

ANNUAL REPORT 2017/18





City of Launceston Annual Report

The Annual Report provides a comprehensive overview of the City of Launceston's activities during 2017/18 including an account of our performance, to our community.

The Annual Report meets legislative requirements incorporating the results of Council's performance in respect of goals and objectives set in the 2017/18 Annual Plan and details of our financial performance.

The report also provides an insight into the full extent of our operations, services to our community and how we are progressing with securing a positive future for Launceston.



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About the Municipal Area

Situated at the head of the Tamar Valley wine growing region, few places in the world can match this region's natural and historic charm. Residents enjoy an enviable way of life that is both relaxing and invigorating – a lifestyle centred around a climate similar to the south of France, the great outdoors, a vibrant events calendar and arts scene as well as our world-renowned local food and wine.

The City of Launceston boasts all the major facilities of a larger city, many of which are owned and operated by the City of Launceston. A large range of services for residents and visitors were also provided in the 2017/18 year through the Council's six directorates – Infrastructure Services, Development Services, Facilities Management Services, Corporate Services, Major Projects and the Queen Victoria Museum and Art Gallery.

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MAYOR'S MESSAGE



The City of Launceston is undergoing a major transition with an unprecedented number of major projects underway around the city.

Work on the North Bank pedestrian and cycle bridge was completed at the end of the financial year. The Council rolled out its new Food Organics Garden Organics kerbside collection service, with take-up from the community already well above expectations.

Civil works are continuing at Riverbend Park, with more than 2000 metres of pipes and cables being installed, and 5000 cubic metres of fill being imported to the site, and Boral set to relocate from the site mid-year. Work is underway on a major redevelopment of the Brisbane St Mall, following similar redevelopments of the Quadrant Mall and Civic Square.

The Launceston City Deal resulted in the creation of the Tamar Estuary Management Taskforce, established by the State Government, with the City of Launceston and TasWater having submitted a joint report into the city's combined system to the taskforce shortly before Christmas 2017.

The City of Launceston is determined to continue to work with the Northern Tasmanian community on making our city the envy of regional Australia.

The sheer scale of the work the Council has overseen this year is unprecedented, and we are enormously excited to deliver on such a visionary program of works and initiatives, in partnership with the people of Launceston and other tiers of government.

I would encourage people to stay engaged with us as we roll out these various initiatives; take part in our public consultation processes, have your say when the opportunities arise, and don't wait until decisions have already been made to level your criticisms.

For several years now, the City of Launceston has been putting the various pieces in place – from developing strategies and concepts, undertaking community consultations, drafting plans and projects, securing funding, and then implementing final detailed designs.

Many of these projects have long and complex histories, and much work has been going on behind the scenes from many dedicated people, who share a passion for our city and a desire to leave it better than they found it. I believe the suite of projects we have on the books are testament to the vision of Northern Tasmania and its community.


Albert van Zetten
Mayor



GENERAL MANAGER'S REPORT



I am pleased to present the City of Launceston's Annual Report for 2017/18, my first as General Manager and the last of the current Council whose term expires in November 2018. This report describes the Council's performance over the 2017/18 financial year against the objectives of the 2017/18 Annual Plan and budget.

The past 12 months have seen us take significant steps in the pursuit of the best possible future for the City of Launceston.

A major redevelopment of Civic Square was undertaken as part of the \$19.1m Launceston City Heart Project first stage master plan, which also includes redevelopments of the Quadrant Mall, Brisbane Street Mall, wayfinding signage, and other improvements.

LED perimeter fencing was installed at the University of Tasmania Stadium enabling the Council to secure Launceston's first-ever men's and women's Big Bash games between the Hobart Hurricanes and Sydney Thunder under lights on December 30, 2017 attracting a crowd of 16,734 people.

2017 also saw work commence on the new Riverbend Park redevelopment with a new pedestrian and cycle bridge, linking to the Seaport successfully spanning the North Esk River in late June, 2018.

In October, the Council rolled out a new Food Organics and Garden Organics (FOGO) kerbside collection to residents who opted into the new service. The new FOGO service allows the Council to divert this waste away from landfill, and to a new composting facility constructed at the Launceston Waste Centre.

This financial year also saw the construction of Launceston's first new hotel in more than 10 years in the form of Peppers Silos Hotel at King's Wharf being completed, while Launceston and Northern Tasmania welcomed more than 700,000 visitors. The Council's Visitor Information Centre continues to operate seven days a week and last year received 66,549 people through its doors, helping visitors and locals with information on local attractions and taking bookings for accommodation and tours. The Council also provided more than \$530,000 in events sponsorship to assist in maintaining the city's vibrant events scene.

Organisationally, our focus over the past 12 months was on improving the Council's culture and in March, a cultural survey provided staff with the opportunity to have their say about where they feel the organisation is in terms of its culture and where they want it to be. The Cultural Development Program provides everyone with the opportunity to contribute and through this process a cultural roadmap is being developed, which will guide the organisation into the future. We have also focused strongly on the introduction of a business improvement program based on the LEAN principles, which aim to maximise customer value while minimising waste.

Financially, the Council remains strong. To remain sustainable, the City of Launceston's draft Long Term Financial Plan (LTFP) is structured to deliver small operating surpluses each year. In 2017/18 the City of Launceston achieved an underlying operating surplus of \$3.221m against a budgeted surplus of \$1.763m. The better-than-expected result was due to increases in fee revenues, savings in depreciation and early receipt of budgeted payments.

I would like to thank the Aldermen for their leadership, vision and commitment to the City of Launceston and would also like to thank all employees of the City of Launceston for the hard work, dedication and passion you have shown during the past year.

In closing, I would like to acknowledge the significant contribution that former General Manager, Robert Dobrzynski, made to the City of Launceston in his seven years at the Council's helm.

A handwritten signature in black ink, appearing to read 'Michael Stretton'.

Michael Stretton
General Manager



VISION, MISSION, VALUES

The City of Launceston's Vision and Mission are underpinned by our commitment to the following fundamental Values. These Values guide the way the Council conducts its business and how the Council delivers all its activities and services for the benefit of the community.

Vision

Launceston is proud of its heritage and is a vibrant and inclusive community that is creative and sustainable, inspired by its diverse opportunities and rich natural environment.

Mission

We work together as one organisation to deliver quality and innovative services to our community.

Values



Our people matter

- we value clear and open communication
- we support and encourage each other
- we respect diversity
- we recognise individual needs, experience and strengths



We care about our community

- we take pride in our work and pursue a standard of excellence
- we genuinely listen, and value collaborative relationships
- we strive towards the best outcome for our community
- we make responsible and sustainable decisions



We bring an open mind

- we actively seek opportunities to continuously improve
- we respect and explore different ideas and perspectives
- we embrace change that leads to positive outcomes
- we value innovation and creativity



We go home safe and well

- we show care for people and look out for one another
- we speak up and support others to be healthy and safe
- we take personal responsibility for our own health and wellbeing
- we value work-life fit

COUNCIL PROFILE

Council Profile

Launceston was proclaimed a municipality by an Act of Parliament on 30 October 1852, 46 years after it was founded. The boundaries extended less than two kilometres from the centre of the town. Seven Aldermen were elected to the Launceston Town Council on 1 January 1853, at the first local government elections held in Van Diemen's Land. The Aldermen elected the first Mayor, Alderman William Stammers Button, later that day at the first meeting of the Town Council.

On 8 May 1985, the Councils of Launceston City, St Leonards and Lilydale were amalgamated to form the new City of Launceston. After this amalgamation, a number of rural areas were included in the municipality's boundary. The most recent boundary changes were in 1992 when parts of Prospect and Relbia were included within the municipality's boundary.

The City of Launceston municipal area has grown to approximately 1411 square kilometres and is served by 12 Aldermen, one of whom is the Mayor, and 568 employees. Launceston is the largest Council in Tasmania in terms of population.

Council Meetings

During 2017/18, Council meetings were held every second Monday in keeping with the schedule published on the Council's website. Council Meetings started at 1pm in the Town Hall Council Chambers.

Council Meetings are open to the public. The public can ask questions of the Council during public question time at the start of each meeting, along with having the opportunity to discuss items on the agenda, for consideration during the meeting.

From time to time, a special meeting of Council is convened in accordance with regulation 4(1)(b) or (6) of the *Local Government (Meeting Procedures) Regulations 2015*.

Additionally, section 72B of the *Local Government Act 1993* requires Council to hold an Annual General Meeting, which was held on Monday 4 December 2017.

Council Representatives

The Mayor and 11 Aldermen have specific powers, responsibilities and duties as set out in the *Local Government Act 1993*.

Council Elections

The Mayor and 11 Aldermen are elected for a four-year term in an 'all-in all-out' election which means the elected representatives have a four-year term including the positions of Mayor and Deputy Mayor. Local government elections were last held in October 2014.

Employment

In 2017/18, the Council employed 568 individuals (440.34 full-time equivalents), covering a broad range of professions across the six Council directorates plus the General Manager's Office.

Road Network

The Council maintains more than 740.87km of roads including 373.73km of urban roads and 367.14km of rural roads (includes bridge segments of .755km which form part of the road length) and a further 12.46km of road for which we share responsibility with the State.

The State Government is responsible for a further 153.59km of roads including 14 bridges in the Launceston municipality. The Council also maintains 88 bridges.

Each year the Council spends about \$11.3m on building and maintaining roads and bridges and a further \$3.7m on road-related projects (street cleansing \$2.2m and street lighting \$1.5m).

Parks and Recreation

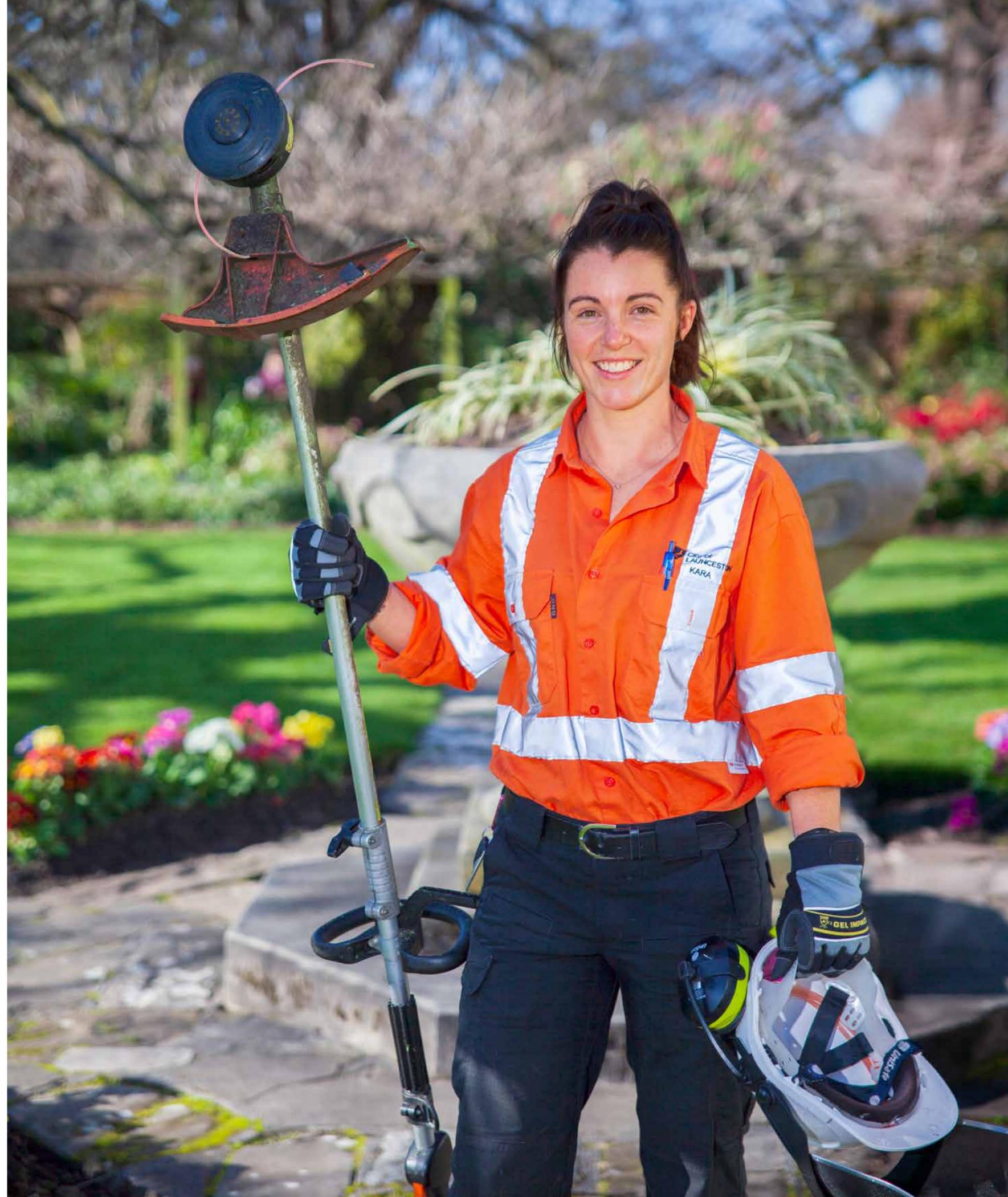
Launceston is renowned for its established parks, gardens and wide range of recreation facilities, which are unrivalled when compared to other similar-sized communities across Australia. The Council owns, maintains and/or manages a total of 261 parks, reserves and conservation areas, which includes more than 2075 hectares of parklands with more than 29,000 trees (not including bushland trees) across the municipal area.

The Council owns and operates the Launceston Leisure & Aquatic Centre, used by locals and visitors alike, as well as the University of Tasmania Stadium which hosts major sporting events including AFL matches in the York Park precinct.

Cultural Facilities

Our city is recognised for its cultural vibrancy, which not only makes Launceston a great place to live but also presents us as a very attractive tourism and conference destination, bringing considerable income to local businesses.

The Council owns and/or operates many notable cultural facilities including the Queen Victoria Museum and Art Gallery (QVMAG), Design Tasmania Centre, Princess Theatre, Earl Arts Centre and Albert Hall.



ALDERMEN PROFILES



Mayor Albert van Zetten

Mayor van Zetten was first elected to Council in 2005 and elected as Mayor in October 2007. He spent 18 years as the Chief Executive Officer of Launceston City Mission and is the director of his own company. Mayor van Zetten has more than 30 years' experience as a chartered accountant and has been actively involved with several community organisations.

Deputy Mayor Alderman Rob Soward

Alderman Rob Soward was elected to Council in 2009 and elected as Deputy Mayor in 2014. He has a strong community and sporting background including 24 years as a teacher with the Department of Education. Alderman Soward holds a Bachelor of Education degree and Master of Education degree. Alderman Soward is a past director of the Northern Tasmanian Football League, a past director of Connect (MyState Ltd) and has been an Australian Rules Football coach for 23 years. Alderman Soward was awarded the Frank MacDonald Memorial Prize and represented Tasmania and Australia in Gallipoli, France and Belgium at a range of commemorative ANZAC services.

Alderman Soward currently works in the employment sector assisting people to gain employment.

Alderman Robin McKendrick

Alderman McKendrick was first elected in 1981. In 1988, he served as Deputy Mayor. Alderman McKendrick has a retailing and investment background and strong sporting and community interests.

Alderman Ted Sands

Alderman Sands was first elected in 1999. He served as an Alderman until 2002 and was re-elected in 2005. He has interests in landscaping, renovations, house building and fitness training. Alderman Sands is also heavily involved in the community, assisting older Australians with their day-to-day activities and delivering Meals on Wheels.

Alderman Hugh McKenzie

Alderman McKenzie was elected in October 2011. He is a chartered accountant and was a partner in accounting and business advisory firm KPMG for 24 years, until his retirement in June 2011; he continues as a consultant to the firm. Alderman McKenzie is also a board member and chair of Primary Health Tasmania, and a National and Regional Councillor for Chartered Accountants Australia and New Zealand. He has been actively involved in many sports over the years, including football, cricket, tennis, golf and cycling including as past president of the Stan Siejka Launceston Cycling Classic.

Alderman McKenzie has had a long involvement in education as a board member of Scotch Oakburn College for 17 years, of which six were as chairman. Alderman McKenzie is also involved in a number of charities and community organisations including, Cape Hope Foundation and Tamar Valley Peace Trust.

Alderman Jim Cox

Alderman Cox was elected in October 2011. He spent more than 20 years as a member of the Tasmanian Government, having held several portfolios including Road Safety, for which he still has a strong passion. He sees his role as Alderman as an opportunity to give something back to a community that has supported him for many years.

Alderman Danny Gibson

Alderman Gibson was elected in October 2011. He is committed to Launceston, having enjoyed a professional career in Northern Tasmania in education, media and the arts. He is a volunteer, supporter and patron of many not-for-profit organisations and currently teaches drama to the region's young people. Alderman Gibson has been a long-time supporter of the city's cultural sector and believes it delivers important economic benefits to the region.

Alderman Janie Finlay

Alderman Finlay was first elected in 2000 and served as Mayor from 2002 to 2005. Elected Mayor at just 27 years of age, Alderman Finlay was the youngest female Mayor ever to serve in Australia. In 2007 she resigned from the Council to pursue other interests, including serving as a director of NAI Harcourts and as a director of the Tasmanian Symphony Orchestra and chairman of the Launceston Tornadoes; she has also operated two award-winning small hospitality businesses and in 2015 partnered with a global health and wellness company.

Alderman Finlay was elected to Council again in 2014, bringing her experience in the not-for-profit and business sectors back to the City of Launceston. Alderman Finlay has a strong focus on family, maintaining Launceston's unique character and

- 1 **His Worship the Mayor,** Alderman Albert van Zetten
- 2 **Deputy Mayor,** Alderman Rob Soward
- 3 **Alderman** Robin McKendrick
- 4 **Alderman** Ted Sands
- 5 **Alderman** Hugh McKenzie
- 6 **Alderman** Jim Cox
- 7 **Alderman** Danny Gibson
- 8 **Alderman** Janie Finlay
- 9 **Alderman** Darren Alexander
- 10 **Alderman** Simon Wood
- 11 **Alderman** Emma Williams
- 12 **Alderman** Karina Stojansek

a passion for good governance. Alderman Finlay is committed to working with leading organisations and community members to see Launceston become one of the great regional cities of the world.

Alderman Darren Alexander

Alderman Alexander was first elected in 2014 and believes a strong private sector is vital to the success of the Northern Tasmanian region. He has been a vocal advocate for the State's ICT industry for more than a decade and has represented the sector on numerous boards and committees. In 1993 he founded technology company Autech in Launceston. Today the multi-award winning company employs a staff of 15 and has sold more than two million copies of its proprietary colour visualisation software.

Alderman Alexander has a passion for small business and the National Broadband Network (NBN) and in 2013 was appointed a 'Digital Champion' of the NBN by the Prime Minister. He has served as: a director of the Department of State Growth's Tasmanian Development Board; a member of the Brand Tasmania Council; president of TAS ICT and a vice-chairman of the Digital Futures Advisory Council and Business Events Tasmania Board.

Alderman Simon Wood

With more than 20 years' experience in Launceston as a small business operator, Alderman Wood is a strong supporter of Northern Tasmania's private sector. He believes it is vital to create new employment and study options for Northern Tasmania's young people and an environment that provides opportunities for young people in Tasmania. Along with serving on several boards and school committees and undertaking advocacy work for Northern Tasmania's small business sector, he and his wife are also raising their young family in Launceston. Alderman Wood was first elected in 2014 and is determined to work with his fellow Aldermen and other stakeholders to ensure Launceston's social and economic future burns bright.

Alderman Emma Williams

Alderman Williams was elected in November 2014. With a background in environmental science, natural resource management and international community development, she has a strong commitment to the health and sustainability of the Launceston community. Alderman Williams is a supporter of activities and approaches that celebrate the diversity, culture and environment of the City of Launceston.

Alderman Karina Stojansek

Alderman Stojansek was elected in 2015. She has more than 20 years' senior management experience in small to medium organisations, most recently as the general manager of a statewide IT training organisation. Alderman Stojansek studied a Bachelor of Commerce at the University of Tasmania and has extensive skills in accounting, human resources and business management.

Alderman Stojansek is currently on the board of the local Steiner School and has served on various committees such as the RSPCA and the Trevallyn Tennis Club, holding positions as president, treasurer and secretary.

She has been involved with the migrant community, delivering a program called 'Foot in the Door', which helped migrants find employment.

Alderman Stojansek has a passion for community and believes strongly in the importance of health, family, an active lifestyle and building a vibrant, dynamic, connected and inclusive community.

Aldermen represented on the Council's internal and external committees

Council Committees convened under section 23 of the Local Government Act 1993 (the Act)

Strategic Planning & Policy Committee

The last SPPC meeting was held on 13 November 2017. The SPPC was disbanded by council on 18 December 2018.

General Manager's Contract & Performance Review Committee

Alderman A M van Zetten
Alderman R I Soward
Alderman J G Cox
Alderman J Finlay
Alderman S R F Wood

Special Committees convened under section 24 of the Act

Audit Panel

Alderman D H McKenzie
Alderman J Finlay

Independent Committee Members

Mark Scanlon
Lyndal Kimpton
Steven Hernyk

Australia Day, Awards & Hall of Fame Committee

Alderman R I Soward
Alderman D C Gibson
Alderman S R F Wood

Cataract Gorge Advisory Committee

Alderman E K Williams
Alderman J Finlay

Community Grants (Organisations) Program

Alderman D C Gibson
Alderman K P Stojansek
Alderman E K Williams

Events Sponsorship Assessment Panel (formerly the Events Sponsorship Program)

Alderman D C Gibson
Alderman E K Williams
Alderman K P Stojansek

Heritage Advisory Committee

Alderman D H McKenzie
Alderman J Finlay

Heritage Forest Advisory Committee

Alderman R I Soward
Alderman D H McKenzie

Launceston Access Advisory Committee

Alderman D H McKenzie

Launceston City Heart Reference Group

Alderman D W Alexander
Alderman S R F Wood
Alderman K P Stojansek

Launceston Sister City Committee

Alderman J G Cox
Alderman R I Soward
Alderman R L McKendrick

North Bank Committee

Alderman R I Soward
Alderman J Finlay
Alderman S R F Wood

Northern Youth Co-ordinating Committee

Alderman D C Gibson

NTCA Ground Management Committee

Alderman A M van Zetten

Pedestrian and Bike Committee

Alderman D H McKenzie
Alderman K P Stojansek

QVMAG Governance Advisory Board

Alderman A M van Zetten
Alderman R I Soward as
proxy with voting rights

Scholarships & Bursary Committee

Alderman D C Gibson
Alderman E K Williams

Street Tree Advisory Group

Alderman R L McKendrick

Tender Review Committee

Alderman R L McKendrick
Alderman D H McKenzie
Alderman J G Cox
Alderman S R F Wood

Youth Advisory Group

Alderman E K Williams
Alderman S R F Wood
Alderman K P Stojansek

Authority convened under section 30 of the Act

Launceston Flood Authority (LFA) (s30 Local Government Act 1993)

Mayor of the Day

Committee convened under section 20(a) of the Emergency Management Act 2006 (Tas)

Municipal Emergency Management Committee

Alderman J G Cox

Council external committee membership (from resolutions of Council)

Australian Pacific Airports Launceston

Alderman D H McKenzie

Cityprom Limited

Alderman S R F Wood

Enterprize Tasmania Ltd

Alderman D W Alexander

Every Child Succeeds

Alderman K P Stojansek

Franklin House Management Committee

Alderman S R F Wood

Launceston College Association

Alderman R L McKendrick



Launceston Road Safety Consultative Committee

Alderman R L McKendrick
Alderman J G Cox

Launceston Safer Communities Partnership

Alderman J Finlay
Alderman D C Gibson

Local Government Association of Tasmania

Alderman A M van Zetten
Alderman R I Soward (proxy)

Natural Resource Management (NRM) Northern Association (Northern Tasmanian Natural Resource Management Association Inc.)

Vacant

Newstead College Association

Alderman J Finlay

Ravenswood Action Group

Alderman K P Stojansek

Regional Capitals Australia (RCA)

Alderman A M van Zetten

Tamar NRM Reference Group

Alderman D H McKenzie

TasWater Owners Representative

Alderman A M van Zetten (Mayor of the Day)

Theatre North Inc.

Alderman D H McKenzie

University of Tasmania Northern Campus Engagement and Advisory Group

Alderman A M van Zetten
Alderman D H McKenzie

Council Meeting Attendance

From 1 July 2017 to 30 June 2018, there were a total of 23 Council Meetings, 21 Ordinary Council Meetings, one Special Council Meeting and an Annual General Meeting.

- Alderman van Zetten 22
- Alderman Soward 18
- Alderman McKendrick 20
- Alderman Sands 22
- Alderman McKenzie 21
- Alderman Cox 19
- Alderman Gibson 21
- Alderman Finlay 22
- Alderman Alexander 22
- Alderman Stojansek 20
- Alderman Wood 20
- Alderman Williams 22

Strategic Planning and Policy Committee

The Strategic Planning and Policy Committee was disbanded on 18 December 2017. From 1 July to 18 December 2017, there were nine meetings.

- Alderman van Zetten 9
- Alderman Soward 7
- Alderman McKendrick 7
- Alderman Sands 9
- Alderman McKenzie 8
- Alderman Cox 4
- Alderman Gibson 7
- Alderman Finlay 9
- Alderman Alexander 7
- Alderman Stojansek 6
- Alderman Wood 9
- Alderman Williams 9

EXECUTIVE MANAGEMENT COMMITTEE



1. **Michael Stretton**
General Manager
2. **Robert Dobrzynski**
General Manager
3. **Michael Tidey**
Director of Corporate Services and Acting General Manager



4. **Leanne Hurst**
Director of Development Services
5. **Bruce MacIsaac**
Director of Facilities Management
6. **Dale Sinfield**
Director Major Projects
7. **Louise Foster**
Director of Corporate Services

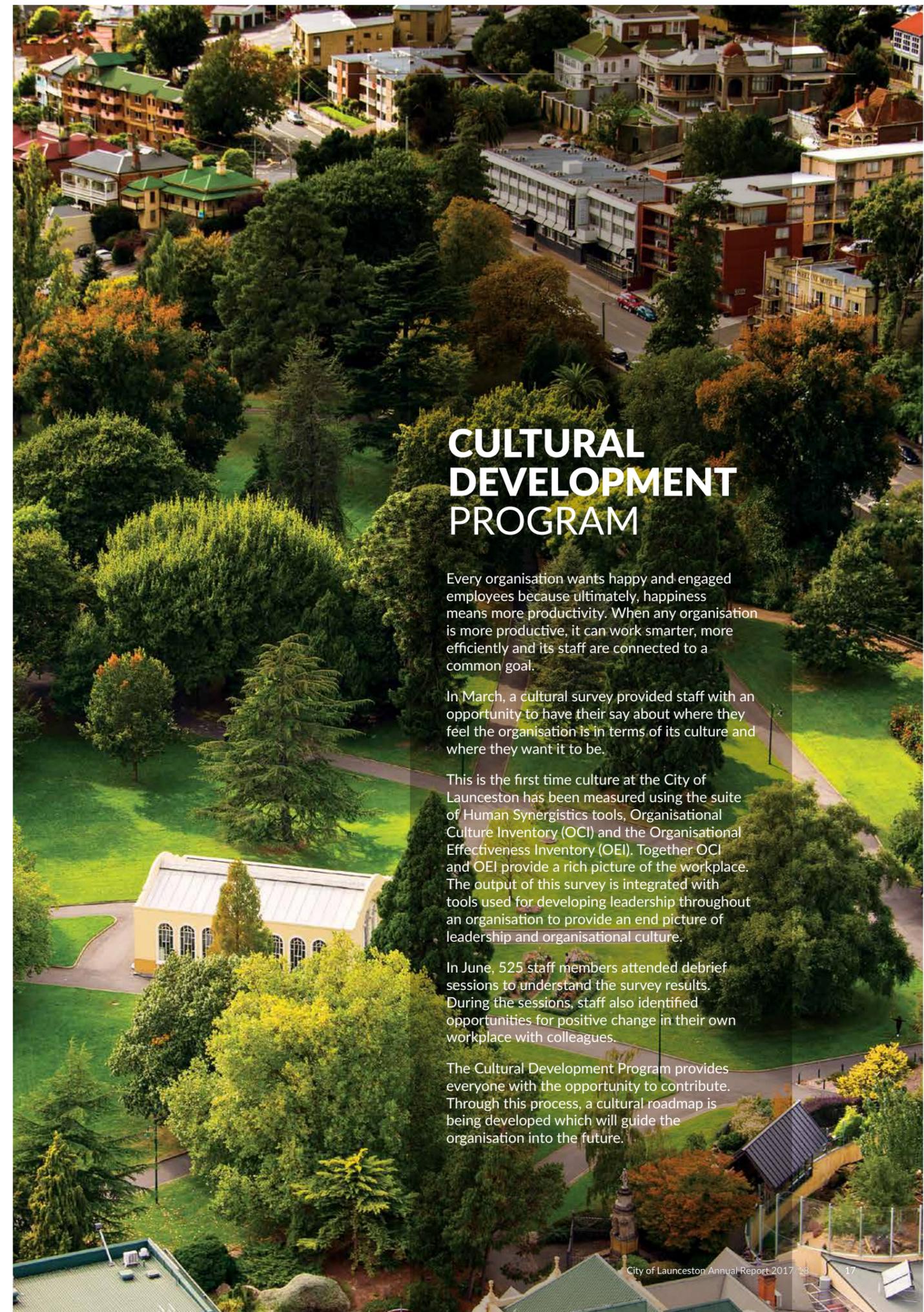
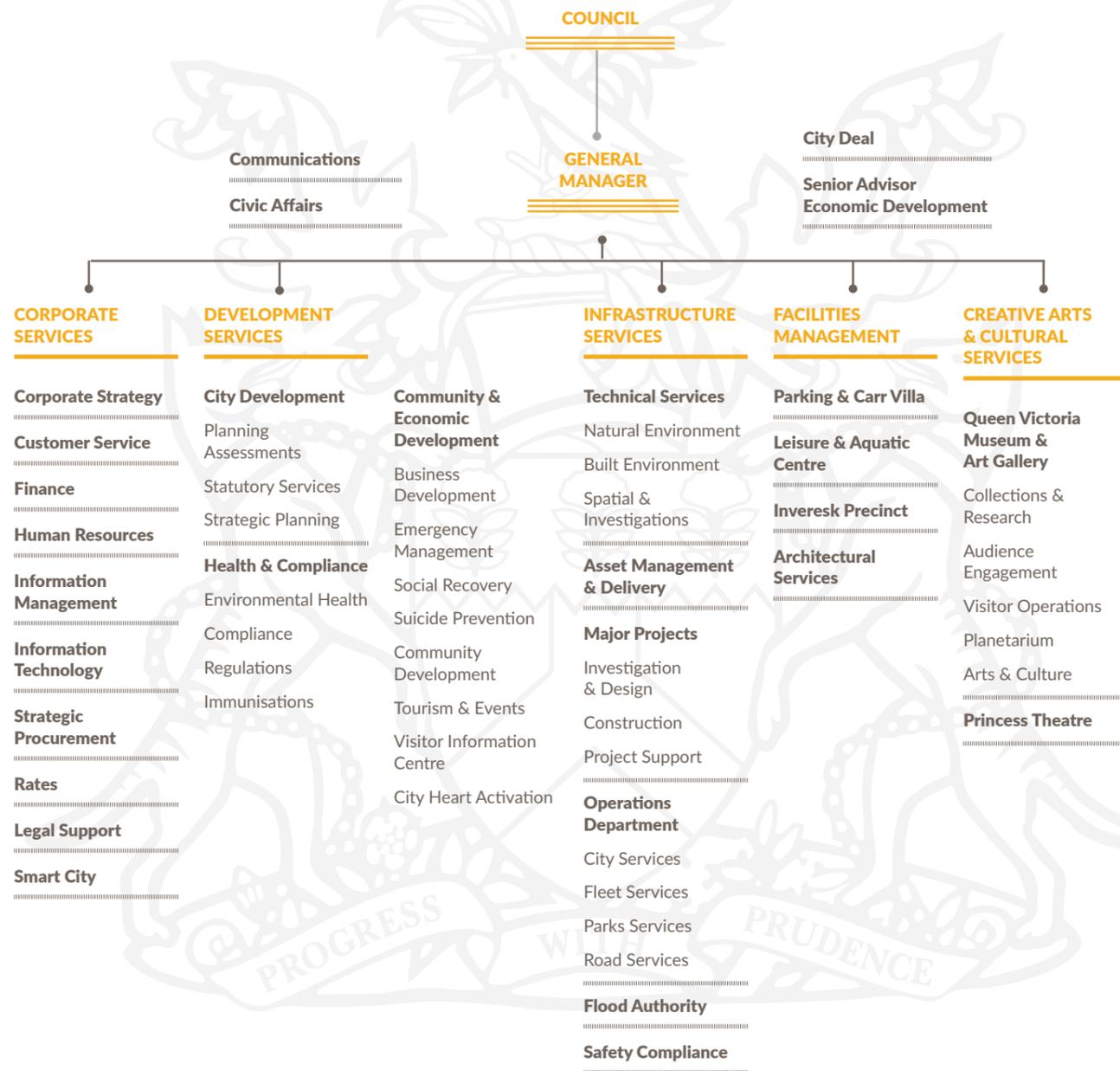


8. **Richard Mulvaney**
Director of Creative Arts and Cultural Services
9. **Shane Eberhardt**
Director of Infrastructure Services

The following Executive Management Committee members completed their service throughout the 2017/18 financial year; Robert Dobrzynski (who resigned in August 2017), Michael Tidey (who retired in October 2017), Rod Sweetnam (who retired in July 2017). Michael Stretton was officially inducted as General Manager to the City of Launceston in October 2017.

CITY OF LAUNCESTON ORGANISATION CHART

AT JUNE 2018



CULTURAL DEVELOPMENT PROGRAM

Every organisation wants happy and engaged employees because ultimately, happiness means more productivity. When any organisation is more productive, it can work smarter, more efficiently and its staff are connected to a common goal.

In March, a cultural survey provided staff with an opportunity to have their say about where they feel the organisation is in terms of its culture and where they want it to be.

This is the first time culture at the City of Launceston has been measured using the suite of Human Synergistics tools, Organisational Culture Inventory (OCI) and the Organisational Effectiveness Inventory (OEI). Together OCI and OEI provide a rich picture of the workplace. The output of this survey is integrated with tools used for developing leadership throughout an organisation to provide an end picture of leadership and organisational culture.

In June, 525 staff members attended debrief sessions to understand the survey results. During the sessions, staff also identified opportunities for positive change in their own workplace with colleagues.

The Cultural Development Program provides everyone with the opportunity to contribute. Through this process, a cultural roadmap is being developed which will guide the organisation into the future.

COUNCIL'S PERFORMANCE SNAPSHOT



Executive Overview

26 actions set

18 actions on target

Actioned Community Requests

This financial year the City of Launceston responded to 26,997 service requests in the following areas:

1,865

ROADS AND FOOTPATHS

916

PARKS & RECREATION

416

STORMWATER & DRAINAGE

1,209

TREE MANAGEMENT

5,538

PARKING

3,046

ENVIRONMENTAL HEALTH

936

BOOKINGS (BIKE CENTRE, HALLS, HEAT KITS, MALLS)

804

BUILDING & PLANNING

11,072

WASTE MANAGEMENT

1,195

OTHER

Outstanding Loans

At the end of each financial year.



State Government Accelerated Local Government Capital Program interest-only loan. Interest refunded by the state government.

Where the Dollars Come From

	\$'000		
Rates	65,115	52.1%	
Fees and Charges	24,691	19.8%	
Grants - Capital Purposes	16,123	12.9%	
Grants - Revenue Purposes	9,038	7.2%	
Interest	1,954	1.6%	
Other	8,078	6.5%	
	124,999	100.0%	

Where the Dollars Go

Provision of Services	75,249	72.1%	
Borrowing	436	0.4%	
Depreciation	20,090	19.3%	
State Government Fire Service Levy	7,535	7.2%	
Rate Remissions and Abatements	1,026	1.0%	
	104,336	100.0%	

Expenditure by Program

General and Public Services	19,357	18.6%	
Public Order and Safety	8,362	8.0%	
Health and Welfare	2,073	2.0%	
Housing and Community Amenities	21,346	20.5%	
Recreation and Culture	29,504	28.3%	
Roads Traffic and Parking	18,482	17.7%	
Other	5,212	5.0%	
	104,336	100.0%	



THE YEAR IN REVIEW

The Launceston City Deal – a year on

The Launceston City Deal was signed by the Australian Government, the Tasmanian Government and the City of Launceston in April 2017.

The first 12 months of implementing the Launceston City Deal delivered some important results for the city. It included significant investment to improve the health of the Tamar Estuary and work to establish Launceston as a Smart City.

The announcement of the University of Tasmania relocation and urban infill initiatives are activating increased investment across Launceston. Since the signing of the City Deal, the City of Launceston has approved numerous student and visitor accommodation developments. The willingness of the three levels of government to align program and policy is delivering results for Launceston.

Commitments update

A vibrant liveable city

Improving the liveability of the Launceston city centre. Stage 1 of the City Heart Project has passed the halfway mark. The Civic Square reconstruction was officially opened in August 2018. Progress has been made on other significant projects, including the Brisbane Street Mall redevelopment with an official turn of sod on 24 April 2018. Completion is scheduled for October 2018.

Innovation and industry engagement

To develop Launceston into a Smart City, the Council is an active stakeholder in the Greater Launceston Transformation Project. The project includes development of five 3D digital city models, analysis of people movement around the city to support planning and other decision making and an intelligent digital city roadmap. This is in addition to delivering a new Low-Power Wide-Area Network (LoRaWAN) and a range of other 'Smart City' and data related commitments, including the release of 34 Launceston datasets on data.gov.au to support city planning.



A healthy Tamar Estuary

In July 2017 Council Officers participated in working groups as part of the Tamar Estuary Management Taskforce (TEMT). The two working groups dealt with potential catchment actions and the combined sewerage and stormwater system, to address the issues of the Tamar Estuary's health. In November 2017 the working groups provided draft reports to the Taskforce, which were integral to the River Health Action Plan. On 16 February 2018 the Australian and Tasmanian Governments announced a joint investment of nearly \$95 million to complete 12 projects identified by the River Health Action Plan.

Ensuring the Launceston City Deal is delivered on time, on budget is of vital importance and the huge undertaking has been resourced accordingly. The Council continues to work with major stakeholders including the Australian Government, the Tasmanian Government, University of Tasmania, the community, and key business partners to deliver the City Deal's vision.

Key actions over the next 12 months by the City of Launceston include:

Revitalising Launceston

- Complete the Brisbane Street Mall redevelopment under the City Heart Project.
- To provide an integrated approach to the revitalisation of the Launceston suburbs, with the aim of supporting improved lifestyle, social and economic outcomes.
- Deliver a Launceston Cultural Strategy to better coordinate and promote cultural activities and invest in new cultural assets.

Jobs and skills growth

- Deliver local construction jobs through the City Heart Project
- Assist with the delivery of a series of projects to support local job seekers, including ongoing support for an Entrepreneurship Facilitator, targeted employer and job seeker forums, and activities to enhance local employment networks and opportunities.

Smart City

- Assist with to the completion of the Greater Launceston Transformation Project.

Sustainable Cities Award

The City of Launceston's focus on recycling and energy efficiency saw it take out the 'Sustainable Cities Award' at the October 2017 Keep Australia Beautiful Tasmanian Tidy Town Awards.

The city was recognised for the following initiatives:

Environmental Sustainability: Awarded to the City of Launceston for the installation of LED lighting at the Albert Hall, Princes Square and the Inveresk car park and walkway.

Litter Prevention, Waste Management & Resource Recovery: Awarded to the City of Launceston's Remount Road Depot energy efficiency initiatives, including the installation of a 40kW solar system and LED lighting with motion and lux sensors.

Sister Cities Friendship Agreement renewed

The City of Launceston has formed longstanding relationships with three cities around the world; Ikeda in Japan, Napa in the United States and Taiyuan in China. These relationships promote the idea of a global family.

In October 2017 the Mayor led a delegation to our sister city, Ikeda, Japan to celebrate the 50th anniversary relationship. A renewed friendship agreement was signed during the visit by Mayor Albert van Zetten and Mayor Kaoru Kurata.

The City of Launceston presented gifts of beanies to Ikeda's Chairman and Aldermen. The beanies were knitted by Anne Sands, wife of Alderman Ted Sands.

FOGO is a go-go

In October 2017 the City of Launceston began rolling out new green lidded Food Organics and Garden Organics kerbside collection bins to residents who opted into the new service.

Audits have shown food and organic waste makes up half of the average Launceston resident's kerbside rubbish bin.

The new FOGO service allows the Council to divert this waste away from landfill and to a new composting facility constructed at the Launceston Waste Centre.

The new service was admirably marketed to the community by waste officers Michael Attard and Justin Jones, who played the characters "Fo" and "Go" in a series of social media videos.

Solar smart bins

The City of Launceston has installed new solar powered compacting waste and recycling bins at the Lilydale Falls Reserve.

Funded by the Council and the Northern Tasmanian Waste Management Group, the bins are the first of their kind in the state and can hold up to eight times more waste than other bins the same size. This is because the bins utilise the sun's energy to drive automatic compactors that compress the collected waste, reducing the number of times Council crews need to empty the bins.

In addition, the bins have a host of 'smart' capabilities over the 3G network, including sending notifications if someone is attempting to tamper with them, providing real-time updates on available capacity, sending alerts when they're full, and even halting compaction if an animal is scavenging in the bin.

The Lilydale Falls Reserve was chosen as the site to trial the smart bins as City of Launceston waste audits in the area showed most of the waste deposited in bins at the reserve was recyclable.



LED perimeter fencing at University of Tasmania Stadium

LED perimeter fencing was installed at the University of Tasmania Stadium in 2017, with \$300,000 in funding support from the State Government.

The fencing was pivotal in securing Launceston's first ever mens' Big Bash game between the Hobart Hurricanes and Sydney Thunder under lights on 30 December 2018. Installation of the 500 magnesium alloy cabinets that house the LED fencing began in early November and took a team of more than 10 technicians about two weeks to install.

The full colour panels are 960mm high and 960mm wide and are capable of addressing large audiences from a few metres to more than 100 metres.

The panels feature a soft top cover for both player and audience protection and features portable mounting struts so they are able to be reconfigured in layout to suit alternate sports such as soccer.

The system is controlled by a dedicated computer server and is operated by a single technician.

Civic Square redevelopment

A major redevelopment of Civic Square was undertaken in the 2017/18 financial year, with work overseen by Vos Construction and Joinery. The redevelopment was part of the \$19.1m Launceston City Heart Project first stage master plan, which also includes redevelopments of the Quadrant Mall, Brisbane Street Mall, wayfinding signage and other improvements. The Civic Square project was the largest open public space in the CBD at 4500 square metres and represented the first major overhaul of the square since it was originally declared a place for people in 1982. The redevelopment works included the installation of 15 new stormwater pits, 21 dynamic lighting poles, two catenary lighting systems, 176m of LED strip lights and 10 umbrellas.

Big Bash Cricket in Launceston

Years of planning and organising prepared Launceston to obtain first-class cricket matches throughout the year for the enjoyment of Tasmanian residents – ultimately leading to UTAS Stadium being the location for a Big Bash match under lights in 2018.

The event showcased Launceston to the nation with more than a million viewers across a range of media platforms. The match resulted in an economic boost to Tasmania and added \$1.5 million in the form of overnight accommodation, restaurant meals, and retail spending.

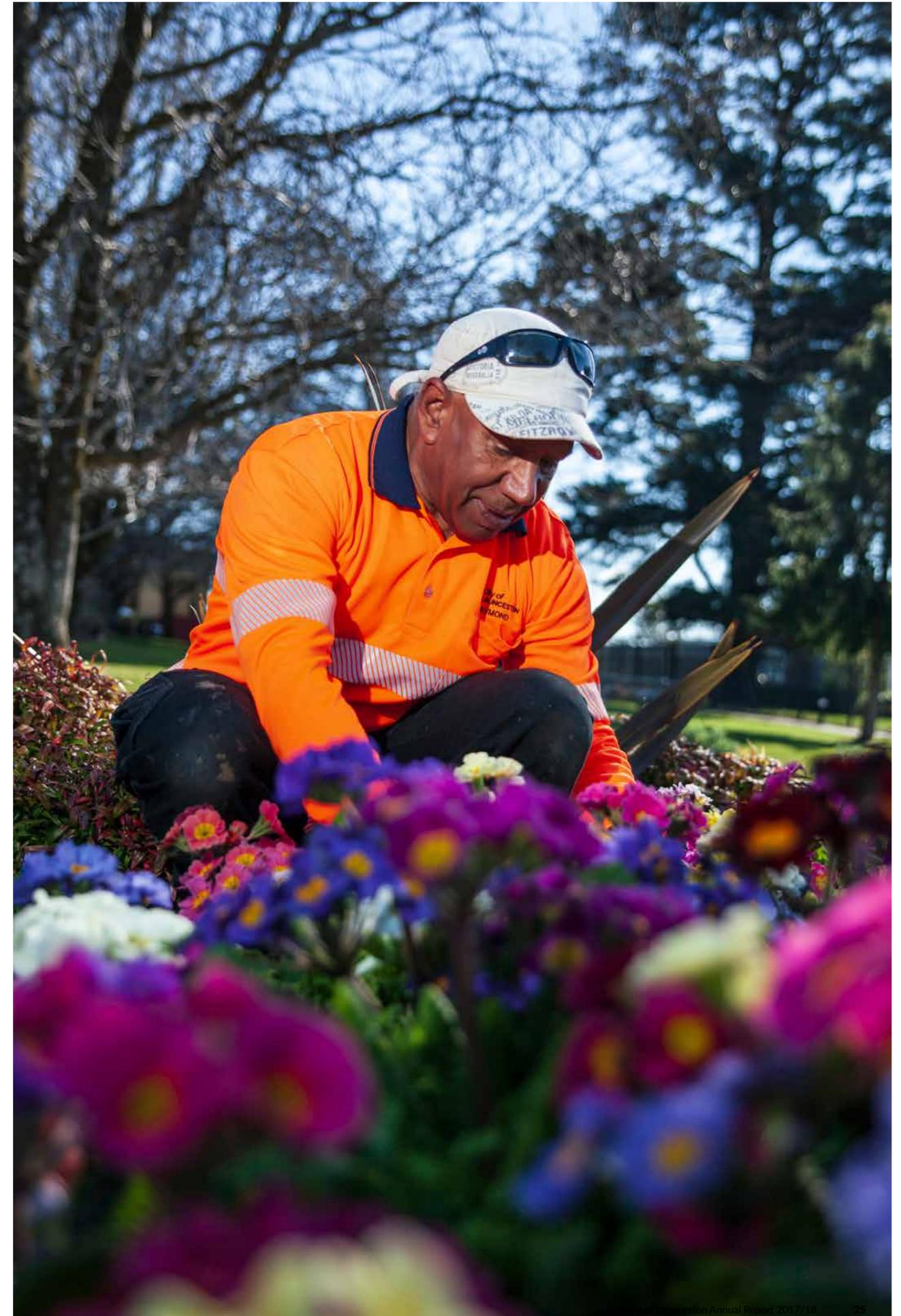
This year Launceston was successful in obtaining a second Big Bash League game at UTAS Stadium, further showcasing Launceston's charm to viewers around the nation, while providing a further economic benefit to the region.

Council's efforts were rewarded at the 2018 Business Excellence Awards as the winner of the "Outstanding Visitor Experience" category.

AFL Marquee Game

UTAS Stadium hosted four AFL games with the first marquee night game held on 28 April 2018. The Hawthorn vs St Kilda game attracted more than 15,000 people, who enjoyed the AFL's largest fireworks display and a pre-match concert by award-winning singer Samantha Jade.

The Council is focused on providing an outstanding football experience for the community, alongside promoting the Hawthorn partnership to nationwide networks, as it delivers more than \$28 million in economic benefits to the Launceston community.



Riverbend Park pedestrian bridge

The first sod was turned on the new \$9.15m Riverbend Park redevelopment in November 2017, with the first piles driven for a new pedestrian and cycle bridge link to Seaport.

BridgePro Engineering oversaw the driving of more than 336 metres of piling into the river bed to a depth of 20 metres, before work moved off-site for the fabrication of the bridge superstructure by Haywards Steel Fabrication & Construction.

After several weeks of construction, the bridge successfully spanned the North Esk River in late June 2018. At 120 metres in length and with a width of more than four metres, the bridge consists of three spans.

Planning approvals on the increase

The City of Launceston approved 658 planning applications with a total value of \$209.6m in the 2017/18 financial year.

This followed the approval of 594 planning applications worth \$112.4m in the 2016/17 financial year, representing a 60.3% increase in the value of approvals year-on-year as well as a 10.2% increase in the number of approvals.

Supporting the Community

Events Calendar

The events calendar is an important part of Launceston's culture. Over 200 events were held in Launceston during the financial year which provided locals and visitors with the opportunity to experience a broad range of themes presented in interactive ways. Events were held in a range of Launceston venues from Council owned open spaces and iconic buildings through to private facilities and government owned spaces such as the Silverdome.

A total of 53 events were supported by the Event Sponsorship Program and the Conference, Conventions and Championships Program in the 2017/18 financial year, a 33% increase on events supported in 2016/17. The 49% increase in Event Sponsorship funding has also enabled increased and continuing support of some particularly iconic events for the city such as Festivals, Junction Arts Festival, Symphony Under the Stars and secured new, prestigious events like the three day Tasmanian Round of the Australian Rally Championships.

A significant array of major events were supported including, Party in the Paddock, Encore Theatre's Les Miserables and Sally's Ride Tamar Valley Cycle Challenge plus small community events such as Launceston Community Christmas, Remade (sustainable wearable art show) and Run and Walk for Your Heart.

Queen's Baton Relay

The 2018 Commonwealth Games Queen's Baton Relay came to Launceston on 7 February 2018 with a welcome to country in Cataract Gorge. Local boxing champion Daniel Geale presented the baton before it was relayed through the streets of Launceston by 20 high profile community members.

The relay's finish line was in the newly renovated Civic Square where young Jack Duffy, who has Cerebral Palsy Spastic Quadriplegia, took his first unassisted walk in front of a crowd of 500 people. As the baton moved to the next Tasmanian location, a community event with local performers, live radio broadcast and entertainment continued to celebrate the Commonwealth Games and the upgraded community space within Civic Square.

I LOVE THE DUCKS,
TRAIN, TREES AND THE
MONKEYS AT CITY PARK



52

THINGS TO DO

BEFORE YOU TURN 12 IN LAUNCESTON

WE LOVE FLYING KITES,
IT'S FUN WITH ALL THE
FAMILY AND FRIENDS



1. KAYAK AT TREVALLYN DAM
2. GO ON THE FLYING FOX AT HERITAGE FOREST PARK
3. HIKING, SWIMMING, VISIT THE PEACOCKS AND GO ON THE CHAIRLIFT AT THE GORGE
4. VISIT THE QVMAG AND BLUE CAFÉ
5. RIDE THE TUBES AT SLIDERS TUBE PARK
6. JUMP AT AIRTIME 360 AND DO LASER TAG AT ADVENTURE PLANET
7. HOP ON AND OFF THE TIGER BUS
8. RIDE BIKES AROUND THE CITY PARK
9. SKIMMING ROCKS AT CORRA LINN
10. GO TO LINC FOR BOOK TIME AND A SNACK
11. WATCH THE HAWKS AT UTAS STADIUM
12. FIND FAIRIES AND BUILD CUBBIES AT HOLLYBANK FOREST
13. CAMPING AT MYRTLE PARK
14. ATHLETICS AT NORTHERN ATHLETICS CENTRE
15. TAKE A DIP AT LAUNCESTON LEISURE & AQUATIC CENTRE
16. TEN-PIN BOWLING IN KINGS MEADOWS
17. CLIMBING THE ROCK WALL, PANNING FOR GOLD, BOAT RIDE AND ICE CREAM AT PENNY ROYAL WORLD
18. GO TO DANCE FIT AT WINDMILL HILL HALL
19. ARRANGE A GROUP OF FRIENDS TO GO TO LAWRENCE VALE ROAD BIKE CENTRE
20. RIDE A BMX AT ST LEONARDS BMX TRACK
21. FLY A KITE AT ROYAL PARK AND PLAY ON THE BOAT PLAYGROUND
22. PLAY BASKETBALL
23. GO ON THE TAMAR RIVER BOAT CRUISE
24. LISTEN TO SOME OF THE GREAT LOCAL TALENT IN THE MALL
25. SKATEBOARD AT ROYAL PARK SKATE PARK
26. VISIT A SPECIAL CAFÉ FOR SOME SWEET TREATS
27. FEED THE ANIMALS AND HAVE A FRESH BERRY ICE CREAM AT STONESTHROW

28. TRY ARCHERY IN THE TREVALLYN RESERVE ON SATURDAY MORNINGS
29. GO OP SHOPPING AND TO UPTIPTY
30. GO TO A LOCAL THEATRE PRODUCTION
31. RIDE SCOOTERS AND SKATE BOARDS ALONG THE BOARDWALK AT THE SEAPORT AND THE ROYAL PARK SKATE PARK
32. GET A HAIRCUT AT A BARBER IN LAUNCESTON
33. JOIN IN WITH A FUN AND FREE ACTIVE LAUNCESTON KIDS SESSION
34. RIDE THE TREVALLYN RESERVE MOUNTAIN BIKE TRAILS
35. GET A MILKSHAKE FROM SWIRLS AND RELAX ON THE GRASS AT CITY PARK
36. KINDER GYM AT PCYC
37. CLIMB THE ZIG ZAG TRACK
38. RIDE THE KATE REED RESERVE BIKE TRACK
39. HAVE A BARBEQUE, WALK AND SWIM AT THE TREVALLYN DAM
40. THE ROPES COURSE AT HOLLYBANK TREETOPS ADVENTURE PARK
41. WE LOVE COMING TO TOWN AND HAVING 123YO AND GOING FOR A WALK AROUND THE SHOPS
42. LOOK FOR POKEMON
43. JOIN A RUGBY TEAM AND MAKE NEW FRIENDS
44. SHOPPING AND HOT CHOCOLATES
45. RIDING A BIKE AT ON YOUR BIKE TOURS
46. SKATING AT MOWBRAY INDOOR SPORT N SKATE
47. KICK A SOCCER BALL WITH FRIENDS AT CHURCHILL PARK
48. GAME OF CRICKET WITH SAUSAGE SIZZLE AT PUNCHBOWL RESERVE ON A SUMMERS NIGHT
49. PUTT AND PLAY AT TASSIE TIGER MINI GOLF
50. FUN ACTIVITIES AT YMCA
51. TAEKWONDO AT THE LAUNCESTON MARTIAL ARTS CENTRE
52. CIRC'S'COOL



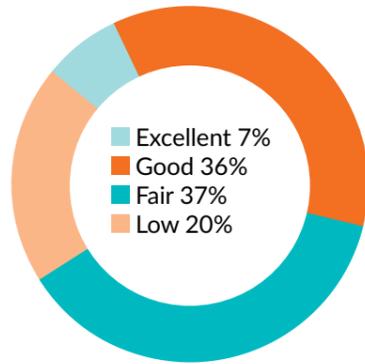
THE CITY OF LAUNCESTON WOULD LIKE TO THANK ALL THE YOUNG PEOPLE UNDER 12 IN LAUNCESTON WHO SHARED WHAT THEY LOVE DOING IN OUR CITY. PLEASE CONTINUE TO TELL US WHAT YOU ENJOY BY VISITING OUR FACEBOOK PAGE OR EMAILING CONTACTUS@LAUNCESTON.TAS.GOV.AU



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Launceston Resilient Youth Snapshot 2018

Overall resilience levels Grade 3 to 10



What is the Resilience Survey?

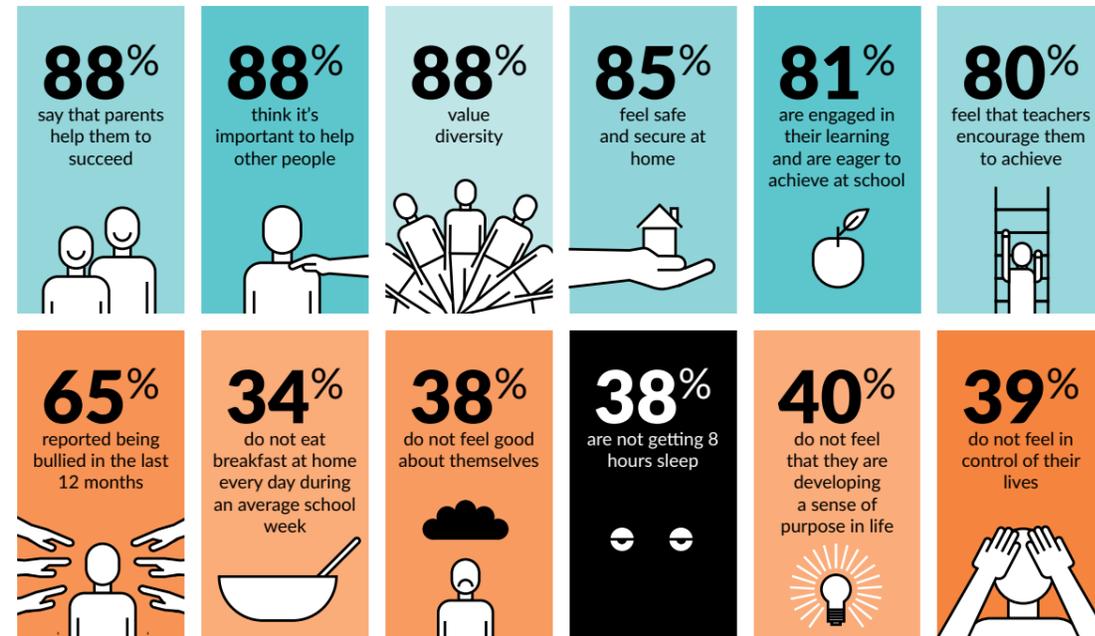
The Resilience Survey is an evidenced based online survey which collects, collates and analyses the self-reported strengths in young people.

The data when analysed provides an opportunity for planning programs and events to improve student's connectivity to their school and community.

In 2017, the City of Launceston partnered with Resilient Youth Australia to survey over 2,000 Launceston based students in grades 3 to 10.

2,151 responses from 14 schools in Launceston and Greater Launceston area

Resilience according to gender



To find out more, visit www.resilientyouth.org.au

COLLABORATIVE

Revitalisation of the Northern Suburbs

In 2011 the Council implemented the Asset Based Community Driven Effort (ABCDE) Learning Site project in Rocherlea that succeeded in empowering residents to celebrate, shape and discover their own community. The ABCDE Learning Site project is now being delivered in Ravenswood.

The Council has committed to delivering a Northern Suburbs Revitalisation Plan through the Launceston City Deal. The Plan will be developed by listening to what people have to say about living, working and playing in the Northern Suburbs and, by working with all levels of government to decide how existing assets can be built upon.

Seniors

Seniors in Launceston Framework

Several initiatives from the Living as a Senior in Launceston Framework were delivered including three Celebrating Seniors Morning Tea and Information Sessions for a total of 170 people.

Liveability

In partnership with LGAT, the walkability for transport assessment tool was piloted. This has resulted in the City of Launceston developing a comprehensive spatial mapping tool to assess walkability to improve healthy lifestyles now and planning for the future.

World Elder Abuse Awareness Day

The City of Launceston and Council of the Ageing Tasmania (COTA) partnered to acknowledge the World Elder Abuse Awareness Day (WEAAD) on 15 June.

The day is recognised internationally and coordinated by the United Nations to focus global attention on the problem of physical, emotional, and financial abuse of elders. The first Walk Against Elder Abuse took place in the Launceston CBD and was led by Mayor Albert van Zetten.

Children and Families

National Children's Week

Held from Sunday 22 through to Sunday 29 October 2017, Children's Week programs included the 2017 City of Launceston and Playgroup Tasmania Children's Week Awards and representation at the Teddy Bear's Picnic.

To promote children's week events, a Launceston Children's Week Calendar of Events was developed and published as a useful guide to the diverse range of activities that were held at local level during Children's Week 2017.

Family Concerts

The Music in the Park series provided free family events for the community with music and children's activities held throughout January in City Park. An estimated total of 2,150 people attended the five Music in the Park concerts.

Activities for Young People

The City of Launceston asked young people under 12 years of age what they love doing in Launceston. More than 90 ideas were received and shortlisted to 52, one activity for each week of the year. A poster titled *52 Things to do Before You Turn 12* in Launceston was prepared and distributed to over 500 families and visitors to encourage them to experience activities in Launceston throughout the year.

Youth

Youth Advisory Group

To celebrate 20 years as a special committee of Council, YAG created a film capturing all past and present members. The film was showcased at a civic event.

YAG successfully delivered projects to support youth in the municipality, including:

- Co-facilitation of the Youth Week program consisting of 12 separate youth events
- Participation in the Tasmanian Youth Forum and Youth Parliament
- Support to three local schools through the SEED school project funding program
- Participation in the annual Youth Council Meeting held in Council Chambers

Royal Park Cultural Trail

The Royal Park Cultural Trail was a student led public art project facilitated by the City of Launceston. The project involved Launceston College art students, Aboriginal educators, and students the Tasmanian Aboriginal Child Care Association (TACCA). Two electrical boxes were painted with a Tasmanian Aboriginal theme during Youth Week to complement QVMAG's Royal Park Trail, offered as part of the First Tasmanians exhibition tours for students.

Northern Youth Coordinating Committee (NYCC)

The NYCC is a special committee of the Council comprising 130 members across non-government organisations, state and local government. The Committee held five regular meetings and helped support four youth projects in 2017/18 including:

- Queer Youth Ball for LGBTI youth in Tasmania
- Sponsorship for resilience building programs at Invermay Primary and Ravenswood Heights Primary School
- Sponsorship for a Migrant Resource Centre Youth Group member to attend the Australian Youth Climate Coalition Power Shift Conference in Melbourne.
- Putting You in the Y in Youth Week, a joint effort by committee members and respective young people that showcased and celebrated youth in music, performance, creative business, digital technology, sport and wellbeing

School Holiday Program

Kulture Konnekt is a school holiday program run in partnership between Council and National Joblink for migrant youth in the Launceston community. The program has been running for five years and has up to 60 migrant youth in Launceston who take part in the program.

Youth Newspaper

The Examiner Student Newspaper Program titled Momentum, is supported by City of Launceston. The student publication is a newspaper written by youth for youth. Several students were involved, and the Examiner team provided support and guidance.

Each year, YAG is offered the opportunity to take part and utilise the publication to advertise for members and contribute to content for the online publication. The publication can be found at www.examiner.com.au/youthnetwork.

Resilient Youth Australia Survey

The Resilient Youth Australia Survey is a comprehensive online survey that measures resilience and wellbeing in young people. Now in its second year, the City of Launceston continues to coordinate the survey project across 14 state primary and secondary schools in the Launceston region.

The survey comprises 99 questions for students to complete and provided valuable data to City of Launceston in 2017.

Community Grants

For 2017/18 over \$70,000 of community grants were provided to support the community. A total of 19 grants were awarded to organisations for community projects. A further 15 grants were provided to support our local young people participate in state, national and international competitions and events.

The City of Launceston encourages community groups to apply for programs that meet the criteria of the grants program. To help achieve this, grant writing workshops were held in May and more than 50 people attended this free event to learn the skills required for a successful grant submission.

Recognising Volunteers

A record number of community led nominations were received in 2018 for the City of Launceston Volunteer Recognition Awards. Online nominations were introduced and promoted through local targeted advertising. The awards ceremony took place at the Town Hall Reception Room during National Volunteers Week and was attended by approximately 80 people.

Suicide Prevention

Launceston is one of 12 sites around Australia taking part in an Australian Government funded trial aimed at testing new approaches to helping communities reduce suicide.

The trial involves community led approaches, so a working group has been established with representatives from 14 agencies across Launceston. A focus of this trial is targeting men aged between 40 and 64 and both men and women aged over 65. These two focus groups have been selected for the following considerations: the male suicide rate is three times higher than females; Launceston has an aging population; and that little suicide prevention work has been done with this cohort in the past.

An action plan is being developed which will form the basis of the trial's activities over the next two years.

Emergency Management

The City of Launceston Municipal Emergency Management Plan has been reviewed and updated in line with the requirements of the *Emergency Management Act 1976*.

The Council has been extensively involved with the Floodscapes project to provide advice and guidance. Floodscapes is a flood awareness project that sees the children of Launceston become the guardians and voice of our city in three short films. The films deliver key disaster resilience messages to the community for the City of Launceston.

Project Floodscapes engaged schools located directly in Launceston's flood zones namely Invermay Primary School, meenah neenah Aboriginal Cultural Education Program and Launceston Big Picture School, and consulted with the City of Launceston and SES.

In a series of artistic workshops students from the meenah neenah Cultural Educational Program at Invermay Primary School completed drawings which were then animated over dramatic drone and helicopter footage taken during Launceston's 2016 floods. Launceston Big Picture School is an alternative learning pathway which teaches primarily through internships. Three Big Picture School students provided invaluable project assistance facilitating the drawing workshops and video recording the accompanying Auslan footage. Floodscapes had its debut screening at the BOFA Breath of Fresh Air Festival 2018.

Launceston Human Library

The Launceston Human Library program celebrated 10 years of operation at an event on 23 May 2018 with special guests Sarah Bolt, the Tasmania Anti-Discrimination Officer and Dr Greg Watson, from Human Libraries of Australia. The program is committed to promoting understanding and diversity within the community and recognises that Human Rights cannot just be implemented through legal processes. Over the last 10 years, over 70 people in Launceston have volunteered as 'Human Books'. Up to 25,000 residents, visitors and students have experienced the program over the 10 years.

Possibly the greatest achievement of the Launceston Human Library in Launceston has been to mobilise and trust both community capacity, longing for equal opportunity, and provide a platform from which awareness and education could take place in a sustainable way.

Community safety

The Launceston Safer Community Partnership (LSCP) is an external committee of City of Launceston which held 10 monthly committee meetings over the financial year.

The LSCP Vision is for people to be safe and feel safe.

The LSCP Mission is three fold:

- 1 to promote community safety
- 2 to mobilise resources in the community and
- 3 to provide informed advice, input, comment and feedback

The committee developed the 2018 edition of the Safe Summer in Launceston, the launch of a social media campaign promoting safety over the summer months and re-launched the signing of the LSCP Charter.

Human rights

City of Launceston hosted a Civic Reception on Friday 8 December 2017 to celebrate all local recipients of the Tasmanian Human Rights Awards as part of Human Rights Week, Tasmania. 80 residents attended.

Tourism

Launceston and Northern Tasmania continues to welcome more visitors to our area every year. In the last year, more than 700,000 visitors came to the region and stayed an average of four nights in Launceston.

Twenty-eight per cent of air visitors to Tasmania came through Launceston Airport.

Launceston's first new hotel in more than 10 years opened in the form of Peppers Silo Hotel at King's Wharf, in a stunning transformation of the old grain silos.

The City of Launceston works closely with regional tourism organisation Tourism Northern Tasmania, to ensure the visitor experience is the best it can be. The Council's Visitor Information Centre continues to operate seven days a week and last year welcomed 66,549 people through its doors, helping visitors and locals with information on local attractions and taking bookings for accommodation and tours.

Community Grants

During 2017/18, the City of Launceston provided community grants to the value of \$70,424 to the following community groups, projects or individuals.

COMMUNITY GRANTS 2017/18

Organisations	
Multiple Sclerosis Limited	\$4,242
Northern Suburbs Community Centre	\$8,750
Brave Foundation	\$3,750
Lifting the Lid on Mental Health	\$3,750
Self Help Workshop Inc	\$5,000
Interweave Arts	\$3,750
Tasmanian Acquired Brain Injury Service Inc	\$3,000
The Headstone Project	\$3,750
Launceston RSL Sub Branch	\$1,750
Rotary Club of Launceston	\$5,000
Starting Point Neighbourhood House	\$5,000
Northern Refugee support a program of City Baptist Church	\$5,000
Stompin	\$3,750
Contemporary Music Services Tasmania (Music Tasmania)	\$3,750
Palliative Care Tasmania	\$1,500
The Shepherd Centre for Deaf Children	\$2,500
TasDance	\$1,441
Launceston Christian Broadcasters Inc trading as Way Fm 105.3 Community Radio Station	\$1,441
Northern Suburbs Community Centre	\$125,000
Total	\$192,124

Team/Group	
Launceston Christian School National Science and Engineering Challenge Team	\$300
Northern Tasmanian Junior Soccer Association U11 Representative Team	\$300
Northern Tasmanian Junior Soccer Association U12 Representative Team	\$300
Launceston College F1 in Schools Technology Challenge – Envisity	\$400
Queechey High School F1 in Schools Technology Challenge – Golden Diversity	\$600
Northern Tasmanian U14 Boys Basketball Team	\$200
Bruce Cup Tennis Team	\$150
Australian 10 Year's Futsal Team	\$300
Northern Tasmanian Junior Soccer Association Representative Team U12 – Gold	\$300
Basketball Tasmania Under 18 Mens Team	\$50
Basketball Tasmania Future Development Program Under 14 Girls Team	\$50
Under 15 Tasmanian Little Athletics Team	\$50
Under 13 Tasmanian Little Athletics Team	\$50
Under 19 Netball Tasmania State Team	\$50
Individuals	
One grant to an individual	\$200
Total Team/Group/Individuals	\$3,600
Total	\$195,724

Event Sponsorships

The City of Launceston provided \$530,842 in event sponsorship during the 2017/18 year to the following groups/events.

Small & Celebratory Event Sponsorship 2017/18 Amount	
Tasmanian Quilting Guild Inc	\$3,750
Three River Theatre Inc	\$3,750
Launceston Festival of Dance Inc	\$3,750
Able Australia Services	\$3,750
New Horizons Club Inc	\$3,750
Tasmanian Poetry Festival Inc	\$2,625
Interweave Arts Association	\$5,000
Clifford Craig Foundation	\$3,750
Apex Club of Tamar Inc	\$5,000
St Cecilia School of Music	\$1,967
Cancer Council Tasmania	\$3,750
Blooming Tasmania Association Inc	\$5,000
RSPCA Tasmania	\$3,750
Northern Tasmania Steiner Association Inc.	\$3,750
Multisport Tasmania Inc	\$3,750
Beat Fest	\$3,750
Rotary Club of Youngtown	\$5,000
Tasmanian Brick Enthusiasts Inc.	\$5,000
Rotary Club of Tamar Sunrise, Inc.	\$5,000
St Vincent de Paul Society (Tasmania) Inc	\$5,000
Migrant Resource Centre (Northern Tasmania) Inc	\$5,000
Total	\$85,842

Signature Events

Junction Arts Festival	45,000
Dancesport Tasmania	15,000
Launceston Festivale Committee (Festival)	60,000
Launceston Cycling Classic Inc	15,000
Tasmanian Turf Club	15,000
Tennis Australia	13,000
Pont 3 Pty Ltd	15,000
Tasmanian Symphony Orchestra (TSO)	20,000
BOFA - Tasmanian Breath Of Fresh Air Fil	15,000
Sports Marketing Australia Pty Ltd	2,000
Total	215,000

Contributions

Conference Incentive - The Council of the Mothers Union In Aust	1,660
Conferences & Conventions Incentive - Federation of Equatoria Community Assoc	1,560
Conferences, Covn Championship Incentive - Confederation Of Australian Motor Sport	50,000
Conference Incentive - Couples for Christ Global Mission (Austr	2,500
Conference Incentive Funding - Susan Bell	1,200
June 2018 EOM Receipts M168203 ImportId623	
Tasmanian Billiards & Snooker Associatio	1,880
Financial Contribution - Business Events Tasmania	35,000
Funding 2017/18 - INV-0067 - Tourism Northern Tasmania	110,000
Funding Cool Season role - INV-0075 - Tourism Northern Tasmania	50,000
Total	253,800

Event Incentive

Cradle Coast Authority	40,000
Netball Tasmania	22,500
NYE Event Vibestown Productions Pty Ltd	40,000
Total	102,500

Major Events

The Royal National Agricultural and Past	6,250
Encore Theatre Company	6,000
GTR Events	10,000
Rotary Club of Central Launceston	10,000
S & S Professional Services P/L (Kid I Am)	9,375
A Festival Called Panama	9,375
Vibestown Productions Pty Ltd	15,000
Bass Radio Pty Ltd	9,375
Encore Theatre Company	15,000
Launceston Competitions Association Inc	5,250
Launceston City Cycling Club Inc	7,500
Beerfest No. 1 Pty Ltd (The Esk Beerfest	15,000
Re-Engineering Australia Foundation Ltd	9,375
Total	127,500



Public Health

The City of Launceston is committed to ensuring the health and safety of its residents and visitors. Our team of Environmental Health Officers undertake a wide range of tasks under State legislation such as the *Public Health Act 1997* and the *Food Act 2003* to ensure these goals are achieved.

The City of Launceston has a strong involvement with food businesses in the municipal area and undertakes tasks such as licensing food premises, inspecting food handling practices and ensuring food businesses are compliant with the relevant legislation and standards.

Environmental Health Officers also inspect and licence a range of public health risk activities such as tattoo studios and piercing salons to ensure practices are safe and hygienic for the operators and public.

The Council continues to provide immunisation clinics for the public and schools in accordance with the Immunisation Schedule.

We are committed to protecting our environment and assess building and development applications to reduce potential impacts on the environment.

At the end of the 2017/18 financial year the Council employed 5.4 full-time equivalent Environmental Health Officers.

Parking

The car parking concessions available to eligible pensioners are stored on a SmartCard. During 2017/18 the total for pensioner concessions to park in the Paterson East, Paterson West and Elizabeth Street Car Parks was \$134,055.

Waste Management Concession

The City of Launceston provides free or subsidised entry to a number of groups. The value for 2017/18:

Pensioner Concessions	95,829
Residents Free Vouchers	186,516
Charitable Concessions	30,073
Specialist Product Disposals	4,502

Development Applications

Number of applications accepted this financial year

Discretionary	662
Permit granted	103

Processing of Development Applications

Average number of statutory days* to determine applications

Discretionary	32.61
Permitted	11.58

* 'Statutory days' are the total number of days from receipt of an application to determination, less any extra days requested by the Heritage Council under s39(3) of the *Historic Cultural Heritage Act 1995*. Statutory days include any additional days negotiated between the Council and the applicant under s39(6) of the *Land Use Planning and Approvals Act 1993*, but do not include days where the 'clock is stopped'.

Value of all Development Approvals

Total value of development approvals for each use class this financial year \$216,191,630.93

Processing of Building Applications

Number of building applications received this financial year 692

Planning Scheme Monitoring

Number of Infringement Notices issued under s65A of the *Land Use Planning and Approvals Act 1993* 7

Number of Notices of Intent (NOI) to Issue Enforcement Notices issued under s65B of the *Land Use Planning and Approvals Act 1993* 24

Number of Enforcement Notices issued under s65C of the *Land Use Planning and Approvals Act 1993* 11

Public Health Activities

Type of Activity	Statistics	Comments
Public Health		
Assessment of Events for Place of Assembly	19	For example; Launceston Night markets, Niche, Harmony Day
Inspection of Premises Health Risk Activities	18	Includes tattooing, body piercing
Regulated Systems	7	For example: cooling towers
Private Water Providers	6	
Housing	98 Inspections, 3 Rectification Notices and 1 Closure Notice	For example: inspection of private premises due to complaints of mould, squalor, unsuitable living conditions, unsightly properties, vermin
Recreational Waters Natural	4 sites, 69 samples taken	Water holes and rivers tested during summer months.
Recreational Waters Pools and Spas Council owned	3 sites, 88 samples	Includes the Launceston Leisure & Aquatic Centre, the Basin Pool and Lilydale Pool
Immunisations	6896	Number of doses administered
Infringements	1	Failing to register a premise where a public health risk activity occurs
Food		
Registered Food Business	639	
Registration of Temporary Food Business	458	Includes fairs, Launceston Show, Launceston Cup, football, Festivals, markets etc.
Registration of Statewide Food Businesses	75	Includes temporary stalls and mobile food vehicles
Food Complaint Inspections	48	Complaints made by customers which may or may not be justified
Inspection of Registered Food Businesses	607	Includes new premises, routine inspections
Improvement Notices issued	52	Compliance notice issued to Food Businesses to rectify and food safety issue
Prosecutions	0	
Prohibition Orders	5	For serious non-compliances for Food Businesses.
Infringement Notices	20	Failure to comply with the <i>Food Act 2003</i> and/or the Food Standards Code
Environment		
Air Pollution Investigations	152	Includes odour, wood smoke, burning off
Litter and Dumping of Rubbish	91	Investigations conducted in conjunction with the Regulations Unit
Noise Pollution Investigations		Includes noise from machinery, industry and music
Infringements	1	Failure to comply with the <i>Environmental Management and Pollution Control (Waste Management) Regulations 2010</i>
Environmental Protection Notice		
Building and Planning Assessments	1520	Research and input provided into planning and building applications in terms of environmental effects

Public Tenders

Local Government General Regulations 2016: Regulation 29

(A) Public Tenders Valued at or exceeding \$250,000 excluding GST – Regulation 29(1)

Contract	Contract period	Contract Value exc. GST \$	Successful contractor
Supply and Delivery of Signature Playground Equipment Element 1	Project Completion	793,525.00	Ultimate Play 292 Leighlands Road Evandale Tasmania
Supply and Delivery of Signature Playground Equipment Element 2	Project Completion	338,500.00	Moduplay Group Pty Ltd 17-19 Waverley Drive Unanderra NSW
Westbury Road Retaining Wall	Project Completion	307,210.00	Zanetto Civil Pty Ltd 3 Killafaddy Road St Leonards Tasmania
Pecks Hill Road Bridge	Project Completion	383,543.00	VEC Civil Engineering Pty Ltd 108 Industrial Drive Ulverstone Tasmania
Cimitero St Road Upgrade	Project Completion	1,120,142.00	Crossroads Civil Contracting 73-79 Lilydale Road Rocherlea Tasmania
University Stadium Gate 1 Redevelopment	Project Completion	422,965.00	Vos Construction and Joinery Pty Ltd 3 Hudson Fysh Drive Western Junction Tasmania
York Street Retaining Wall	Project Completion	258,308.00	Zanetto Civil Pty Ltd 3 Killafaddy Road St Leonards Tasmania
Brisbane Street Mall Redevelopment	Project Completion	3,960,231.85	Baker Group 9 Hudson Fysh Drive Western Junction Tasmania
Princess Theatre Auditorium Sound System	Project Completion	442,000.00	VJAM 11 Goodman Court Invermay Tasmania
Macquarie House Redevelopment	Project Completion	3,077,418.00	Vos Construction and Joinery Pty Ltd 3 Hudson Fysh Drive Western Junction Tasmania
North Bank Playground and Landscaping Works	Project Completion	1,663,283.50	Specialised Landscaping Services 14-16 Hale Street Derwent Park Tasmania
North Bank Civil Earthworks and Underground Infrastructure	Project Completion	781,891.65	Zanetto Civil Pty Ltd 3 Killafaddy Road St Leonards Tasmania

(B) Non Application of the Public Tender process – Regulation 29(2)

Reason for Non Application of the Tender Process	Goods and Services Supplied	Contract Value exc. GST \$	Successful contractor
Emergency under Reg 27(a) Time constraints to meet infrastructure obligation for Big Bash	Perimeter Screen at UTAS Stadium	462,133.66	Shenzen Lianchengfa Technology Co Ltd
By absolute majority of Council under Reg 27(i) due to unavailability of competitive alternate suppliers.	Turf Stabiliser Project	439,120.00	Pitchcraft Pty Ltd
Emergency under Reg 27(a) – Initial project \$138,000 – works revealed significant deterioration of the bridge requiring substantial additional works.	Opossum Road Bridge	356,966.10	TasSpan Pty Ltd

(C) Contracts for the supply and provision of goods and services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000 – Regulation 29(3)

Contract	Contract period	Contract Value exc. GST \$	Successful contractor
Aquatic Centre Cleaning	13 July 2017 to 31 July 2019 Option to extend a further 2 years	187,793.82	TJS Services Group 75-85 Qriordan Street Alexandria NSW
University Stadium Cleaning	4 September 2017 to 4 September 2019 Option to extend a further 2 Years	131,916.00	TJS Services Group 75-85 Qriordan Street Alexandria NSW
Parks and Facilities Cleaning	11 December 2017 to 11 December 2019 Option to extend a further 2 years	226,780.00	Jones Cleaning and Property Services 5-160 Bungana Way Cambridge Tasmania
Ravenswood Skate Park Construction	Project Completion	236,865.00	Invision Developments 10 Connector Park Drive Kings Meadows Tasmania
North Bank Redevelopment – Purchase and Removal of Concrete Batch Plant	Project Completion	85,875.00	Streetwise Developments 107 Southgate Drive Kings Meadows Tasmania
Insurance Brokerage Services	1 July 2018 to 30 June 2021 Option to extend a further 3 years	60,000.00	Marsh Pty Ltd 1-12 St John Street Launceston Tasmania
Purchase and Removal of Scrap Metal	1 July 2017 to 1 July 2019	Schedule of Rates	Recycal 256 George Town Road Rocherlea Tasmania
Kerbside Food and Garden Organics Collection	2 October 2017 to 31 December 2019	Schedule of Rates	Veolia Environmental Services 95 Kennedy Drive Cambridge Tasmania
Green Waste Mulching	30 December 2017 to 30 December 2019	Schedule of Rates	Fieldwicks Crushing and Screening Pty Ltd 6184 Frankford Highway East Devonport
Provision of Supplementary Labour	2 October 2017 to 2 October 2019 Option to extend further 2 years	Schedule of Rates	VMAC Employment
	2 October 2017 to 2 October 2019 Option to extend further 2 years	Schedule of Rates	Searson Buck 6-85 Macquarie Street Hobart Tasmania

Enterprise Powers Statement

Local Government Act 1993

Under Section 72(ca) the Council is required to report on exercising of enterprise powers relating to the formation and operation of corporations, trusts, partnerships or other bodies (Section 21).

Enterprize Tasmania Ltd

The Council is an initial member of Enterprize Tasmania Ltd.

Enterprize Tasmania Ltd is a not-for-profit public company limited by guarantee.

The primary objectives of Enterprize Tasmania Ltd are to:

- a) foster and build a start-up ecosystem and entrepreneurial community within Tasmania;
- b) promote innovation and entrepreneurship in Tasmania by assisting innovators to develop, test and commercialise their ideas;
- c) create an entrepreneurial community in Tasmania through the provision of innovation hubs/business workspaces and networking opportunities, including facilitated events and workshops to collaborate and share knowledge, experience and insights;
- d) provide access for all members of the Tasmanian community to events, training and education that encourage and support innovation, entrepreneurship and commercialisation activities;
- e) improve access for all Tasmanians to, and participation by Tasmanians in, an entrepreneurial environment that supports and fosters positive social change through innovation and collaboration; and
- f) doing such things as are incidental or conducive to the attainment of all or any of those purposes.

2017/18 was Enterprize Tasmania Ltd's first full year of operation.

TasWater

The *Water and Sewerage Corporation Act 2012* (Tas) requires the Council to form, or participate in the formation of, a proprietary company limited by shares and incorporated under the *Corporations Act 2001* (Cth). This corporation is TasWater.

The *Water and Sewerage Corporation Act 2012* (Tas) also defines the principal objectives of TasWater. These are:

- a) to efficiently provide water and sewerage functions in Tasmania;
- b) to encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis;
- c) to be a successful business and, to this end -
 - (i) to operate its activities in accordance with good commercial practice; and
 - (ii) to deliver sustainable returns to its members; and
 - (iii) to deliver water and sewerage services to customers in the most cost-efficient manner.

The Council is represented on Taswater's Owners' Representatives' Group (ORG), the activities of which are detailed at www.taswater.com.au. Detailed performance information is also available at www.taswater.com.au, in TasWater's Annual Report.

Northern Tasmanian Development Corporation Ltd

The Council is an initial member and shareholder of Northern Tasmanian Development Corporation Ltd (NTDC).

NTDC is a not-for-profit public company limited by guarantee. The primary objectives of the NTDC are to:

- a) provide pro-active, engaged and strategic regional economic leadership;
- b) consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the Organisation's Members encompass;
- c) implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and
- d) provide effective representation and advocacy to State and Federal Government and other stakeholders.

In previous financial years, the NTDC has been engaged in a number of initiatives including the development of the Regional Economic Development Plan. This plan focuses on six key themes; Industry development, investment transaction, population growth, place-making, innovation and culture, and human capacity.

Over the past year:

- NTDC has established and provided a database for economic analysis that extends across the City of Launceston and the Northern Tasmanian Region;
- Through the consultancy work of the National Institute of Economic and Industry Research NTDC have completed a rigorous economic analysis of the Northern

- Region culminating in a Key Directions Report;
- NTDC has identified six emerging strategic themes being Industry Development, Population Growth, Innovation, Place Making, Investment attraction and Human Capital;
 - A Population task force has been established, which is chaired by General Manager Michael Stretton. The strategy to grow population is about to be finalised;
 - An Investment task force has been established to attract investments to the region below \$5 million; and
 - NTDC is in the process of developing an Economic Development Strategy for Northern Tasmania Australia Pacific Airports (Launceston) Pty Ltd.

Australia Pacific Airports (Launceston) Pty Ltd

Council holds a 10% share in Australia Pacific Airports (Launceston) Pty Ltd in the form of capital notes.

The book value of these notes is \$257,556 (30 June 2018).

These notes entitle Council to a share in the operating results of the company on an equivalent basis to the shareholders and to appoint a director.

The Council decided to invest in this essential local infrastructure as part of its strategy to support local economic development.

In the 2017/18 year the Council received a dividend of \$664,000 for its investment compared to a budgeted revenue of \$404,000.

Allowances and Expenses Statement *Local Government Act 1993*

In 2017/18 the City of Launceston provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Aldermen. This includes telephone rental and calls, travelling and care of any child of an Alderman. The total amount of these expenses is shown below.

Allowances	\$533,568
Expenses	\$26,012

Donation of Land Statement

Local Government Act 1993

Section 72(1)(da) requires the City of Launceston to report on any land donated by the Council during the year. The Council made no such donations of land.

Public Interest Disclosure Statement

In accordance with Section 86 of the *Public Interest Disclosures Act 2002* (the Act) the City of Launceston advises the following:

Section 86(a) - The Public Interest Disclosures Procedure can be found on the City of Launceston website at www.launceston.tas.gov.au

As there were no public interest disclosures during the reporting period, the remainder of Section 86 of the Act is not relevant to this Statement.



**INTEGRATED PLANNING AT
CITY OF LAUNCESTON**

STRATEGY AND PLANNING

Greater Launceston Plan (GLP)

The City of Launceston has worked with Councils in the Greater Launceston Area (George Town, Meander Valley, Northern Midlands and West Tamar) in recognition that a collaborative approach is the most appropriate way to pursue successful futures for all our residents.

The GLP is a comprehensive outline of the social, economic and environmental status of our municipality and surrounding areas.

The Plan examines trends and how we can capitalise on our strengths and address challenges.

The community's vision and aspirations for the greater Launceston area by 2035 are also set out in the Plan.

GLP Vision Statement

Sustainable prosperity for greater Launceston will be achieved by consolidating and building nationally and internationally recognised strategic advantages for the region through a focus on creativity and innovation, maintaining exceptional environmental and liveability qualities and ensuring a diverse, connected and inclusive region.

The Strategic Plan 2014-2024 is a 10 year plan which describes how we progress towards the longer-term community vision as expressed in the Greater Launceston Plan. The Strategic Plan relates to all of our operations including the way we deliver our services, how we engage with and serve our community and how we govern the Organisation.

To follow is an overview of the framework which provides the directions from the Greater Launceston Plan.

Governance

Governance refers to the effectiveness and consistency of the elected leadership and executive management of the member Councils that make up the greater Launceston area. Key areas of governance include:

- organisational structure;
- decision making and resource allocation;
- relationship with constituents and stakeholders; and
- relationship with other levels of government.

Key Directions

Encourage regional partnership and leadership to pursue a common vision and strategic pathway that will optimise sustainable regional prosperity for the greater Launceston area.

Provide an agreed process to co-ordinate and manage implementation of the Greater Launceston Plan (GLP).

This will be achieved by:

- an acknowledged unity of purpose by the councils of the Greater Launceston Area to implement the community-based vision for its sustainable development through the Greater Launceston Plan;
- commitment to quality and consistent regional leadership supported by informed and responsive management;
- commitment to leadership through sustained engagement and communication with the community and stakeholders;
- development of a clear understanding of strategic priorities by the councils and community of Greater Launceston in partnership with the State Government and Commonwealth Government through their respective agencies; and
- building a coalition of community and stakeholder understanding and support for the vision and key initiatives proposed by the Greater Launceston Plan.

Creativity and Innovation

Creativity is concerned with the facilitation of new ideas and concepts. Innovation is concerned with introducing change and adding value to creative ideas and concepts through product or process development. Almost all human advancement has been through creativity and innovation. All innovation involves risk and all risks include the possibility of failure.

Key Directions

Encourage and facilitate creativity and innovation in all aspects of the daily life and business of greater Launceston and its relationship with the wider region.

Identify and pursue regional and district projects that advance creativity and innovation as part of the GLP. This will be achieved by:

- pursuit of excellence in public administration through creativity and innovation in work practices, community and stakeholder engagement;
- planning support and development facilitation that maximises opportunities for new and ongoing private sector investment;
- fostering of creativity and innovation through partnerships between the tertiary education sector and industry;
- provision of physical and online environments to foster and facilitate creativity and innovation;
- providing opportunities to facilitate creativity and innovation in community life, health, education and business enterprise development;
- celebrating creativity and innovation through regional events in the life of the community.

Liveability and Amenity

Liveability is succinctly described by the Department of Infrastructure and Transport as the way the urban environment supports the quality of life and wellbeing of communities. Quality-of-life and wellbeing encompasses mental and physical health, happiness and life satisfaction for individuals and supportive social relationships and communities. Cities considered to have a high degree of liveability tend to have a high level of, and widespread accessibility to amenity. Amenity includes features such as open and green space, educational, social, cultural and recreational values. The City of Launceston provides many facilities for the community including the Launceston Leisure and Aquatic Centre, UTAS Stadium, Queen Victoria Museum and Art Gallery, Princess Theatre and the Carr Villa Memorial Park.

Key Directions

Support initiatives that build improvements to sustainable liveability and amenity that contribute to the health and wellbeing of the community.

Monitor and measure selected indicators of liveability and amenity. Key elements include:

- protection and sustainable management of the exceptional environmental qualities in the greater Launceston area and wider region;
- respect for the significant heritage and cultural environment in the planning and urban design of the central area, suburbs and rural localities;
- importance of planning for cohesive and resilient communities and to ensure a safe and accessible environment;
- access to a diversity of secure employment opportunities;
- provision of high quality accessible health care services;
- improved pedestrian and cycle access to public open space and recreation and to places of work, education and activity centres;
- socially inclusive and cohesive communities;
- effective and accessible public transport;
- a diverse and aesthetically pleasing built environment that reflects a city's history and culture.

Connected and Networked

Region Planning for greater Launceston as a connected and networked region encompasses three types of connectivity:

- digital technology;
- social networking and connectivity;
- transport connectivity.

Key Directions

Encourage and foster the development of world's best practice in information and digital technology in greater Launceston and the wider region to create business and employment opportunities for new services and product development.

Encourage and facilitate the development of connected communities and social networks to achieve cohesive, interactive, creative and resilient communities.

Support the long-term planning and development for the effective and efficient movement of people, goods and services within and beyond greater Launceston including connections to other regions in the state of Tasmania, the interstate market and overseas.

Key elements of building greater Launceston as a connected and networked region include:

- maximising opportunities provided by the development of the National Broadband Network (NBN) system for industry sectors, households and government;
- fostering communities of interest to empower stakeholders and local communities to build commitment, active engagement, interest and support for co-operative actions and strategies;
- ensuring that the existing and future regional road and rail networks function as efficiently as practicable in the movement of freight and vehicles within and beyond the greater Launceston area;
- supporting an effective public transport network that provides equitable access within the greater Launceston area;
- providing a supportive and proactive environment for new and ongoing private sector investment through planning and development facilitation;
- facilitating the planning and development of pedestrian and cycle networks that provide universal access across the greater Launceston area linking the central area and suburbs to key destinations, parks and recreation areas and to the schools, communities and residential areas of the greater city;

- planning for the gateways of the region as inter-modal transport hubs for the efficient movement of people and goods by air and sea (Launceston Airport and Port of Bell Bay).

Building Diversity

There are three types of diversity:

- social and demographic diversity;
- diversity in ideas which may reflect social and demographic diversity;
- economic diversity, which refers to business structure, industry sectors and output characteristics.

Key Directions

Several important initiatives need to be undertaken to improve diversity in the region encompassing:

- planning support and development facilitation that maximises opportunities for new and ongoing private sector investment;
- the need to market the Launceston region to facilitate increased migration to the region;
- facilitation of funding opportunities for individuals and business start-ups to develop their ideas with professional business and marketing support;
- investigation of opportunities to develop complementary skills and enterprises that: build on the region's leading growth and output sectors; diversify the industrial base at Bell Bay;
- provide opportunities for new emerging industries in the region;
- ensure that the planning of the growth areas provides opportunities for housing and demographic diversity.

Social Inclusion and Equity

“A socially inclusive society is defined as one where all people feel valued, their differences are respected, and their basic needs are met so they can live in dignity. Social exclusion is the process of being shut out from the social, economic, political and cultural systems which contribute to the integration of a person into the community” (Cappo 2002) [<http://www.health.vic.gov.au>].

Key Directions

At the core of promoting inclusive communities is the importance of “shifting from a deficit to an assets model for people and places” (Adams, 2009).

In other words, socially inclusive communities will view individuals, families and communities through the lens of their inherent potentials or strengths, rather than deficits. David Adams (2009) has outlined a number of strategies and actions to adopt in order to strengthen social inclusiveness. These encompassed:

- access to the basics,
- accessible services,
- diversity and skills training,
- building supportive networks,
- social enterprises,
- volunteering,
- building local capacity,
- digital inclusion,
- planning and liveability, and
- governance.

Environmental Sustainability

Environmental sustainability refers to decision making and management made in the interests of protecting the natural world, optimally to ensure no degradation of natural systems so that human and other needs can be met into the long-term future.

Key Directions

- engage the community and stakeholders to ensure a high level of understanding of environmental issues and implications for settlement policy, energy and water use, and lifestyle behaviour patterns, and to build a coalition of support for responsible environmental management and practice;
- work with all levels of government and the community to sustain and effectively manage the Tamar Estuary and Esk rivers;
- investigate urban salinity issues in the Greater Launceston area and wider Tamar-Esk rivers catchment area, and provide advice to Councils on potential options and on a co-ordinated preferred strategy;
- protect and manage biodiversity, remnant vegetation and high value habitat areas;
- facilitate a review by the member Councils of the greater Launceston Area of environmental planning guidelines for urban development to ensure consistently high environmental standards and a high amenity approach is achieved for future development. The review should take full account of community needs and aspirations, environmental best practice and the needs and constraints of the development industry; and
- undertake a review by the member Councils for the Greater Launceston Area of current procurement practices and facilitate an innovation and development strategy to jointly direct future purchases that foster low carbon emissions technology and maximise opportunities for local innovation, investment and employment.

Economic Development

Economic development is a fundamental underpinning of sustainable societies and encompasses the production, exchange and consumption of goods and services, the changing pattern of employment and business enterprises, employment and vocational training and skills development together with innovation, product and process development. It also encompasses the changing pattern of investment in urban and regional development.

Key Directions

- maximise regional advantage and competitiveness by focusing on strategic development and investment that builds on the greater city’s strengths and opportunities;
- support planning and investment decisions that optimise greater Launceston’s regional role and attraction;
- provide a framework for future investment and development within a co-ordinated physical framework;
- support the ongoing development of key services that best promote regional growth and exports and economic and employment diversity;
- support ongoing investment and the longer-term consolidation and advancement of the region’s gateways; and
- support opportunities for new regional employment and logistics development co-located with existing and future regional arterial routes. Facilitate migration to promote population growth in greater Launceston.



REPORTING ON THE ANNUAL PLAN 2017/18

The City of Launceston's Annual Plan for 2017/18 was developed around the eight priority areas outlined in the Strategic Plan 2014-2024. In essence, the Strategic Plan indicates the actions and strategies the Organisation will pursue through its own operations to deliver on the Greater Launceston Plan goals.

2017/18 Annual Plan Actions

Final progress report for period ending 30 June 2018



At least 80%
of planned target
achieved



**Between
60% and 79%**
of planned target
achieved



Less than 60%
of planned target
achieved

Action	Progress Comments	Directorate	Progress
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Status as at 30 June 2018

1 A CREATIVE AND INNOVATIVE CITY

10-Year Goal: To foster creative and innovative people and industries

Key Direction: To support an promote alternative uses of underutilised buildings

Macquarie House

To complete the redevelopment of Macquarie House to facilitate the Macquarie House Innovation Hub project, and accommodate Enterprise Tasmania as the principal tenant of the site.

This is a multi-year action and is complete in accordance with planned expectations for 2017/18. Work will continue to progress as a new action in the 2018/19 Annual Plan.

Facilities Management



Measures of Success

- Commence construction and delivery of the project
- Establish ongoing lease agreements

Key Direction: To contribute towards artistic, cultural and heritage outcomes

Gallery of the First Tasmanians

Opening of the permanent exhibition gallery titled "Gallery of the First Tasmanians".

The First Tasmanians: Our Story was opened by the Governor of Tasmania on 7 July 2017 as part of the NAIDOC Week celebrations. It is a permanent exhibition that celebrates Tasmanian Aboriginal people and their culture dating back 40,000 years.

Queen Victoria Museum & Art Gallery



Measures of Success

- Increased awareness of Tasmanian Aboriginal culture
- Increase in visitor numbers to the art gallery
- Adoption of gallery into regional schools including site visits

The exhibition includes an education program, dedicated phone App and children's trail as well as the standard exhibition mediums with a strong reference to Aboriginal people telling their stories on video.

2017/18 statistics have projected a total of 145,771 visitors through the QVMAG precinct to date.

Action	Progress Comments	Directorate	Progress
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Status as at 30 June 2018

Cultural Strategy

Implement the recommendations of the Cultural Review with other cultural providers and assets to develop coherent integrated strategies to leverage these assets more effectively from an economic and social perspective.

2018 saw the re-orientation of the QVMAG Directorate to Creative Arts and Culture and the creation of a new permanent position - Executive Officer Arts and Culture.

General Manager



Measures of Success

- Comprehensive and integrated cultural program
- Enhanced cultural assets including iconic retained heritage architecture
- QVMAG as the lead cultural organisation
- Increase in economic return including tourism sector

Work is continuing on the development of a Cultural Strategy for Launceston in accordance with the roadmap laid out by 'Towards a Cultural Strategy for Launceston' (February 2017).

Consultants Hirst Projects are progressing the QVMAG feasibility study in accordance with the project plan which aims to position the facility as the centrepiece of the Cultural Strategy.

The Cultural Strategy is planned for delivery by September 2018.

2 A CITY WHERE PEOPLE CHOOSE TO LIVE

10-Year Goal: To promote Launceston as a unique place to live, work, study and play

Key Direction: To continue to offer an attractive network of parks, open spaces and facilities throughout Launceston

Gorge Reimagining

Implement action plan to support the preferred future for the Cataract Gorge Reserve and Trevallyn Nature Recreation Area.

This is a multi-year action and is complete in accordance with planned expectations for 2017/18. Work will continue to progress as a new action in the 2018/19 Annual Plan.

Infrastructure Services



Measures of Success

- Path resealing & accessibility along the loop track
- Stone edging & safety fencing along tracks
- Weed control
- Lighting along the Suspension Bridge and Gorge Restaurant entrances
- Playground redevelopment to reduce flood impact
- Access and Information at Kings Bridge and First Basin entrances

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
Regional Recreation Strategy Develop a framework for delivery of a Regional Recreation Strategy in conjunction with sporting clubs, State Government and neighbouring Councils. The strategy development needs to be co sponsored by the Launceston Regional Councils. Measures of Success <ul style="list-style-type: none"> • Framework adopted by Council • Development of strategy commences in consultation with neighbouring Councils 	Community Sport and Recreation are undertaking a Northern Regional Sports Facility Strategy, focusing on major sports facilities. The delivery of this strategy will support the future direction of a Regional Recreation Strategy to develop a sports plan in partnership with neighbouring Councils to identify and plan for all regional sporting activities. The framework is well advanced with strong collaboration with neighbouring Councils. This is a multi-year action and is complete in accordance with planned expectations for 2017/18. Work will continue to progress as a new action included in the 2018/19 Annual Plan.	Infrastructure Services	
North Bank Park Precinct# Implement the North Bank Park Precinct Project Plan. Measures of Success <ul style="list-style-type: none"> • Completion of the playground equipment in the southern area of the site • Completion of the landscaping on the western part of the North Bank Precinct 	The North Bank staged delivery methodology was revised to permit project progress as much as practical in an attempt to satisfy the milestones under the funding agreement(s) with both Australian and State Governments. This is a multi-year action and is complete in accordance with planned expectations for 2017/18. Work will continue to progress as a new action included in the 2018/19 Annual Plan.	Major Projects	
North Bank Bridge# Implement the North Bank Bridge Project Plan. Measures of Success <ul style="list-style-type: none"> • Completion of the pedestrian bridge connecting the North Bank Precinct and the Seaport, in accordance with the Project Management Plan 	The Seaport Pedestrian Bridge is complete.	Major Projects	

#From 2 July 2018, North Bank is now referred to as Riverbend Park.

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
Key Direction: To support the CBD and commercial areas as activity places during day and night			
Launceston City Heart – Civic Square Redevelopment Redevelopment of Civic Square as part of the Launceston City Heart Masterplan and Launceston City Deal. Measures of Success <ul style="list-style-type: none"> • Successful completion of the redevelopment of Civic Square 	Works are complete in Civic Square. The Practical Completion Certificate has been awarded.	Major Projects	
Launceston City Heart – Brisbane Street Mall Redevelopment Redevelopment of the Brisbane Street Mall as part of the Launceston City Heart Masterplan and Launceston City Deal. Measures of Success <ul style="list-style-type: none"> • Commencement and progress in accordance with project milestones 	The Brisbane Street Mall Redevelopment was awarded to The Baker Group Pty Ltd in March 2018 in accordance with Council's Code for Tenders and Contracts, Public Tender Policy. As at 30 June 2018, the project was about 70% complete overall with the works on site estimated to be about 55% complete. Paving was 50% complete and both large overhead roofing structures were in place.	Major Projects	
Launceston City Heart – Wayfinding and Connectivity Implementation Implementation of wayfinding treatments in the CBD (Launceston City Heart area). Measures of Success <ul style="list-style-type: none"> • Implement signage treatments across the Launceston City Heart area 	As at 30 June 2018, three Development Application approvals were granted for signs along the North Esk Trail and within the QVMAG and City Park precincts. A fourth Development Application for CBD building signs was awaiting approval. Also at the 30 June 2018, the prototype for the Digital Display is underway with the consultant finalising the testing and assembly of the prototype. It is anticipated that the prototype will be installed in the City of Launceston Information Centre.	Major Projects	
St John Street Bus Stops Redevelopment Redevelopment of St John Street (Central North and Central South) including Bus Stops as part of Stage 1 of the Launceston City Heart Masterplan. Measures of Success <ul style="list-style-type: none"> • Successful commencement and progress 	This is a multi-year action and is complete in accordance with planned expectations for 2017/18. Work will continue to progress as a new action included in the 2018/19 Annual Plan.	Major Projects	

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
Key Direction: To contribute to enhanced public health and amenity to promote a safe and secure environment			
Municipal Emergency Management Plan Plan reviewed and in place for a further two years.	The Municipal Emergency Management Plan was approved and signed by State Emergency Management Controller on 2 July 2018.	Facilities Management	
Measures of Success			
<ul style="list-style-type: none"> • Municipal Emergency Management Plan reviewed • Municipal Emergency Management Committee endorsement • Council approval 			

3 A CITY IN TOUCH WITH ITS REGION

10-Year Goal: To ensure Launceston is accessible and connected through efficient transport and digital networks

Key Direction: To improve and maintain accessibility within the City of Launceston area, including its rural areas

Community Engagement Framework Further development and implementation of organisation framework including:	Development and implementation of the Community Engagement Framework was deferred for 2017/18.	General Manager	
Measures of Success			
<ul style="list-style-type: none"> • Service level reviews • Digital process • Social media 			
<ul style="list-style-type: none"> • Commence first stages which includes ISD Infrastructure Service levels and strategic asset management 			

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
<h1>4 A DIVERSE AND WELCOMING CITY</h1>			
<p>10-Year Goal: To offer access to services and spaces for all community members and to work in partnership with others to address the needs of vulnerable and diverse communities</p>			
Key Direction: To support the delivery of programs and events for people to connect with each other through participation in community activities and civic life			
Events Sponsorship Program Support Economic and social development in the Launceston region through the implementation of the Events Sponsorship Policy.	The Events Sponsorship Program supported a wide range of events in the financial year and allocation was within the annual budget. Each sponsored event recognised the City of Launceston as per the sponsorship agreement and acquitted as per the funding agreement.	Development Services	
Measures of Success			
<ul style="list-style-type: none"> • Events sponsorship programs are administered in accordance with policy and budget allocations • A diverse calendar of events is supported through direct sponsorship by the City of Launceston • Events sponsorship by the City is recognised and acquitted as per funding agreement conditions 			
<p>The program has been reviewed and incorporated into a new 2018/19 Annual Plan Action – 4.1.6.4 Review the Event Sponsorship Guidelines in order to continue to attract a wider variety of events within the Launceston municipal area.</p>			

Action	Progress Comments	Directorate	Progress
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Status as at 30 June 2018

5 A CITY THAT VALUES ITS ENVIRONMENT

10-Year Goal: To reduce the impacts on our natural environment and build resilience to the changing intensity of natural hazards

Key Direction: To contribute to air and river quality in Launceston by liaising with the community, business and other stakeholders

<p>Tamar River Health and Amenity</p> <p>In partnership with key stakeholders, prioritise and implement recommendations of the Water Quality Improvement Plan.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> TasWater, State Government, NRM North, Launceston Flood Authority and Council collaborating on prioritisation and implementation 	<p>There were two work groups reporting to the Tamar Estuary Management Taskforce, landuse practices and Combined Sewage Overflow improvements.</p> <p>The City of Launceston was represented on the land use practices working group, developed through NRM North arrangements. Council led the Combined Sewage Overflow working group in conjunction with TasWater. The Tamar River Health Action Plan was adopted by Council on 4 June 2018.</p>	<p>Infrastructure Services</p>	
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Key Direction: To manage the risks of climate-related events particularly in the area of stormwater management

<p>Stormwater Management Plan</p> <p>Analyse results of hydraulic modelling developed over the past three years to prepare stormwater management plans for key catchments.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Completion of hydraulic modelling for all catchments Commence community engagement on Stormwater Management Plans 	<p>Intensive modelling work was undertaken during March/April 2018 to finalise the technical input into the Stormwater Management Plans. All technical models were complete in draft.</p> <p>This is a multi-year action and is complete in accordance with the planned expectations for 2017/18. Work will continue to progress as a new action included in the 2018/19 Annual Plan.</p>	<p>Infrastructure Services</p>	
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Action	Progress Comments	Directorate	Progress
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Status as at 30 June 2018

Key Direction: To reduce our and the community's impact on the natural environment

<p>LED Street Light Project</p> <p>Continuation of the 2016/17 project to replace existing local street lighting with more efficient and clearer light LEDs.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Replacement of existing local street lights with LEDs Improved lighting levels in local streets Reduced on-going street lighting costs 	<p>Installation across the municipality is complete.</p>	<p>Infrastructure Services</p>	
<p>Waste Strategy Review</p> <p>Undertake review of CoL Waste Strategy following completion of actions in 2011 Interim Waste Strategy.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> New Waste Strategy adopted by Council 	<p>The new Waste Strategy was postponed until the completion of the final of five actions in the Launceston Resource Recovery and Waste Management Interim Strategy and Action Plan 2012; the establishment of a kerbside FOGO service and organics processing facility which was undertaken during the 2017/18 financial year. A new action has been included in the 2018/19 Annual Plan.</p>	<p>Infrastructure Services</p>	

6 A CITY BUILDING ITS FUTURE

10-Year Goal: To drive appropriate development opportunities as well as infrastructure, land use planning and transport solutions

Key Direction: To advocate and collaborate to address regionally significant infrastructure and transport solutions

<p>Traffic Master Plan (City Precinct)</p> <p>Develop an Inveresk / Invermay Traffic Master Plan that considers the interface of the precinct with the CBD and as part of the Launceston City Deal.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Master Plan adopted by Council 	<p>The development of the Transport Strategy included engagement with UTAS and will provide key guidance for the management of transport in and out of the site(s). This includes walking and cycling connection and improvement to road capacity along known corridors (eg Forster St).</p>	<p>Infrastructure Services</p>	
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Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
Key Direction: To ensure the planning system at a local and regional level is effective and efficient			
<p>Northern Suburbs Revitalisation Plan</p> <p>Facilitate the implementation of the Northern Suburbs Revitalisation Plan in conjunction with relevant stakeholders and as part of the Launceston City Deal.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Assets Based Community Development Engagement model rolled out to at least one other site within the Northern Suburbs (August 2017) Key community projects identified for early implementation in the Northern Suburbs Revitalisation Plan are progressed 	<p>Asset Based Community Development Engagement project implementation in Ravenswood is 70% complete and is forecast for completion by November 2018.</p> <p>The Northern Suburbs Revitalisation Plan development is well under way with the six pillars identified, and consultation commenced in order to determine priorities.</p>	Development Services	
<p>Launceston Planning Scheme</p> <p>Prepare the local provisions of the Launceston Planning Scheme for translation to the new state-wide planning scheme framework.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Local provisions prepared Community consultation undertaken Local provisions endorsed by Council for submission to the Tasmanian Planning Commission 	<p>The work program has been outlined and confirmed following consultation with the Council. It is anticipated that the Local Provisions Schedule including zoning and overlay maps will be ready for informal advertising with the community by October 2018. Submission to Tasmanian Planning Commission anticipated by Christmas 2018.</p>	Development Services	

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
<h1>7 A CITY THAT STIMULATES ECONOMIC ACTIVITY AND VIBRANCY</h1> <p>10-Year Goal: To develop a strategic and dedicated approach to securing economic investment in Launceston</p>			
Key Direction: To provide an environment that is conducive to business and development			
<p>Economic Development Strategy Prospectus</p> <p>Development of a City of Launceston Investment Prospectus.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Prospectus produced and published 	<p>Initial discussions with the Chamber of Commerce have been undertaken and a review of other prospectuses prepared by regional economic development bodies and local government has commenced. A two page project proposal was approved on 28 September 2017.</p> <p>Due to shifting priorities and external dependencies, this action remains incomplete as at 30 June 2018. To facilitate continued progress and reporting, this action will be managed at the directorate level for 2018/19.</p>	General Manager	
<p>University of Tasmania (UTAS) Relocation</p> <p>Engage with the UTAS on the project to relocate to Inveresk to ensure it integrates with the precinct and City in a planned manner.</p> <p>Measures of Success</p> <ul style="list-style-type: none"> Commitments made by UTAS regarding project delivery Appropriate arrangements for infrastructure augmentation including traffic flows High level of urban planning to ensure an effective and well-designed interface with the CBD Good pedestrian way finding between the precinct and the CBD 	<p>Council staff have engaged strongly with UTAS over the course of the year to progress the necessary planning works for such a complex project. Matters around the subdivision of the site have been resolved, together with road naming and underground infrastructure provision.</p> <p>Work is continuing on the planning work for the proposed Planning Scheme amendment for the precinct, which includes land use, people movement\transport, parking etc. Additionally, a Planning Scheme Amendment was sought to facilitate the relocation of the National Automobile Museum of Tasmania from its Willis Street site to Lindsay Street.</p>	General Manager	

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
Key Direction: To facilitate direct investment in the local economy to support its growth			
City Deal Agreement To work with the Commonwealth and State Government under the City Deal program to deliver a range of economic and social benefits to the City. Measures of Success <ul style="list-style-type: none"> • City Deal Agreement executed by Prime Minister, Premier and Mayor • Implementation Plan adopted • Ongoing monitoring of measures in place 	A City Deal Project Manager was appointed in December 2017 to coordinate the implementation of the City Deal Commitments. Work is progressing across the projects in accordance with planned expectations, which have been detailed in the inaugural City Deal Annual Report. The specific City of Launceston actions are as follows: University of Tasmania Inner City Campus development, Northern Regional Digital Transformation Project, Tamar Estuary Taskforce / River Health Action Plan, City Heart Project, Cultural Strategy, and Northern Suburbs Revitalisation Plan. This is a multi-year action and is complete in accordance with the planned expectations for 2017/18. Work will continue to progress as a new action included in the 2018/19 Annual Plan.	General Manager	

Action	Progress Comments	Directorate	Progress
Status as at 30 June 2018			
York Park Stadium Finalise the arrangements for the reconstruction of the playing surface consistent with its asset management plan and secure turf supply. Measures of Success <ul style="list-style-type: none"> • Arrangements in place for the renewal of the surface 	The Turf Farm is completed and is being maintained. A Project Plan and program has been developed with detailed costings to complete the project. The resurfacing works will be undertaken between August/December 2019.	Facilities Management	

8 A SECURE, ACCOUNTABLE AND RESPONSIVE ORGANISATION

10-Year Goal: To continue to meet our statutory obligations and deliver quality services

Key Direction: to strategically manage our assets, facilities and services			
Inveresk Masterplan Engage with UTAS and precinct stakeholders to conclude the development of the Inveresk Masterplan. Measures of Success <ul style="list-style-type: none"> • Inveresk Master Plan completed and signed off • Implementation of the plan commenced 	A workshop briefing was provided to Aldermen and the project plan developed to outline the timeline was endorsed.	Facilities Management	

FINANCIAL RATIOS

	2018	2017	2016	2015	2014
CURRENT RATIO	3.51:1	2.21:1	2.08:1	1.7:1	1.39:1
To assess the adequacy of working capital (net current assets)					
Current Assets – restricted assets	62,708,795	62,175,708	55,438,873	47,004,701	38,067,545
Current Liabilities	17,861,699	28,094,701	26,622,708	27,586,996	27,441,172

Restricted assets includes flood mitigation grant funding held and the Waste Centre Rehabilitation provision

INTEREST EXPENSE TO OPERATING REVENUE RATIO	0.43%	0.36%	0.38%	0.52%	0.76%
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To assess the degree to which revenue is committed to interest

Interest Expense (External loans)	436,173	354,386	357,381	486,534	624,474
Operating Revenue (untied)	101,319,632	99,331,053	93,000,753	93,194,707	81,732,337

RATE COVERAGE RATIO	56.8%	56.8%	59.7%	57.6%	63.2%
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To assess dependence on rate revenue

Rate Revenue (Untied)	57,558,624	56,370,820	55,567,799	53,717,897	51,691,451
Operating Revenue (Untied)	101,319,632	99,331,053	93,000,753	93,194,707	81,732,337

GRANT COVERAGE RATIO	8.9%	10.8%	6.0%	10.5%	5.8%
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To assess dependence on grant revenue

Grant Revenue (incl. QVM&AG)	9,038,417	10,734,138	5,616,256	9,816,609	4,777,390
Operating Revenue (untied)	101,319,632	99,331,053	93,000,753	93,194,707	81,732,337

USER CHARGES COVERAGE RATIO	24.4%	22.6%	23.6%	21.2%	23.0%
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To assess dependence on user charges revenue

User Charges Revenue	24,690,874	22,451,835	21,911,908	19,758,245	18,837,529
Operating Revenue (untied)	101,319,632	99,331,053	93,000,753	93,194,707	81,732,337

DEPRECIATION TO CAPITAL EXPENDITURE	1.64:1	1.58:1	1.4:1	1.34:1	1.05:1
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To compare assets added with depreciation of assets

Capital Works	32,975,000	31,547,000	27,301,000	25,560,000	19,047,000
Depreciation	20,090,015	20,007,332	19,440,415	19,007,277	18,212,577

RATE PAID PER MODAL VALUATION (RESIDENTIAL)

To assess the movement in typical residential rates

Modal AAV	12,000	12,000	12,100	11,800	11,800
Rate Amount -General (inc Fire Levy)	1,407	1,413	1,424	1,385	1,348

RATE REVENUE PER CAPITA	\$971.80	\$946.21	\$929.12	\$897.46	\$862.68
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To assess the average rate raised per head of population

Revenue Rate	65,114,648	63,567,647	62,323,203	60,161,039	57,829,534
Population	67,004	67,181	67,078	67,035	67,035

FINANCIAL REPORT 2017/18

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 June 2018

		Actual	Budget (Unaudited)	Actual
	Note	2018 \$000	2018 \$000	2017 \$000
REVENUES				
Rates and Charges	3	65,115	65,020	63,568
Fees	4	24,691	22,963	22,452
Revenue Grants and Contributions				
Financial Assistance Grants	5	4,274	4,148	6,191
Other Operating Grants	5	4,764	3,184	4,543
Capital Grants and Contributions	6	16,124	12,582	7,785
Interest	7	1,873	1,898	2,033
Interest - Capital Funds	7	81	41	113
Investment Revenue	8	4,750	4,490	4,563
Bequests	9	126	179	159
Other	10	3,202	2,139	2,905
		125,000	116,644	114,312
Infrastructure Take Up Adjustments	11	(948)	-	124,326
Total Revenue		124,052	116,644	238,638
EXPENSES				
Maintenance of Facilities and Provision of Services				
Employee Benefits	12	39,806	39,166	38,446
Materials and Services	13	35,211	33,697	35,810
Impairment of Debts	14	34	31	53
Finance Costs				
Interest on Loans	15	436	137	354
Provision for Rehabilitation	15	-	305	27
Change in Provision for Rehabilitation	36	199	-	382
Depreciation and Amortisation	16	20,090	20,436	20,007
State Government Fire Service Levy	17	7,535	7,535	7,144
Rate Remissions and Abatements	18	1,026	992	882
		104,337	102,299	103,105
Loss on Disposal of Fixed Assets	19	3,880	-	1,312
Write Down of Assets Held For Sale	26	(841)		3,036
Total Expenses		107,376	102,299	107,453
SURPLUS (DEFICIT)		16,676	14,345	131,185
Other Comprehensive Income				
Items that will not be reclassified to surplus or deficit				
Investment Revaluation	28	3,045		1,440
Actuarial Gains (Losses)	31	2,539		1,390
Net Infrastructure Asset Revaluation Increase (Decrease)	29	40,560		16,472
COMPREHENSIVE RESULT		62,820	14,345	150,487

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		As at 30-Jun-18 \$000	As at 30-Jun-17 \$000
EQUITY			
Capital Reserves	21	199,659	185,016
Revenue Reserves	21	1,017,402	1,012,737
Asset Revaluation Reserves	21	663,166	622,606
Investment Reserves	21	(15,479)	(18,188)
Trusts and Bequests	21	2,195	1,953
TOTAL EQUITY		1,866,943	1,804,124
<i>Represented by:-</i>			
CURRENT ASSETS			
Cash at Bank and on Hand	22	430	2,473
Rate and Sundry Receivables	23	5,850	4,148
Short Term Investments	24	68,205	68,609
Inventories	25	685	599
Assets Held for Sale	26	4,242	840
		79,412	76,669
NON-CURRENT ASSETS			
Deferred Receivables	27	258	258
Investments	28	237,631	234,923
Intangible Assets	29	5,059	4,628
Property, Infrastructure, Plant and Equipment	29	1,341,855	1,295,301
Museum Collection	30	237,624	237,491
Superannuation	31	622	-
		1,823,049	1,772,601
TOTAL ASSETS		1,902,461	1,849,270
CURRENT LIABILITIES			
Deposits and Prepayments	24	508	544
Employee Provisions	32	6,544	6,657
Interest Bearing Liabilities	33	769	2,357
Sundry Payables and Accruals	35	10,040	18,541
		17,861	28,099
NON-CURRENT LIABILITIES			
Employee Provisions	32	919	989
Superannuation Obligation	31	-	461
Interest Bearing Liabilities	33	9,000	9,769
Rehabilitation Provision	36	7,738	5,828
		17,657	17,047
TOTAL LIABILITIES		35,518	45,146
NET ASSETS		1,866,943	1,804,124
Commitments for			
Capital Expenditure	37	10,973	10,306
Contingent Liabilities	38	-	-

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2018

	Notes	2018 \$000	2017 \$000
TOTAL EQUITY			
Balance 1 July		1,804,124	1,653,638
Surplus / (Deficit)		16,675	131,185
Comprehensive Income		2,539	1,390
Asset Revaluations			
Infrastructure Assets		40,560	16,472
Investments		3,045	1,439
Balance 30 June		<u>1,866,943</u>	<u>1,804,124</u>
CAPITAL RESERVES			
Balance 1 July	21	185,016	177,231
Surplus / (Deficit)	21	14,643	7,785
Comprehensive Income	21	-	-
Transfers	21	-	-
Balance 30 June		<u>199,659</u>	<u>185,016</u>
REVENUE RESERVES			
Balance 1 July	21	1,012,737	887,698
Surplus / (Deficit)	21	1,966	123,463
Comprehensive Income	21	2,539	1,390
Transfers	21	160	186
Balance 30 June		<u>1,017,402</u>	<u>1,012,737</u>
ASSET REVALUATION RESERVES			
Balance 1 July	21	622,606	606,134
Asset Revaluations	21	40,560	16,472
Transfers	21	-	-
Balance 30 June		<u>663,166</u>	<u>622,606</u>
INVESTMENTS			
Balance 1 July	21	(18,188)	(19,627)
Asset Revaluations	21	3,045	1,439
Transfers	21	(336)	-
Balance 30 June		<u>(15,479)</u>	<u>(18,188)</u>
TRUSTS AND BEQUESTS			
Balance 1 July	21	1,953	2,202
Surplus / (Deficit)	21	66	(63)
Transfers	21	176	(186)
Balance 30 June		<u>2,195</u>	<u>1,953</u>
		<u>1,866,943</u>	<u>1,804,124</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended 30 June 2018

	Notes	2018 \$000	2017 \$000
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Provision of Goods and Services (including GST)		(88,664)	(77,563)
Interest Paid		(436)	(354)
State Government Fire Service Levy		(7,535)	(7,144)
Receipts			
Rates		64,206	63,367
Fees and Charges		25,316	23,210
Grants and Contributions – Revenue		9,010	10,734
Interest Received		1,808	1,850
Other (including GST)		7,556	6,282
Net Cash from Operating Activities	39	<u>11,261</u>	<u>20,382</u>
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments			
Capital Works		(32,975)	(31,547)
Receipts			
Sale of Assets		724	627
Grants and Contributions – Capital		16,152	4,548
Investment Revenue		4,750	4,563
Net Cash Used In Investing Activities		<u>(11,349)</u>	<u>(21,809)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payments			
Loan Repayments		(2,357)	(2,241)
Receipts			
Loan Proceeds		-	9,000
Net Cash From in Financing Activities		<u>(2,357)</u>	<u>6,759</u>
Net Increase (Decrease) in Cash Held		(2,445)	5,332
Cash and Cash Equivalents at 1 July		71,080	65,748
Cash and Cash Equivalents at 30 June	39	<u>68,635</u>	<u>71,080</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Year Ended 30 June 2018

Accounting Policies

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 - b) Statement of Compliance
 - c) Presentation of Financial Statements
 - d) Adoption of New and Revised Accounting Standards
 - e) Accounting Estimates
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Statement by the General Manager

Notes to the Financial Statements

Note 1 - Statement of Accounting Policies

a) Reporting Entity

This report is a general purpose financial report. All entities through which the Council controls resources to carry out its functions (including the Special Committees detailed in Note 47) have been included in these financial statements. Inter-entity balances and transactions have been eliminated.

b) Statement of Compliance

This financial report has been prepared to comply with Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board (AASB) and the Local Government Act 1993 (as amended). It has been prepared on an accrual and going concern basis under the convention of historical cost accounting, with the exception that certain non-current assets (other than deferred debtors), are included at valuation (refer Notes 28, 29 and 30). Except as disclosed below the accounting policies adopted are consistent with those of the previous year.

c) Presentation of Financial Statements

AASB 101 Presentation of Financial Statements requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements.

d) Adoption of New and Revised Accounting Standards

In the current year the Council has adopted the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised standards has had no material effect on the Council's accounting policies.

AASB 2016 - 2 AMENDMENTS TO AASB 107

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Standards Available for Early Adoption and not Adopted

At the reporting date a number of standards were available for early adoption and relevant to the Council's operations but were not applied by the Council. Those that are likely to have a material effect on the future disclosures of Council are listed at Note 42.

e) Accounting Estimates

In the application of Australian Accounting Standards, the Council is required to make judgements, estimates and assumptions about carrying values of some assets and liabilities. Judgements made by the Council that have significant effects on the Financial Statements are disclosed in the relevant notes.

An estimate may need revision if changes occur in the circumstances on which the estimate was based. The effect of any changes in estimates are brought to account in the reporting period the changes are made.

At the reporting date there were no material changes in the accounting estimates used in the preparation of the report.

Notes to the Financial Statements

Note 1 - Statement of Accounting Policies (Cont)

f) Revenue Recognition

Rates

Rate revenues are recognised on an accrual basis when they are levied.

Fees

Fees are recognised when the service is provided or payment is received, whichever occurs first.

Grants

Grant revenues are recognised on an accrual basis when the Council controls the funds.

Sales

Sales revenue is recognised when goods are sold or the service provided

Infringements

Revenue from infringements is recognised on issue of the infringement notice

Interest and Investments

Interest revenue is recognised as it is earned and investment revenue when funds are received.

Bequests

Bequests are recognised as revenue when funds are received

Private Sector Contributions of Property Infrastructure and Plant and Equipment

In previous reporting periods the Council has recognised donations and contributions of assets as Infrastructure Take Up Adjustments

For reporting periods starting 1 July 2016 onwards Council has recognised these contributions as Capital Grants and Contributions. Prior period disclosures have also been adjusted.

g) Taxation

The Council is exempt from all forms of income taxation. The major taxation obligations of the Council are, Fringe Benefits Tax, Payroll Tax, Land Tax and the Goods and Services Tax.

Fringe Benefits and Payroll Tax

Fringe Benefits and Payroll Tax are expensed in the year they are incurred. Accrued employee liabilities are recognised inclusive of Payroll Tax.

Goods and Services Tax

Revenue, expenses and assets are recognised net of goods and services tax (GST) except for the case of receivables and payables which are recognised inclusive of GST. Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as operating cash flows.

h) Rounding

Amounts shown in the financial statements and notes have been rounded to the nearest thousand dollars. This may result in minor variations between schedules and in totals.

i) Prior Period Disclosure

In the preparation of the financial statements it is the Council policy to ensure that any prior year figures are comparable with current year figures.

Notes to the Financial Statements

Note 2 - Functions and Activities of the Council

a) Functions and Activities of the Council

General Public Service

Management of the administrative and financial operation of the Council organisation including elected representatives.

Public Order and Safety

Supervision of various by-laws, animal control and public nuisances. The collection of the fire levy on behalf of and paid to the State Fire Commission.

Health

Administration of health legislation on behalf of the State Government including food handling control and public health issues. Provision of immunisation services.

Welfare

Maintenance of properties used for childcare and kindergarten.

Housing and Community Amenities

Provision of building and development approvals services including the maintenance of the planning scheme. Solid waste services including garbage collection and disposal. The provision of street lighting. Maintenance of a range of public buildings and facilities including cemeteries. Maintenance of the stormwater drainage network including flood mitigation works. Provision of street cleaning services.

Recreation and Culture

Maintenance of parks and reserves, sports grounds, playgrounds, swimming pools, halls and related recreational facilities. Funding of Queen Victoria Museum and Art Gallery, University of Tasmania Stadium and the Princess Theatre.

Roads and Traffic

Construction and maintenance of roads, footpaths and bridges. Operation of parking facilities including off street car parks and on street metered spaces.

Other

A range of services and facilities including the provision of economic development and promotional services.

Full Cost Attribution

Section 84(2)(da) of the Local Government Act 1993 requires the Council's financial statements to contain a statement of the "operating, capital and competitive neutrality costs" in respect of each significant business activity. The Council has chosen to disclose these costs in respect of all functions and activities.

Notes to the Financial Statements

Note 2 - Functions and Activities of the Council (Cont)

(b) Revenue and Expenses for the 2018 reporting year have been directly attributed to the following functions and activities.

	GENERAL PUBLIC SERVICES \$000	PUBLIC ORDER & SAFETY \$000	HEALTH \$000	WELFARE \$000	HOUSING & RECREATION COMMUNITY & CULTURE AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2018 \$000	BUDGET \$000
REVENUES										
Rates and Charges	53,576	7,556	-	-	3,480	-	-	503	65,115	65,020
Fees	931	412	229	-	8,793	6,305	7,178	843	24,691	22,963
Financial Assistance Grants	1,371	-	-	-	-	-	2,903	-	4,274	4,148
Other Grants	291	-	-	55	575	1,832	992	1,020	4,765	3,184
Interest	1,807	10	-	-	9	46	-	-	1,872	1,898
Interest - Capital Funds	-	-	-	-	46	-	35	-	81	41
Investment Revenue	4,749	-	-	-	-	-	-	-	4,749	4,490
Other (Including Bequests)	108	2	-	2	875	2,273	16	50	3,326	2,318
	62,833	7,980	229	57	13,778	10,456	11,124	2,416	108,873	104,062
EXPENSES										
Employee Costs (net of capitalised)	12,784	408	893	669	5,578	12,353	4,794	2,326	39,805	39,166
Materials and Services	2,703	275	69	435	12,620	12,204	4,027	2,877	35,210	33,697
Impairment of Debts	4	22	7	-	1	2	-	-	36	31
Interest on Loans	436	-	-	-	-	-	-	-	436	137
Provision for Rehabilitation	-	-	-	-	-	-	-	-	-	305
Change in Rehabilitation Provision	-	-	-	-	199	-	-	-	199	-
Depreciation and Amortisation	2,515	13	-	-	2,948	4,945	9,661	6	20,088	20,436
State Government Fire Service Levy	-	7,535	-	-	-	-	-	-	7,535	7,535
Rate Remissions and Abatements	915	109	-	-	-	-	-	-	1,024	992
Loss on Fixed Assets	21	1	-	-	18	1,179	2,655	5	3,879	-
	19,378	8,363	969	1,104	21,364	30,683	21,137	5,214	108,212	102,299
Full Cost Attribution	(1,995)	81	143	70	(307)	1,054	703	250	(1)	-
Competitive Neutrality	(535)	-	-	-	74	320	142	-	1	-
	16,848	8,444	1,112	1,174	21,131	32,057	21,982	5,464	108,212	102,299
Surplus (Deficit) from Operations	45,985	(464)	(883)	(1,117)	(7,353)	(21,601)	(10,858)	(3,048)	661	1,763
Capital Grants and Infrastructure Adjustments										
Capital Grants and Contributions	4,032	-	-	-	3,639	5,744	2,709	-	16,124	12,582
Infrastructure Take Up Adjustments	(1,580)	-	-	-	506	95	31	-	(948)	-
Write Down of Assets Held For Sale	841	-	-	-	-	-	-	-	841	-
Surplus (Deficit) Before Other Comprehensive Income	49,278	(464)	(883)	(1,117)	(3,208)	(15,762)	(8,118)	(3,048)	16,678	14,345
Infrastructure Assets	48,215	1,155	-	1,499	270,903	279,917	701,027	-	1,302,716	-
Work in Progress	23	6	-	-	17,840	7,501	18,828	-	44,198	-
Other Assets	317,923	-	-	-	-	237,624	-	-	555,547	-
Total Assets	366,161	1,161	-	1,499	288,743	525,042	719,855	-	1,902,461	-

Notes to the Financial Statements

Note 2 - FUNCTIONS AND ACTIVITIES OF COUNCIL (Cont)

(c) Comparative figures for prior year (2017)

	GENERAL PUBLIC SERVICES \$000	PUBLIC ORDER & SAFETY \$000	HEALTH \$000	WELFARE \$000	HOUSING & RECREATION COMMUNITY & CULTURE AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2017 \$000	BUDGET \$000
REVENUES										
Rates and Charges	52,437	7,197	-	-	3,434	-	-	501	63,569	63,500
Fees	900	366	205	-	8,042	5,782	6,394	763	22,452	22,753
Financial Assistance Grants	2,017	-	-	-	-	-	4,174	-	6,191	4,149
Other Grants	251	-	-	9	1,496	1,590	1,077	120	4,543	4,637
Interest	1,954	12	-	-	12	55	-	-	2,033	2,040
Interest - Capital Funds	-	-	-	-	103	-	11	-	114	-
Investment Revenue	4,562	-	-	-	-	-	-	-	4,562	4,450
Other (Including Bequests)	103	-	2	10	424	2,429	40	56	3,064	2,060
	62,224	7,575	207	19	13,511	9,856	11,696	1,440	106,528	103,609
EXPENSES										
Employee Costs (net of capitalised)	12,053	427	856	597	5,259	11,940	5,087	2,228	38,447	38,435
Materials and Services	2,512	166	63	283	12,026	13,478	5,561	1,722	35,811	35,095
Impairment of Debts	(7)	22	2	-	7	30	-	-	54	95
Interest on Loans	354	-	-	-	-	-	-	-	354	253
Provision for Rehabilitation	-	-	-	-	27	-	-	-	27	27
Change in Rehabilitation Provision	-	-	-	-	382	-	-	-	382	273
Depreciation and Amortisation	2,233	13	-	-	3,293	5,034	9,424	8	20,005	19,781
State Government Fire Service Levy	-	7,144	-	-	-	-	-	-	7,144	7,144
Rate Remissions and Abatements	797	83	-	-	-	-	-	-	880	806
Loss on Fixed Assets	183	-	-	-	58	522	548	1	1,312	-
	18,125	7,855	921	880	21,052	31,004	20,620	3,959	104,416	101,909
Full Cost Attribution	(2,041)	80	141	69	(202)	1,039	668	247	1	-
Competitive Neutrality	(527)	-	-	-	72	315	140	-	-	-
	15,557	7,935	1,062	949	20,922	32,358	21,428	4,206	104,417	101,909
Surplus (Deficit) from Operations	46,667	(360)	(855)	(930)	(7,411)	(22,502)	(9,732)	(2,766)	2,111	1,700
Capital Grants and Infrastructure Adjustments										
Capital Grants and Contributions	367	-	-	-	1,990	785	4,640	-	7,782	4,509
Infrastructure Take Up Adjustments	-	-	-	-	-	-	124,326	-	124,326	-
Write Down of Assets Held For Sale	(3,036)	-	-	-	-	-	-	-	(3,036)	-
Net Surplus (Deficit) Before Other Comprehensive Income	43,998	(360)	(855)	(930)	(5,421)	(21,717)	119,234	(2,766)	131,183	6,209
Infrastructure Assets	39,580	1,262	-	1,283	251,155	279,527	690,414	-	1,263,221	-
Work in Progress	442	-	-	-	21,338	3,105	11,823	-	36,708	-
Other Assets	311,850	-	-	-	-	237,491	-	-	549,341	-
Total Assets	351,872	1,262	-	1,283	272,493	520,123	702,237	-	1,849,270	-

Notes to the Financial Statements

Note 3 - Rates

	2018 \$000	2017 \$000
Valuation and Rating		
Gross Assessed Annual Value of the City	631,801	598,963
Rates		
	Cents/\$AAV	Cents/\$AAV
General Rate	7.2042	7.4750
General Rate - Commercial	7.4919	8.0000
General Rate - CBD Variation	8.9528	9.5920
General Rate - Industrial	7.6300	8.0000
General Rate - Public Purpose	7.4986	8.0000
General Rate - Primary Production	7.6124	8.0000
General Rate - Sporting and Recreation	7.1558	8.0000
General Rate - Quarrying and Mining	4.9746	8.0000
General Rate - Vacant Land	6.6290	6.7000
Service Rates		
Fire Protection - Urban	1.3847	1.3730
Fire Protection - Rural	0.3317	0.3466
Fire Protection - Lilydale District	0.3758	0.4041
	\$	\$
General Charge (Fixed Amount)	275	250
Minimum Rates apply:-		
Fire Levy	39	38
SERVICE CHARGES		
	\$ Range	\$ Range
Waste Management - on bin size	102 - 215	102 - 215

The Assessed Annual Value of the City is as determined by the Valuer-General for the year ended 30 June, 2018.

Rates were levied based on valuations effective from 1 July, 2016.

The rate to be raised from an individual property is calculated by applying the rate in the \$AAV upon the Assessed Annual Value of the property and adding other applicable charges. The fire rate raised is subject to minimum amounts.

Notes to the Financial Statements

Note 3 - Rates (Cont)

	2018 \$000	2017 \$000
Rating Revenue		
General Rates		
General Charge	9,819	8,878
General Rate - Residential	26,859	27,295
General Rate - Commercial	9,310	8,999
General Rate - CBD Variation	503	501
General Rate - Industrial	2,931	2,835
General Rate - Public Purpose	3,046	2,757
General Rate - Primary Production	885	945
General Rate - Quarrying and Mining	5	4
General Rate - Sporting and Recreation	226	227
General Rate - Vacant Land	495	496
Total General Rates	54,079	52,937
Fire Protection	7,556	7,197
Waste Management	3,480	3,434
Total Rates	65,115	63,568

Note 4 - Fees and Charges

	2018 \$000	2017 \$000
Trading Fees	14,753	13,822
Regulatory Fees	2,706	2,198
Fines	1,727	1,360
Sales	4,037	4,011
Services	1,445	1,042
Venue Hire	23	19
	24,691	22,452

Note 5 - Revenue Grants and Contributions

	2018 \$000	2017 \$000
Commonwealth Funded Financial Assistance Grants		
Grant Funds Received for Reporting Year	4,204	4,087
Grant Received in Prior Year	(2,104)	-
Grant Received for Next Year	2,174	2,104
	4,274	6,191
Commonwealth Funded Operating Grants		
Ongoing Grant Funding		
Roads to Recovery	748	-
Tamar River Recovery	-	1,000
Training Subsidies	-	18
Diesel Rebate	135	134
	883	1,152
Other Grants	872	21
Total Commonwealth Funded Operating Grants	1,755	1,173

Notes to the Financial Statements

Note 5 - Revenue Grants and Contributions (Cont)

	2018 \$000	2017 \$000
State Funded Operating Grants		
Ongoing Grant Funding		
Queen Victoria Museum and Art Gallery	1,416	1,383
Launceston Flood Authority	511	496
Launceston Visitor and Information Centre	120	120
Motor Tax	157	157
Disaster Recovery	525	1,049
	2,729	3,205
Other Grants	280	162
Total State Funded Grants	3,009	3,367
Private Sector Contributions	-	3
Total Other Operating Grants	4,764	4,543

Note 6 - Capital Grants and Contributions

	2018 \$000	2017 \$000
State Funded Capital Grants		
Flood Mitigation	3,000	-
Museum	-	97
Parks and Recreation	369	83
Sports Grounds	197	40
Roads	785	365
Stormwater	-	1,000
Other	9	537
	4,360	2,122
Commonwealth Funded Capital Grants		
Flood Mitigation	250	-
Parks and Recreation	3,400	18
Sports Grounds	3,550	-
Roads	2,878	2,011
Other	50	209
	10,128	2,238

Notes to the Financial Statements

Note 6 - Capital Grants and Contributions (Cont)

	2018 \$000	2017 \$000
Private Sector Funded Contributions		
Flood Mitigation	-	-
Museum	14	210
Parks and Recreation	126	14
Sports Grounds	74	52
Roads	946	3,137
Stormwater	328	-
Other	148	12
	1,636	3,425
Total Capital Grants and Contributions	16,124	7,785

Private Sector Contributions includes donations and contributions of assets to the Council at no cost.

All grants, contributions and donations are recognised as revenue when received or when the Council obtains control over the assets comprising the contributions or donation. Grants held where the Council has not gained full control of the funds are held as deposits (refer Note 24).

Note 7 - Interest Revenue

	2018 \$000	2017 \$000
Interest		
Interest Untied Funds	1,601	1,737
Interest Rate Debts	272	296
	1,873	2,033
Interest Tied Funds (Capital Grants)	81	113
	1,954	2,146

Note 8 - Investment Revenue

	2018 \$000	2017 \$000
Investment Revenue		
TasWater		
Dividends	2,520	2,650
Tax Equivalents	1,206	1,231
Guarantee Fees	360	205
	4,086	4,086
Australia Pacific Airports (Launceston) Pty Ltd	664	477
	4,750	4,563

Notes to the Financial Statements

Note 9 - Bequests

	2018 \$000	2017 \$000
Initial Bequests	-	-
Bequests Revenue	126	159
	<u>126</u>	<u>159</u>

Bequests made to and held by the Council are recognised as Initial Bequests. Bequests held in trust where revenues are distributed to the Council are recognised as Bequests Revenue.

For details of bequests held by Council refer Note 21.

Note 10 - Other Revenue

	2018 \$000	2017 \$000
Rent	1,044	1,122
Sponsorship	532	554
Donations	151	200
Asset Disposal	76	68
Recycling	135	66
Other	1,264	895
	<u>3,202</u>	<u>2,905</u>

Note 11 - Infrastructure Take Up Adjustments

	2018 \$000	2017 \$000
Adjustments to Infrastructure Assets		
Assets Recognised (Derecognised):		
Gross Value	(772)	124,326
Accumulated Depreciation	176	-
	<u>(948)</u>	<u>124,326</u>

In the reporting year Council recognised two rehabilitation assets at \$1,719,000 and derecognised assets to be transferred by \$772,000

From the reporting year ended 30 June 2017 Council has recognised all land under roads. The \$124,326,127 reporting year 2017 Asset Take Up adjustment represents the value of the land.

Notes to the Financial Statements

Note 12 - Employee Benefits

	2018 \$000	2017 \$000
Labour Costs		
Wages and Salaries	27,775	26,853
Superannuation and Retiring Allowance	6,124	6,112
Employee Leave Entitlements	4,228	3,963
Payroll Tax	2,197	2,099
Workers Compensation Insurance	238	205
Other Costs	905	831
	<u>41,467</u>	<u>40,063</u>
Less Amounts Capitalised	(1,661)	(1,617)
	<u>39,806</u>	<u>38,446</u>

Note 13 - Materials and Services

	2018 \$000	2017 \$000
Energy		
Street Lighting	1,080	1,511
Utilities - Gas	756	749
Utilities - Electricity	1,052	1,142
Garbage Collection	3,459	3,272
Goods and Services	17,885	19,041
Combined Service Charge (TasWater)	1,478	1,458
Property Expenses		
Water Fixed Charges	569	605
Water Volumetric Charges	360	318
Rent External	128	95
Land Tax	357	376
Contributions		
LGAT	64	63
CBD Promotion	504	500
Regional Cooperation	512	441
Flood Authority (Internal)	178	175
Community Assistance Grants	272	65
Events Funding	531	419
Provision of Services	582	515
Administrative		
Administration	904	651
Advertising and Promotion	200	195
Computers and Communication	400	358
Election Expenses	28	27
Expert Advice	1,030	1,297
Insurance (exc. Workers Compensation)	794	614
Maintenance	186	177

Notes to the Financial Statements

Note 13 - Materials and Services (Cont)

	2018 \$000	2017 \$000
Payment and Debt Collection	502	390
Postage Printing and Stationery	358	357
Aldermanic and Mayoral Allowances	534	518
External Auditor's Remuneration:		
Auditing Financial Statements	54	50
Other Audit Services	5	5
Internal Auditor's Remuneration	47	28
Motor Vehicle Expense	402	398
	35,211	35,810

Note 14 - Impairment of Debts

	2018 \$000	2017 \$000
Sundry Debtors	34	53
	34	53

Note 15 - Finance Costs

	2018 \$000	2017 \$000
Interest on Borrowings	436	354
Unwinding of Discount on Provision for Rehabilitation of Waste Centre	-	27
	436	381

Note 16 - Depreciation

	2018 \$000	2017 \$000
Buildings	3,227	3,434
Plant and Equipment	2,751	2,329
Infrastructure	13,532	13,711
Data Systems	580	533
Total Depreciation	20,090	20,007

Depreciation has been charged in recognition of the diminution in value of non-current assets through use. No depreciation is charged in relation to land, nor for non-current assets that are maintained such that their future useful life remains constant (for example sports fields and garden beds).

Notes to the Financial Statements

Note 16 - Depreciation (Cont)

Museum Collection

The museum collection is not depreciated - see Note 30

Where depreciation is charged, it is on the straight line basis using rates that recognise the useful life of the asset.

	BASIS OF DEPRECIATION	
Freehold Land	Not Depreciated	Unlimited
Leased Land	Not Depreciated	Lease term
Freehold Buildings	Straight Line	30 - 250 years
Leasehold Buildings	Straight Line/Lease	100 years
Structures	Straight Line	60 - 250 years
Buildings - Plant	Straight Line	5 - 40 years
Light Vehicles	Straight Line	4 - 5 years
Major Plant	Straight Line	5 - 30 years
Minor Plant	Straight Line	3 - 20 years
Computer Equipment	Straight Line	3 - 10 years
IT Software (Intangible)	Straight Line	3 - 10 years
Furniture and Equipment	Straight Line	4 - 50 years
Stormwater and Drainage - Pump Stations	Straight Line	10 - 50 years
Infrastructure		
Roads Compacted Sub Grade	Not Depreciated	Unlimited
Road Pavement Sub-Base	Straight Line	300 years
Arterial Road Pavement Base	Straight Line	100 years
Local Road Pavement Base	Straight Line	150 years
Road Sealed Surfaces	Straight Line	20 - 35 years
Road Unsealed Surfaces	Straight Line	10 years
Road Kerb and Channel	Straight Line	100 years
Road Footpaths	Straight Line	30 - 50 years
Roads Infrastructure	Straight Line	30 - 100 years
Bridges	Straight Line	25 - 100 years
Parks and Recreation	Straight Line	10 - 150 years
Stormwater and Drainage	Straight Line	80 - 150 years
Flood Protection	Straight Line	100 - 200 years
Waste Centre	Straight Line	10 - 30 years
Waste Cell Clay Liner	Straight Line	60 - 100 years
Future Rehabilitation Costs	Straight Line	3 - 30 years

Where buildings are demolished to permit new construction, the written down value of the building at the point of demolition is written off in the year of demolition.

Notes to the Financial Statements

Note 17 - State Government Fire Service Levy

	2018 \$000	2017 \$000
Levy paid to State Fire Service	7,535	7,144

The Council collects a fire levy on behalf of the State Fire Commission as a rate. The revenue is shown at Note 3

Note 18 - Remissions and Abatements

	2018 \$000	2017 \$000
Remissions	1,026	882

The Council, by absolute majority, may grant a remission of all or part of any rates, penalty or interest paid or payable by a ratepayer or class of ratepayers.

Note 19 - Disposal of Fixed Assets

	Note	2018 \$000	2017 \$000
Proceeds from Disposal		724	627
Less Carrying Amounts		(4,528)	(1,871)
Gain (Loss)		(3,804)	(1,244)
Gains on Disposal	10	76	68
Scheduled Loss on Disposal		(694)	(754)
Unscheduled Loss on Disposal		(3,186)	(558)
		(3,880)	(1,312)
		(3,804)	(1,244)

Scheduled Losses

Assets that are disposed of on a scheduled basis such as Plant and Equipment or redundant Infrastructure Assets

Unscheduled Losses

Assets that are disposed of on an unscheduled basis such as discontinued operations or assets that failed to meet their expected service potential

Notes to the Financial Statements

Note 20 - MANAGEMENT INDICATORS

The Local Government (Management Indicators) Order 2014 sets out Management Indicators that the Council must disclose in the Financial Statements.

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
a) Underlying Surplus or Deficit				
Recurrent Income less	108,074	103,103	101,681	97,078
Recurrent Expenditure	104,777	101,842	99,393	97,423
Underlying Surplus (Deficit)	3,297	1,261	2,288	(345)
Benchmark	0	0	0	0

Recurrent Income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature and Financial Assistant Grants received in advance.

Recurrent Expenditure excludes unscheduled loss on disposal of assets

Comment

The underlying surplus or deficit is a key indicator as to whether the Council is operating sustainably over time.

The reconciliation below details items removed from the surplus disclosed in the statement of Comprehensive Income that are not of a recurrent nature in each operating year.

Events during each year can affect the underlying result positively or negatively and the Council constantly reviews operational expenditure to ensure the operating and capital budgets remain sustainable over time.

In 2017/18 an underlying surplus of \$3,297,322 was achieved.

Reconciliation of Underlying Surplus to Statement of Comprehensive Income

Underlying Surplus (Deficit)	3,297	1,261	2,288	(345)
Add				
Capital Grants	16,124	7,783	15,955	4,314
Bequests	126	159	149	156
Capital Interest	81	113	24	305
Infrastructure Take Up Adjustments	(948)	124,326	11,949	5,011
Add Disaster Recovery Income	525	1,051	-	-
Less				
FAG Grant in advance current year	(2,104)	-	(2,098)	-
FAG Grant in advance prior year	2,174	2,104	-	2,098
Assets Held for Sale	841	(3,036)	-	-
Unscheduled Loss on Disposal of Fixed Assets	(3,186)	(558)	-	(2,133)
Disaster Recovery Spending	(254)	(2,018)	(285)	-
Surplus (Deficit)	16,676	131,185	27,982	9,406

Notes to the Financial Statements

Note 20 - MANAGEMENT INDICATORS (Cont)

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
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(b) Underlying Surplus Ratio

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

<u>Underlying Surplus or (Deficit)</u>	3,297	1,261	2,288	(345)
Recurrent Income	108,074	103,103	101,681	97,078
Underlying Surplus Ratio %	3%	1%	2%	0%
Benchmark	0%	0%	0%	0%

Comment

A positive percentage is favourable to the benchmark.

(c) Net Financial Liabilities

Liquid Assets less	74,485	75,230	68,884	64,157
Total Liabilities	35,518	45,146	37,202	39,296
Net Financial Liabilities	38,967	30,084	31,682	24,861
Benchmark	0	0	0	0

Comment

A positive balance is favourable to benchmark

(d) Net Financial Liabilities Ratio

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

<u>Net Financial Liabilities</u>	38,967	30,084	31,682	24,861
Recurrent Income	108,074	103,103	101,681	97,078
Net Financial Liabilities Ratio %	36%	29%	31%	26%
Benchmark	0% - (50%)	0% - (50%)	0% - (50%)	0% - (50%)

Comment

The Council remains in a strong position to meet ongoing liabilities from operational income.

(e) Asset Consumption Ratio

This ratio indicates the level of service potential available in the Council's existing asset base.

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 the Council.

Notes to the Financial Statements

Note 20 - MANAGEMENT INDICATORS (Cont)

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
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Transport Infrastructure

<u>Depreciated Replacement Cost</u>	590,498	578,368	573,771	580,838
Current Replacement Cost	891,976	866,239	848,743	832,616

Asset Consumption Ratio %	66%	67%	68%	70%
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Benchmark	>60%	>60%	>60%	>60%
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Buildings

<u>Depreciated Replacement Cost</u>	188,464	184,604	181,256	182,296
Current Replacement Cost	258,646	277,948	272,799	270,476

Asset Consumption Ratio %	73%	66%	66%	67%
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Benchmark	>60%	>60%	>60%	>60%
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Stormwater and Drainage

<u>Depreciated Replacement Cost</u>	163,019	160,363	155,482	159,309
Current Replacement Cost	232,177	226,484	219,425	223,993

Asset Consumption Ratio %	70%	71%	71%	71%
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Benchmark	>60%	>60%	>60%	>60%
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Other

<u>Depreciated Replacement Cost</u>	89,967	84,266	83,216	83,582
Current Replacement Cost	119,318	111,973	108,802	106,458

Asset Consumption Ratio %	75%	75%	76%	79%
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Benchmark	>60%	>60%	>60%	>60%
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Comment

The asset consumption ratio shows that the Council is maintaining the service levels of its asset base and is above the benchmark for all asset classes.

(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 the Council. The Projected Funding Outlay is for the next 10 years

Transport Infrastructure

<u>Projected Capital Funding Outlays</u>	60,641	93,612	62,110	52,110
Projected Capital Expenditure Funding	60,641	93,612	62,110	52,110

Asset Renewal Funding Ratio %	100%	100%	100%	100%
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Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%
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Notes to the Financial Statements

Note 20 - MANAGEMENT INDICATORS (Cont)

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Buildings				
Projected Capital Funding Outlays	7,257	12,697	3,235	3,235
Projected Capital Expenditure Funding	7,257	12,697	3,235	3,235
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%
Stormwater and Drainage				
Projected Capital Funding Outlays	1,935	9,465	7,300	7,700
Projected Capital Expenditure Funding	1,935	9,465	7,300	7,700
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%
Other				
Projected Capital Funding Outlays	63,155	54,302	19,133	19,577
Projected Capital Expenditure Funding	63,155	54,302	19,133	19,577
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%

Comment

The Asset Management Plan identifies annual infrastructure renewal spending forecasts for the next 10 years. Detailed assessments of assets earmarked for renewal spending in any given year are necessary to verify whether particular assets in fact do need renewal in the nominated year.

The Council's Long Term Strategic Financial plan aligns with the Asset Management Plan providing for the Council to achieve an ongoing operating surplus after including depreciation.

This outcome ensures that the Council is able to fund the required asset renewal program over time.

(g) Asset Sustainability Ratio

This ratio measures the Council's capacity to fund future asset replacement requirements.

	2018	2017	2016	2015
<u>Capex on Replacement/Renewal of Existing Assets</u>	15,020	13,913	15,604	9,745
Annual Depreciation Expense	20,090	20,007	19,440	19,008
Asset Sustainability Ratio %	75%	70%	80%	51%
Benchmark	100%	100%	100%	100%

This ratio calculates the extent to which the Council is maintaining operating capacity through renewal of their existing asset base.

Notes to the Financial Statements

Note 20 - MANAGEMENT INDICATORS (Cont)

	Capital Renewal Expenditure \$'000	Capital New/ Upgrade Expenditure \$'000	Total Capital Expenditure \$'000
Capex			
Transport Infrastructure	10,146	2,403	12,549
Buildings	430	2,709	3,139
Stormwater and Drainage	116	221	337
Land	(565)	199	(366)
Plant	1,289	264	1,553
Other	3,604	10,055	13,659
	15,020	15,851	30,871
Annual Depreciation Expense			20,090
Benchmark			100%

Comment

The Asset Management Plan has identified infrastructure that needs renewing and the spending level follows the Asset Management Plan. See comment at note 20(f) for further explanation.

Notes to the Financial Statements

Note 21 - Movements in Equity
Current Year

	Revised Balance 1 July \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Transfers \$'000	Balance 30 June \$'000
Capital Reserves					
Government Grants	163,965	14,487	-	-	178,452
Other Contributions	21,051	156	-	-	21,207
	185,016	14,643	-	-	199,659
Revenue Reserves					
General	997,712	(6,620)	-	5,457	996,549
CBD	16	1	-	-	17
Flood Authority	971	124	-	(1,209)	(114)
Investment Water Corporation	-	4,086	-	(4,086)	-
Public Open Space	202	118	-	-	320
Self Insurance	2,919	188	-	(2)	3,105
Special Committees	40	1	-	-	41
Waste Centre	11,338	2,612	-	-	13,950
Employee Benefits	(461)	1,456	2,539	-	3,534
	1,012,737	1,966	2,539	160	1,017,402
Asset Revaluation Reserves					
General	622,606	-	40,560	-	663,166
Investment Reserves					
TasWater	(18,524)	-	3,045	-	(15,479)
NTWVG	336	-	-	(336)	-
	(18,188)	-	3,045	(336)	(15,479)
Trusts And Bequests					
Cliff Grounds	5	-	-	-	5
John Hart	20	-	-	-	20
John Hart (Interest)	7	-	-	-	7
Mary Nichols Bequest	2	-	-	-	2
Mary Nichols (Interest)	7	-	-	-	7
Museum Ralph Bequest	(63)	72	-	176	185
Museum - Bessant Bequest	215	(11)	-	-	204
Plomley Foundation - Capital	1,364	-	-	-	1,364
Plomley Foundation - Management	19	4	-	-	23
Museum Armitage Bequest	374	1	-	-	375
Museum - Library	-	-	-	-	-
Museum - Thomas Knowles	3	-	-	-	3
	1,953	66	-	176	2,195
	1,804,124	16,675	46,144	-	1,866,943

Notes to the Financial Statements

Note 21 - Movements in Equity (Cont)
Comparative figures for prior year

	Revised Balance 1 July \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Transfers \$'000	Balance 30 June \$'000
Capital Reserves					
Government Grants	159,605	4,360	-	-	163,965
Other Contributions	17,626	3,425	-	-	21,051
	177,231	7,785	-	-	185,016
Revenue Reserves					
General	873,366	117,241	-	7,105	997,712
CBD	15	1	-	-	16
Flood Authority	498	605	-	(132)	971
Investment Water Corporation	-	4,086	-	(4,086)	-
Public Open Space	152	50	-	-	202
Self Insurance	2,731	188	-	-	2,919
Special Committees	40	-	-	-	40
Waste Centre	11,143	2,896	-	(2,701)	11,338
Employee Benefits	(247)	(1,604)	1,390	-	(461)
	887,698	123,463	1,390	186	1,012,737
Asset Revaluation Reserves					
General	606,134	-	16,472	-	622,606
Investment Reserves					
TasWater	(20,053)	-	1,529	-	(18,524)
NTWVG	426	-	(90)	-	336
	(19,627)	-	1,439	-	(18,188)
Trusts And Bequests					
Cliff Grounds	5	-	-	-	5
John Hart	20	-	-	-	20
John Hart (Interest)	6	1	-	-	7
Mary Nichols Bequest	2	-	-	-	2
Mary Nichols (Interest)	7	-	-	-	7
Museum Ralph Bequest	161	(43)	-	(181)	(63)
Museum - Bessant Bequest	259	(39)	-	(5)	215
Plomley Foundation - Capital	1,344	-	-	20	1,364
Plomley Foundation - Management	30	9	-	(20)	19
Museum Armitage Bequest	365	9	-	-	374
Museum - Library	-	-	-	-	-
Museum - Thomas Knowles	3	-	-	-	3
	2,202	(63)	-	(186)	1,953
	1,653,638	131,185	19,301	-	1,804,124

Notes to the Financial Statements

Note 22 - Cash at Bank and On Hand

	2018 \$000	2017 \$000
Cash on Hand	22	22
Cash at Bank	356	2,410
Special Committees	52	41
	430	2,473

Note 23 - Rates and Sundry Receivables

	2018 \$000	2017 \$000
(a) Current Receivables		
Rate Debtors	1,324	1,257
Rates Paid in Advance	(1,456)	(1,272)
Accrued Revenue	590	1,343
Sundry Debtors	4,896	2,344
Prepayments	89	115
Parking Infringement Debtors	2,000	2,090
	7,443	5,877
Impairment of Debtors		
Sundry Debtors	(441)	(424)
Parking Infringement Debtors	(1,152)	(1,305)
	(1,593)	(1,729)
	5,850	4,148
Movement in Impaired Debts	136	225
(b) Collection Performance – Rate Receivables		
Rate Revenue	65,115	63,568
Interest on Rates	272	296
	65,387	63,864
Percentage Rate Debtors Outstanding	2.02%	1.97%

Note 24 - Current Investments

	2018 \$000	2017 \$000
Current		
Bank Guaranteed Bills and Deposits	68,205	68,609
	68,205	68,609

Notes to the Financial Statements

Note 24 - Current Investments (Cont)

	2018 \$000	2017 \$000
Restricted Assets and Deposits		
Restricted assets		
a) Included in the above and invested on behalf of:-		
i) Trusts and Bequests	2,196	1,953
ii) River Dredging and Flood Protection Contributions	(114)	971
b) Provision for Retiring Allowance	163	231
c) Provision for Waste Centre Development and Rehabilitation	13,950	11,338
	16,195	14,493
Grant funds brought to account as income but not fully expended and held in specific bank deposits at year end	-	5,575
Total Restricted Assets	16,195	20,068
Deposits	508	544
Total Restricted Assets and Deposits	16,703	20,612
Committed Funds		
Capital Expenditure	10,973	10,306
Net Capital Works (carried forward)	16,532	14,314
	27,505	24,620
Current Liabilities (excluding deposits)	17,353	27,540
	44,858	52,160

The ongoing operations of the Council, together with the investments held, will provide sufficient funds for the Council to meet the commitments as they fall due.

Note 25 - Inventories

	2018 \$000	2017 \$000
Inventories		
Stores	505	449
Trading Stock	180	150
	685	599

Stores and materials are valued at average cost or net realisable value whichever is the lower. Stores issues are at average cost.

Notes to the Financial Statements

Note 26 - Assets Held for Sale

	2018 \$000	2017 \$000
Assets Held For Sale		
Carrying Value	5,083	3,876
Less Fair Value Adjustment	(841)	(3,036)
Value Held for Sale	<u>4,242</u>	<u>840</u>

The Council has entered into an agreement to sell a portion of the Cimitiere Street car park land facing Tamar Street for a hotel development.

In 2013 the Council entered into a Memorandum of Understanding with the University of Tasmania for the University to acquire the buildings they lease and occupy in the Inveresk Precinct for a token amount. This resulted in an impairment loss of \$19,670,283. This amount has been taken to equity as a prior period error.

In 2016 the Council entered into a Memorandum of Understanding with the University of Tasmania for the University to acquire land in the Inveresk Precinct and the Willis Street Car Park. The agreement is for the University to acquire the assets for \$1. This resulted in an impairment loss of \$3,036,200 in the 2017 reporting year.

Note 27 - Deferred Receivables

	2018 \$000	2017 \$000
Deferred Receivables		
Loans - Australia Pacific Airports (Launceston) Pty Ltd	258	258

Council owns a 10% stake in the Launceston Airport by way of a shareholder loan to Australian Pacific Airports (Launceston) Pty Ltd. Revenues on this loan are recognised as Investment Revenue.

Note 28 - Investments

Investment TasWater

On 1 July 2013 all Tasmanian Water Corporations were merged to form the Tasmanian Water Corporation Pty Ltd., trading as TasWater.

Each Council's ownership share of TasWater is calculated on its voting share set down in TasWater's constitution. Because the Council does not have significant influence to allow the use of the equity method to account for its investment it is recorded at the fair value of Council's share of the underlying investment.

The returns from this investment are in the form of distributions (dividends, guarantee fees, income tax equivalents). All returns are taken up as income in the year received.

Notes to the Financial Statements

Note 28 - Investments (Cont)

	2018 \$000	2017 \$000
Water Corporation net equity	1,605,615	1,585,043
Year end report used for determining net assets	30-June-2018	30-June-2017
Launceston City Council ownership percentage	14.80%	14.80%
Fair value of the Council's share of TasWater	237,631	234,586
Previously assessed value	234,586	233,057
Net Increase (decrease) in fair value	<u>3,045</u>	<u>1,529</u>

Investment NTWMG

The Northern Tasmanian Waste Management Group (NTWMG) was formed in 2009 as part of Northern Tasmania Regional Development Board Ltd. (Now Northern Tasmania Development Corporation Ltd.)

The Group was wound up during the reporting year

	2018 \$000	2017 \$000
NTWMG Fund Balance	-	437
Year end report used for determining net assets	30-June-2018	30-June-2017
Launceston City Council ownership percentage	0.00%	77.04%
Fair value of the Council's share of NTWMG	-	337
Previously assessed value	337	427
Net Increase (decrease) in fair value	<u>(337)</u>	<u>(90)</u>
Total Investments	<u>237,631</u>	<u>234,923</u>

Note 29 - Property, Infrastructure and Plant and Equipment

Recognition of Non-Current Assets

From the reporting period starting 1 July 2016 the Council has recognised all land under roads by area at the Valuer General's valuation.

Building assets includes fixtures and fittings and are depreciated at the rates for Major and Minor Plant.

Plant and Equipment assets acquired are recorded at the cost of acquisition.

The Queen Victoria Museum and Art Gallery collection was revalued as at 30 June 2014 (Note 30).

Notes to the Financial Statements

Note 29 - Property, Infrastructure and Plant and Equipment (Cont)

Impairment

At each reporting date the Council reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Non commercial assets are reviewed using the Australian paragraphs to AASB 136 Impairment of Assets, where future economic benefits are measured on future net cash inflows and whether, if deprived of the asset, the Council would replace its future economic benefit. At the reporting date no Non Current Assets were identified as being materially impaired.

Found Assets

During the year the Council identified assets that were not reflected in the Asset Register as at 30 June 2018.

This is the result of better measurement technologies to allow for more accurate measurement or activities revealing undocumented assets. The remeasurements resulted in increases and decreases in individual asset values.

As identified the restated values are adjusted in the Asset Register.

The opening balances of the prior period have been adjusted by the changes in values of these assets.

Valuation

Plant and Equipment and Intangible Assets are valued at cost.

Infrastructure Assets are measured at fair value.

Valuations are done with sufficient regularity to ensure carrying amounts represent Fair Value.

The valuations are performed as per the following table.

Asset Class	Valuation Method	Valuer
Plant and Equipment	Cost	-
Intangible Assets	Cost	-
Land	Fair Value	LG Valuation Services - On behalf of the Valuer General
Buildings	Fair Value	LG Valuation Services
Roads and Bridges	Fair Value	Launceston Council Infrastructure Services
Stormwater and Drainage	Fair Value	Launceston Council Infrastructure Services
Flood Protection	Fair Value	Launceston Council Infrastructure Services
Refuse Disposal	Fair Value	Launceston Council Infrastructure Services
Parks and Recreation	Fair Value	Launceston Council Infrastructure Services

	2018 \$000	2017 \$000
Intangible Assets at Written Down Value	5,059	4,628
Tangible Assets at Written Down Value	1,297,657	1,258,593
Work in Progress	44,198	36,708
Written Down Value 30 June	1,346,914	1,299,929

Notes to the Financial Statements

Note 29 - Property, Infrastructure and Plant and Equipment (Cont)

	2018 \$000	2017 \$000
(a) Capital Expenditure		
Completed Works	23,571	19,887
Change in Work in Progress	7,490	11,473
	31,061	31,360
(b) Movement in Asset Values		
Written Down Value 1 July	1,299,929	1,150,489
Capex	31,061	31,360
Contributions	1,374	3,037
Adjustments	769	124,326
Transfers	(2,561)	(3,876)
Revaluations	40,560	16,472
Disposals	(4,128)	(1,871)
Depreciation	(20,090)	(20,008)
	1,346,914	1,299,929
(c) Total Property, Infrastructure and Plant and Equipment Carrying Amount		
Plant and Equipment at Cost	49,062	46,862
Property and Infrastructure at Valuation	1,745,922	1,716,898
	1,794,984	1,763,760
Less Accumulated Depreciation	(492,268)	(500,539)
	1,302,716	1,263,221
Work in Progress at Cost	44,198	36,708
Written Down Value	1,346,914	1,299,929

Plant and Equipment includes Data Systems disclosed in the Statement of Financial Position as Intangible Assets.

	Land \$'000	Buildings \$'000	Roads and Bridges \$'000	Drainage \$'000	Plant and Equipment \$'000	Other \$'000	TOTAL \$'000
Note 29 - Infrastructure Assets (Cont)							
(e) Movements in Carrying Amounts							
Current Year							
Opening Balance	-	-	-	-	46,862	-	46,862
At Cost	230,193	277,947	866,408	226,483	-	111,973	1,713,004
At Valuation	-	(93,345)	(288,041)	(66,121)	(21,433)	(27,707)	(496,647)
Accumulated Depreciation	82	1,720	9,639	195	5,220	6,717	23,573
Additions - Capex	137	-	911	332	-	-	1,380
Additions - Contributions	-	-	(2)	(4)	-	-	(6)
Gross	-	-	(59)	655	-	-	946
Accumulated Depreciation	-	(117)	90	(150)	-	-	(177)
Adjustments	1,989	(5,174)	(656)	-	-	(39)	(3,880)
Gross	-	1,137	153	-	-	29	1,319
Accumulated Depreciation	13,864	(16,163)	20,849	4,512	-	1,001	24,063
Revaluations	-	25,350	(7,319)	(1,281)	-	(253)	16,497
Gross	(2,460)	(34)	(5,116)	-	(3,020)	(334)	(10,964)
Accumulated Depreciation	-	20	3,919	-	2,665	232	6,836
Disposals	-	(3,227)	(10,278)	(1,602)	(3,331)	(1,652)	(20,090)
Depreciation	243,805	188,464	590,498	163,019	26,963	89,967	1,302,716
Balance - 30 June							

	Land \$'000	Buildings \$'000	Roads and Bridges \$'000	Drainage \$'000	Plant and Equipment \$'000	Other \$'000	TOTAL \$'000
Note 29 - Infrastructure Assets (Cont)							
(e) Movements in Carrying Amounts							
Comparative Figures for Prior Year							
Opening Balance	-	-	-	-	43,342	-	43,342
At Cost	109,332	272,799	848,743	219,425	-	108,778	1,559,077
At Valuation	-	(91,543)	(274,972)	(63,944)	(21,145)	(25,561)	(477,165)
Accumulated Depreciation	-	1,040	5,408	3,798	6,851	2,790	19,887
Additions - Capex	105	-	2,238	772	-	-	3,115
Additions - Contributions	-	-	(74)	(4)	-	-	(78)
Gross	124,326	-	-	-	-	-	124,326
Accumulated Depreciation	(3,569)	-	(557)	-	-	-	(4,126)
Adjustments	-	-	250	-	-	-	250
Gross	-	9,017	12,701	2,697	-	583	24,998
Accumulated Depreciation	-	(2,855)	(4,681)	(784)	-	(206)	(8,526)
Revaluations	-	(849)	(2,294)	(208)	(3,331)	(177)	(6,859)
Gross	-	427	1,714	153	2,575	119	4,988
Accumulated Depreciation	-	(3,434)	(10,108)	(1,544)	(2,863)	(2,059)	(20,008)
Disposals	230,194	184,602	578,368	160,361	25,429	84,267	1,263,221
Depreciation							
Balance - 30 June							

Notes to the Financial Statements

Note 30 - Queen Victoria Museum and Gallery

	2018 \$000	2017 \$000
Museum Collection		
Opening Balance	237,491	237,112
Additions	133	379
Revaluation Increase/(Decrease)	-	-
Collection Carrying Value	<u>237,624</u>	<u>237,491</u>

The independent valuation of the Queen Victoria Museum and Art Gallery collection, by Simon Storey FAVAA of Simon Storey Valuations was completed during the financial year to 30 June 2014.

This amount has been disclosed as a separate asset class in the Statement of Financial Position.

The Museum collection assets have been assessed to have indefinite lives. These heritage and cultural assets are stored, managed, displayed, repaired and restored in ways that will maintain their cultural or heritage value over time. Where conservation, restoration and preservation activities demonstrate that an asset will be maintained for an indefinite period, these items are considered to have indefinite useful lives and therefore not subject to depreciation. Revaluations will be made with sufficient regularity to maintain the collection at fair value.

Significant additions to the collection between revaluations are brought to account at curators valuation. Significance is defined at a threshold value of \$5,000. Additions below this amount are brought to account on revaluation of the whole collection.

	2018 \$000	2017 \$000
Results from Operations		
Revenue		
Fees and Charges	393	547
State Government Operations Grant	1,416	1,383
Other Grants	30	48
Bequests and Donations	269	257
Interest	46	55
Other Income	15	2
	<u>2,169</u>	<u>2,292</u>
Expenses		
Provision of Services	5,597	5,268
Bequest Expenditure	34	50
Depreciation	733	693
Full Cost Attribution	350	345
	<u>6,714</u>	<u>6,356</u>
Operating Surplus / (Deficit)	<u>(4,545)</u>	<u>(4,064)</u>

Notes to the Financial Statements

Note 31 - Superannuation

During the year the 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*.

Accumulation Funds

New employees are able to join an accumulation fund of their choice. Employees who are members of the defined benefits fund are able to transfer to a complying accumulation fund. The default offering for Council employees is provided by Tasplan Super.

Defined Benefit Funds

The Council contributes, in respect of its employees, to two divisions within Tasplan Super that provide defined benefits entitlements. The City of Launceston Defined Benefits Division was established for employees of the Council, it includes a small number of former employees of the Council that transferred to TasWater. The Quadrant Defined Benefits Division was established in respect of local government employees in Tasmania. Both these divisions are closed to new entrants.

In accordance with statutory requirements the Council contributes to both funds the amounts determined by the independent actuaries of Tasplan Super. As such, assets accumulate to meet member's benefits as they accrue. If the assets of a division of the fund were insufficient to satisfy benefits payable to its beneficiaries the Council would be required to meet its share of the deficiency.

The details of the two actuarial reviews are:

Quadrant Defined Benefit Division

The employees who are members of the Quadrant Defined Benefits Division are included in the actuarial report for the City of Launceston Defined Benefits Division.

City of Launceston Defined Benefits - Sub Fund of Tasplan

The assets and members of the City of Launceston are a division of Tasplan Super on a "successor fund" basis.

Notes to the Financial Statements

Note 31 - Superannuation (Cont)

	2018 \$000	2017 \$000
The Council has taken up an Asset /(Liability) of :	622	(461)

In the reporting year the fund moved into surplus. This means the assets of the fund are sufficient to meet benefit liabilities. Council will continue to fund at the level of contributions assessed by the Scheme's actuary as being required to meet the long term requirements of the Fund.

The calculation of the asset is based on an actuarial review for the purpose of AASB 119 performed by Michael Berg FIAA on behalf of Rice Warner, as at 31 May 2018.

The amount taken up as an employee benefit obligation is made up as follows:

	2018 \$000	2017 \$000
Balance Sheet Calculation		
Fair value of plan assets	53,781	55,471
Less present value of defined benefit obligation	53,159	55,932
Employee benefit (asset) obligation	<u>(622)</u>	<u>461</u>
Defined Benefit Obligation		
Reconciliation of Obligation		
Present value of defined benefit obligation - 1 July	55,932	53,634
Current service cost	2,763	3,056
Interest cost	1,293	1,233
Member contributions and transfers from other funds	973	922
Actuarial gains/ (losses) due to changes in financial assumptions	(235)	(339)
Actuarial (gains)/losses due to changes in experience	(36)	3,734
Benefits and tax paid	(7,531)	(6,308)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Exchange rate changes	-	-
Present value of defined benefit obligation - 30 June	<u>53,159</u>	<u>55,932</u>
Assets		
Reconciliation of Assets		
Fair value of plan - 1 July	55,471	53,387
Adjustment to 2016 Asset	-	-
Expected return on plan assets	1,264	1,169
Actuarial gains/ (losses)	1,315	3,817
Employer contributions	1,307	1,452
Member contributions and transfers from other funds	1,955	1,954
Benefits and tax paid	(7,531)	(6,308)
Settlements and curtailments	-	-
Business combinations	-	-
Exchange rate changes	-	-
Fair value of defined benefit obligation - 30 June	<u>53,781</u>	<u>55,471</u>

Notes to the Financial Statements

Note 31 - Superannuation (Cont)

	2018 \$000	2017 \$000
Expense recognised in Operating Surplus		
Current service cost	2,763	3,056
Interest cost	1,293	1,233
Expected return on plan assets	(1,264)	(1,169)
Superannuation expense	<u>2,792</u>	<u>3,120</u>
Expense recognised in Other Comprehensive Income		
Actuarial gains/(losses)	<u>2,539</u>	<u>1,390</u>

General Plan Information

The Plan is a division of the "profit for members" superannuation scheme known as Tasplan Super ("the Scheme") and the Trustee of the Scheme is Tasplan Ltd. The Scheme and the Plan are subject to the requirements of the Superannuation Industry (Supervision) Act 1992 and related regulations. Under this legislation, the Trustee is required to measure the value of the assets of the Plan against the total members' vested entitlements and to take action if a shortfall in the value of the assets emerges. Such action could include actuarial management of the Plan, including an increase to the amount of employer contributions.

Members of the Fund are entitled to receive lump sum benefits on leaving service due to retirement, death, total and permanent disablement and resignation.

The most recent actuarial investigation into the Fund in accordance with the Superannuation Industry (Supervision) Act was carried out as at 30 June 2017 by Michael Berg FIAA of Rice Warner.

The actuary recommended that the Employer contribute at the rate of 10% of salaries until 31 July 2015 and then 11% of salaries thereafter. The funding method used to make the contribution recommendation was the "entry age normal method". The economic assumptions used in the investigation were:

Rate of investment return:	7%	7%
Rate of inflationary salary increases:	4%	4%

Method of determining Expected Return on plan assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the expected long term allocation of assets to each asset class. Returns are net of investment tax and investment fees.

Notes to the Financial Statements

Note 31 - Superannuation (Cont)

	2018 \$000	2017 \$000
Actual Return on Plan Assets		
Present value of defined benefit obligation at end of year	53,159	55,932
Fair value of Plan assets at end of year	53,781	55,471
(Surplus)/Deficit in Plan	(622)	461
Experience adjustments - Plan liabilities	36	(3,734)
Experience adjustments - Plan assets	1,315	3,817
Actual return on Fund assets	2,579	4,985
Principal Assumptions		
Discount Rate p.a.	2.63%	2.37%
Salary Increases	2.2% - 3.0%	2.1% - 2.3%

Expected Contributions

If the Council follows the recommendations in the actuarial report, the expected contributions to the Fund for the year ending 31 May 2019 are as follows:

	2019 \$000	2018 \$000
Expected employer contributions (for defined benefits only)	1,416	1,559
Expected member contributions (incl. deemed member contributions)	772	850

Sensitivity Analysis

The table below shows how the net liability on the Statement of Financial Position would have been affected by changes in the key actuarial assumptions.

Assumption	Change in Assumption	Movement in Net Liability \$'000
Discount Rate	Increase by 1.00% p.a.	Decrease by: 1,502,000
Discount Rate	Decrease by 1.00% p.a.	Increase by: 2,078,000
Salary Growth Rate	Increase by 1.00% p.a.	Increase by: 1,900,000
Salary Growth Rate	Decrease by 1.00% p.a.	Decrease by: 1,418,000

Notes to the Financial Statements

Note 32 - Employee Provisions and Statistics

	2018 \$000	2017 \$000
Full Time Equivalent Employees at year end	440	441
Current Provisions		
Accrued Time	101	155
Annual Leave	2,530	2,517
Long Service Leave	3,833	3,908
Retiring Allowance	80	77
	6,544	6,657
Non-Current Provisions		
Long Service Leave	836	835
Retiring Allowance	83	154
	919	989

Annual and Long Service Leave

Provision is made in respect of the liability for annual leave and long service leave at 30 June, 2018. The remuneration rate expected to apply at the time of settlement has been used in calculation of the entitlements. In the case of long service leave the provision has been established at balance date having regard to the present value of estimated future cash outflows. Commonwealth bond rates are used for discounting future cash flows.

Personal Leave

No provision is made for personal leave as the entitlement is non-vesting and it is probable that the personal leave expected to be taken in future periods will not exceed the entitlements expected to accrue in those future periods.

Note 33 - Interest Bearing Liabilities

	2018 \$000	2017 \$000
(a) Currency of loans		
Current	769	2,357
Non-current	9,000	9,769
	9,769	12,126
(b) Summary Movement in Loans		
Balance - 1 July	12,126	5,367
Repayments	(2,357)	(2,241)
Borrowing	-	9,000
Balance - 30 June	9,769	12,126

The loans are secured over the future revenue of the Council.

Notes to the Financial Statements

Note 34 - Lease Commitments

At the reporting date, the Council had no material obligations under leases.

Finance Lease as Lessee

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

At the reporting date the Council had no Finance Leases.

Operating Leases as Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The 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 the Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

Other than Crown Land, the Council had no Operating Leases at the reporting date.

Leasehold Improvement

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

At the reporting date the Council had no Non Cancellable Operating Leases.

Operating Leases as Lessor

Not for Profit

The Council owns a range of facilities that are available for lease by not-for-profit sport, recreational and community organisations. Leases to not-for-profit organisations, in general, do not reflect commercial arrangements and have minimal lease payments. Land and buildings which are leased under these arrangements are recognised within Infrastructure Assets in the Statement of Financial Position and associated rental income is recognised in accordance with the Council's revenue recognition policy.

Commercial Arrangements

The Council also owns facilities that are leased in whole or in part to organisations and individuals on a commercial basis, the associated land and buildings are recognised within Infrastructure Assets in the Statement of Financial Position and valued in accordance with the Council's valuation policy and rental income is recognised in accordance with the Council's revenue recognition policy.

While the leases are on commercial terms, the dominant purpose of the Council holding these assets is to enhance its operating programs and facilities, not to earn rental income.

Notes to the Financial Statements

Note 35 - Sundry Payables and Accruals

	2018 \$000	2017 \$000
Accrued Expenses	6,269	14,659
Unearned Income	422	243
Sundry Creditors	3,349	3,639
	10,040	18,541

Note 36 - Rehabilitation Provision

	2018 \$000	2017 \$000
Provision for Rehabilitation		
Balance at Beginning of Year	5,828	5,419
Reassessment Adjustment of Opening Balance	199	382
Favourable Discount Taken to Equity	(8)	-
Rehabilitation Works Carried Out	-	-
Unwinding of discount - expensed as borrowing cost	-	27
New Cells Opened	1,719	-
Balance at End of Year	7,738	5,828

The Council operates a refuse disposal area (Launceston Waste Facility) which imposes obligations for rehabilitation in the future. Provision is made for rehabilitation costs to be incurred in future years by estimating the future costs based on current legislative requirements. This future cost is discounted back to present value at balance date. At each balance date the discounting is unwound with the movement in the liability charged to the Statement of Comprehensive Income as part of "Finance Costs".

Note 37 - Commitments for Capital Expenditure

	2018 \$000	2017 \$000
At the reporting date, the Council had entered into contracts for the following capital expenditures:		
Plant and Equipment	940	1,185
Refuse Infrastructure	220	286
Roads Infrastructure	5,846	7,376
Parks and Recreation Infrastructure	2,519	911
Drainage Infrastructure	350	226
Flood Protection Infrastructure	832	35
Buildings	266	287
	10,973	10,306
These expenditures are due for payment:		
Not later than one year	10,973	10,306

Notes to the Financial Statements

Note 38 - Contingent Assets and Liabilities

Contingent Assets

There are no contingent assets as at the reporting date.

Contingent Liabilities

At the reporting date of 30 June 2018 the Council had no contingent liabilities that would materially affect any of the amounts or disclosures in these accounts.

Note 39 - Cash Flow

	2018 \$000	2017 \$000
(a) Reconciliation of Cash Used in Operating Activities to Surplus (Deficit)		
Surplus (Deficit)	16,676	131,185
Non-Cash Charges		
Depreciation	20,090	20,007
Employee Provisions	1,266	1,686
Provision for Rehabilitation Movements	199	409
Allowance for Impaired Debts	136	(225)
Loss (Profit) on Sale of Non-current Assets	3,804	1,244
Write Down of Available for Sale Asset	(841)	3,036
Changes in Assets and Liabilities		
Rate and Sundry Receivables	(1,520)	(785)
Inventories	(86)	15
Sundry Creditors	(8,501)	414
Deposits	(36)	75
Non-Cash Income		
Infrastructure Take-up Adjustments	948	(124,326)
Investing Activities		
Investment Revenue	(4,750)	(4,563)
Grants and Contributions Capital	(16,124)	(7,785)
Net Cash from Operating Activities	<u>11,261</u>	<u>20,387</u>

Notes to the Financial Statements

Note 39 - Cash Flow (Cont)

(b) Reconciliation of Liabilities Arising from Financing Activities

	Interest Bearing Loans and Borrowings	Other	Total
Balance as at 1 July 2017	12,126	-	12,126
Changes from Financing Cash Flows			
Cash Received	-	-	-
Cash Repayments	(2,357)	-	(2,357)
Balance as at 30 June 2018	<u>9,769</u>	<u>-</u>	<u>9,769</u>

(c) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Council considers cash to include cash on hand and in banks and investments in money market instruments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:-

	2018 \$000	2017 \$000
Cash	430	2,473
Short Term Investments	68,205	68,609
	<u>68,635</u>	<u>71,082</u>

Note 40 - Financial Instruments

Risk Management

The Council holds cash and cash equivalent assets and liabilities for current and future capital and operational requirements.

These assets are exposed to a variety of financial risks including:

- (i) market risk,
- (ii) credit risk,
- (iii) liquidity risk and
- (iv) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

The Council does not engage in significant transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out internally under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of the Council's Financial Assets and Financial Liabilities recognised in the financial statements is presented below.

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

Debtors and Deposits

Rate Debtors

All rates levied during the reporting period are recognised as revenues. Uncollected rates are recognised as receivables (refer Note 23).

Other Debtors

Receivables are carried at nominal amounts due less any allowance for impaired debts. The Council provides in respect of any amount for which collection is considered doubtful.

Sundry Creditors

Sundry Creditors represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are paid within normal credit terms.

Deposits

The Council holds deposits lodged by other organisations and security deposits lodged by individuals and entities performing work which may adversely affect the Council's assets. The deposits are repayable either on demand or when certain conditions have been met depending on the individual conditions of the deposit. They are recorded at nominal value.

	2018 \$000	2017 \$000
CARRYING VALUE		
Financial Assets		
Cash and Cash Equivalents	68,635	71,081
Available for Sale - Investments	237,631	234,923
Current Receivables	5,850	4,149
Deferred Receivables	258	258
Total Financial Assets	312,374	310,411
Financial Liabilities		
At Amortised Cost	20,318	31,201
Total Financial Liabilities	20,318	31,201
NET TOTAL	292,056	279,210
FAIR VALUE		
Financial Assets		
Cash and Cash Equivalents	68,635	71,081
Available for Sale - Investments	237,631	234,923
Current Receivables	5,850	4,149
Deferred Receivables	258	258
Total Financial Assets	312,374	310,411
Financial Liabilities		
At Amortised Cost	20,421	31,447
Total Financial Liabilities	20,421	31,447
NET TOTAL	291,953	278,964

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

Fair Value is determined as follows.

Cash and Cash Equivalents, Receivables, Payables

Estimated to be the carrying value which approximates market value.

Held to Maturity Investments

Based upon their face value plus any accrued earnings.

Borrowings

Based upon their current discharge value.

Financial Assets classified

(i) "at fair value through profit and loss" or

(ii) "Available for Sale"

Based upon quoted market prices at the reporting date or independent valuation.

(a) Cash and Cash Equivalents, Financial Assets "at fair value through the Profit and Loss", "Available-for-sale" financial assets and "Held-to-maturity" Investments

The Council's objective is to optimise its return on cash and investments within the restraints of its investment policy and risk profile, whilst maintaining an adequate level of liquidity and preserving capital.

The Council's Corporate Services Directorate manages its Cash and Investments portfolio.

The Council has an Investment Policy that sets minimum investment ratings and maximum exposure levels to ratings, fund and institution.

This Policy is regularly reviewed and an Investment Report is prepared regularly setting out the portfolio breakup and performance.

The major risk associated with fair value at profit and loss investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers, or are caused by factors affecting similar instruments traded in a market.

Cash and Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash and Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to the Council - be it of a capital or income nature.

The Council manages these risks (amongst other measures) by diversifying its portfolio and only using investments with high investment ratings.

The following represents a summary of the sensitivity of the Council's Statement of Comprehensive Income and Accumulated Surplus (during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

	2018 \$000	2017 \$000
Increase of Values/Rates		
Profit		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	589	590
Equity		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	589	590
Decrease of Values/Rates		
Profit		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(589)	(590)
Equity		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(589)	(590)

(b) Receivables

The Council's major receivables comprise:

- (i) Rates and Charges and
- (ii) User Charges and Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to the Council may not be repaid in full. The Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

Credit risk on rates and annual charges is minimised by the ability of the Council to secure a charge over property relating to the debts (i.e., the property can be sold to recover the debt). The Council is also able to charge interest on overdue rates and annual charges which further encourages the payment of debt.

Infringement debtors are determined by the incidence of infringement rather than a Council decision. The Council has given the Monetary Penalties Enforcement Service of the Department of Justice responsibility to collect outstanding infringement debtors. The Council has a policy of booking an extensive impairment provision for loss on infringement debtors.

The level of outstanding receivables is reported monthly and monitored for acceptable collection performance. The Council makes provision for doubtful receivables as required and carries out credit checks on most non-rate debtors excluding infringements.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

	2018 \$000	2017 \$000
A profile of the Council's receivables credit risk at balance date follows:		
Receivables Credit Risk		
(i) Ageing of Receivables		
Current		
Rate Debtors	(1,440)	(1,244)
Accrued Revenue	590	1,343
Sundry Debtors	4,196	1,642
Prepayments	89	115
Parking Infringement Debtors	49	113
	3,484	1,969
Overdue		
Rate Debtors	1,308	1,229
Sundry Debtors	700	702
Parking Infringement Debtors	1,951	1,977
	3,959	3,908
Total Receivables	7,443	5,877
(ii) Movement in Provision for Impairment of Receivables		
Balance at the beginning of the year	(1,729)	(1,954)
Add movement in provision	82	169
Less amounts already provided for and written back this year	54	56
Balance at the end of the year	(1,593)	(1,729)

(c) Fair Value Hierarchy

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

Level 1

Quoted prices (unadjusted) in active markets for identical assets/liabilities.

Level 2

Inputs other than quoted prices included in Level 1 that are observable for the asset or liability

Level 3

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

	2018 \$000	2017 \$000
Level 3 - Investments	237,631	234,923

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

(d) Payables and Borrowings

meet payment obligations as and when they fall due.

The Council manages this risk by cash forecasting to maintain adequate liquidity levels and cash holdings.

Liquidity Table:

Liquidity Table	2018 \$000	2017 \$000
Variable Interest		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	-	-
Fixed Rate Maturity		
<u>Less than 1 Year</u>		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	769	2,357
	769	2,357
<u>1 to 5 Years</u>		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	9,000	9,769
	9,000	9,769
Non Interest		
Deposits	508	544
Sundry Creditors	10,040	18,531
Secured Loans	-	-
	10,548	19,075
Total Cash Outflows		
Deposits	508	544
Sundry Creditors	10,040	18,531
Secured Loans	9,769	12,126
	20,317	31,201
Actual Carrying Amount		
Deposits	508	544
Sundry Creditors	10,040	18,531
Secured Loans	9,769	12,126
	20,317	31,201

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. The Council manages this risk by monitoring the lending market and taking opportunities to fix rates at below market in rising markets and taking short term borrowing in high interest markets.

Notes to the Financial Statements

Note 40 - Financial Instruments (Cont)

	2018 \$000	2017 \$000
The following interest rates were applicable to the Council's Liabilities at balance date:		
Secured Loans		
Carrying Value	9,769	12,126
Average Interest Rate	3.59%	3.88%

Note 41 - Fair Value Measurements

The Council measures infrastructure assets at fair value on a recurring basis.

The museum collection is periodically valued by a suitably qualified valuer.

All other Council assets and liabilities are measured at their nominal value.

For valuation purposes infrastructure assets are grouped into the following categories:

Category	Includes
Land	All developed and undeveloped freehold and leasehold land owned or controlled by the Council.
Buildings	All buildings owned by the Council. This includes Administration, Commercial, Recreational, Cultural, Residential and other buildings.
Roads and Bridges	All sealed and unsealed roads and all bridges within the municipality. Roads includes road pavement, sealed surfaces footpaths and kerb and channel.
Drainage	All stormwater and drainage infrastructure in the municipality.
Other	Flood protection, parks infrastructure, refuse disposal and any other assets not included in another categories.

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.

Notes to the Financial Statements

Note 41 - Fair Value Measurements (Cont)

The table below shows the assigned level for each asset held at fair value by the Council. The table presents the Council's assets measured and recognised at fair value at 30 June 2018.

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, other than Land, 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.

Land is recorded at the Valuer-General's valuation.

As at 30 June 2018

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	-	243,805	-	243,805
Buildings	-	-	188,464	188,464
Roads and Bridges	-	-	590,498	590,498
Drainage	-	-	163,019	163,019
Other Infrastructure	-	-	89,967	89,967
	-	243,805	1,031,948	1,275,753

Non-recurring fair value measurements

Assets held for sale	4,242	-	-	4,242
	4,242	-	-	4,242

As at 30 June 2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	-	230,193	-	230,193
Buildings	-	-	184,602	184,602
Roads and Bridges	-	-	578,368	578,368
Drainage	-	-	160,361	160,361
Other Infrastructure	-	-	84,267	84,267
	-	230,193	1,007,598	1,237,791

Non-recurring fair value measurements

Assets held for sale	840	-	-	840
	840	-	-	840

Transfers between levels of the hierarchy

Council policy is to recognise transfers into or between hierarchy levels at the end of the reporting period.

Notes to the Financial Statements

Note 41 - Fair Value Measurements (Cont)

The following assets have been subject to a transfer between levels in the hierarchy.

Hierarchy Transfers 2018

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	1,508	(1,508)	-	-
Buildings	1,894	-	(1,894)	-
	3,402	(1,508)	(1,894)	-

Hierarchy Transfers 2017

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land available for sale	3,569	(3,569)	-	-
Other Transfers	307	-	(307)	-
	3,876	(3,569)	(307)	-

b) Highest and Best Use

AASB 13 *Fair Value Measurement* requires the fair value of non-financial assets to be calculated based on their "highest and best use".

At the reporting date all assets at fair value are utilised at their highest and best use as public assets.

c) Valuation Techniques

Valuations are in accordance with AASB 13 *Fair Value Measurement* and reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

Level 1 Measurements (recurring and non-recurring)

Level 1 assets are measured at market valuation or contract price.

Level 2 Measurements (recurring and non-recurring)

Level 2 assets are measured at Valuer-General's valuation.

Level 3 Measurements (recurring and non-recurring)

Level 3 assets are measured at their replacement cost. Inputs used are cost of materials, cost of labour and other intangible costs.

Level 1 Assets

Assets held for sale

These assets are measured at market valuation or contract price.

Level 2 Assets

Land

Land is measured at the Valuer-General's Valuation.

Level 3 Assets

Buildings

Building are measured at their depreciated replacement cost, as valued by LG Valuation Services

Notes to the Financial Statements

Note 41 - Fair Value Measurements (Cont)

Replacement costs are measured at 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.

Roads and Bridges

Roads and Bridges are measured at their depreciated replacement cost.

Replacement costs are measured at 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.

Drainage

Drainage infrastructure is measured at its depreciated replacement cost.

Replacement costs are measured at 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.

Other Infrastructure

Other infrastructure is measured at its depreciated replacement cost.

Replacement costs are measured at 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.

d) Unobservable inputs and sensitivities

Replacement costs

The replacement costs comprise of materials, labour and other intangible costs.

Price fluctuations in any one or more of these inputs could have a material effect on the fair value of assets measured at replacement cost.

Useful Life

Changes in the useful life will change the amount of accumulated depreciation used to calculate cost which could result in a material change to the fair value.

e) Changes in recurring level 3 fair value measurements

	2018 \$000	2017 \$000
Balance at beginning of reporting period	1,007,598	993,725
Additions	19,508	13,036
Gain/loss recognised in Operating Result	(15,990)	(14,213)
Gain/loss recognised in Other Comprehensive Income	26,696	16,472
Disposals	(1,314)	(1,115)
Transfers Into Level 3		
Transfers out of level 3	(4,550)	(307)
Closing balance	1,031,948	1,007,598

Notes to the Financial Statements

Note 41 - Fair Value Measurements (Cont)

f) Valuation processes

The asset valuation is based on the asset replacement cost at the end of its useful life. The asset replacement cost is defined as the total project cost of the asset, which includes design, project management and construction costs including supply of all materials.

Valuations have been prepared with consideration of the current cost of delivering infrastructure projects, contractor rates, modern renewal / rehabilitation practice, asset componentisation and benchmarked rates. Except where stated below all valuations are performed utilising the Council's staff. The method of valuation is reviewed annually.

The basis of valuations for each asset class is provided below:

Asset Group	Basis of Valuation
Drainage	<ul style="list-style-type: none"> - Rates per metre for various diameters of pipelines and include house connections and fittings allowance - Rates vary depending on whether beneath private or public land. - Manholes. identify number and allow for an average size - "Chamber Manholes". identify number and allow for an average size - Gully pits. identify number and allow for connections <p>No allowance for kerb adaptors or connections to kerbs</p>
Roads	<ul style="list-style-type: none"> - Pavement (road sub base and base) m² - Kerb and Channel in metres left and right - Road surface m² - Footpath m² left and right - Verge (includes guide posts, table drains, bollards as a count and guardrails in linear metres). - Street Light Poles as a count (LCC's poles – those with only a light, as distinct from Aurora's – those with wires and a light). - Bridge – type includes timber, concrete and steel – for vehicles and or pedestrians in m². - Culvert – includes box culverts in m² or reinforced concrete pipe in diameter size and location.
Buildings	- Independent market valuation.
Parks and Recreation	<ul style="list-style-type: none"> - Improved grounds m² - Trees are based on a standard unit price - Fencing is valued based on a linear metre on material type - Furniture and fittings are based total number across facilities - Under surface based on m² - Playgrounds based on components and type of system

g) Assets and liabilities not measured at fair value but for which fair value is disclosed

The Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer Note 40)

The Council's borrowings are measured at amortised cost with interest recognised in comprehensive income when incurred. The fair value of borrowings disclosed in Note 40 is provided by Tascorp (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).

Notes to the Financial Statements

Note 42 - Early Adoption of Accounting Standards

At the reporting date, updates of the following standards that are relevant to the Council, available for early adoption and could have a material effect on the disclosures of the Council, but were not adopted.

AASB 1058 Income of Not for Profit Entities

This is a new Standard relating to income recognition for Not For Profit Entities.

This standard is applicable for reporting periods beginning on or after 1 January 2019

Early application is permitted provided AASB 15 is also adopted.

For the Council the major impact is the recognition of non monetary and below market value contributions to be recognised as revenue at market value.

This may have a material effect on the revenue recognised by Council.

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 expects a small increase to impairment losses, however 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 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.

Notes to the Financial Statements

Note 42 - Early Adoption of Accounting Standards (Cont)

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:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).

- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. -

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

At the reporting date Council has no significant unspent grant funding relating to unfinished projects.

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.

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 operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils existing lease commitments are disclosed in Note 34.

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

Notes to the Financial Statements

Note 43 - Related Party Transactions (Cont)

Sales of Goods and Services

The Council sold goods or services to five organisations that Key Management Personnel have control or significant influence over.

These sales were at arms length and on normal commercial terms.

Purchase of Goods and Services

The Council purchased goods and services from, or made contributions to ten organisations that Key Management Personnel or their close associates have a significant influence over.

Contributions totalled \$77,560 (\$236,018) and purchases totalled \$1,852,058 (\$1,673,755). These transactions were at arms length and on normal commercial terms or through open tender.

Ordinary Citizen Transactions

The City of Launceston enters into transactions with Key Management Personnel and their Related Parties within a normal customer relationship i.e. payments of rates, dog registration and the use of facilities such as car parks. These transactions are at arms length on terms and conditions no more favourable than those available to the broader community.

These transaction are not included in these disclosures.

Note 44 - Events After Reporting Period

There were no material events or transactions after the reporting date relating to the reporting period.

Note 45 - Authorities

Council operates the Launceston Flood Authority set up under of the Local Government Act 1993. The income and expenditure of this authority is included in the Council's Financial Statements.

Section 84 of the Local Government Act 1993 requires Council to disclose the revenue and expenditure of Authorities under it's control.

Launceston Flood Authority

This is a Single Authority set up under section 30 of the Local Government Act 1993.

This Authority was formed by the Council resolution on 1 September 2008 and was established by gazettal on 10 September 2008. The authority was established to "...perform all tasks necessary for the construction and maintenance of flood levees, to initiate and manage effective emergency management procedures and to take all necessary measures, so as to address the flood risk to the 'flood risk area'".

Notes to the Financial Statements

Note 45 - Authorities (Cont)

	2018 \$000	2017 \$000
Revenue and Expenses		
Revenue		
State Government Grants	511	496
Commonwealth Government Grants	-	1,000
Launceston City Council	178	175
Interest Income	9	12
Other Income	5	17
Total Revenue	703	1,700
Expenses		
Operations Costs	580	1,095
Depreciation	573	565
Total Expenses	1,153	1,660
Surplus / (Deficit)	(450)	40

Note 46 - Significant Business Activities

Competition Policy Compliance

Section 84(2)(da) of the Local Government Act 1993 requires the Council's financial statements to contain a statement of the "operating, capital and competitive neutrality costs" in respect of each significant business activity. The Council has chosen to disclose these costs in respect of all functions. This disclosure has been included in Note 2.

The Act also requires specific disclosure of 'significant business activities'.

The Tasmanian Government guidelines for Significant Business identifies a Business Activity as one that operates in a competitive market.

Determining factors on whether the Council activity is significant include, but are not limited to:

- The relevant market
- The size of the local government activity compared to the whole market
- The competitive impact of the Council's activity in the market

Significant Business Activities

The Council conducted a review during the year to identify any significant business activities.

The activities disclosed below have been identified as Significant Business Activities.

The following items have been disclosed:

Labour Costs

Labour costs have been discounted by a factor of 1.25 for the variance between private and public sector average weekly ordinary time earnings.

Superannuation costs have been adjusted to the 9.5% Superannuation Guarantee Levy

Full Cost Attribution

Service costs applied to all the Council's operations in respect of internal services provided (e.g. accounting and computer support).

Notes to the Financial Statements

Note 46 - Significant Business Activities (Cont)

Competitive Neutrality Costs

Notional charges for expenses not normally incurred by Councils (e.g. council rates). As these costs are not actually incurred, the Council's "General Public Services" function has been credited with collection of these notional items.

Notional Income Tax

Notional income tax has been applied at the rate of 30% against accounting profit (excluding abnormal asset valuation adjustments) for significant business activities. The amounts are notional only as the entity is exempt from income tax.

Capital Costs

Depreciation has been allocated to functional areas within the operating statement. The notional opportunity cost of capital employed in respect of the function has been noted at the foot of the statement for significant business activities. It has been calculated by applying a rate of 5% to net assets employed.

	2018 Actual \$000	2018 Budget \$000	2017 Actual \$000
OFF STREET PARKING			
Revenue			
Operating Revenue	3,046	2,978	2,651
	3,046	2,978	2,651
Expenses			
Employee Benefits	157	381	510
Material and Services	489	570	438
Depreciation	276	265	237
	922	1,216	1,185
Full Cost Attribution	32	42	38
Competitive Neutrality	142	142	140
	1,096	1,400	1,363
Operating Surplus / (Deficit)	1,950	1,578	1,288
Less Notional Income Tax	585	474	386
Surplus / (Deficit)	1,365	1,104	902
Capital Costs			
Asset Disposal Loss/ (Gain)	2,147	-	-
Notional Cost of Capital	1,542	1,542	1,485
	3,689	1,542	1,485
Fully Attributed Surplus / (Deficit)	(2,324)	(438)	(583)

Notes to the Financial Statements

Note 46 - Significant Business Activities (Cont)

	2018 Actual \$000	2018 Budget \$000	2017 Actual \$000
LAUNCESTON AQUATIC (Excludes LA Fit)			
Revenue			
Operating Revenue	2,947	2,812	2,924
	2,947	2,812	2,924
Expenses			
Employee Benefits	1,831	1,865	1,874
Material and Services	1,588	1,681	1,778
Depreciation	763	744	714
	4,182	4,290	4,366
Full Cost Attribution	73	73	72
Competitive Neutrality	82	82	81
	4,337	4,445	4,519
Operating Surplus / (Deficit)	(1,390)	(1,633)	(1,595)
Less Notional Income Tax	-	-	-
Surplus / (Deficit)	(1,390)	(1,633)	(1,595)
Capital Costs			
Asset Disposal Loss/ (Gain)	3	-	-
Notional Cost of Capital	1,413	1,413	1,461
	1,416	1,413	1,461
Fully Attributed Surplus / (Deficit)	(2,806)	(3,046)	(3,056)
LAFit			
Revenue			
Operating Revenue	1,007	902	957
	1,007	902	957
Expenses			
Employee Benefits	349	338	371
Material and Services	118	156	135
Depreciation	46	38	55
	513	532	561
Full Cost Attribution	74	74	72
Competitive Neutrality	6	6	6
	593	612	639
Operating Surplus / (Deficit)	414	290	318
Less Notional Income Tax	124	8	92
Surplus / (Deficit)	290	282	226
Capital Costs			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	8	8	10
	8	8	10
Fully Attributed Surplus / (Deficit)	282	274	216

Notes to the Financial Statements

Note 46 - Significant Business Activities (Cont)

	2018 Actual \$000	2018 Budget \$000	2017 Actual \$000
Building Surveying and Certification Revenue			
Operating Revenue	207	244	150
	207	244	150
Expenses			
Employee Benefits	161	146	111
Material and Services	23	25	14
Depreciation	10	10	8
	194	181	133
Full Cost Attribution	27	27	27
Competitive Neutrality	3	3	3
	224	211	163
Operating Surplus / (Deficit)	(17)	33	(13)
Less Notional Income Tax	-	10	-
Surplus / (Deficit)	(17)	23	(13)
Capital Costs			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	2	2	2
	2	2	2
Fully Attributed Surplus / (Deficit)	(19)	21	(15)

Note 47 - Special Committees

	2018 \$000	2017 \$000
Committee Name		
Dilston Hall	3	3
Karoola Hall and Recreation Ground	5	5
Lebrina Progress Association	7	7
Lilydale Memorial Hall Committee	9	9
Lilydale Recreational Ground	-	8
North Esk Memorial Hall and Recreational Ground	9	9
Balance - 30 June	33	41
Summary of Special Committees		
Balance 1 July	41	39
Receipts	8	20
Expenses	16	18
Balance 30 June	33	41

The Lilydale Recreation Ground Committee ceased operating during the reporting year

STATEMENT BY THE GENERAL MANAGER

The accompanying financial statements set out on pages 1 to 63, present fairly the financial position of the City of Launceston 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.



Date 28 September 2018 **Leanne Hurst**
Acting General Manager

Independent Auditor's Report

To the Aldermen of Launceston City Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Launceston 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 Acting General Manager.

In my opinion the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 20, nor the Significant Business Activities disclosed in note 46 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



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

Tasmanian Audit Office

5 October 2018
Hobart



Large print copies
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