraded city cleansing program including targeted graffiti management
3. Seek funding and develop project plan for a Glenorchy Youth Hub
4. Deliver programs to improve opportunities for our young people
5. Progress Council's Playground Strategy and complete the Playground upgrade at Apex Park Lutana
6. Partner with government and community organisations to deliver programs that improve community safety and inclusion
7. Advocate for key community priorities
8. Support increased housing supply in the City through land release, proactive planning, and advocacy
9. Review the Glenorchy Economic Development Strategy
10. Develop and implement an engagement plan to hear the voices of harder to reach community members

These priority actions are highlighted at the front of the Annual Plan for clear and quick identification and are also emphasised in bold type within the full list of actions.

Monitoring and Reporting on Progress

Individual Annual Plan actions will be further clarified in detailed business plans at a team and individual position level. Progress reporting against the Strategic Plan via the Annual Plan will be delivered via Quarterly and Annual Reports to Council.

Outcomes and deliverables have been set out and various measures have been identified against the deliverables. This ensures that Council can clearly demonstrate and articulate how the Annual Plan, and in turn the Strategic Plan, is being delivered.

The 10 priority actions will garner a more detailed level of reporting in each Quarterly Report.

Consultations:

Elected Members
Executive Leadership Team
All Managers

Human Resource / Financial and Risk Management Implications:Financial and Human resources

The development of the Annual Plan is aligned to the Budget development process. The actions identified in the Annual Plan can be delivered within the Council's proposed 2025/26 budget and human resource capacity. The Annual Plan includes a four-year outlook to assist with Council's financial and workforce forward planning.

Risk Management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation				
Annual plan priorities and actions do not allow Council to achieve its Strategic Plan goals and are not in line with community expectations.	Moderate (C3)	Unlikely (L2)	Medium	<p>The Annual Plan is monitored continuously and reported on quarterly, which enables progress tracking and provides an opportunity to identify barriers to delivery.</p> <p>An annual Future Directions Survey is held to seek input on community priorities.</p> <p>The draft Annual Plan is workshopped with elected members.</p>
Do not adopt the recommendation				
If a 2025/26-2028/9 Annual Plan is not adopted, Council will be in breach of its statutory obligations under s. 71 of the <i>Local Government Act 1993</i> .	Moderate (C3)	Unlikely (L2)	Medium	Prepare an alternative Annual Plan for adoption at the 30 June Ordinary Council Meeting.
Delayed implementation and reporting for the 2025/26 year as a result of the need to develop an alternative or updated version of the Annual Plan.	Moderate (C3)	Unlikely (L2)	Medium	Prepare an alternative Annual Plan for adoption at the 30 June Ordinary Council Meeting

Community Consultation and Public Relations Implications:

Under s. 71(3) of the Act, the following steps must be taken to publicly notify an annual plan:

As soon as practicable after a council adopts an annual plan, the General Manager is to:

- (a) make a copy of the annual plan available for public inspection at the public office during ordinary business hours; and*
- (b) provide the Director (of Local Government) and the Director of Public Health with a copy of the annual plan.*

Once adopted, the Annual Plan will be made available in accordance with the requirements and will also be posted to Council's website.

Council's Annual Plan outlines the key actions and priorities for the upcoming year and may attract interest from the public and/or media.

Recommendation:

That Council:

1. ADOPT the Glenorchy City Council Annual Plan 2025/26 - 2028/29, set out in **Attachment 1** to this report.

Attachments/Annexures

- 1** Annual Plan 2025/26/-2028/29

