

# ANNUAL REPORT 2018/19



City of  
**LAUNCESTON**



## Welcome

Launceston was proclaimed a municipality by an Act of Parliament on 30 October 1852, 47 years after European settlement. 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 Councillors, one of whom is the Mayor, and 561 employees. Launceston is the largest Council in Tasmania in terms of population, with 67,449 residents across the municipality.



PO Box 396,  
Launceston, Tasmania 7250

Phone 03 6323 3000  
Email [contactus@launceston.tas.gov.au](mailto:contactus@launceston.tas.gov.au)

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# A MESSAGE FROM THE MAYOR



It has been a ground-breaking year for the City of Launceston, with a number of key initiatives and projects delivered to the community.

The skyline of Launceston is certainly changing and the Council has been at the forefront of these generational changes.

In late October, the organisation welcomed a new Council of 12 - with no less than five new faces representing the ratepayers of Launceston, each of them bringing a new voice and new set of life experiences to the table.

As the political arm of the City of Launceston, it is the Council's responsibility to deliver on those commitments made over the past year, and I'm pleased to say that over the past seven months we have all worked together, with respect, prudence and with the collective determination to make Launceston the best regional city in the country.

We delivered a \$120 million annual budget for the 2019-20 financial year, which will see the realisation of a number of key projects that will help realise that goal.

2018-19 was a year of milestones for Launceston.

Work on Riverbend Park began in July 2018, to create what is now the largest playground in the state covering almost 33,000 square metres.

The project also saw the delivery of the much-vaunted Seaport pedestrian bridge, linking the city to the new park and beyond.

Work was finally completed on the C.H. Smith building, which has seen the redevelopment of a derelict, dilapidated structure to one that seamlessly blends the new and the old.

It sits perfectly across from the new Civic Square, which has been transformed into one of the best public spaces anywhere in Tasmania.

Located in Civic Square, the redevelopment of Macquarie House began in 2018, turning this vacant but much loved 1830s historical building into a thriving tech hub. Like the C.H. Smith building, the new Macquarie House is a striking blend of the new and the old, with the new structure to the rear of the building wrapped in hydro wood reclaimed from the depths of Lake Pieman on the state's West Coast.

The Council has also delivered a number of key strategies that will have a lasting impact.

The ban on single-use plastics at all Council-sponsored events is a positive step from an environmental perspective.

The installation of the city's first fast-charging station in the Paterson Street East Car Park was a milestone moment, with a promise of more to come.

The Council also released its strategy for dealing with building heights across the Central Business District.

While this remains a contentious issue for some in our community, the final report endorsed by Council strikes the perfect chord in terms of protecting the city's rich heritage skyline, and the desire to continue to encourage future development in a controlled and responsible way.

In closing, I would like to thank the new Council - as well as their predecessors - for their hard work, vision and commitment to the City of Launceston over the past year and I look forward to another successful and productive year ahead.

A handwritten signature in blue ink, appearing to read 'A. van Zetten'.

**Albert van Zetten**  
Mayor



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# GENERAL MANAGER'S REPORT



Launceston truly is a city undergoing a generational transformation.

For the first time in more than a decade, thanks mainly to sustained growth in our tourism sector, Launceston is witnessing new hotel developments growing from the ground up.

In fact, overall development and investment in the Launceston municipality is continuing to grow despite coming from a moderately high base, with the City of Launceston approving 621 planning applications in the 2018-19 financial year - worth more than \$211 million.

This figure signals continued growth and confidence in the region and its economy.

Even more pleasing from an organisational perspective, the Council's planning department has consistently improved its approval turnaround times over the past five years - from an average of 34.6 days in 2014-15, to just 28.4 days last year.

That widespread confidence in our building and tourism sector is having a positive flow-on effect across other sectors.

This year, Launceston played host to the Qantas Australian Tourism Awards in the beauty that is the natural amphitheatre of the Cataract Gorge. It was a spectacular coup for the region and saw more than 800 of the country's most influential tourism operators gather in the heart of Launceston in what was an incredibly successful event.

It is already well documented that Launceston punches above its weight in attracting significant events to the region. We already have four AFL matches every season at University of Tasmania Stadium. We also host two men's Big Bash cricket matches during summer, as well as several women's BBL games, all of which bring thousands of sporting fans to the city.

Looking ahead, Launceston was also successful in securing the junior and senior national Special Olympics in 2020 and 2022 respectively. These major events will see literally thousands of athletes, their supporters and families converge on Launceston, injecting millions of dollars into the local economy.

From the Council's perspective, securing the rights to host these type of events is extremely important and goes well beyond simply providing a sporting event for people to attend for entertainment purposes. The economic injection that flows into our hotels, our restaurants, our shops and our cafes provides much-needed employment to our region.

Internally, the Council has focussed on delivering a new, all-encompassing community engagement programme titled Tomorrow Together.

This innovative approach to engaging with the Launceston community is based around six over-arching themes aimed at gauging ideas on how Launceston can be a more resilient, well designed, prosperous, accessible and sustainable city into the future.

Financially, the Council is in a strong position, with no discernible long-term debt and healthy cash reserves.

That said, it is extremely important that the City of Launceston remains sustainable into the future and that we are structured to deliver small, attainable operating surpluses each financial year.

In 2018-19, the City of Launceston achieved an underlying operating surplus of \$2.06 million.

There is no doubt, the forward planning considerations the Council made the previous financial year with the adoption of the Long Term Financial Plan has set us up to deliver these positive financial outcomes now and well into the future, and for that, responsible officers must be commended.

In closing, I would like to express my gratitude to the new Councillors as well as the hard-working staff of the City of Launceston for their passion and dedication over the past year.

A handwritten signature in black ink, appearing to read 'Michael Stretton'. The signature is stylized and enclosed within a hand-drawn oval.

**Michael Stretton**  
General Manager



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# VISION, PURPOSE, VALUES

The City of Launceston's Vision and Purpose 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

Inspired people, working together to create the best outcomes for our community.

## Purpose

We are a progressive organisation, working with our community to create a positive future for Launceston.

## 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

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# CITY OF LAUNCESTON PROFILE

## Council Representatives

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

## Council Elections

The Mayor and 11 Councillors are elected for a four-year term in an 'all-in all-out' election. Local government elections were last held in 2018.

## Council Meetings

During 2018/19, council meetings were held every second Monday to October 2018, and every second Thursday from November 2018, 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.

Additionally, section 72B of the *Local Government Act 1993* requires Council to hold an Annual General Meeting (AGM) which was held on 6 December 2018.

## Employment

In 2018/19, the Council employed 561 employees, 445.78 full-time equivalents, covering a broad range of professions across the Council's six directorates plus the General Manager's Office.

## Road Network

The Council maintains more than 742.02 km of roads including 374.7 km of urban roads and 367.35 km (includes bridge segments of 1.3 km which form part of the road length) and a further 12.46 km of shared responsibility with the State. The State Government is responsible for a further 149.72 km of roads including 15 bridges in the Launceston municipality. The Council also maintains 88 bridges.

## Parks and Recreation

Launceston is renowned for its established parks, gardens and wide range of recreation facilities, which are unrivalled when compared with other similar-sized communities across Australia. The Council owns, maintains and/or manages a total of 265 parks, reserves and conservation areas, which includes more than 2,074.5 ha of parklands with more than 27,671 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 and BBL matches.

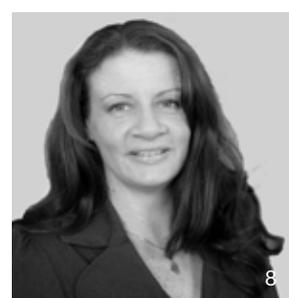
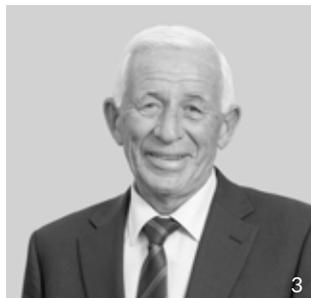
In addition, the Council facilitates and sponsors many community recreational programs, including the Active City Park Program and Active Launceston.

## 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), Princess Theatre, Design Centre Tasmania, Earl Arts Centre and Albert Hall.

# PEOPLE AT COUNCIL

## COUNCILLOR PROFILES



**1 His Worship the Mayor,  
Councillor Albert van Zetten**

**2 Deputy Mayor,  
Councillor Danny Gibson**

**3 Councillor Robin McKendrick**  
(Concluded term in November 2018)

**4 Councillor Ted Sands**  
(Concluded term in November 2018)

**5 Councillor Janie Finlay**

**6 Councillor Rob Soward**

**7 Councillor Simon Wood**  
(Concluded term in November 2018)

**8 Councillor Emma Williams**  
(Concluded term in November 2018)

**9 Councillor Andrea Dawkins**

**10 Councillor Karina Stojansek**

**11 Councillor Hugh McKenzie**

**12 Councillor Jim Cox**

**13 Councillor Nick Daking**

**14 Councillor Alan Harris**

**15 Councillor Paul Spencer**

**16 Councillor Tim Walker**

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## Mayor **Albert van Zetten**

*His Worship the Mayor*

Mayor Albert van Zetten is in his fourth term as Mayor, after being elected as an Alderman in 2005 and then as Mayor in October 2007.

His career includes more than 30 years as a chartered accountant, 18 years as Chief Executive Officer of Launceston City Mission and close involvement with multiple community organisations.

Mayor van Zetten says his time in the City's highest public office has been driven by ongoing consultation with the community and his strong desire to see the City of Launceston continue to flourish and grow. Mayor van Zetten is regularly in attendance at community events and encourages conversation and the sharing of views about what is important to the people of Launceston.

In his view, Greater Launceston is the right size to be one of the great regional cities in the world: it is small enough to manage and large enough to matter. It has existing assets and strengths that are being built upon. Our challenge is to work together and engage the wider community - to mobilise the community as active citizens rather than critics.

## Deputy Mayor **Danny Gibson**

Councillor Danny Gibson was elected in October 2011. He is passionate about the City of Launceston, having enjoyed a professional career in Northern Tasmania in education, media and the arts.

Councillor Gibson is a volunteer, supporter and patron of many not-for-profit organisations and currently teaches drama to the region's young people. He has been a long-time supporter of the city's cultural sector and believes it delivers important economic benefits to the region.

## Councillor **Robin McKendrick**

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

## Councillor **Ted Sands**

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

## Councillor **Janie Finlay**

Councillor Finlay was first elected in 2000 and served as Mayor from 2002 to 2005 after being elected to the role at the age of just 27. The youngest female mayor in Australian history, Councillor Finlay resigned from the Council in 2007 to pursue other interests and went on to serve as a Director of NAI Harcourts, Director of the Tasmanian Symphony Orchestra, and Chairman of the Launceston Tornados. Councillor Finlay has operated two award-winning small hospitality businesses and in 2017 was appointed Communications Director for a global tech company, headquartered in Launceston.

Councillor Finlay was re-elected to the Council in 2014, bringing her experience in the not-for-profit and business sectors back to the City of Launceston. Councillor Finlay has a strong focus on family, maintaining Launceston's unique character and a passion for good governance. Councillor Finlay is committed to working with leading organisations and community members to achieve the vision within our City Deal to make Launceston one of Australia's most liveable and innovative regional cities.

## Councillor **Rob Soward**

Councillor Rob Soward was first elected as a Councillor in 2009 and served as Deputy Mayor from 2014 to 2018.

Councillor Soward holds a Bachelor of Education Degree and Master of Education degree and spent 24 years as a teacher within the Department of Education. Councillor Soward currently works in the area of business development within the employment sector assisting unemployed people in finding work.

He has a strong community and sporting background and is a past director of the Northern Tasmanian Football League and Connect Credit Union (MyState Ltd) and served as an Australian Rules Football coach for 23 years from junior to elite level.

Councillor Soward is a strong supporter of fitness and wellbeing and enjoys going to the gym and fly fishing.

## Councillor **Simon Wood**

With more than 20 years' experience in Launceston as a small business operator, Councillor 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. Councillor Wood was first elected in 2014 and is determined to work with his fellow Councillors and other stakeholders to ensure Launceston's social and economic future burns bright.

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## Councillor **Emma Williams**

Councillor 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. Councillor Williams is a supporter of activities and approaches that celebrate the diversity, culture and environment of the City of Launceston.

## Councillor **Andrea Dawkins**

Councillor Dawkins was first elected to City of Launceston in 2014, leading to a stint in State Parliament from 2015 to 2018. Councillor Dawkins has more than 20 years' experience in small business, having strengths in social enterprise and place making. She campaigned on waste reduction, a local food security plan for the LGA, and on animal welfare.

So far, in this term of Council, Councillor Dawkins has succeeded with motions to phase out single use plastics at Council-sponsored events and on Council-owned premises and to investigate an off-leash area for greyhounds.

## Councillor **Karina Stojansek**

Councillor Karina Stojansek was elected in 2015, and 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. She completed a Bachelor of Commerce at the University of Tasmania and has extensive skills in accounting, human resources and business management.

Councillor Stojansek is currently on the board of the local Steiner School and has served on various committees including RSPCA Tasmania and the

Trevallyn Tennis Club in the positions of President, Treasurer and Secretary.

She has been involved with the migrant community, delivering the Foot In The Door Program, helping migrants find employment.

Councillor 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.

## Councillor **Hugh McKenzie**

Councillor Hugh McKenzie was elected in October 2011. He comes from a strong business background having been a partner in accounting and business advisory firm KPMG for 24 years. He currently maintains his activities in this area through private consulting and mentoring. He was a member of the national Council of Chartered Accountants Australia & New Zealand (CAANZ) until his retirement in December 2018 after six years in that role. He maintains an ongoing role in the profession through his position on the Tasmania State Council of CAANZ.

He has a great passion for health, education and community and is currently the Chair of Primary Health Tasmania and was the former Chair of Scotch Oakburn College. His community roles include being a member of the Northern Suburbs Community Centre Board and Chair of The Cape Hope Foundation, the latter being a philanthropic charity raising funds to deliver on the goal of being a caring and connected community, which he hopes also reflects in his many council committees and activities. He was also a founding Trustee of the Tamar Valley Peace Trust.

A keen sportsman he has been actively involved in many sports over the years, including football, cricket, tennis, volleyball, cycling and golf, including as past president of the Stan Siejka Launceston Cycling Festival.

## Councillor **Jim Cox**

Councillor Jim Cox was elected in October 2011. He spent more than 20 years as a member of the Tasmanian Government, in which he held several key portfolios including Police and Emergency Management, and Road Safety - and he remains passionate about improving road safety statewide. Councillor Cox sees his current role in Local Government as an opportunity to give something back to a community that has supported him for many decades.

## Councillor **Nick Daking**

Councillor Nick Daking is a Launceston local and extremely passionate about Launceston as a city, its business community, and its citizens. Councillor Daking wants to ensure that Launceston is a city full of opportunity, and is motivated to help make the changes necessary for Launceston to become one of the most liveable cities in Australia.

Councillor Daking enjoyed a fantastic childhood growing up in Launceston and believes it is one he would like his children to experience. He loves the lifestyle Launceston offers and plans on calling Launceston home for many years to come. Councillor Daking has an Advanced Diploma in Civil Engineering and for many years worked with an International Funds Manager where he specialised in finance construction with large developments across the country.

Councillor Daking has spent years building and managing hospitality businesses within in Launceston and during this time he has also been an active board member of the Tasmanian Hospitality Association.

## Councillor Alan Harris

Councillor Alan Harris was first elected to Council in 2018. Councillor Harris was born, educated and lives in Launceston. He is married to Katrina with two adult children and his interests include community service through Rotary, cycling, classic motorcycles and cars. Councillor Harris has a wealth of business knowledge and skills, gained over a 40-year career working as a Senior Executive in Telstra, Federal politics and aged care.

Councillor Harris has been an active Rotarian since 2003, holding many leadership positions including Club President, Secretary, Assistant District Governor and leading a Rotary Exchange team to Denmark in 2012. He is the past Chairman of the Carrick Community Committee and the Southern Launceston Community Development committee.

Councillor Harris brings fresh perspective, new ideas and strong leadership to Council and supports the introduction of 90-minute free parking in CBD Council car parks and new expanded pedestrian zones and improving traffic flow throughout the city.

## Councillor Paul Spencer

Councillor Paul Spencer was elected in November 2018. He is married to wife Margy and has been for 38 years. Together they have five adult sons and five grandchildren. Councillor Spencer has been a hard-working electrician for 44 years and self-employed in his own successful business for 28 years. Councillor Spencer has employed many apprentices and worked with varied tradespeople on jobs from heavy industrial to residential projects. His interests include restoring cars, motor racing, farming and spending time with his family.

Councillor Spencer is driven by his desire to provide a fair go for all and to help people from all walks of life. He is committed to his election promises of introducing a fair tender process and ensuring Council is transparent and fair in all its processes.

## Councillor Tim Walker

Councillor Tim Walker was elected in 2018 and is a former ABC reporter and current adviser to Senator Peter Whish-Wilson. He would like to see Launceston continue becoming a more

inclusive and sustainable community. He has an active interest in heritage, arts and protecting our environment.

Councillor Walker knows Launceston faces big challenges in terms of population changes, traffic management and housing availability and affordability, and looks forward to working with the broader community to find long-term solutions that are sustainable and inclusive. This includes increasing public transport and dedicated cycleways, affordable and sustainable housing, improving resource recycling and environmental pollution, developing a meaningful relationship with the Tasmanian Aboriginal community, improving the kanamaluka/Tamar Estuary and our other waterways, local fresh food security and thoughtful urban development that does not detract from our enviable and unique community lifestyle.

Councillor Walker is currently Chair of the Cataract Gorge Advisory Committee, and a member of the Heritage Advisory Committee, Community Grants (Organisations) Program, the Economic Development Working Group, and the General Manager's Contract and Performance Review Committee. He looks forward to serving the City of Launceston and to hearing from you about your ideas or concerns.



# MEETING ATTENDANCE

Section 72(1)(cc) of the *Local Government Act 1993* (Tas) requires us to make a statement detailing the attendance of each councillor at meetings of the Council or any Council committee during the preceding financial year.

From 1 July 2018 to 30 June 2019, there were a total of 24 ordinary Council meetings: nine Council meetings were held up to and including the 2018 local government elections; 15 were held after the 2018 local government elections.

## Council meeting attendance 1 July 2018 to 22 October 2018

Councillor van Zetten	8
Councillor Soward	9
Councillor McKendrick	9
Councillor Sands	9
Councillor McKenzie	8
Councillor Cox	5
Councillor Gibson	8
Councillor Finlay	9
Councillor Alexander	8
Councillor Williams	9
Councillor Stojansek	9
Councillor Wood	8

## Council meeting attendance 23 October 2018 to 30 June 2019

Councillor van Zetten	15
Councillor Gibson	15
Councillor Finlay	15
Councillor Dawkins	15
Councillor Daking	12
Councillor McKenzie	15
Councillor Stojansek	14
Councillor Soward	12
Councillor Spencer	14
Councillor Cox	13
Councillor Harris	15
Councillor Walker	15

In addition, our councillors are involved with many internal and external committees. Information about these committees is available at [www.launceston.tas.gov.au](http://www.launceston.tas.gov.au)

## AGM attendance

Our Annual General Meeting (AGM) was held on 6 December 2018. Councillors van Zetten, Gibson, Finlay, Dawkins, McKenzie, Soward, Spencer, Harris and Walker were in attendance.

## Council committee meeting attendance

From 1 July 2018 to 30 June 2019, meetings were convened for the following Council committees:

- The General Manager's Contract and Performance Review Committee; and
- Two committees established to conduct a hearing and exercise related powers under section 104 of the *Local Government (Building and Miscellaneous Provisions) Act 1993* (Tas), in respect of Petitions to Amend Sealed Plans

## General Manager's Contract and Performance Review Committee

Councillors van Zetten, Soward, Cox, Finlay, and Wood were appointed to this committee to and including the 2018 local government elections. This committee met on 13 August 2018 and 10 September 2018, with Councillors van Zetten, Soward, Cox, Finlay and Wood in attendance at both meetings.

Councillors Councillor van Zetten, Gibson, Spencer, Cox, and Walker were appointed to this committee after the 2018 local government elections.

## Committees established in respect of Petitions to Amend Sealed Plans

1. Petition to Amend Sealed Plan No. 143829: Councillors McKenzie, Finlay, Harris, and Spencer were appointed to this committee. The committee met once. Councillors McKenzie, Finlay, Harris, and Spencer were in attendance.
2. Petition to Amend Sealed Plan No. SPD15: Councillors McKenzie, Walker, Harris, and Finlay were appointed to this committee.



# EXECUTIVE MANAGEMENT TEAM



**1 Michael Stretton**  
General Manager

**2 Leanne Hurst**  
Director Development  
Services

**3 Louise Foster**  
Director Corporate Services



**4 Tracy Puklowski**  
Director of Creative Arts  
and Cultural Services  
(from October 2018)

**5 Shane Eberhardt**  
Director of Infrastructure  
Services

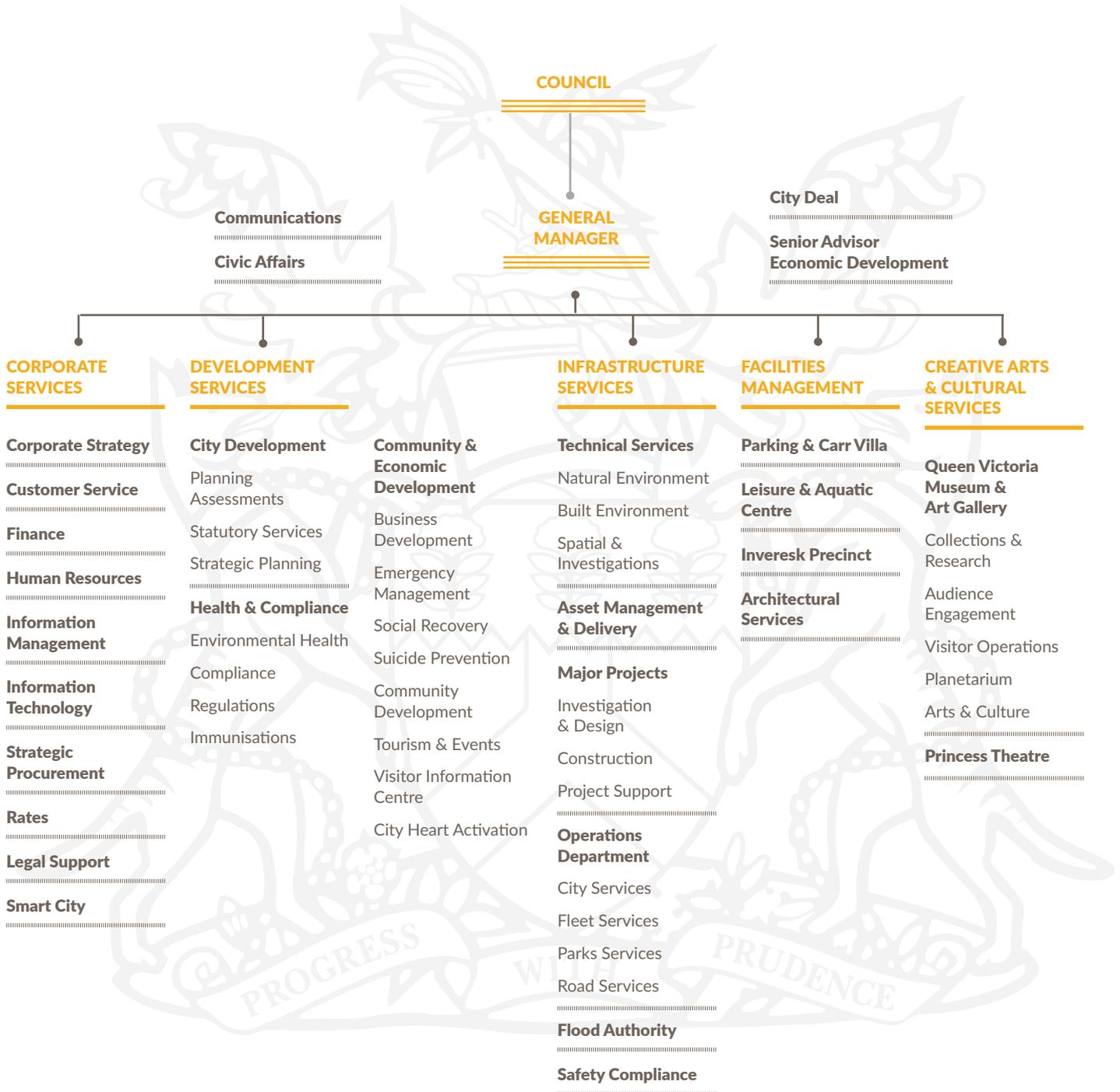
**6 Bruce Maclsaac**  
Director of Facilities  
Management  
(July 2018 to April 2019)



**7 Paul Gimpl**  
Chief Financial Officer

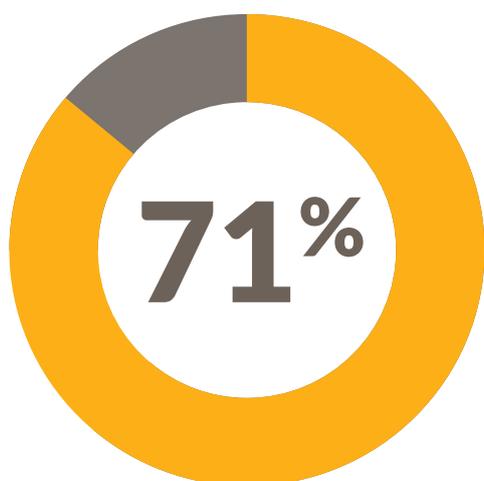
# ORGANISATIONAL STRUCTURE

AT JUNE 2019



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# PERFORMANCE SNAPSHOT



## Executive Overview

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38 actions set

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27 actions on target

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## Actioned Community Requests

This financial year the City of Launceston responded to 22,761 service requests in the following areas:

**1,124**

ROADS AND FOOTPATHS

**908**

PARKS & RECREATION

**446**

STORMWATER & DRAINAGE

**879**

TREE MANAGEMENT

**5,614**

PARKING

**3,658**

ENVIRONMENTAL HEALTH

**950**

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

**614**

BUILDING & PLANNING

**7,273**

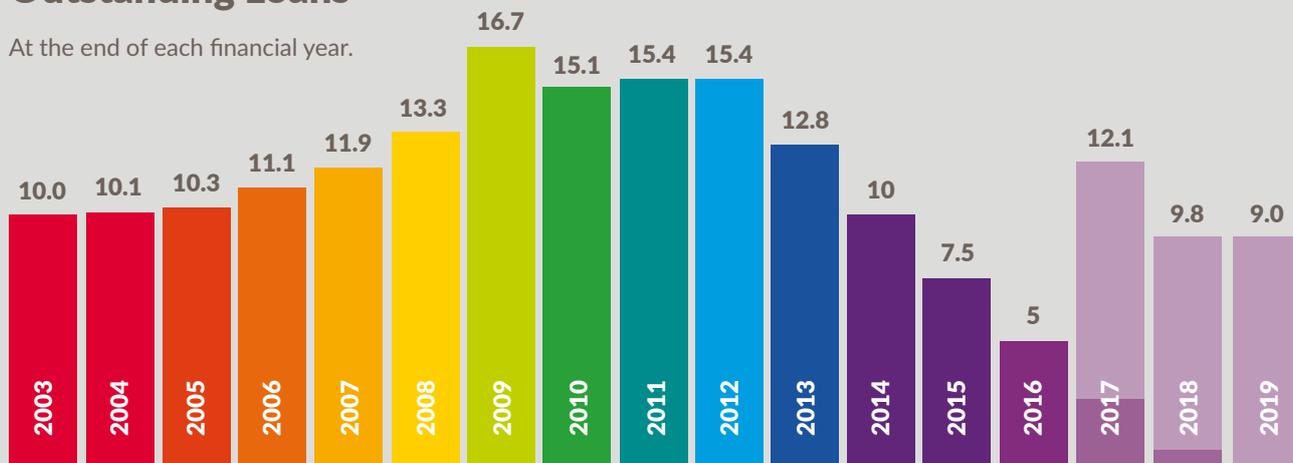
WASTE MANAGEMENT

**1,295**

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	67,939	52.4%	
Fees and Charges	25,074	19.4%	
Grants – Capital Purposes	18,139	14.0%	
Grants - Revenue	9,776	7.5%	
Interest	2,046	1.6%	
Other	6,585	5.1%	
	<b>129,559</b>	<b>100.0%</b>	

## Where the Dollars Go

Provision of Services	77,070	71.4%	
Borrowing	358	0.3%	
Depreciation	21,584	20.0%	
State Government Fire Service Levy	7,959	7.4%	
Rate Remissions and Abatements	1,001	0.9%	
	<b>107,972</b>	<b>100.0%</b>	

## Expenditure by Program

General and Public Services	18,840	17.4%	
Public Order and Safety	8,974	8.3%	
Health and Welfare	2,397	2.2%	
Housing and Community Amenities	22,934	21.2%	
Recreation and Culture	31,210	28.9%	
Roads Traffic and Parking	18,517	17.1%	
Other	5,100	4.7%	
	<b>107,972</b>	<b>100.0%</b>	





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# A YEAR IN REVIEW

## The Launceston City Deal

Two years into the Launceston City Deal, all three tiers of government have continued to work closely to deliver lasting benefits for Launceston and Northern Tasmania.

The Launceston City Heart Project is revitalising Launceston's CBD. The new Civic Square redevelopment is successfully attracting a number of quality and extremely popular community events in a modern, fun space.

It is encouraging to see that a Development Application for stage one of the new University of Tasmania campus has been submitted to the City of Launceston. We are confident that the new campus plan is the right one, which will maximise local employment, industry participation and vastly improve educational outcomes.

All three levels of government are committed to growing a more prosperous economy, and to making Launceston one of Australia's most liveable and innovative regional cities with projects being delivered that will benefit Launceston – and the region – for decades to come. This is evident in the commitment by all three tiers of government extending the Launceston City Deal from five to 10 years.

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## Key achievements

- The City Heart Project is bringing new life to Launceston's city centre. It includes the revitalisation of both the Brisbane Street Mall and Civic Square, which are now complete. The first public event at the new Civic Square — a winter night market — attracted more than 4000 people, with a range of local food and wine vendors as well as local musicians and entertainers.
- The first projects under the Greater Launceston Transformation Project are also complete, including a digital twin of the city (including 2D and 3D models) and smart technologies to support the industries of the future.
- The past 12 months have seen significant progress made to finalise My Place My Future, including multiple rounds of community and stakeholder engagement. The Plan will demonstrate not only the complexity of delivering broad social and community reforms, but its significance in the context of the City Deal – bringing together the three levels of government to build the foundations for change for Launceston's Northern Suburbs. The Plan was delivered in August 2019.
- The inaugural Work Discovery program was held in November 2018 and provided 30 Mowbray Primary School pupils with the opportunity to experience an age-relevant program designed to expose them to careers within local government and hear first-hand that not all career pathways are the same. The program will be held again in October 2019 with another school located in the Northern Suburbs.
- The City of Launceston collaborated with the State Government to explore innovative solutions to meet building code requirements on ways to encourage inner city living projects. Guidelines are in the final stages of review before being rolled out in August 2019.

Full details of the Launceston City Deal Annual Progress Report can be found on <https://citydeals.infrastructure.gov.au/launceston> along with a list of all the commitments and their next steps and milestones.

# Community

## My Place My Future

One of the key commitments for the Launceston City Deal is the development of a revitalisation plan for Launceston's Northern Suburbs. Now named the My Place My Future Plan, this ambitious document was approved and officially launched in August 2019.

The My Place My Future Plan focuses on the communities in:

- Invermay;
- Mowbray;
- Newnham;
- Mayfield;
- Rocherlea;
- Ravenswood; and
- Waverley.

These suburbs, each with their own distinct identity, represent approximately one-third of the population within the Launceston municipality. The Plan was developed in response to extensive engagement with these very proud, resilient and vibrant communities. The commitment to invest in these suburbs into the future will not just strengthen these communities but will have a lasting effect on the prosperity of greater Launceston.

The Plan represents the beginning of a journey that involves everyone working together to develop and implement solutions in the future. It has created a real, viable mechanism for government to work together on behalf of the communities that they represent to ensure that the ongoing story of the Launceston Northern Suburbs and the people that live, work and play there remains a central focal point.

The Plan outlines six Strategic Action Areas. These Strategic Action Areas outline a series of strategies that

will provide a framework for action. These Strategic Action Areas are:

1. Enterprise Growth
2. Employment and Wage Growth
3. Celebration of Community Strengths
4. Liveability
5. Strengthening the Next Generation
6. Access

These Strategic Action Areas are supported by a series of principles that will be used to guide the implementation of the Plan and provide broad direction for the project team and the accountable agencies. Central to the implementation of the Plan is a commitment to undertake shared annual review of programs and services. These conversations will enable the identification of opportunities or areas of collaboration and alignment. Such conversations would not be possible without the My Place My Future framework.

In approving the Plan, Council recognised that we will be pushing the limits of traditional planning methods as all three levels of government look forward with anticipation to the Plan's implementation.

## Tourism

As the gateway to Northern Tasmania, Launceston continues to welcome temporary locals, with more than 700,000 visiting the region in the past year and 65 per cent of those visitors spending nights in Launceston. Visitors to the region arriving via Launceston Airport remained steady at 46 per cent and the City of Launceston received 60 new visitor accommodation applications including the much anticipated Gorge Hotel. Launceston's newest accommodation offering built within an 1830s flourmill, Stillwater SEVEN opened its doors, offering five-star accommodation and a premium Tasmanian food and wine experience.

The City of Launceston partnered with Tourism Northern Tasmania to amalgamate our consumer facing websites as a single source of information for Northern Tasmania. Launched in December 2018, [www.northerntasmania.com.au](http://www.northerntasmania.com.au) boasts an interactive trip planner and map, pre-set itineraries and a comprehensive events calendar with the ability to email or print travel plans to refer to at a later stage.

In June 2018, the City of Launceston embarked on a journey of discovery to uncover an authentic and dynamic city brand, reflective of Launceston's Place DNA 'personality and attributes'. The brand informs strategic tourism priorities and serves to engage our visitor market, community and business sector; providing for a sense of place.



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The Council's Visitor Information Centre continues to operate seven days a week and last year welcomed 64,179 people through its doors, helping locals and temporary locals with information on local attractions and taking bookings for accommodation and tours. Trial operation of a satellite Visitor Information Centre at Basin Cottage, First Basin operated for the peak tourist season from January 2019 to Easter 2019, servicing more than 21,000 people.

## Qantas Australian Tourism Awards

This event on 1 March 2019 in Cataract Gorge was the culmination of two years' work to showcase Launceston to the best of the Australian tourism industry. A collaboration of organisations bid for the hosting rights back in 2017 and for the first time in more than 20 years, a regional city was chosen to host this prestigious event. More than 400 people came together to help organise and Council was significantly involved from the location in First Basin - over the pool no less - to support from the Visitor Centres, connections to the Men's Sheds and many hours of labour. The 840 guests were blown away by the location, the chairlift, the food and all the little details that made the event so extraordinary. The City of Launceston is extremely proud of its involvement in this amazing opportunity to promote Launceston in its best light.

## Emergency Management

Council continues to work with all levels of government and regional emergency services agencies to ensure that planning and preparedness for emergencies is well advanced. This year, Council adopted a revised Municipal Emergency Management Plan, conducted audits of all nominated recovery centres and trained more staff in preparation for roles in response and recovery. Council staff have also contributed to the review of many State Government strategic emergency management documents and tested our own responsibilities - including a night-time activation of the flood gates on the Charles Street bridge to keep our skills up to date.

## Youth Advisory Group

The Youth Advisory Group (YAG) is a special committee of Council, consisting of 11 members from six different schools and selected mentors who provide guidance. The group's primary role is to act as a consultative link between

the City of Launceston and young people, and to inform the broader community about matters that affect them.

YAG had 22 meetings last year to successfully deliver projects supporting youth in the municipality, including:

- Co-facilitation of the Youth Week event, Sounds on the Street
- Participation in the Tasmanian Youth Forum and Youth Parliament
- Support to two local schools through the SEED school project funding program
- Participation in the annual Youth Council Meeting held in Council Chambers

## Youth Week - Sounds on the Street

Youth Week, an initiative run by the Northern Youth Coordinating Committee and the City of Launceston Youth Advisory Group, was celebrated with an event named "Sounds on the Street" in 2019. The event ran as a Youth Busking Competition with 15 performers who had the chance to win major prizes including the chance to perform at Junction Arts Festival. The neighbouring shop venue leased by City Mission was also used by services and their respective youth groups to run separate free and fun activities including a photo booth, video gaming, movie room and a free community BBQ.

## 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 three youth projects in 2018/19 including:

- Sounds on the Street Youth Busking Competition as part of Youth Week
- Sponsorship for youth sector workers to attend Youth Mental Health First Aid
- headspace Launceston's Mental Health Week event for schools

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## EasyPark Smart Device Parking Application

The City of Launceston introduced the EasyPark parking application in January 2019. The application has recorded more than 200,000 transactions and of these, 54 per cent are repeat customers. The EasyPark mobile phone application has been a successful addition to making parking easier for community members across the city.

## Free Tiger Bus Trial to First Basin

This year, the City of Launceston provided three free Tiger Bus services to the First Basin daily as a trial between 5 January 2019 and April 2019. The trial was funded within the Facilities Management Directorate budget and attracted 3610 customers. The trial ended in May 2019 as a seven-day-a-week service, but has continued Monday to Friday due to its popularity.

## Launceston Leisure and Aquatic Centre - A Community Favourite

With more than 400,000 visitors making their way through the Launceston Leisure & Aquatic Centre, this community asset has remained a popular favourite through 2018/19. Learn to Swim classes reached record numbers, more than 3500 group fitness classes were conducted and more than 23,000 swimming classes took place. The centre hosted a range of fantastic community events in 2018/19, including Twilight Splash, MS Megaswim, New Horizons Iceberg Challenge, Aussie Masters Winter championships, Swimming Tasmania sprint relay championships and regional championships, and various school carnivals.

## 10-Year Milestone

In 2019, Launceston Leisure & Aquatic Centre celebrated its 10-year anniversary. The anniversary was celebrated with many community giveaways, designed to share the celebrations with those who enjoy the centre throughout the community. As an additional celebration, the centre promoted half-price weekend entry, membership package options, free gym classes and more. The 10-year anniversary also resulted in a new corporate agreement with the centre sponsor, Bell Bay Aluminium.

## Carr Villa Increasing Digital Record Interest

Carr Villa burial records remain a key point of interest for the Launceston community via the City of Launceston website. With more than 31,155 people searching for the online burial records database for the 2018/19 financial year, it highlights the public's increasing preference for easy to access digital services delivered by Council.

## A Cultural Strategy for Launceston

A major stakeholder survey went out in late 2018, yielding wonderfully rich and deep responses from the Launceston community. QVMAG and the City of Launceston have collaborated to undertake extensive community consultation to understand our community cultural needs and wants in depth. The Cultural Strategy for Launceston will strive to deliver long-lasting social, cultural and economic benefits.

## 2019 Museum Archive Audit

2019 saw the museum undertake the first-ever audit of its collection. The audit has already uncovered an assortment of forgotten treasures, including a convict vest in superb condition and an early 20th Century abacus from Launceston's Chung Gon family. Excellent progress has been made on the digitisation of the collection, including the entire Margaret Stones collection. The audit project will generate a database of QVMAG collection that will allow for all museum archives to be accessible online, showcasing the collections not just to the Launceston community but on a global scale.

## Macquarie House Opening

Originally built in 1829-30, Macquarie House has been transformed over the past 12 months into an innovation, entrepreneurship and technology hub, which still celebrates its heritage importance to the city. Macquarie House was integral to the success of the first European settlement of Melbourne and was the place where the provisions were housed and planning was undertaken in advance of that venture. The redevelopment has been supported by the Launceston City Deal. The four-level sandstone brick building has been fully restored and refurbished under the project, taking it back to its original open-floor configuration. The project had involved the construction of

a new timber-clad annexe at the rear of Macquarie House, featuring stairs, elevators, toilets, and utility infrastructure. Macquarie House is the new home for Enterprize Tasmania, teaching people new skills, creating new pathways for potential start-ups and new businesses, and creating new links in our community.

## Community Engagement

Throughout 2019, the City of Launceston's community engagement platform [www.yourvoicemyourlaunceston.com.au](http://www.yourvoicemyourlaunceston.com.au) introduced a new engagement campaign, Tomorrow Together. This 18-month campaign was created to encourage the community of Launceston to be involved in consultations taking place across the city, grouped under discussion themes. These themes include;

- A resilient City
- A well-designed City
- A unique and prosperous City
- A mobile and accessible City
- A social, inclusive and fair City
- A focused and sustainable City

The Your Voice Your Launceston platform successfully hosted 129 surveys over the 2018/19 financial year, creating a reach of 20,900 visitors to the website, along with an increase of 569 new members using the platform within this 12-month period. The top three surveys to receive the highest engagement levels across 2018/19 include:

- Shopping in the City;
- Culture in Launceston; and
- My Place My Future.

## AFLW debut at UTAS Stadium

In 2019, the University of Tasmania Stadium hosted its first AFLW match. The North Melbourne Tasmanian Kangaroos was one of two new teams in the AFL women's competition in 2019, with Geelong bringing the overall number of teams to ten. Throughout the year, the new-look competition saw those teams divided into two conferences, with

teams playing over a seven-week home-and-away season, followed by two weeks of finals.

## Community Grants

For 2018/2019 over \$70,000 of community grants were provided to support the community. A total of 16 grants were awarded to organisations for community projects. A further 31 grants were provided to support our local young people participate in state, national and international competitions and events.

Organisation	Amount \$
Stompin'	\$5,000
Tasmanian Aboriginal Child Care Association	\$2,000
Nepali Society of Northern Tasmania Inc.	\$5,000
Working It Out Inc.	\$4,986
Northern Suburbs Community Centre Inc.	\$8,750
Tamar Churinga Hockey Club	\$764
Norwood Newstead Playgroup (Playgroup Tasmania)	\$2,138
Northern Early Years Group (Tas) Inc.	\$3,750
Parents Beyond Breakup	\$3,675
Gateway Baptist Launceston Inc.	\$3,750
Multiple Sclerosis Limited	\$3,600
Volunteering Tasmania	\$3,750
Community Housing Ltd	\$3,737
Launceston General Hospital Historical Committee (Visual and Performing Arts)	\$7,500
Uniting (Victoria and Tasmania) Ltd trading as Uniting Tasmania	\$3,750
Bravehearts Foundation	\$3,750
<b>TOTAL</b>	<b>\$65,900</b>

Individual/Team/Group	Amount \$
Australian Under 11 Futsal Representative Team (one team member)	\$150
Celetas Queechee High School (six team members)	\$450
Ambition Queechee High School (six team members)	\$450
Red Sprites (Kings Meadows High School three team members)	\$225
Paddle Tasmania (four team members)	\$300
Australian National Under 11 Futsal Representative Team (one team member)	\$150
Northern Tasmania Junior Soccer Association (NTJSA) Under 13 Girls Representative Soccer Team (eight team members)	\$450
Tasmanian Little Athletics Team (one team member)	\$75
Northern Tasmania Junior Soccer Association (NTJSA) Under 16 Girls Representative Soccer Team (seven team members)	\$450
Girl Guides (McIntyre Region – Tasmanian Troupe) (One member)	\$100
Athletics - Tasmanian State Team (Primary) (One team member)	\$50
Athletics - Tasmanian State Team (Secondary) (One team member)	\$50
Hockey Tasmania State Under 13 Team (One team member)	\$50
Metal Minds Robotics Inc. (Four team members)	\$200
Launceston Christian School National Science & Engineering Challenge Team (Nine members)	\$300

Individual/Team/Group	Amount \$
Northern Tasmania Junior Soccer Association Under 14 Girls Representative Team (Eight members)	\$300
Northern FDP Under 14 Boys National Basketball Team	\$250
Aphrodite (Cheerleading Squad)	\$250
Pony Club Australia (One team member)	\$100
Basketball Tasmania Under 16 Girls State Team (two members)	\$100
Newstead College World Sport Netball Teams (six members)	\$300
Northern Tasmanian Junior Soccer Association Under 12 Representative Team Black (11members)	\$300
Northern Tasmania Junior Soccer Association Under 13 Representative Team Gold (seven members)	\$300
Launceston PCYC Gymnastics Club Team (six members)	\$300
Kings Meadows High School (one member)	\$50
Individual (Under 15 category)	\$100
Individual (Under 17 category)	\$100
Individual	\$100
Individual	\$100
Individual	\$100
One group member	\$150
<b>TOTAL</b>	<b>\$6,350</b>



## Event Sponsorship

The events calendar is an important part of Launceston's culture, providing the opportunity to experience a broad range of themes presented in interactive ways. A total of 55 events were supported by the Event Sponsorship Program in the 2018/2019 financial year. The Event Sponsorship funding has also enabled increased and continuing support of some particularly iconic events for the city.

The City of Launceston provided over \$500,000 in event sponsorship during the 2018/2019 year to the following groups/events:

Signature Event Sponsorship 2018/19	Amount \$
Tasmanian Open Dance Sport Championships	\$15,000
Festivale	\$60,000
The Tasmanian Breath of Fresh Air Film Festival	\$15,000
Launceston City Cycling Festival (incl Launceston Cycling Classic)	\$15,000
Launceston Tennis International	\$13,000
Luxbet Launceston Cup	\$15,000
Symphony Under the Stars Launceston	\$20,000
Junction Arts Festival	\$45,000
Sports Marketing Australia	\$2,000
<b>TOTAL</b>	<b>\$200,000</b>

Major Event Sponsorship 2018/19	Amount \$
Sound of Music	\$15,000
Sally's Ride Tamar Valley Cycle Challenge	\$7,500
MOFO Music Program	\$15,000
Blooming Tasmania Flower and Garden	\$7,500
Launceston Christmas Sports Carnival	\$9,375
Launceston Marathon	\$7,500
Beerfest Australia - Esk	\$6,125
Ten Days on the Island	\$20,000
Strictly Ballroom	\$15,000
Launceston Competitions	\$6,000
Chilli Skyfire	\$9,375
A festival called PANAMA	\$9,375
A Party in the Paddock	\$15,000
Laughs of Launnie	\$15,000
Rally Tasmania	\$20,000
<b>TOTAL</b>	<b>\$177,750</b>

Small & Celebratory Event Sponsorship 2018/19	Amount \$
Tamar Valley Peace Festival	\$5,000
REMADE 2018	\$5,000
2018 Tasmanian Poetry Festival	\$3,500
Launceston Festival of Dance	\$3,750
Cancer Council Tasmania's Women's 5km Walk/Run	\$3,750
Run and Walk for Your Heart	\$2,300
APEX Launceston Christmas Parade	\$2,300
Carols by Candle Light	\$5,000
Launceston Community Christmas	\$5,000
Royal Rumble	\$5,000
Brixhibition	\$5,000
Relay For Life 2019	\$3,750
Bike Week Launceston 2019	\$1,500
1984	\$3,750
Run for a Wish	\$3,750
City Park Lantern Walk	\$3,750
Launceston & Henley Regatta	\$3,750
NTCC Easter Croquets Tournament	\$1,250
Ron Atkins, Pot Black	\$2,500
Harmony Day	\$5,000
Beat Fest	\$2,500
<b>TOTAL</b>	<b>\$77,100</b>

Start-Up Events	Amount \$
Australian Musical Theatre	\$5,000
St Patricks Day	\$3,750
Twilight Aquathlon	\$2,500
<b>TOTAL</b>	<b>\$11,250</b>

Special Event Sponsorship 2018/19	Amount \$
Centenary of Armistice Celebrations - Commemorative Dinner	\$7,161
2018 Centenary of Armistice Concert	\$15,000
2018 BMX Australian National Series Round	\$11,250
Australian Monaro Nationals 2018	\$15,000
Australian Taxi Golf Championships	\$1,000
<b>TOTAL</b>	<b>\$49,411</b>

Cultural Event Sponsorship 2018/2019	Amount \$
Australian Bhutanese Society of Northern Tasmania	\$10,000
<b>TOTAL</b>	<b>\$10,000</b>

New Year's Eve Event Sponsorship 2018/19	Amount \$
Beer Fest New Years Eve	\$40,000
<b>TOTAL</b>	<b>\$40,000</b>

Contributions 2018/2019	Amount \$
Tourism Northern Tasmania	\$163,200
International Farm Management Congress	\$3,070
Business Events Tasmania	\$35,000
RSPCA	\$125,000
Just Cats	\$30,000
Dogs Homes of Tasmania	\$235,850
Tamar Natural Resource Management	\$181,710
Northern Tasmania Development Corporation	\$178,273
Cricket North	\$328,685
Theatre North	\$194,134
<b>TOTAL</b>	<b>\$1,474,922</b>



# Public Health Statement

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 Council has a strong involvement with food businesses in the municipality and perform 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 take a strong position on protecting our environment and assess building and development applications to reduce potential impacts on the environment.

## Parking Concessions

The car parking concessions available to eligible pensioners are stored on a SmartCard. During 2018/19 the total for pensioner concessions to park in the Paterson Street East, Paterson Street West and Elizabeth Street Car Parks was \$136,742.

## Waste Management Concessions

The City of Launceston provides free or subsidised entry to a number of groups. The value for 2018/19:

Pensioner Concessions	\$98,568
Residents Free Vouchers	\$108,933
Charitable Concessions	\$26,356
Specialist Product Disposals	\$3,531

## Development Applications

Number of applications accepted this financial year

Discretionary	621
Permit granted	68

## Processing of Development Applications

Average number of statutory days to determine applications

Discretionary	30.53
Permitted	10.39

\*\* '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*. Note: 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 Applications

Total value of development approvals for each use class this financial year	\$212,009,712
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## Processing of Building Applications

Number of building applications received this financial year	679
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## Planning Scheme Monitoring

Number of Infringement Notices issued under section 65A of the <i>Land Use Planning and Approvals Act 1993</i>	0
Number of Notices of Intent (NOI) to Issue Enforcement Notices issued under section 65B of the <i>Land Use Planning and Approvals Act 1993</i>	26
Number of Enforcement Notices issued under section 65C of the <i>Land Use Planning and Approvals Act 1993</i>	5
Number of Notices of Intention to cancel a permit issued under section 65F of the <i>Land Use Planning and Approvals Act 1993</i>	0
Number of permits cancelled under section 65G of the <i>Land Use Planning and Approvals Act 1993</i>	0

Type of Activity	Statistics	Comments
<b>Public Health Act 19</b>		
Place of Assembly assessment for mass gatherings	24	For example; events such as Royal Launceston Show, and Party in the Paddock
Inspection of Premises and Operators of Health Risk Activities	20	Includes tattooing, body piercing
Patrol of Smoke-Free areas	106	Areas as declared by Council and under the <i>Public Health Act 1997</i>
Regulated Systems	5	For example; cooling towers
Private Water Providers	5	
Housing	49	For example; inspection of private premises due to complaints of mould or squalid living conditions
Recreational Waters - natural	4 sites, 62 samples taken	Water holes and rivers tested during summer months
Recreational Waters Pools and Spas - Council owned	3 sites, 93 samples	Includes the Launceston Aquatic Centre, the Basin Pool and Lilydale Pool
Immunisations	4431	Number of doses administered
Infringements	0	Failing to register a premise where a public health risk activity occurs
<b>Food Act 2003</b>		
Registered Food Business	648	Food businesses that have occupy a fixed premise
Registration of Temporary Food Business	431	Includes school fairs, sporting events, festivals and markets etc.
Registration of State wide Food Businesses	79	Includes mobile food vans, trailers and stalls
Food Complaint Inspections	60	Complaints made by customers which may or may not be justified
Inspection of Registered Food Businesses	1020	Includes new premises, random and routine inspections
Improvement Notices issued	66	Compliance notice issued to food businesses to rectify food safety issues
Prosecutions	1	
Prohibition Orders	4	For serious non-compliances of food businesses against the <i>Food Act 2003</i>
Infringement Notices	7	Failure to comply with the <i>Food Act 2003</i> and or the Food Standards Code.
<b>Environment</b>		
Environmental pollution investigations (excluding noise)	148	For example; emissions such as odour, wood smoke, dust
Noise pollution investigations	131	Includes noise from industrial, commercial and residential sources
Infringements	0	
Environmental Protection Notices and Abatements	6	For matters relating to environmental management and amenity

# 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
Community Engagement Services	Apr 20	65,100.00	Capire Consulting Group Pty Ltd
Cataract Gorge Playground Landscaping	Nov 18	260,209.82	Jonathan Hearn Landscape Design and Construction
Cataract Gorge Civil Works	Oct 18	396,270.50	MP & HM Baker Pty Ltd
Venn Road Bridge 667 Replacement - Design and Construct	Apr 19	183,700.00	BridgePro Engineering Pty Ltd
Regional Dog Shelter & Pound Services	Feb 19 - Jan 21	230,000.00	Tasmanian Canine Defence League
Churchill Park Carpark Upgrade	May 19	840,874.20	MP & HM Baker Pty Ltd
Supply of Gravel Sand and Aggregates	Feb 19 - Jan 21	200,000.00	Various
Kerbside Collection (Waste Recycling & FOGO)	Apr 20 - Apr 27	Schedule of Rates	Veolia
Recyclables Material Recovery Facility (MRF)	Apr 20 - Apr 27	Schedule of Rates	Veolia
Wellington Street Pavement Rehabilitation	Mar 19	250,258.00	Venarchie
Hillside Crescent Retaining Wall Rehabilitation	Nov 19	587,857.00	Zannetto Civil Contracting
UTAS Stadium Field of Play Reconstruction	Nov 19	3,584,426.89	Hazel Brothers Group
LAC Program Pool Upgrade	Aug 19	208,409.00	Tas City Building Pty Ltd
Periodic Standing Contracts Road Services Repairs, & Maintenance	Jul 19 - Jun 21		Various
Contract Works- Skywalk installation Riverbend Park	Jan 19 - Aug - 19	267,478.06	Ultimate Play

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

<b>Reason for Non Application of the Tender process</b>	<b>Goods and Services Supplied</b>	<b>Contract Value exc. GST \$</b>	<b>Successful Contractor</b>
Emergency Decision under Reg 27(a). Council Meeting 23rd April 2018	Inveresk Levee Slip Remediation Work	\$802,228.01	VEC Civil Construction

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**Contracts for the Supply and Provision of Goods & Services \$100K - \$250K**

<b>Contract</b>	<b>Purchase Order Issued</b>	<b>Order exc. GST \$</b>	<b>Successful contractor</b>
Contract Services - Refurbish Councillors Room	3-Apr-19	237,310.11	Darcon Constructions Pty Ltd
Contract Works - Burns Creek Bridge	1-Oct-19	235,514.00	Vec Civil Engineering Pty Ltd
Playground Component Other	29-Jan-19	224,850.00	Moduplay Group Pty Ltd
Contract Works - Princes Square Toilets	26-Jul-18	172,030.00	Invision Development
Furniture And Equipment Purchases	31-Aug-18	165,780.00	Precor - Amer Sports Australia Pty Ltd
Contract Cleaning	9-Jul-18	146,949.00	In Depth Cleaners
Consultant - Off-Site	14-Aug-18	134,790.00	IPD Consulting Pty Ltd
Contract Works - Electrical	19-Dec-18	127,899.97	DH & LS Chilcott & Son Pty Ltd
IT - Software Corporate Apps	12-Sep-19	124,280.78	Technology One
Contract Works - Construction	3-Apr-19	124,008.00	Vos Construction & Joinery Pty Ltd
Contract Works - Other	17-Jan-19	119,550.00	Bridgepro Engineering Pty Ltd (Pc Contra)
Contract Works - Electrical Labour	10-Aug-18	119,276.00	Contact Electrical Pty Ltd
Contract Works - Construction	4-Sep-18	106,112.28	Vec Civil Engineering Pty Ltd
Contract Works - Construction	6-Aug-18	105,443.00	Total Turf Care
IT - Software Corporate Apps	12-Sep-19	101,170.64	Technology One

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# Enterprise Powers Statement

Section 72(2)(ca) of the *Local Government Act 1993* (Tas) requires us to make a statement of the activities and performance of the Council in relation to any activity undertaken pursuant to section 21 as compared with its objectives for the preceding financial year. Section 21 relates to the exercise of enterprise powers.

## Enterprize Tasmania Ltd

We are 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 any or all of those purposes.

We are represented on the board of Enterprize Tasmania Ltd by our General Manager, Michael Stretton. On 13 June 2019, Council voted by absolute majority to lease a portion of Macquarie House to Enterprize Tasmania Ltd, for the purposes of providing a co-working space to assist start up business in technology, digital and creative industries.

## 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.

We are represented on Taswater's Owners Representatives Group by our Mayor, Councillor Albert van Zetten. Detailed performance information is available at [www.taswater.com.au](http://www.taswater.com.au), in TasWater's Annual Report.

## Northern Tasmanian Development Corporation Ltd

We are 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 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.

NTDC is tasked with validating and actioning the valuable strategic planning work that has been undertaken in recent years to underpin effective and sustainable economic transition in Northern and North-East Tasmania whilst continuing to place the importance of education and health in our communities. This means finding ways to continually boost economic output, increase investment, create more jobs, and to raise average wage levels.

As a member council, we pay an annual subscription fee to NTDC. Information about NTDC's activities and performance over the last 12 months is available at [www.ntdc.org.au](http://www.ntdc.org.au).

### **Australia Pacific Airports (Launceston) Pty Ltd**

Council holds a 10 per cent 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 2019).

The Council decided to invest in this essential local infrastructure as part of its strategy to support local economic development. In the 2018/19 year, the Council received a dividend of \$741,000 for its investment, compared with a budgeted revenue of \$450,000.

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.

## **Code of Conduct Complaints**

Sections 72(1)(ba) and 72(1)(bb) of the *Local Government Act 1993 (Tas)* require us to report on Code of Conduct complaints that were received during the financial year.

No Code of Conduct complaints were received for the period 1 July 2018 to 30 June 2019.

## **Donation of Land Statement**

Section 72(1)(da) of the *Local Government Act 1993* 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.

## **Allowances and Expenses Statement**

### *Local Government Act 1993*

In 2018/19 the City of Launceston provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This includes telephone rental and calls, travelling and care of any child of a Councillor. The total amount of these expenses is shown below.

Allowances	\$540,303
Expenses	\$27,755

## **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](http://www.launceston.tas.gov.au)

As there were no public interest disclosures or recommendations of the Ombudsman during the reporting period, the remainder of section 86 of the Act is not relevant to this statement.

# Integrated Corporate Planning Framework

## Enablers

- Work Health and Safety
- Continuous Improvement and Lean
- Engagement Framework
- Project Management
- Asset Management Framework
- Integrated Planning Framework and Toolkit
- Risk Management Framework
- Contractor Management
- Cultural Development Roadmap
- City of Launceston Values
- Shared Expectations and Accountability
- Workforce Planning
- Change Management (People and Process)



## Outputs & Outcomes

- Key Performance Indicators - Business Outcomes and Community Outcomes
- Quarterly Reports
- Annual Reports
- End of Term Reports
- Learning / Successes
- Corporate Planning Calendar - Timelines
- Workforce Planning Including:
  - Succession
  - Transition
  - Talent Management
  - Training and Development

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# 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.

## Corporate Strategic Plan 2014-2024

The City of Launceston's Strategic Plan 2014-2024 was adopted on 24 November 2014, following Council's endorsement of the GLP on 10 June 2014.

Section 70E of the *Local Government Act 1993* (Tas) requires Council to review its strategic plan at least every four years. The review of the Strategic Plan 2014-2024 commenced in 2018. As explained by the General Manager:

*Towards the conclusion of their term in office, our 2014-2018 Council was engaged in the review of our Strategic Plan 2014-2024, using the opportunity to reflect on both the structure and content of the plan with a view to laying foundations upon which our 2018-2022 Council will build. Our review identified that the Strategic Plan 2014-2024 was so closely aligned to the GLP that there was little room for us to reflect strategically on service delivery and respond thoughtfully to new challenges and opportunities.*

As a consequence, in 2018/19 Council undertook a process of repositioning the strategic plan to make it clear that the plan is the City of Launceston's response to the community's vision for Launceston as expressed in the GLP. Our reviewed Strategic Plan 2014-2024 was adopted by Council on 30 May 2019, and will provide the structure around which our annual plan is framed from 1 July 2019.

## Strategic Asset Management Plan 2019-2039

Section 70B of the *Local Government Act 1993* (Tas) requires Council to prepare a long-term strategic asset management plan (SAMP) and an asset management strategy for the municipal area. Rather than having two separate documents, the City of Launceston's Asset Management Strategy is included in section 10.3 of the SAMP.

The SAMP covers 33,000 individual assets with a combined current replacement value of \$2.03B. Strategic challenges are examined and addressed. The SAMP also puts forward its approach to ensure the discipline of asset management is applied across Council and the use of a continuous improvement plan to achieve a mature state of ongoing asset management across the organisation. A key part of this work is to align the asset management objectives collectively and individually with the achievement of Council's corporate objectives.

The SAMP will be adopted by Council early in the 2019/20 financial year.

## Long Term Financial Plan 2019-2029

Section 70 of the *Local Government Act 1993* (Tas) requires Council to prepare a long-term financial management plan (LTFP) for the municipal area.

City of Launceston has taken the view that the LTFP should be used as a decision making tool with respect to having more informed future planning and greater means of achieving long-term sustainability.

The LTFP estimates the future operating revenues and expenses associated with operating requirements, capital expenditure and asset management renewal, in support of the deliverables in the Corporate Strategic Plan. It also provides a mechanism for CoL to deliver asset renewal requirements as determined in the SAMP, by making provision for the estimated costs associated with our management of the assets that are considered in that plan. The LTFP can be used in support of strategic decision making, as it allows for detailed scenario analysis to be undertaken. The SAMP provides the mechanism for the LTFP to be able to model the capital and ongoing operational cost associated with asset management, at a whole of organisation level.

The LTFP will be adopted by Council early in the 2019/20 financial year.

## Annual Plan 2018/19

The following pages provide an update on the final status of 2018/19 annual plan actions for the period ending 30 June 2019.

Progress against the 2018/19 Annual Plan is reported in terms of the plan's contribution to the achievement of strategic goals. The reporting takes its structure from a framework that is taken directly from the Council's Strategic Plan 2014-2024 (prior to its review that concluded in May 2019).

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# REPORTING ON THE ANNUAL PLAN

## 2018/19 Annual Plan Actions

Final progress report for period ending 30 June 2019



**At least 80%**  
of planned target  
achieved



**Deferred**



**Less than 60%**  
of planned target  
achieved





Action	Progress Comments	Directorate	Progress
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# 1 A CREATIVE AND INNOVATIVE CITY

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

Key Direction: To establish appropriate mechanisms to support the retail sector

### Greater Launceston Transformation Project (GLTP) - City Deal Agreement

- Participate in the GLTP Smart City project in conjunction with the partner Councils, the State Government (Office of the Co-ordinator General) and contractors to the project.
- Utilise and embed the technology, data and related project outcomes to support Council's strategic decision making and operational activities.

The majority of deliverables from the GLTP have been received - some data sets are outstanding. Employees from all Councils have formed a network to spend time growing understanding of the software capabilities and data sets to ensure the deliverables from the project deliver ongoing benefits for participating Councils.

Corporate Services



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

### Macquarie House

- 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.

The Macquarie House Project has now been completed.

Refurbishment of the existing heritage part of the Macquarie House building included:

- Removal of the internal staircase
- Refurbishment and exposure of the bluestone walls in the basement
- Replacement and repair of 12 windows that were removed in previous works to the building
- A new roof structure, roof sheeting including roof insulation, together with new gutters, fascia and down pipes
- Installation of building services including fire detection and sprinkler systems, electrical, data, IT installation with NBN infrastructure plus all mechanical equipment.

Facilities Management



Action	Progress Comments	Directorate	Progress
	<p>The construction of a new four (4) storey concrete and steel annex building was required to make all levels of Macquarie House accessible, these works include:</p> <ul style="list-style-type: none"> <li>• Feature staircase</li> <li>• Eight (8) person Lift</li> <li>• Multipurpose breakout meeting rooms and dedicated new co-working spaces to specific office levels</li> <li>• Structure clad with Celery Top Hydro Wood screens</li> <li>• Accessible toilets on all levels.</li> </ul> <p>Works to the heritage building and new structure have been undertaken and finished to respect the Heritage aspects of the existing building.</p>		

**Key Direction: To promote the wide variety of learning opportunities within Launceston**

**Continue to roll out the Asset Based Community Driven Engagement (ABCDE) Learning Sites approach to Mowbray.**

This project will extend across two reporting years, running from May 2019 to May 2020.

Development Services



The Community Connector began work in May 2019 and is based at Community Housing Limited four days a week and one day a week with the Community Development Team at City of Launceston.

The Project Plan, Stakeholder, Communications Plan and Risk Plan have been being developed which concludes the Planning stage of the project.

The Scoping stage is underway with the Community Connector having met with over 25 Mowbray residents and organisations to inform and discuss the project and their connection to the suburb.

Community and school workshops with Peter Kenyon have been planned for late July and a special multicultural workshop is in development.

Action	Progress Comments	Directorate	Progress
<p>Key Direction: To contribute towards artistic, cultural and heritage outcomes</p>			
<p><b>Cultural Strategy - City Deal Agreement</b></p> <ul style="list-style-type: none"> <li>Develop and commence implementation of a Cultural Strategy by completing action endorsed in the 'Towards a Cultural Strategy for Launceston' report.</li> </ul>	<p>Hirst projects have delivered their draft Cultural Strategy. Results of the Your Voice Your Launceston community consultation have been collated and evaluated. High level conversations have been established and are continuing with UTAS to fully explore partnership opportunities, ranging from short courses to the delivery of teaching within the museum, to shared research projects.</p> <p>The University of Tasmania and City of Launceston Partnership to deliver Launceston's cultural strategy is now underway with consultant Dolla Merrillees contracted to September 2019. The consultant will consolidate, review and analyse the work carried out to date in relation to the City of Launceston Cultural Strategy and the University of Tasmania Cultural and Creativity Strategies for the Precinct and Willis Street Development. Integration and analysis of the documents will follow, leading to a Draft Cultural Strategy incorporating Integrated UTAS Partnership Opportunities.</p> <p>The strategy is due for completion by the end of 2019.</p>	<p>Creative Arts and Cultural Services</p>	

Action	Progress Comments	Directorate	Progress
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# 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

Continue to implement action plan to support the preferred future for the Cataract Gorge Reserve and Trevallyn Nature Recreation Area. Specific focus to include:

- 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

The action plan items scheduled for delivery this year have been completed.

Infrastructure Services



The significant outcomes delivered by this action include:

- The new play space has been completed, enhancing safety, play values and the aesthetics of this area of the first basin
- Additional interpretation material has been incorporated into the Basin Cottage, along the Cataract Walk and at the First Basin highlighting Aboriginal culture past and present, European heritage and natural values
- Ongoing weed and rubbish management continued at Cataract Walk, Maple Steps, Duck Reach, and around the Gorge Restaurant with assistance from Friends of Trevallyn Reserve and Conservation Volunteers Australia
- Bushfire management works were undertaken via a fuel reduction burn at the Zig Zag Track.
- Improvements have been made to enhance access to the suspension Bridge
- Lighting upgraded along the Maple Steps from car park to the Gorge Restaurant
- Directional signage has been upgraded in accordance with Council's new style guide
- The free Tiger Bus service has been expanded to now service the First Basin
- Alterations have been made to First Basin carpark to increase capacity and enhance access

Action	Progress Comments	Directorate	Progress
<p><b>Support - Regional Recreation Strategy</b></p> <ul style="list-style-type: none"> <li>Develop a framework for delivery of a Regional Recreation Strategy in conjunction with sporting clubs, State Government and neighbouring Councils.</li> </ul>	<p>The project has financial commitment from City of Launceston, West Tamar Council, George Town Council, Northern Midlands Council and Meander Valley Council which are the Councils that operate the regional sports facilities. The scope of the Strategy will include the greater Launceston area.</p> <p>The Strategy will be developed in conjunction with regional stakeholders over the next 18 to 24 months.</p>	Infrastructure Services	

<p><b>Complete the Riverbend Park development</b></p>	<p>The Riverbend Park project is well advanced, with works on site approaching the practical completion stage. Construction of the primary parkland and play space areas is largely complete, with activity now focusing on completion of the site access, car park, and amenities structures. The new seaport pedestrian bridge is complete, and has been open to the public since late 2018. Initial pedestrian use data indicates an average of 7,000 people per week are utilising the new bridge.</p> <p>Planning for the official opening event and community open weekend are underway, awaiting final confirmation of the official opening event date from our Federal &amp; State Government funding partners.</p>	Infrastructure Services	
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**Key Direction: To support the CBD and commercial areas as activity places during day and night**

<p><b>Launceston City Heart</b></p> <p>Brisbane Street Mall Redevelopment - City Deal Agreement</p> <p>Redevelopment of the Brisbane Street Mall as part of the Launceston City Heart Masterplan and Launceston City Deal.</p>	<p>The Brisbane Street Mall Redevelopment project is completed, with the Official Opening held on 13 December 2018.</p> <p>The project has delivered significant enhancements to the amenity and function of the Mall, with enhanced seating, capacity to accommodate events, expansion of the shelter areas to improve all weather access, and improved visual access to shopfronts and throughout the space.</p> <p>In collaboration with external organisations, program of ongoing events and activation activities will be conducted in the Mall.</p>	Infrastructure Services	
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Action	Progress Comments	Directorate	Progress
<p><b>Launceston City Heart</b></p> <ul style="list-style-type: none"> <li>Wayfinding and Connectivity Implementation - City Deal Agreement Implementation of wayfinding treatments in the CBD (Launceston City Heart area)</li> </ul>	<p>Detailed design and approvals for the Wayfinding project have now been completed, and production of the first suite of signage to be rolled out is underway. A trial of digital signage options has been undertaken, with the installation of an interactive sign in the Launceston Visitor Information Centre in Cameron Street. Alternate options for access to the wayfinding signage content are also currently being investigated.</p> <p>Installation works for the static Wayfinding signage will initially occur along the Brisbane Street precinct. Following evaluation of this initial rollout, the broader project will be implemented on a precinct-by-precinct basis.</p>	Infrastructure Services	
<p><b>Launceston City Heart</b></p> <ul style="list-style-type: none"> <li>Implement Stage 2 Preliminary Planning.</li> </ul>	<p>Planning for Stage 2 City Heart was progressed in accordance with the original City Heart Masterplan. However, funding submission to the Federal grants program relevant to City Heart has not been successful. On this basis, the Stage 2 program for City Heart is currently under review, with further review with Councillors to occur during the 2019 calendar year.</p> <p>Future grant funding applications will be progressed following the future resolution of the next stages of the City Heart projects.</p>	Infrastructure Services	
<p><b>St John Street Bus Stops Redevelopment - City Deal Agreement</b></p> <p>Commence the redevelopment of St John Street (Central North and Central South) including Bus Stops as part of Stage 1 of the Launceston City Heart Masterplan.</p>	<p>Construction documentation for the St John Street Redevelopment project has been completed. However, this project is currently undergoing a revision to the current planning while a preferred solution for Bus Stops in an alternate locations in the Launceston CBD is resolved.</p> <p>This project has been deferred to accommodate this process, and it is now likely that construction will not commence until 2019-2020.</p>	Infrastructure Services	
<p><b>Key Direction: To contribute to enhanced public health and amenity to promote a safe and secure environment</b></p>			
<p><b>Implement the Launceston site of the National Suicide Prevention project in partnership with Primary Health Tasmania.</b></p>	<p>The Action Plan for 2018-19 has been completed and a new Action Plan has been submitted to Primary Health Tasmania for approval and funding for the 2019-20 financial year.</p>	Development Services	

Action	Progress Comments	Directorate	Progress
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# 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 regularly review our strategic approach to parking in Launceston

**Implement the short term objectives of the Parking Strategy.**

Development of the Parking Strategy has been delayed due to additional parking projects over the last 18 months and for better alignment with Tomorrow Together, the Retail study, Greater Launceston Transport vision and Central Area Plan.

Facilities Management



Projects which have been delivered to improve parking outcomes are:

1. The introduction of a smartphone application (Easypark) for credit card payments for on-street parking meters on-street;
2. Define the parking requirements for new UTAS campus. The Inveresk Parking Plan was created as part of the Inveresk Masterplan;
3. Develop the car park at the CH Smith site; and
4. Increase the parking supply at the Cimitiere Street car park.

Action	Progress Comments	Directorate	Progress
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# 4 A DIVERSE AND WELCOMING CITY

**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**

Key Direction: To define and communicate our role in promoting social inclusion and equity

<b>Develop a Social Inclusion Framework</b>	This project was deferred to the following reporting year due to prioritisation of other projects.	Development Services	
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Key Direction: To work in partnership with community organisations and other levels of government to maximise participation opportunities for vulnerable and diverse members of the community

<b>Job Pathways Project - City Deal Agreement</b>	Skills Tasmania is working with the Building & Construction Industry Training Board (BCITB) to support recruitment of trade apprenticeships to coincide with the construction pipeline as part of the City Deal. An apprentice recruitment campaign led by the BCITB commenced in February 2019. City of Launceston will continue to provide input as required in the future for this City Deal commitment.	Development Services	
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Key Direction: To offer equitable access to services and facilities, including the design of public spaces that are accessible and suited to all abilities

<b>Review Council's Access Action Plan</b>	This action was deferred due to prioritisation of other projects.	Development Services	
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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

Review the Event Sponsorship Guidelines in order to continue to attract a wider variety of events within the Launceston Municipality.	Review complete.	Development Services	
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Action	Progress Comments	Directorate	Progress
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# 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

**Tamar River Health and Amenity - City Deal Agreement**

In partnership with key stakeholders, prioritise and implement recommendations of the River Health Action Plan.

Council is continuing to be represented on the Tamar Estuary Management Task Force. The River Health Action Plan identified two key streams of work: improvements to the combined drainage system and to catchment management practices. Council is participating on the steering and technical committees to guide the catchment works project which are being delivered by NRM Norths. Council is supporting TasWater in further design and project planning.

Investigations have commenced on sediment management, particularly water quality, desposition of sediment, effectiveness of raking and the impact of water flows. This work is being undertaken in conjunction with NRM North and Hydro Tas with expect completion by August 2019.

Infrastructure Services



Action	Progress Comments	Directorate	Progress
<p><b>Key Direction: To manage the risks of climate-related events particularly in the area of stormwater management</b></p>			
<p><b>Stormwater Management Plan</b></p> <p>Analyse results of hydraulic modelling developed over the past three years to prepare stormwater management plans for key catchments.</p>	<p>Flood study component of this work is complete. Risk studies are complete (in draft). Flood studies released via Tomorrow Together forum. SSMP documents on track for completion December 2019 as required.</p>	<p>Infrastructure Services</p>	
<p><b>Key Direction: To reduce our and the community's impact on the natural environment</b></p>			
<p><b>Waste Strategy Review</b></p> <p>Undertake review of CoL Waste Strategy following completion of actions in 2011 Interim Waste Strategy.</p>	<p>This project has been deferred in order to consider the impact of the FOGO service and to achieve linkages with the Sustainability Strategy which is recommended to be deferred until 2019-2020.</p>	<p>Infrastructure Services</p>	
<p><b>Sustainability Strategy</b></p> <p>Develop an energy and greenhouse gas reduction action plan to enable the City of Launceston to reduce its carbon footprint and better prepare for the potential impacts of future climate change.</p>	<p>This project has been deferred until 2019-2020 as the Council does not have the resources to deliver this in the 2018-2019 financial year.</p>	<p>Infrastructure Services</p>	

Action	Progress Comments	Directorate	Progress
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# 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

### Launceston Transport Strategy

Develop a Transport Strategy for the municipality that captures the challenges and opportunities that come with the growth and development across the City, the relocation of the University of Tasmania to Inveresk and the trends and technological advances in sustainable transport planning and operation.

It is envisaged that a Greater Launceston Transport Vision will be completed and released by November this year, which will enable development of a detailed Regional Transport Strategy in 2019-2020 Financial Year.

Infrastructure Services



Key Direction: To ensure the planning system at a local and regional level is effective and efficient

### Northern Suburbs Revitalisation Plan - City Deal Agreement

Facilitate the implementation of the Northern Suburbs Revitalisation Plan in conjunction with relevant stakeholders.

The draft My Place My Future Plan was presented to a Council Workshop in May 2019 and distributed to the other major stakeholders for final comment. It is anticipated that the completed plan will be endorsed by the end of July 2019.

Development Services



Action	Progress Comments	Directorate	Progress
<p><b>Launceston Planning Scheme -</b></p> <p>Prepare the local provisions of the Launceston Planning Scheme for translation to the new statewide planning scheme framework.</p>	<p>The Draft Local Provisions Schedule is in the final stages of completion awaiting feedback from the Tasmanian Planning Commission at a pre-lodgement compliance briefing which will occur in early August. As agreed with Council, landowners with a recommended zone change, a change to their heritage listing status, or a change to the scenic management overlay affecting their property will be personally written to in early July to inform them of the proposed changes and foreshadow that the Draft LPS will go to Council for endorsement in late August. Submission to Tasmanian Planning Commission is anticipated by October 2019 followed by a period of formal advertising and consultation with the community for 60 days.</p>	<p>Development Services</p>	
<p><b>Relbia Area Plan</b></p> <p>Commence development of an area plan for Relbia.</p>	<p>In May 2019, two successful Community Vision Workshops were completed. The interactive workshops focused on three important questions:</p> <ul style="list-style-type: none"> <li>• What you love about Relbia?</li> <li>• What is your vision for Relbia now and into the future?</li> <li>• What is Relbia's ability to accommodate change?</li> </ul> <p>Due to overwhelming response by the Relbia community, the project team decided to facilitate a third workshop in mid-June 2019. All sessions were well received and attended by the Relbia residents.</p> <p>A draft summary report was delivered to Council at the end of June for review by Council officers.</p> <p>Further assessment and investigation is now required to explore what is considered appropriate in relation to lot size/density, infrastructure and amenity implications as a result of any future change to the area. This review project work will continue in the 2019/20 financial year.</p>	<p>Development Services</p>	

Action	Progress Comments	Directorate	Progress
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# 7 A CITY THAT STIMULATES ECONOMIC ACTIVITY AND VIBRANCY

**10-Year Goal: To develop a strategic and dedicated approach to securing economic investment in Launceston**

Key Direction: To provide an environment that is conducive to business and development

**University of Tasmania (UTAS) Relocation - City Deal Agreement**

Engage with the UTAS on the project to relocate to Inveresk to ensure it integrates with the precinct and City in a planned manner.

Council staff have engaged thoroughly 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. The revised UTAS Inveresk masterplan was completed in June 2019 and was released for public comment, while the first Development Application and application for a Planning Scheme amendment for the precinct will be lodged in July. A working group between UTAS/City of Launceston has been established to work through the finer details of the Precinct Plan, which is ready for staged implementation later in the year. The new building for the National Automobile Museum of Tasmania in Lindsay Street has been completed.

General Manager



Key Direction: To promote and attract national and international events and support the sector to ensure a diverse annual events calendar

**Implement the Cool Season Strategy to attract more events during the cooler season in partnership with Tourism Northern Tasmania and Business Events Tasmania.**

City of Launceston continues to partner with Tourism Northern Tasmania to implement the Cool Season strategy, with targeted bids to secure events for Launceston and northern Tasmania in the cooler months. The largest successful bid for the reporting year was a collaborative effort with a number of partners for the rights to host the Special Olympics Australia National Games in 2022 and the Junior National Games in 2020, which was announced in September 2018.

Development Services



Action	Progress Comments	Directorate	Progress
<b>Key Direction: To facilitate direct investment in the local economy to support its growth</b>			
<p><b>Continue implementation of actions outlined in Horizon 2021: City of Launceston Economic Development Strategy.</b></p>	<p>The Council worked with the Northern Tasmanian Development Corporation (NTDC) to develop a population strategy for the Northern region, including the City of Launceston. An internal economic development working group has been established and works are progressing to implement the actions outlined in the Horizon 2021 report.</p>	<p>General Manager</p>	
<p><b>City Deal Agreement -</b> Continue to work with the Commonwealth and State Government to successfully implement all of the City of Launceston's commitments under the City Deal program to deliver a range of economic and social benefits to the City.</p>	<p>The City Deal is a five-year plan to make Launceston one of Australia's most liveable and innovative regional cities, with growing incomes and falling levels of disadvantage. In the first 12 months of implementation, the City Deal has already delivered some important results for Launceston. The Council's current focus areas are on facilitating the UTAS relocation, completion of the Northern Suburbs Revitalisation Plan (My Place: My Future) and Cultural Strategy, together with the completion of the Greater Launceston Transformation Project. Each of these projects is due for completion towards the middle of the year.</p>	<p>General Manager</p>	

Action	Progress Comments	Directorate	Progress
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# 8

## A SECURE, ACCOUNTABLE AND RESPONSIVE ORGANISATION

**10-Year Goal: To communicate and engage consistently and effectively with our community and stakeholders**

Key Direction: To develop and consistently use community engagement processes

**Develop and implement a Community Engagement Framework.**

A community engagement program, Tomorrow Together, has been developed which covers six themes:

Infrastructure Services



1. A resilient city - to ensure we continue to thrive no matter what stresses or challenges we experience.
2. A well-designed city - that cleverly plans for new residential and business development while preserving our character and liveability.
3. A unique and prosperous city - to ensure we can attract and sustain a solid performing economy that builds on our city's uniqueness.
4. A mobile and accessible city - where people and business have access to greater transport choices and can access the things they need.
5. A social, inclusive and fair city - a Launceston that offers access to services and spaces for all community members and celebrates our diversity
6. A focused and sustainable Council - to help us deliver our commitment to continually improve our organisation's sustainability and drive a Launceston we can be proud of.

The Tomorrow Together program was launched in May 2019 with the Resilient City there by launched with a Symposium on 29 June 2019.

Action	Progress Comments	Directorate	Progress
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**10-Year Goal: To seek and champion collaboration to address major issues for Northern Tasmania**

Key Direction: To lead the implementation of the Greater Launceston Plan by collaborating on relevant initiatives

**Develop a framework for the review of the Greater Launceston Plan.**

A project proposal has been developed and agreed by the General Managers of the Greater Launceston Plan Councils (City of Launceston, Northern Midlands, George Town, Meander Valley and West Tamar Councils). The project will be funded by the member Councils and will commence in the 2019/20 financial year.

General Manager



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

Key Direction: To continually improve our service delivery and supporting processes

**Implement an End of Term report for the outgoing Council prior to the commencement of the 2018 Local Government Election.**

The End of Term report was completed and endorsed by Council at its November meeting.

General Manager



**Complete a review of the Council's Corporate Strategic Plan 2014-2024.**

The revised Corporate Strategic Plan was endorsed by the Council at its meeting on 30 May 2019.

General Manager



Action	Progress Comments	Directorate	Progress
<b>Develop a four year resourcing and delivery plan.</b>	<p>A template has been developed for the four-year resourcing and delivery plan. The plan will include:</p> <ul style="list-style-type: none"> <li>• Key business as usual items by strategic plan priority area</li> <li>• Strategies to be reviewed by year</li> <li>• Projects for Advocacy</li> <li>• Major Projects - Capital and Operational</li> <li>• Annual Plan Actions</li> </ul> <p>Workshops have been held with Councillors to ensure that the plan is reflective of future opportunities for the organisation and the community. Content will continue to be compiled - a draft plan to be workshopped with Councillors in August 2019.</p>	General Manager	

## 10-Year Goal: To continue to ensure the long term sustainability of our Organisation

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.

A draft Master Plan has been developed, however the Plan has been deferred while Council await for the outcome of the UTAS Masterplan currently available for public comment.

Facilities Management



Key Direction: To maintain a financially sustainable organisation

### Finalise Council's Strategic Asset Management Plan (SAMP).

The SAMP covers 33,000 individual assets with a combined current replacement value of \$2.03B. The City of Launceston SAMP goes further than the minimum legislated requirement and takes into account all asset classes of Council except land and the QVMAG collections (these assets do not generally depreciate over time). The SAMP is not just about counting, describing and depreciating assets. It is really about maintaining the service levels that these asset help provide. If assets are renewed as they reach the end of their lives, then services can be maintained.

Corporate Services



The final draft of the Strategic Asset Management Plan was considered by Councillors at a workshop and was presented to Council for adoption on 11 July 2019.

Action	Progress Comments	Directorate	Progress
<b>Complete review of Council's Long Term Financial Plan (LTFP).</b>	<p>Adoption of a LTFP is legislative requirement mandated by the <i>Local Government Act 1993</i> (Tas), however CoL has taken the view that the LTFP should be used as a decision making tool with respect to having more informed future planning and greater means of achieving long-term sustainability.</p> <p>The final draft of the Long Term Financial Plan was considered by Councillors at a workshop and by the Audit Panel. The Plan was presented to Council on 11 July 2019 for adoption.</p>	Corporate Services	

**Key Direction: To strengthen our workforce capabilities**

<b>Implement an organisational development program, with a focus on organisational culture, Lean and leadership development.</b>	<p>In 2018 the Human Synergistic's Survey was utilised to measure City of Launceston's current culture - the survey identifies the elements of constructive, aggressive/defensive, and passive/defensive culture within the organisation and then the results are used to map a pathway to a more constructive culture. The results were used by teams across the organization to develop action plans for each team.</p> <p>Investment in Lean training continued for the duration of the year. Certificate 4 participants delivered workplace Lean projects as part of studies. EMT, SMT and some coordinators participated in the Lean Leader program (34 in total completed Lean Leader). A number of teams worked internally to deliver lean improvement projects through the Business Action Learning Institute - projects included recruitment, customer service requests, better meetings and contractor safety.</p> <p>A cultural road map, "An Inspired City of Launceston", was developed to ensure we have a clear pathway to developing a constructive culture, aligned with our values whilst we grow and develop our people.</p>	Corporate Services	
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## FINANCIAL RATIOS

	2019	2018	2017	2016	2015
<b>CURRENT RATIO</b>	<b>4.4:1</b>	<b>3.51:1</b>	<b>2.21:1</b>	<b>2.08:1</b>	<b>1.7:1</b>
<i>To assess the adequacy of working capital (net current assets)</i>					
Current Assets less restricted assets	69,488,430	62,708,795	62,175,708	55,438,873	47,004,701
Current Liabilities	15,804,806	17,861,699	28,094,701	26,622,708	27,586,996
Restricted assets includes flood mitigation grant funding held and the Waste Centre Rehabilitation provision					
<b>INTEREST EXPENSE TO OPERATING REVENUE RATIO</b>	<b>0.32%</b>	<b>0.43%</b>	<b>0.36%</b>	<b>0.38%</b>	<b>0.52%</b>
<i>To assess the degree to which revenue is committed to interest</i>					
Interest Expense (External loans)	333,498	436,173	354,386	357,381	486,534
Operating Revenue (untied)	103,384,177	101,319,632	99,331,053	93,000,753	93,194,707
<b>RATE COVERAGE RATIO</b>	<b>57.9%</b>	<b>56.8%</b>	<b>56.8%</b>	<b>59.7%</b>	<b>57.6%</b>
<i>To assess dependence on rate revenue</i>					
Rate Revenue (Untied)	59,903,671	57,558,624	56,370,820	55,567,799	53,717,897
Operating Revenue (Untied)	103,384,177	101,319,632	99,331,053	93,000,753	93,194,707
<b>GRANT COVERAGE RATIO</b>	<b>9.5%</b>	<b>8.9%</b>	<b>10.8%</b>	<b>6.0%</b>	<b>10.5%</b>
<i>To assess dependence on grant revenue</i>					
Grant Revenue (incl. QVM&AG)	9,776,305	9,038,417	10,734,138	5,616,256	9,816,609
Operating Revenue (untied)	103,384,177	101,319,632	99,331,053	93,000,753	93,194,707
<b>USER CHARGES COVERAGE RATIO</b>	<b>24.3%</b>	<b>24.4%</b>	<b>22.6%</b>	<b>23.6%</b>	<b>21.2%</b>
<i>To assess dependence on user charges revenue</i>					
User Charges Revenue	25,074,837	24,690,874	22,451,835	21,911,908	19,758,245
Operating Revenue (untied)	103,384,177	101,319,632	99,331,053	93,000,753	93,194,707
<b>DEPRECIATION TO CAPITAL EXPENDITURE</b>	<b>1.6:1</b>	<b>1.64:1</b>	<b>1.58:1</b>	<b>1.4:1</b>	<b>1.34:1</b>
<i>To compare assets added with depreciation of assets</i>					
Capital Works	34,628,808	32,975,000	31,547,000	27,301,000	25,560,000
Depreciation	21,584,324	20,090,015	20,007,332	19,440,415	19,007,277
<b>RATE PAID PER MODAL VALUATION (RESIDENTIAL)</b>					
<i>To assess the movement in typical residential rates</i>					
Modal AAV	13,200	12,000	12,000	11,400	11,800
Rate Amount -General (inc Fire Levy & Waste Levy)	1,678	1,521	1,527	1,517	1,476
<b>RATE REVENUE PER CAPITA</b>	<b>\$1007.30</b>	<b>\$971.80</b>	<b>\$946.21</b>	<b>\$929.12</b>	<b>\$897.46</b>
<i>To assess the average rate raised per head of population</i>					
Revenue Rate	67,941,093	65,114,648	63,567,647	62,323,203	60,161,039
Population	67,449	67,004	67,181	67,078	67,035

# FINANCIAL REPORT 2018/19



**STATEMENT OF COMPREHENSIVE INCOME**  
**Year Ended 30 June 2019**

		Actual	Budget (Unaudited)	Actual
	Note	2019 \$000	2019 \$000	2018 \$000
<b>REVENUES</b>				
Rates and Charges	3.1	67,939	67,449	65,115
Fees	3.2	25,074	24,739	24,691
Revenue Grants and Contributions				
Financial Assistance Grants	3.3	4,452	4,231	4,274
Other Operating Grants	3.3	5,325	3,078	4,764
Capital Grants and Contributions	3.4	18,139	14,450	16,124
Interest	3.5	2,042	1,970	1,873
Interest - Capital Funds	3.5	4	-	81
Investment Revenue	3.6	3,465	3,174	4,750
Bequests	3.7	157	182	126
Other	3.8	2,962	2,111	3,201
		<u>129,559</u>	<u>121,384</u>	<u>124,999</u>
Infrastructure Adjustments	3.9	477	-	(948)
<b>Total Revenue</b>		<b><u>130,036</u></b>	<b><u>121,384</u></b>	<b><u>124,051</u></b>
<b>EXPENSES</b>				
Maintenance of Facilities and Provision of Services				
Employee Benefits	4.1	40,953	42,053	39,804
Materials and Services	4.2	36,087	36,282	35,210
Impairment of Debts	4.3	30	31	34
Finance Costs				
Interest on Loans	4.4	333	491	436
Provision for Rehabilitation	10.1	25	311	-
Change in Provision for Rehabilitation	10.1	-	-	199
Depreciation and Amortisation	4.5	21,584	20,689	20,090
State Government Fire Service Levy	4.6	7,959	7,959	7,535
Rate Remissions and Abatements	4.7	1,001	940	1,026
		<u>107,972</u>	<u>108,756</u>	<u>104,334</u>
Loss on Disposal of Fixed Assets	4.8	1,758	520	3,880
Write Down of Assets Held For Sale	7.5	-	-	(841)
<b>Total Expenses</b>		<b><u>109,730</u></b>	<b><u>109,276</u></b>	<b><u>107,373</u></b>
<b>SURPLUS (DEFICIT)</b>		<b><u>20,306</u></b>	<b><u>12,108</u></b>	<b><u>16,678</u></b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Investment Revaluation	8.2	34,564	-	3,045
Actuarial Gains (Losses)	10.2	(1,383)	-	2,539
Net Infrastructure Asset Revaluation Increase (Decrease)	8.4	14,159	-	15,941
<b>COMPREHENSIVE RESULT</b>		<b><u>67,646</u></b>	<b><u>12,108</u></b>	<b><u>38,203</u></b>

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

## STATEMENT OF FINANCIAL POSITION

	Notes	As at 30-Jun-19 \$000	As at 30-Jun-18 \$000	As at 1-Jul-17 \$000
<b>EQUITY</b>				
Capital Reserves	6.1	213,758	199,659	185,016
Revenue Reserves	6.1	1,023,437	1,018,772	1,014,106
Asset Revaluation Reserves	6.1	652,707	638,548	622,606
Investment Reserves	6.1	19,085	(15,479)	(18,188)
Trusts and Bequests	6.1	2,354	2,194	1,953
<b>TOTAL EQUITY</b>		<b>1,911,341</b>	<b>1,843,694</b>	<b>1,805,493</b>
<i>Represented by:-</i>				
<b>CURRENT ASSETS</b>				
Cash at Bank and on Hand	7.1	2,030	430	2,473
Rate and Sundry Receivables	7.2	6,788	5,850	4,148
Short Term Investments	7.3	69,956	68,205	68,609
Inventories	7.4	718	686	599
Assets Held for Sale	7.5	3,402	4,242	840
		<b>82,894</b>	<b>79,413</b>	<b>76,669</b>
<b>NON-CURRENT ASSETS</b>				
Deferred Receivables	8.1	258	258	258
Investments	8.2	272,195	237,631	234,923
Intangible Assets	8.3	5,631	5,145	4,628
Property, Infrastructure, Plant and Equipment	8.4	1,350,411	1,319,987	1,298,138
Museum Collection	8.5	237,818	237,624	237,491
Superannuation	10.2	-	622	-
		<b>1,866,313</b>	<b>1,801,267</b>	<b>1,775,438</b>
<b>TOTAL ASSETS</b>		<b>1,949,207</b>	<b>1,880,680</b>	<b>1,852,107</b>
<b>CURRENT LIABILITIES</b>				
Deposits and Prepayments	9.1	424	508	544
Employee Provisions	9.2	7,120	6,544	6,657
Interest Bearing Liabilities	9.3	-	769	2,357
Sundry Payables and Accruals	9.5	8,265	10,041	18,541
		<b>15,809</b>	<b>17,862</b>	<b>28,099</b>
<b>NON-CURRENT LIABILITIES</b>				
Employee Provisions	9.2	791	919	989
Rehabilitation Provision	10.1	10,452	9,205	7,296
Interest Bearing Liabilities	9.3	9,000	9,000	9,769
Superannuation Obligation	10.2	1,814	-	461
		<b>22,057</b>	<b>19,124</b>	<b>18,515</b>
<b>TOTAL LIABILITIES</b>		<b>37,866</b>	<b>36,986</b>	<b>46,614</b>
<b>NET ASSETS</b>		<b>1,911,341</b>	<b>1,843,694</b>	<b>1,805,493</b>
Commitments for				
Capital Expenditure	11.1	8,469	10,973	10,306
Contingent Liabilities	11.2	-	-	-

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

**STATEMENT OF CHANGES IN EQUITY**  
**Year Ended 30 June 2019**

	Notes	2019 \$000	2018 \$000
<b>TOTAL EQUITY</b>			
Balance 1 July		1,843,694	1,805,493
Surplus / (Deficit)		20,307	16,676
Comprehensive Income		(1,383)	2,539
Asset Revaluations			
Infrastructure Assets		14,159	15,941
Investments		34,564	3,045
Balance 30 June		<b>1,911,341</b>	<b>1,843,694</b>
<b>CAPITAL RESERVES</b>			
Balance 1 July	6.1	199,659	185,016
Surplus / (Deficit)	6.1	14,099	14,643
Comprehensive Income	6.1	-	-
Transfers	6.1	-	-
Balance 30 June		<b>213,758</b>	<b>199,659</b>
<b>REVENUE RESERVES</b>			
Balance 1 July	6.1	1,018,772	1,014,106
Surplus / (Deficit)	6.1	6,048	1,967
Comprehensive Income	6.1	(1,383)	2,539
Transfers	6.1	-	160
Balance 30 June		<b>1,023,437</b>	<b>1,018,772</b>
<b>ASSET REVALUATION RESERVES</b>			
Balance 1 July	6.1	638,548	622,607
Asset Revaluations	6.1	14,159	15,941
Transfers	6.1	-	-
Balance 30 June		<b>652,707</b>	<b>638,548</b>
<b>INVESTMENTS</b>			
Balance 1 July	6.1	(15,479)	(18,188)
Asset Revaluations	6.1	34,564	3,045
Transfers	6.1	-	(336)
Balance 30 June		<b>19,085</b>	<b>(15,479)</b>
<b>TRUSTS AND BEQUESTS</b>			
Balance 1 July	6.1	2,194	1,952
Surplus / (Deficit)	6.1	160	66
Transfers	6.1	-	176
Balance 30 June		<b>2,354</b>	<b>2,194</b>
		<b>1,911,341</b>	<b>1,843,694</b>

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

**STATEMENT OF CASH FLOWS**  
**Year Ended 30 June 2019**

	Notes	2019 \$000	2018 \$000
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Provision of Goods and Services (including GST)		(84,728)	(88,664)
Interest Paid		(333)	(436)
State Government Fire Service Levy		(7,959)	(7,535)
<b>Receipts</b>			
Rates		66,864	64,206
Fees and Charges		26,436	25,316
Grants and Contributions – Revenue		9,776	9,010
Interest Received		2,046	1,808
Other (including GST)		7,376	7,556
<b>Net Cash from Operating Activities</b>	12.1	<u>19,478</u>	<u>11,261</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Capital Works		(34,629)	(32,975)
Transfers to Investments		(1,406)	-
<b>Receipts</b>			
Sale of Assets		1,332	724
Grants and Contributions – Capital		14,473	16,152
Investment Revenue		3,465	4,750
Transfers from Investments		-	4,076
<b>Net Cash Used In Investing Activities</b>		<u>(16,765)</u>	<u>(7,273)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Loan Repayments	9.3	(769)	(2,357)
<b>Receipts</b>			
Loan Proceeds	9.3	-	-
<b>Net Cash From in Financing Activities</b>		<u>(769)</u>	<u>(2,357)</u>
Net Increase (Decrease) in Cash Held		1,944	1,631
Cash and Cash Equivalents at 1 July		8,386	6,755
<b>Cash and Cash Equivalents at 30 June</b>	12.1	<u><u>10,330</u></u>	<u><u>8,386</u></u>

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

## NOTES TO FINANCIAL STATEMENTS

### Year Ended 30 June 2019

#### Accounting Policies

- 1.1 Statement of Accounting Policies
  - a) Reporting Entity
  - b) Statement of Compliance
  - c) Presentation of Financial Statements
  - d) Adoption of New and Revised Accounting Standards
  - e) Standards Available for Early Adoption
  - f) Accounting Estimates
  - g) Revenue Recognition
  - h) Private Sector Contributions
  - i) Taxation
  - j) Rounding
  - k) Prior Period Disclosure
  - l) Change in Accounting Policies
- 7.5 Assets Held for Sale
- 8.1 Deferred Receivables
- 8.2 Investments
- 8.3 Intangibles
- 8.4 Property Infrastructure and Plant and Equipment
- 8.5 Queen Victoria Museum and Art Gallery
- 9.1 Deposits and Prepayments
- 9.2 Employee Provisions and Statistics
- 9.3 Interest Bearing Liabilities
- 9.4 Lease Commitments
- 9.5 Sundry Payables and Accruals
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- 11.1 Commitments for Capital Expenditure
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#### Notes to the Statement of Comprehensive Income

- 2.1 Functions and Activities of the Council
- 3.1 Rates
- 3.2 Fees
- 3.3 Revenue Grants and Contributions
- 3.4 Capital Grants and Contributions
- 3.5 Interest
- 3.6 Investment Revenue
- 3.7 Bequests
- 3.8 Other Revenue
- 3.9 Asset Take Up
- 4.1 Employee Benefits
- 4.2 Materials and Services
- 4.3 Impairment of Debts
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- 4.5 Depreciation
- 4.6 State Government Fire Service Levy
- 4.7 Remissions and Abatements
- 4.8 Gain or Loss on Disposal of Fixed Assets
- 5.1 Management Indicators

#### Notes to the Statement of Financial Position

- 6.1 Equity
- 7.1 Cash at Bank and On Hand
- 7.2 Rate and Sundry Receivables
- 7.2 Rates and Sundry Receivables
- 7.3 Current Investments
- 7.4 Inventories

#### Notes to Statement of Cash Flows

- 12.1 Cash Flow

#### Other Notes Required by Accounting Standards

- 13.1 Financial Instruments
- 13.2 Fair Value Measurements
- 13.3 Pending Accounting Standards
- 13.4 Related Party Transactions
- 13.5 Events After the Reporting Period

#### Other Local Government Required Disclosures

- 14.1 Authorities
- 14.2 Significant Business Activities
- 14.3 Special Committees

#### Statement by the General Manager

## Notes to the Financial Statements

### Note 1.1 - 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 14.3) 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 8.2, 8.3, 8.4, 8.5). 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 9 Financial Instruments**

Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures.

The standard sets new requirements for:

##### Classification and measurement of financial assets and liabilities

AASB 9 reduced the number of categories for financial assets and simplified the measurement choices. The adoption of the standard had no financial impact on the amounts disclosed but it did result in changes to terminologies and classifications as follows:

Trade and other receivables - classified as 'Loans and receivables' as at 30 June 2018, these are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at 'Amortised cost' beginning 1 July 2018.

Investment in water corporation - classified as an 'Available-For-Sale' financial asset as at 30 June 2018. As Council does not hold this equity investment for trading purposes, it has made an irrevocable election for this equity instrument to present any subsequent changes in fair value in Other comprehensive income. Under this approach only dividends are recognised in profit or loss. Council's Investment in water corporation is classified and measured as an 'Equity instrument at fair value through other comprehensive income' beginning 1 July 2018.

Short Term Investments - classified as 'Held to Maturity' as at 30 June 2018. These are classified as 'Amortised cost' beginning 1 July 2018 as it is Council's intent to hold the assets until maturity.

There are no changes in the classification and measurement for Council's financial liabilities.

## Notes to the Financial Statements

### Note 1.1 - Statement of Accounting Policies (Cont)

#### Impairment of financial assets

In terms of accounting for impairment losses, AASB 9 replaced AASB 139's incurred loss approach, with a forward-looking expected credit loss (ECL) approach. AASB 9 requires Council to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss. No change was made to Council's underlying methodology in 2018-19.

#### General hedge accounting

Council does not engage in hedge accounting.

#### **e) 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 13.3.

#### **f) 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.

#### **g) 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

#### **h) Private Sector Contributions of Property Infrastructure and Plant and Equipment**

Donations and contributions of assets are recognised as Capital Grants and Contributions.

## Notes to the Financial Statements

### Note 1.1 - Statement of Accounting Policies (Cont)

#### i) 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.

#### j) 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.

#### k) 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.

#### l) Change in Accounting Policies

There were no material changes in accounting policies during the reporting period.

In the reporting year ended 30 June 2019 the Council made adjustments to the 30 June 2018 comparative balances to correct two prior period errors.

### Note 1.2 Prior Period Adjustments

#### Prior Period Errors

##### Clay Quarry

Council operates a clay quarry to supply materials for capital works at the Waste Centre resulting in a responsibility to rehabilitate this quarry at the end of its useful life.

The liability for rehabilitation and the corresponding asset has not been recognised in financial statements prior to 30 June 2019.

Council has recognised the liability and asset in the financial statement for period ending 30 June 2019 and adjusted the 30 June 2018 balance sheet to reflect the correct financial position.

The 2017/18 Statement of Comprehensive Income has not been adjusted due to the immaterial impact on profit and loss.

##### Building Assets

In the reporting year to 30 June 2018 Council revalued its Building Assets.

In this process there was an error in the accumulated depreciation calculation resulting in an understatement of Accumulated Depreciation on Revaluations of \$24,619,755.

The movements from amounts disclosed in the 30 June 2018 published statements to the comparative information disclosed in these statements are detailed in the following table.

Notes to the Financial Statements

Note 1.2 Prior Period Adjustments (Cont)

	As Previously Reported	Adjustment			Restated
		Building Revaluation	Transfer of Intangible WIP	Waste Rehabilitation Assets and Liabilities	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statement of Comprehensive Income</b>					
Net infrastructure asset revaluation	40,560	(24,619)	-	-	15,941
<b>Comprehensive result</b>	<b>62,820</b>	<b>(24,619)</b>	-	-	<b>38,201</b>
<b>Statement of Financial Position</b>					
<b>Equity</b>					
Asset revaluation reserves	663,166	(24,619)	-	-	638,547
Revenue reserves	1,017,402	-	1,369	-	1,018,771
<b>Total equity</b>	<b>1,866,943</b>	<b>(24,619)</b>	-	<b>1,369</b>	<b>1,843,693</b>
<b>Non-current assets</b>					
Property, infrastructure, plant & equipment	1,341,855	(24,619)	(86)	-	1,319,987
Intangible assets	5,059	-	86	-	5,145
<b>Total non-current assets</b>	<b>1,823,049</b>	<b>(24,619)</b>	-	<b>2,837</b>	<b>1,801,267</b>
<b>Non-current liabilities</b>					
Rehabilitation provision	7,737	-	-	1,468	9,205
<b>Total non-current liabilities</b>	<b>17,657</b>	-	-	<b>1,468</b>	<b>19,124</b>
<b>Statement of Changes in Equity</b>					
<b>Total equity</b>					
Balance 1 July	1,804,124	-	-	1,369	1,805,493
Surplus/(Deficit)	16,675	-	-	-	16,675
Comprehensive Income	2,539	-	-	-	2,539
Asset Revaluations - investments	3,045	-	-	-	3,045
Asset Revaluations - infrastructure assets	40,560	(24,619)	-	-	15,941
<b>Balance 30 June</b>	<b>1,866,943</b>	<b>(24,619)</b>	-	<b>1,369</b>	<b>1,843,693</b>

## Notes to the Financial Statements

### Note 2.1 - 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 2.1 - Functions and Activities of the Council (Cont)

(b) Revenue and Expenses for the 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 & COMMUNITY AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2019 \$000	BUDGET \$000
<b>REVENUES</b>										
Rates and Charges	55,761	8,037	-	-	3,626	-	-	515	67,939	67,449
Fees	992	259	227	140	9,300	6,669	6,804	683	25,074	24,739
Financial Assistance Grants	1,415	-	-	-	-	-	3,037	-	4,452	4,231
Other Grants	467	100	-	16	681	1,500	161	2,400	5,325	3,078
Interest	1,977	11	-	-	5	49	-	-	2,042	1,970
Interest - Capital Funds	-	-	-	-	-	-	4	-	4	-
Investment Revenue	3,465	-	-	-	-	-	-	-	3,465	3,174
Other (including Bequests)	135	5	-	2	214	2,103	607	53	3,119	2,293
	64,212	8,412	227	158	13,826	10,321	10,613	3,651	111,420	106,934
<b>EXPENSES</b>										
Employee Costs (net of capitalised)	12,549	386	977	927	6,183	12,877	4,714	2,340	40,953	42,053
Materials and Services	2,358	595	57	429	13,558	12,509	3,826	2,755	36,087	36,282
Impairment of Debts	(4)	20	6	-	3	4	-	1	30	31
Interest on Loans	333	-	-	-	-	-	-	-	333	491
Provision for Rehabilitation	-	-	-	-	25	-	-	-	25	311
Change in Rehabilitation Provision	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	2,606	12	-	-	3,164	5,821	9,977	4	21,584	20,689
State Government Fire Service Levy	-	7,959	-	-	-	-	-	-	7,959	7,959
Rate Remissions and Abatements	998	2	-	-	1	-	-	-	1,001	940
Loss on Fixed Assets	17	8	-	-	167	695	871	-	1,758	520
	18,857	8,982	1,040	1,356	23,101	31,906	19,388	5,100	109,730	109,276
Full Cost Attribution	(2,119)	83	146	71	(228)	1,075	717	255	-	-
Competitive Neutrality	(546)	-	-	-	75	326	145	-	-	-
	16,192	9,065	1,186	1,427	22,948	33,307	20,250	5,355	109,730	109,276
	48,020	(653)	(959)	(1,269)	(9,122)	(22,986)	(9,637)	(1,704)	1,690	(2,342)
<b>Surplus (Deficit) from Operations</b>										
<b>Capital Grants and Infrastructure Adjustments</b>										
Capital Grants and Contributions	7,816	-	-	-	3,835	3,785	2,703	-	18,139	14,450
Infrastructure Adjustments	(3,577)	-	-	-	970	572	2,512	-	477	-
Write Down of Assets Held For Sale	-	-	-	-	-	-	-	-	-	-
<b>Surplus (Deficit) Before Other Comprehensive Income</b>	52,259	(653)	(959)	(1,269)	(4,317)	(18,629)	(4,422)	(1,704)	20,306	12,108
Infrastructure Assets	40,301	1,148	-	1,144	273,607	280,554	728,779	-	1,325,533	-
Work in Progress	435	-	-	-	17,346	9,272	3,453	-	30,506	-
Other Assets	355,350	-	-	-	-	237,818	-	-	593,168	-
<b>Total Assets</b>	396,086	1,148	-	1,144	290,953	527,644	732,232	-	1,949,207	-

Notes to the Financial Statements

**Note 2.1 - FUNCTIONS AND ACTIVITIES OF COUNCIL (Cont)**

(c) Comparative figures for prior year (2018)

	GENERAL PUBLIC SERVICES \$000	PUBLIC ORDER & SAFETY \$000	HEALTH \$000	WELFARE \$000	HOUSING & COMMUNITY AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2018 \$000	BUDGET \$000
<b>REVENUES</b>										
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
	<b>62,833</b>	<b>7,980</b>	<b>229</b>	<b>57</b>	<b>13,778</b>	<b>10,456</b>	<b>11,124</b>	<b>2,416</b>	<b>108,873</b>	<b>104,062</b>
<b>EXPENSES</b>										
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	-
	<b>19,378</b>	<b>8,363</b>	<b>969</b>	<b>1,104</b>	<b>21,364</b>	<b>30,683</b>	<b>21,137</b>	<b>5,214</b>	<b>108,212</b>	<b>102,299</b>
Full Cost Attribution	(1,994)	81	143	70	(307)	1,054	703	250	-	-
Competitive Neutrality	(536)	-	-	-	74	320	142	-	-	-
	<b>16,848</b>	<b>8,444</b>	<b>1,112</b>	<b>1,174</b>	<b>21,131</b>	<b>32,057</b>	<b>21,982</b>	<b>5,464</b>	<b>108,212</b>	<b>102,299</b>
<b>Surplus (Deficit) from Operations</b>	<b>45,985</b>	<b>(464)</b>	<b>(883)</b>	<b>(1,117)</b>	<b>(7,353)</b>	<b>(21,601)</b>	<b>(10,858)</b>	<b>(3,048)</b>	<b>661</b>	<b>1,763</b>
<b>Capital Grants and Infrastructure Adjustments</b>										
Capital Grants and Contributions	4,032	-	-	-	3,639	5,744	2,709	-	16,124	12,582
Infrastructure Adjustments	(1,580)	-	-	-	506	95	31	-	(948)	-
Write Down of Assets Held For Sale	841	-	-	-	-	-	-	-	841	-
<b>Net Surplus (Deficit) Before Other Comprehensive Income</b>	<b>49,278</b>	<b>(464)</b>	<b>(883)</b>	<b>(1,117)</b>	<b>(3,208)</b>	<b>(15,762)</b>	<b>(8,118)</b>	<b>(3,048)</b>	<b>16,678</b>	<b>14,345</b>
Infrastructure Assets	24,672	1,155	-	1,499	271,063	281,519	701,027	-	1,280,935	-
Work in Progress	23	6	-	-	17,841	7,501	18,828	-	44,199	-
Other Assets	317,922	-	-	-	-	237,624	-	-	555,546	-
<b>Total Assets</b>	<b>342,617</b>	<b>1,161</b>	<b>-</b>	<b>1,499</b>	<b>288,904</b>	<b>526,644</b>	<b>719,855</b>	<b>-</b>	<b>1,880,680</b>	<b>-</b>

## Notes to the Financial Statements

### Note 3.1 - Rates

	2019 \$000	2018 \$000
<b>Valuation and Rating</b>		
Gross Assessed Annual Value of the City	637,659	631,801
<b>Rates</b>		
	<b>Cents/\$AAV</b>	<b>Cents/\$AAV</b>
General Rate - Residential	7.4383	7.2042
General Rate - Commercial	7.7017	7.4919
General Rate - CBD Variation	9.2035	8.9528
General Rate - Industrial	7.8436	7.6300
General Rate - Public Purpose	7.7086	7.4986
General Rate - Primary Production	7.7017	7.6124
General Rate - Sporting and Recreation	7.3562	7.1558
General Rate - Quarrying and Mining	5.1139	4.9746
General Rate - Vacant Land	6.8146	6.6290
<b>Service Rates</b>		
Fire Protection - Urban	1.4580	1.3847
Fire Protection - Rural	0.3677	0.3317
Fire Protection - Lilydale District	0.3951	0.3758
	<b>\$</b>	<b>\$</b>
General Charge (Fixed Amount)	282.70	275.00
<b>Minimum Rates apply:-</b>		
Fire Levy	40.00	39.00
<b>SERVICE CHARGES</b>		
	<b>\$ Range</b>	<b>\$ Range</b>
Waste Management - on bin size	105 - 221	102 - 215

The Assessed Annual Value of the City is as determined by the Valuer-General for the year ended 30 June, 2019.

Rates were levied based on valuations effective from 1 July 2016 and applied from 1 July 2017.

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 3.1 - Rates (Cont)

	2019 \$000	2018 \$000
<b>Rating Revenue</b>		
<b>General Rates</b>		
General Charge	10,152	9,819
General Rate - Residential	28,064	26,859
General Rate - Commercial	9,727	9,310
General Rate - CBD Variation	515	503
General Rate - Industrial	3,021	2,931
General Rate - Public Purpose	3,163	3,046
General Rate - Primary Production	893	885
General Rate - Quarrying and Mining	5	5
General Rate - Sporting and Recreation	230	226
General Rate - Vacant Land	506	495
<b>Total General Rates</b>	<u>56,276</u>	<u>54,079</u>
Fire Protection	8,037	7,556
Waste Management	3,626	3,480
<b>Total Rates</b>	<u><u>67,939</u></u>	<u><u>65,115</u></u>

### Note 3.2 - Fees and Charges

	2019 \$000	2018 \$000
Trading Fees	14,788	14,753
Regulatory Fees	2,984	2,706
Fines	1,456	1,727
Sales	4,376	4,037
Services	1,465	1,445
Venue Hire	5	23
	<u><u>25,074</u></u>	<u><u>24,691</u></u>

### Note 3.3 - Revenue Grants and Contributions

	2019 \$000	2018 \$000
<b>Commonwealth Funded Financial Assistance Grants</b>		
Grant Funds Received for Reporting Year	4,365	4,204
Grant Received in Prior Year	(2,174)	(2,104)
Grant Received for Next Year	2,261	2,174
	<u><u>4,452</u></u>	<u><u>4,274</u></u>
<b>Commonwealth Funded Operating Grants</b>		
<b>Ongoing Grant Funding</b>		
Roads to Recovery	-	748
Training Subsidies	5	-
Diesel Rebate	160	135
	<u>165</u>	<u>883</u>
<b>Other Grants</b>	2,118	872
<b>Total Commonwealth Funded Operating Grants</b>	<u><u>2,283</u></u>	<u><u>1,755</u></u>

## Notes to the Financial Statements

### Note 3.3 - Revenue Grants and Contributions (Cont)

	2019 \$000	2018 \$000
<b>State Funded Operating Grants</b>		
<b>Ongoing Grant Funding</b>		
Queen Victoria Museum and Art Gallery	1,451	1,416
Launceston Flood Authority	524	511
Launceston Visitor and Information Centre	120	120
Motor Tax	157	157
Disaster Recovery	-	525
	<u>2,252</u>	<u>2,729</u>
<b>Other Grants</b>	617	280
<b>Total State Funded Grants</b>	<u>2,869</u>	<u>3,009</u>
<b>Private Sector Contributions</b>	173	-
<b>Total Other Operating Grants</b>	<u><u>5,325</u></u>	<u><u>4,764</u></u>

### Note 3.4 - Capital Grants and Contributions

	2019 \$000	2018 \$000
<b>State Funded Capital Grants</b>		
Flood Mitigation	-	3,000
Museum	20	-
Parks and Recreation	726	369
Sports Grounds	1,118	197
Roads	241	128
Other	4,101	9
	<u>6,206</u>	<u>3,703</u>
<b>Commonwealth Funded Capital Grants</b>		
Flood Mitigation	-	250
Parks and Recreation	200	4,600
Sports Grounds	-	500
Roads	3,488	5,385
Other	4,048	50
	<u>7,736</u>	<u>10,785</u>

## Notes to the Financial Statements

### Note 3.4 - Capital Grants and Contributions (Cont)

	2019 \$000	2018 \$000
<b>Private Sector Funded Contributions</b>		
Museum	174	14
Parks and Recreation	45	126
Sports Grounds	277	74
Roads	1,678	946
Stormwater	981	328
Other	1,042	148
	<b>4,197</b>	<b>1,636</b>
<b>Total Capital Grants and Contributions</b>	<b>18,139</b>	<b>16,124</b>

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 7.3).

### Note 3.5 - Interest Revenue

	2019 \$000	2018 \$000
<b>Interest</b>		
Interest Untied Funds	1,758	1,601
Interest Rate Debts	284	272
	<b>2,042</b>	<b>1,873</b>
Interest Tied Funds (Capital Grants)	4	81
	<b>2,046</b>	<b>1,954</b>

### Note 3.6 - Investment Revenue

	2019 \$000	2018 \$000
<b>Investment Revenue</b>		
TasWater		
Dividends	1,429	2,520
Tax Equivalents	927	1,206
Guarantee Fees	368	360
	<b>2,724</b>	<b>4,086</b>
Australia Pacific Airports (Launceston) Pty Ltd	741	664
	<b>3,465</b>	<b>4,750</b>

## Notes to the Financial Statements

### Note 3.7 - Bequests

	2019 \$000	2018 \$000
Bequests Revenue	157	126
	<u>157</u>	<u>126</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 6.1.

### Note 3.8 - Other Revenue

	2019 \$000	2018 \$000
Rent	1,077	1,044
Sponsorship	565	532
Donations	393	151
Asset Disposal	320	76
Recycling	107	135
Other	500	1,263
	<u>2,962</u>	<u>3,201</u>

### Note 3.9 - Infrastructure Adjustments

	2019 \$000	2018 \$000
Adjustments to Infrastructure Assets		
Assets Recognised (Derecognised):		
Gross Value	1,310	(1,124)
Accumulated Depreciation	(833)	176
	<u>477</u>	<u>(948)</u>

### Found Assets

During the year the Council identified assets that were not reflected in the Asset Register.

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.

## Notes to the Financial Statements

### Note 4.1 - Employee Benefits

	2019 \$000	2018 \$000
<b>Labour Costs</b>		
Wages and Salaries	28,598	27,774
Superannuation and Retiring Allowance	5,830	6,124
Employee Leave Entitlements	4,392	4,228
Payroll Tax	2,227	2,197
Workers Compensation Insurance	499	238
Other Costs	902	904
	<u>42,448</u>	<u>41,465</u>
Less Amounts Capitalised	(1,495)	(1,661)
	<u><b>40,953</b></u>	<u><b>39,804</b></u>

### Note 4.2 - Materials and Services

	2019 \$000	2018 \$000
Energy		
Street Lighting	1,039	1,080
Utilities - Gas	751	756
Utilities - Electricity	1,042	1,052
Garbage Collection	4,197	3,459
Goods and Services	17,907	17,884
Combined Service Charge ( TasWater)	1,500	1,478
Property Expenses		
Water Fixed Charges	647	569
Water Volumetric Charges	346	360
Rent External	62	128
Land Tax	349	357
Contributions		
LGAT	70	64
CBD Promotion	516	504
Regional Cooperation	523	512
Flood Authority ( Internal)	182	178
Community Assistance Grants	459	272
Events Funding	596	531
Provision of Services	561	582
Administrative		
Administration	810	904
Advertising and Promotion	190	200
Computers and Communication	366	400
Election Expenses	367	28
Expert Advice	769	1,030
Insurance (exc. Workers Compensation)	824	794

## Notes to the Financial Statements

### Note 4.2 - Materials and Services (Cont)

	2019 \$000	2018 \$000
Maintenance	190	186
Payment and Debt Collection	450	502
Postage Printing and Stationery	332	358
Councillor and Mayoral Allowances	540	534
External Auditor's Remuneration:		
Auditing Financial Statements	56	54
Other Audit Services	22	5
Internal Auditor's Remuneration	31	47
Motor Vehicle Expense	393	402
	<u>36,087</u>	<u>35,210</u>

### Note 4.3 - Impairment of Debts

	2019 \$000	2018 \$000
Sundry Debtors	30	34
	<u>30</u>	<u>34</u>

Refer to Note 7.2 for Council's Impairment Policy

### Note 4.4 - Finance Costs

	2019 \$000	2018 \$000
Interest on Borrowings	333	436
Unwinding of Discount on Provision for Rehabilitation of Waste Centre	25	-
	<u>358</u>	<u>436</u>

### Note 4.5 - Depreciation

	2019 \$000	2018 \$000
Buildings	3,418	3,227
Plant and Equipment	2,980	2,751
Infrastructure	14,513	13,532
Data Systems	673	580
Total Depreciation	<u>21,584</u>	<u>20,090</u>

## Notes to the Financial Statements

### Note 4.5 - Depreciation (Cont)

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).

#### Museum Collection

The museum collection is not depreciated - see Note 8.5.

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

	<b><u>BASIS OF DEPRECIATION</u></b>	
<b>Intangible Assets</b>		
Data Systems	Straight Line	3 - 10 years
Plans and Strategies	Straight Line	10 - 15 years
Municipal Valuations	Straight Line	6 Years
<b>Property, Infrastructure, Plant and Equipment</b>		
Freehold Land	Not Depreciated	Unlimited
Leased Land	Not Depreciated	Unlimited
Freehold Buildings	Straight Line	30 - 250 years
Leasehold Buildings	Straight Line/Lease	30 - 250 years
Structures	Straight Line	30 - 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
Furniture and Equipment	Straight Line	4 - 50 years
Stormwater and Drainage - Pump Stations	Straight Line	10 - 50 years
<b>Infrastructure</b>		
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

## Notes to the Financial Statements

### Note 4.5 - Depreciation (Cont)

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.

### Note 4.6 - State Government Fire Service Levy

	2019 \$000	2018 \$000
Levy paid to State Fire Service	<u>7,959</u>	<u>7,535</u>

The Council collects a fire levy on behalf of the State Fire Commission as a rate.  
The revenue is shown at Note 3.1

### Note 4.7 - Remissions and Abatements

	2019 \$000	2018 \$000
Remissions	<u>1,001</u>	<u>1,026</u>

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 4.8 - Disposal of Fixed Assets

	Note	2019 \$000	2018 \$000
Proceeds from Disposal		1,332	724
Less Carrying Amounts		(2,770)	(4,528)
Gain (Loss)		<u>(1,438)</u>	<u>(3,804)</u>
Gains on Disposal	3.8	320	76
Scheduled Loss on Disposal		(1,145)	(695)
Unscheduled Loss on Disposal		(613)	(3,185)
		<u>(1,758)</u>	<u>(3,880)</u>
		<u>(1,438)</u>	<u>(3,804)</u>

#### 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 5.1 - MANAGEMENT INDICATORS

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

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>a) Underlying Surplus or Deficit</b>				
Recurrent Income less	111,172	108,073	103,100	101,681
Recurrent Expenditure	109,117	104,775	101,853	99,393
Underlying Surplus (Deficit)	<u>2,055</u>	<u>3,298</u>	<u>1,247</u>	<u>2,288</u>
<b>Benchmark</b>	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 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 2018/19 an underlying surplus of \$2,055,588 was achieved.

#### **Reconciliation of Underlying Surplus to Statement of Comprehensive Income**

Underlying Surplus (Deficit)	2,055	3,298	1,247	2,288
Add				
Capital Grants	18,139	16,124	7,784	15,955
Bequests	157	126	159	149
Capital Interest	4	81	113	24
Infrastructure Take Up Adjustments	477	(948)	124,326	11,949
Disaster Recovery Income	-	525	1,051	-
Less				
FAG Grant in advance current year	2,261	2,174	2,104	
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	(613)	(3,185)	(558)	-
Disaster Recovery Spending	-	(254)	(2,018)	(285)
Surplus (Deficit)	<u>20,306</u>	<u>16,678</u>	<u>131,172</u>	<u>27,982</u>

## Notes to the Financial Statements

### Note 5.1 - MANAGEMENT INDICATORS (Cont)

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'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>	2,055	3,298	1,247	2,288
Recurrent Income	111,172	108,073	103,100	101,681

Underlying Surplus Ratio %	2%	3%	1%	2%
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<b>Benchmark</b>	0%	0%	0%	0%
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Note - positive percentage is favourable to benchmark

#### Comment

Achieving a 2% Underlying Surplus Ratio is in line with Council's Long Term Financial Plan and is consistent with the aim of achieving a small underlying surplus each year.

#### (c) Net Financial Liabilities

Liquid Assets less	78,774	74,485	75,230	68,884
Total Liabilities	37,863	36,984	45,140	37,202
Net Financial Liabilities	40,911	37,501	30,090	31,682

<b>Benchmark</b>	0	0	0	0
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Note - positive balance is favourable to benchmark

#### Comment

Net Financial Liabilities indicates the extent of what is owed to others less money held, invested or owed to Council.

Council is in a favourable position with regards to being able to cover its financial obligations.

#### (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>	40,911	37,501	30,090	31,682
Recurrent Income	111,172	108,073	103,100	101,681

Net Financial Liabilities Ratio %	37%	35%	29%	31%
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<b>Benchmark</b>	0% - (50%)	0% - (50%)	0% - (50%)	0% - (50%)
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#### Comment

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

## Notes to the Financial Statements

### Note 5.1 - MANAGEMENT INDICATORS (Cont)

#### (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.

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>Transport Infrastructure</b>				
<u>Depreciated Replacement Cost</u>	618,318	590,498	578,368	573,769
Current Replacement Cost	938,070	891,976	866,236	848,742
Asset Consumption Ratio %	66%	66%	67%	68%
<b>Benchmark</b>	>60%	>60%	>60%	>60%
<b>Buildings</b>				
<u>Depreciated Replacement Cost</u>	172,657	163,845	184,603	181,256
Current Replacement Cost	273,842	262,647	277,948	272,799
Asset Consumption Ratio %	63%	62%	66%	66%
<b>Benchmark</b>	>60%	>60%	>60%	>60%
<b>Stormwater and Drainage</b>				
<u>Depreciated Replacement Cost</u>	165,686	163,019	160,362	155,481
Current Replacement Cost	237,903	232,177	226,484	219,425
Asset Consumption Ratio %	70%	70%	71%	71%
<b>Benchmark</b>	>60%	>60%	>60%	>60%
<b>Other</b>				
<u>Depreciated Replacement Cost</u>	101,404	92,805	84,266	83,216
Current Replacement Cost	133,901	122,824	111,973	108,778
Asset Consumption Ratio %	76%	76%	75%	77%
<b>Benchmark</b>	>60%	>60%	>60%	>60%

#### 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. Council sits above the benchmark in all asset classes. Council is constantly reviewing asset data and ensuring levels of service are in line with the adopted Strategic Asset Management Plan.

## Notes to the Financial Statements

### Note 5.1 - MANAGEMENT INDICATORS (Cont)

#### (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.

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>Transport Infrastructure</b>				
Projected Capital Funding Outlays	68,887	60,641	93,612	62,110
Projected Capital Expenditure Funding	68,887	60,641	93,612	62,110
Asset Renewal Funding Ratio %	100%	100%	100%	100%
<b>Benchmark</b>	90 - 100%	90 - 100%	90 - 100%	90 - 100%
<b>Buildings</b>				
Projected Capital Funding Outlays	12,865	7,257	12,697	3,235
Projected Capital Expenditure Funding	12,865	7,257	12,697	3,235
Asset Renewal Funding Ratio %	100%	100%	100%	100%
<b>Benchmark</b>	90 - 100%	90 - 100%	90 - 100%	90 - 100%
<b>Stormwater and Drainage</b>				
Projected Capital Funding Outlays	4,415	1,935	9,465	7,300
Projected Capital Expenditure Funding	4,415	1,935	9,465	7,300
Asset Renewal Funding Ratio %	100%	100%	100%	100%
<b>Benchmark</b>	90 - 100%	90 - 100%	90 - 100%	90 - 100%
<b>Other</b>				
Projected Capital Funding Outlays	51,893	63,155	54,302	19,133
Projected Capital Expenditure Funding	51,893	63,155	54,302	19,133
Asset Renewal Funding Ratio %	100%	100%	100%	100%
<b>Benchmark</b>	90 - 100%	90 - 100%	90 - 100%	90 - 100%

#### Comment

The Strategic 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 Financial Plan aligns with the Strategic 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.

## Notes to the Financial Statements

### Note 5.1 - MANAGEMENT INDICATORS (Cont)

#### (g) Asset Sustainability Ratio

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

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<u>Capex on Replacement/Renewal of Existing Assets</u>	15,375	15,020	13,913	15,604
Annual Depreciation Expense	21,584	20,090	20,007	19,440
Asset Sustainability Ratio %	71%	75%	70%	80%
<b>Benchmark</b>	100%	100%	100%	100%

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

	Capital Renewal Expenditure \$'000	Capital New/ Upgrade Expenditure \$'000	Total Capital Expenditure \$'000
<b>Capex</b>			
Transport Infrastructure	8,872	4,071	12,943
Buildings	1,484	5,649	7,133
Stormwater and Drainage	291	128	419
Land	364	-	364
Plant	1,261	223	1,483
Other	3,104	9,200	12,303
	15,375	19,270	34,644
Annual Depreciation Expense			21,584
<b>Benchmark</b>			100%

#### Comment

The Strategic Asset Management Plan identifies assets that need renewing and provides guidance in the formulation of the annual Capital Budget. This is reviewed and updated on an annual basis. Several high cost projects were completed during 2018/19, leading to a higher than usual allocation of New/Upgrade expenditure when compared to previous years.

**Note 6 - Movements in Equity**

**Current Year**  
**Current year**

	Revised Balance 1 July \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Transfers \$'000	Balance as at 30 June 2019 \$'000
<b>Capital Reserves</b>					
Government Grants	178,452	13,943	-	-	192,395
Other Contributions	21,207	156	-	-	21,363
	<b>199,659</b>	<b>14,099</b>	-	-	<b>213,758</b>
<b>Revenue Reserves</b>					
General	997,921	4,179	-	3,476	1,005,576
CBD	17	(1)	-	-	16
Flood Authority	(114)	-	-	115	1
Investment Water Corporation	-	2,724	-	-	2,724
Public Open Space	319	24	-	-	343
Self Insurance	3,105	192	-	-	3,297
Special Committees	40	(17)	-	-	23
Waste Centre Rehabilitation	13,950	-	-	(3,591)	10,359
Employee Benefits	3,534	(1,053)	(1,383)	-	1,098
	<b>1,018,772</b>	<b>6,048</b>	<b>(1,383)</b>	-	<b>1,023,437</b>
<b>Asset Revaluation Reserves</b>					
General	<b>638,548</b>	-	<b>14,159</b>	-	<b>652,707</b>
<b>Investment Reserves</b>					
TasWater	(15,479)	-	34,564	-	19,085
NTWVG	-	-	-	-	-
	<b>(15,479)</b>	-	<b>34,564</b>	-	<b>19,085</b>
<b>Trusts And Bequests</b>					
Parks	31	-	-	-	31
Museum	2,163	160	-	-	2,323
	<b>2,194</b>	<b>160</b>	-	-	<b>2,354</b>
	<b>1,843,694</b>	<b>20,307</b>	<b>47,340</b>	-	<b>1,911,341</b>

Notes to the Financial Statements

**Note 6 - Movements in Equity (Cont)**  
Comparative figures for prior year  
Prior Year

	Revised Balance 1 July \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Transfers \$'000	Balance as at 30 June 2018 \$'000
<b>Capital Reserves</b>					
Government Grants	163,965	14,487	-	-	178,452
Other Contributions	21,051	156	-	-	21,207
	<b>185,016</b>	<b>14,643</b>	-	-	<b>199,659</b>
<b>Revenue Reserves</b>					
General	999,083	(6,619)	-	5,457	997,921
CBD	16	1	-	-	17
Flood Authority	971	124	-	(1,209)	(114)
Investment Water Corporation	-	4,086	-	(4,086)	-
Public Open Space	201	118	-	-	319
Self Insurance	2,919	188	-	(2)	3,105
Special Committees	39	1	-	-	40
Waste Centre	11,338	2,612	-	-	13,950
Employee Benefits	(461)	1,456	2,539	-	3,534
	<b>1,014,106</b>	<b>1,967</b>	<b>2,539</b>	<b>160</b>	<b>1,018,772</b>
<b>Asset Revaluation Reserves</b>					
General	622,607	-	15,941	-	638,548
<b>Investment Reserves</b>					
TasWater	(18,524)	-	3,045	-	(15,479)
NTWMG	336	-	-	(336)	-
	<b>(18,188)</b>	-	<b>3,045</b>	<b>(336)</b>	<b>(15,479)</b>
<b>Trusts And Bequests</b>					
Parks	31	-	-	-	31
Museum	1,921	66	-	176	2,163
	<b>1,952</b>	<b>66</b>	-	<b>176</b>	<b>2,194</b>
	<b>1,805,493</b>	<b>16,676</b>	<b>21,525</b>	-	<b>1,843,694</b>

## Notes to the Financial Statements

### Note 7.1 - Cash at Bank and On Hand

	2019 \$000	2018 \$000
Cash on Hand	24	22
Cash at Bank	1,978	375
Special Committees	28	33
	<b>2,030</b>	<b>430</b>

Cash on Hand is comprised of petty cash, cash floats and purchase card balances

Cash at Bank is the main trading account.

Special Committees are the collective balances of the s124 committees, see note 14.3.

### Note 7.2 - Rates and Sundry Receivables

	2019 \$000	2018 \$000
<b>(a) Current Receivables</b>		
Rate Debtors	1,358	1,324
Rates Paid in Advance	(1,414)	(1,456)
Accrued Revenue	135	590
Sundry Debtors	6,417	4,896
Prepayments	84	89
Parking Infringement Debtors	1,743	2,000
	<b>8,323</b>	<b>7,443</b>
Provision for Expected Credit Loss (2019) / Provision for Impairment (2018)		
Sundry Debtors	(461)	(441)
Parking Infringement Debtors	(1,074)	(1,152)
	<b>(1,535)</b>	<b>(1,593)</b>
	<b>6,788</b>	<b>5,850</b>
Movement in Impaired Debts	(58)	(136)
<b>(b) Collection Performance – Rate Receivables</b>		
Rate Revenue	67,941	65,115
Interest on Rates	284	272
	<b>68,225</b>	<b>65,387</b>
Percentage Rate Debtors Outstanding	1.99%	2.02%

## Notes to the Financial Statements

### Note 7.2 - Rates and Sundry Receivables (Cont)

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents the transaction value.

For Rate Debtors Council takes the view that unpaid rates represent a charge against the property that will be recovered when the property is next sold.

For commercial debtors within Sundry debtors, impairment is done on a debtor by debtor basis.

Parking and other Infringement debtors within Sundry debtors, impairment is recognised on an expected credit loss basis.

Council has established a provision matrix to facilitate the impairment assessment. Debtors are impaired on a percentage basis the increases with the age of the debt.

The above impairment policies have not materially changed from 2018.

### Note 7.3 - Current Investments

	2019 \$000	2018 \$000
<b>Current</b>		
Term Deposits With Terms 90 days Plus	61,656	60,249
At Call deposits	8,300	7,956
	<b>69,956</b>	<b>68,205</b>
<b>Restricted Assets and Deposits</b>		
Restricted assets		
a) Included in the above and invested on behalf of:-		
i) Trusts and Bequests	2,357	2,196
ii) River Dredging and Flood Protection Contributions	-	(114)
b) Provision for Retiring Allowance	171	163
c) Provision for Waste Centre Development and Rehabilitation	10,452	13,950
	12,980	16,195
Grant funds brought to account as income but not fully expended and held in specific bank deposits at year end	-	-
Total Restricted Assets	<b>12,980</b>	<b>16,195</b>
Deposits	424	508
Total Restricted Assets and Deposits	<b>13,404</b>	<b>16,703</b>
<b>Committed Funds</b>		
Capital Expenditure	8,469	10,973
Net Capital Works (carried forward)	16,164	16,532
	24,633	27,505
Current Liabilities (excluding deposits)	15,385	17,354
	<b>40,018</b>	<b>44,859</b>

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.

## Notes to the Financial Statements

### Note 7.4 - Inventories

	2019 \$000	2018 \$000
<b>Inventories</b>		
Stores	513	506
Trading Stock	205	180
Other	-	-
	<u>718</u>	<u>686</u>

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

### Note 7.5 - Assets Held for Sale

	2019 \$000	2018 \$000
<b>Assets Held For Sale</b>		
Carrying Value	25,216	26,108
Less Impairment	(21,814)	(21,866)
Value Held for Sale	<u>3,402</u>	<u>4,242</u>

In 2017, Council has entered into a Memorandum of Understanding with the University of Tasmania for an exchange of property, to assist in facilitation the relocation of the northern campus. Under this proposal, the University will acquire land in the Inveresk Precinct and the Willis Street Car Park, including the National Automobile Museum of Tasmania. In exchange, Council will receive land and buildings comprised of a new purpose built National Automobile of Tasmania facility, including land to facilitate car parking on-site. The assets received are expected to be of a higher value than those held for sale.

Transfers out of Assets Held for sale in 2018 - 19 included Nunamarra Hall and a portion of the Cimitero Street car park sold for a hotel development.

### Note 8.1 - Deferred Receivables

	2019 \$000	2018 \$000
<b>Deferred Receivables</b>		
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.

## Notes to the Financial Statements

### Note 8.2 - 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.

	2019 \$000	2018 \$000
Water Corporation net equity	1,859,256	1,605,615
Year end report used for determining net assets	30-June-2019	30-June-2018
Launceston City Council ownership percentage	14.64%	14.80%
Fair value of the Council's share of TasWater	272,195	237,631
Previously assessed value	237,631	234,586
Net Increase (decrease) in fair value	<u>34,564</u>	<u>3,045</u>

### Note 8.3 - Intangibles

Intangible assets costing over \$1,000 are capitalised and amortised on a straight line basis over their useful life. At each reporting date the Council reviews the carrying amount of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

#### Intangible Assets Year End 30 June 2019

	Data Systems	Plans and Strategies	Municipal Valuations	Total
Written Down Value 1 July	3,094	1,539	512	5,145
Less Opening Work in Progress	(86)	-	-	(86)
Additions	867	-	-	867
Disposals	-	-	-	-
Transfers	4	-	-	4
Amortisation	(464)	(107)	(102)	(673)
Written Down Value 30 June	<b>3,415</b>	<b>1,432</b>	<b>410</b>	<b>5,257</b>
At Cost	7,334	2,028	614	9,976
Accumulated Depreciation	(3,919)	(596)	(204)	(4,719)
Work in Progress	222	152	-	374
	<u><b>3,637</b></u>	<u><b>1,584</b></u>	<u><b>410</b></u>	<u><b>5,631</b></u>

## Notes to the Financial Statements

### Note 8.3 - Intangibles (Cont)

#### Intangible Assets Year End 30 June 2018

	Data Systems	Plans and Strategies	Municipal Valuations	Total
Written Down Value 1 July	3,626	1,442	-	5,068
Less Opening Work in Progress	(358)	(82)	-	(440)
Additions	214	191	614	1,019
Disposals	(8)	-	-	(8)
Transfers	-	-	-	-
Amortisation	(466)	(12)	(102)	(580)
Written Down Value 30 June	<b>3,008</b>	<b>1,539</b>	<b>512</b>	<b>5,059</b>
At Cost	6,429	2,028	614	9,071
Accumulated Depreciation	(3,421)	(489)	(102)	(4,012)
Work in Progress	86	-	-	86
	<b>3,094</b>	<b>1,539</b>	<b>512</b>	<b>5,145</b>

### Note 8.4 - Property, Infrastructure and Plant and Equipment

#### Recognition of Non-Current Assets

Land under roads is recognised 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 8.5).

Assets are initially recorded at cost and then revalued in line with Council's Revaluation Methodology and Framework for those asset classes recorded at fair value.

#### Impairment

At each reporting date the Council reviews the carrying amount of its 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.

#### 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.

**Notes to the Financial Statements**

**Note 8.4 - Property, Infrastructure and Plant and Equipment (Cont)**

<b>Asset Class</b>	<b>Valuation Method</b>	<b>Valuer</b>	<b>Valuation Year</b>
Plant and Equipment	Cost	-	
Intangible Assets	Cost	-	
Land - excluding Land Under Roads	Fair Value	Valuer General	2018/19
Land Under Roads	Fair Value	Launceston Council Infrastructure Services	2014/15
Buildings	Fair Value	LG Valuation Services	2017/18
Roads and Bridges	Fair Value	Launceston Council Infrastructure Services	2015/16 Indexed to 2018/19
Stormwater and Drainage	Fair Value	Launceston Council Infrastructure Services	2018/19
Flood Protection	Fair Value	Launceston Council Infrastructure Services	2014/15
Refuse Disposal	Fair Value	Launceston Council Infrastructure Services	2012/13
Parks and Recreation	Fair Value	Launceston Council Infrastructure Services	2018/19

Notes to the Financial Statements

Note 8.4 - Infrastructure Assets (Cont) Movements in Carrying Amounts

	Land \$'000	Buildings \$'000	Roads and Bridges \$'000	Drainage \$'000	Plant and Equipment \$'000	Other \$'000	TOTAL \$'000
<b>As At 30 June 2019</b>							
Opening Balance	-	-	-	-	39,990	-	39,990
At Cost	243,806	262,647	891,976	232,178	-	122,824	1,753,431
Accumulated Depreciation	-	(98,802)	(301,478)	(69,158)	(18,087)	(30,019)	(517,544)
Additions - Capex	2,300	12,516	18,004	783	3,978	9,721	47,302
Additions - Contributions	-	-	-	-	-	-	-
Gross	1,006	-	1,681	987	-	-	3,674
Accumulated Depreciation	-	-	(3)	(5)	-	-	(8)
Adjustments	(157)	-	1,466	(38)	-	-	1,271
Accumulated Depreciation	-	-	(909)	26	-	-	(883)
Transfers	649	275	285	-	(39)	39	1,209
Gross	-	(275)	(52)	-	35	(29)	(321)
Accumulated Depreciation	-	-	-	-	-	-	-
Revaluations	(7,786)	-	30,060	4,300	-	1,625	28,199
Gross	-	-	(10,602)	(1,735)	-	(482)	(12,819)
Accumulated Depreciation	-	-	-	-	-	-	-
Disposals	(649)	(1,596)	(5,402)	(307)	(2,375)	(308)	(10,637)
Gross	-	1,310	3,952	284	2,063	258	7,867
Accumulated Depreciation	-	(3,418)	(10,660)	(1,629)	(2,980)	(2,225)	(20,912)
Balance - 30 June	<b>239,169</b>	<b>172,657</b>	<b>618,318</b>	<b>165,686</b>	<b>22,585</b>	<b>101,404</b>	<b>1,319,819</b>
<b>Balance - 30 June</b>							
At Cost	-	-	-	-	41,554	-	41,554
At Valuation	239,169	273,842	938,070	237,903	-	133,901	1,822,885
Accumulated Depreciation	-	(101,185)	(319,752)	(72,217)	(18,969)	(32,497)	(544,620)
Work in Progress	15,085	794	3,453	481	120	10,659	30,592
	<b>254,254</b>	<b>173,451</b>	<b>621,771</b>	<b>166,167</b>	<b>22,705</b>	<b>112,063</b>	<b>1,350,411</b>

**Note 8.4 - Infrastructure Assets (Cont) Movements in Carrying Amounts**  
**Comparative Figures for Prior Year**

	Land	Buildings	Roads and Bridges	Drainage	Plant and Equipment	Other	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As At 30 June 2018</b>							
Opening Balance	-	-	-	-	37,860	-	37,860
At Cost	230,193	281,948	866,408	226,483	-	115,479	1,720,511
At Valuation	-	(97,346)	(288,041)	(66,121)	(17,059)	(28,375)	(496,942)
Accumulated Depreciation	82	1,720	9,639	195	4,200	6,717	22,553
Additions - Capex							
Additions - Contributions	137	-	911	332	-	-	1,380
Gross	-	-	(2)	(4)	-	-	(6)
Accumulated Depreciation							
Adjustments							
Gross	-	350	(59)	655	-	-	946
Accumulated Depreciation	-	(117)	90	(150)	-	-	(177)
Transfers							
Gross	1,989	(5,174)	(656)	-	-	(39)	(3,880)
Accumulated Depreciation	-	1,137	153	-	-	29	1,319
Revaluations							
Gross	13,864	(16,163)	20,849	4,512	-	1,001	24,063
Accumulated Depreciation	-	731	(7,319)	(1,281)	-	(253)	(8,122)
Disposals							
Gross	(2,460)	(34)	(5,116)	-	(2,070)	(334)	(10,014)
Accumulated Depreciation	-	20	3,919	-	1,723	232	5,894
Depreciation	-	(3,227)	(10,278)	(1,602)	(2,751)	(1,652)	(19,510)
<b>Balance - 30 June</b>	<b>243,805</b>	<b>163,845</b>	<b>590,498</b>	<b>163,019</b>	<b>21,903</b>	<b>92,805</b>	<b>1,275,875</b>
At Cost	-	-	-	-	39,990	-	39,990
At Valuation	243,805	262,647	891,976	232,177	-	122,824	1,753,429
Accumulated Depreciation	-	(98,802)	(301,478)	(69,158)	(18,087)	(30,019)	(517,544)
Work in Progress	14,739	324	20,833	925	875	6,416	44,112
	<b>258,544</b>	<b>164,169</b>	<b>611,331</b>	<b>163,944</b>	<b>22,778</b>	<b>99,221</b>	<b>1,319,987</b>

## Notes to the Financial Statements

### Note 8.5 - Queen Victoria Museum and Art Gallery

	2019 \$000	2018 \$000
<b>Museum Collection</b>		
Opening Balance	237,624	237,491
Additions	194	133
Revaluation Increase/(Decrease)	-	-
Collection Carrying Value	<u>237,818</u>	<u>237,624</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.

	2019 \$000	2018 \$000
<b>Results from Operations</b>		
<b>Revenue</b>		
Fees and Charges	572	393
State Government Operations Grant	1,451	1,416
Other Grants	28	30
Bequests and Donations	207	269
Interest	49	46
Other Income	43	15
	<u>2,350</u>	<u>2,169</u>
<b>Expenses</b>		
Provision of Services	5,786	5,605
Bequest Expenditure	-	34
Depreciation	957	733
Full Cost Attribution	357	350
	<u>7,100</u>	<u>6,722</u>
<b>Operating Surplus / (Deficit)</b>	<u>(4,750)</u>	<u>(4,553)</u>
Add Capital Grants	194	-
<b>Surplus / (Deficit)</b>	<u>(4,556)</u>	<u>(4,553)</u>

## Notes to the Financial Statements

### Note 9.1 Deposits and Prepayments

	2019 \$000	2018 \$000
Deposits Held	223	346
Prepayments	132	97
Conditional Museum Funding	69	65
	<b>424</b>	<b>508</b>

### Note 9.2 - Employee Provisions and Statistics

	2019	2018
Full Time Equivalent Employees at year end	445	440
	<b>\$000</b>	<b>\$000</b>
<b>Current Provisions</b>		
Accrued Time	90	101
Annual Leave	2,709	2,530
Long Service Leave	4,150	3,833
Retiring Allowance	171	80
	<b>7,120</b>	<b>6,544</b>
<b>Non-Current Provisions</b>		
Long Service Leave	791	836
Retiring Allowance	-	83
	<b>791</b>	<b>919</b>

#### Annual and Long Service Leave

Provision is made in respect of the liability for annual leave and long service leave at 30 June, 2019. 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.

The Following assumptions were adopted in measuring the present value of employee benefits

	2019	2018
Weighted Average Increase in Employee Costs	2.30%	2.20%
Weighted Average Discount Rates	1.23%	1.88%

## Notes to the Financial Statements

### Note 9.3 - Interest Bearing Liabilities

	2019 \$000	2018 \$000
(a) Currency of loans		
Current	-	769
Non-current	9,000	9,000
	<b>9,000</b>	<b>9,769</b>
(b) Summary Movement in Loans		
Balance - 1 July	9,769	12,126
Repayments	(769)	(2,357)
Borrowing	-	-
Balance - 30 June	<b>9,000</b>	<b>9,769</b>

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

### Note 9.4 - 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.

## Notes to the Financial Statements

### Note 9.4 - Lease Commitments (Cont)

#### 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.

### Note 9.5 - Sundry Payables and Accruals

	2019 \$000	2018 \$000
Accrued Expenses	6,795	6,268
Unearned Income	318	422
Sundry Creditors	1,152	3,351
	<b>8,265</b>	<b>10,041</b>

### Note 10.1 - Rehabilitation Provision

	2019 \$000	2018 \$000
<b>Provision for Rehabilitation</b>		
Balance at Beginning of Year	9,205	5,828
Reassessment Adjustment of Opening Balance	-	199
Favourable Discount Taken to Equity	-	(8)
Unwinding of discount - expensed as borrowing cost	25	-
New Cells Opened	-	1,719
Balance at End of Year	<b>10,452</b>	<b>9,205</b>

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".

## Notes to the Financial Statements

### Note 10.1 - Rehabilitation Provision (Cont)

The Following assumptions were adopted in measuring the present value of the Rehabilitation Liability

	2019	2018
Bond Rates 3 yr	0.96%	2.06%
Bond Rates 4 yr		2.16%
Bond Rates 6 yr	1.09%	
Bond Rates 21 yr		2.63%
Bond Rates 26 yr	1.32%	
Bond Rates 27 yr		2.63%
Bond Rates 30 yr	1.32%	
Inflation Rate	1.60%	1.90%

### Note 10.2 - 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"

## Notes to the Financial Statements

### Note 10.2 - Superannuation (Cont)

	2019 \$000	2018 \$000
The Council has taken up an Asset /(Liability) of :	(1,814)	622

In respect of the excess of benefit liabilities over assets in the Fund. The Council does not have any immediate requirement to fund the shortfall and continues 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 liability 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 2019.

	2019 \$000	2018 \$000
made up as follows:		
<b>Balance Sheet Calculation</b>		
Fair value of plan assets	56,090	53,781
Less present value of defined benefit obligation	57,632	53,159
Employee benefit asset (obligation)	(1,542)	622
Add Allowance for Contributions Tax	(272)	-
Asset / (Liability) Recognised	<u>(1,814)</u>	<u>622</u>

A liability for contributions tax is only recognised when the fund is in deficit.

#### Defined Benefit Obligation

##### Reconciliation of Obligation

Present value of defined benefit obligation - 1 July	53,159	55,932
Current service cost	2,476	2,763
Interest cost	1,402	1,293
Member contributions and transfers from other funds	1,254	973
Actuarial (gains)/ losses due to changes	2,577	(235)
Actuarial (gains)/losses due to changes in experience	1,249	(36)
Benefits and tax paid	(4,485)	(7,531)
Present value of defined benefit obligation - 30 June	<u>57,632</u>	<u>53,159</u>

#### Assets

##### Reconciliation of Assets

Fair value of plan - 1 July	53,781	55,471
Expected return on plan assets	1,405	1,264
Actuarial gains/ (losses)	1,623	1,315
Employer contributions	1,423	1,307
Member contributions and transfers from other funds	2,344	1,955
Benefits and tax paid	(4,486)	(7,531)
Fair value of defined benefit obligation - 30 June	<u>56,090</u>	<u>53,781</u>

## Notes to the Financial Statements

### Note 10.2 - Superannuation (Cont)

	2019 \$000	2018 \$000
<b>Expense recognised in Operating Surplus</b>		
Current service cost	2,476	2,763
Interest cost	1,402	1,293
Expected return on plan assets	(1,405)	(1,264)
Superannuation expense	<u>2,473</u>	<u>2,792</u>
<b>Expense recognised in Other Comprehensive Income</b>		
Actuarial gains/(losses)	<u>(1,383)</u>	<u>2,539</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.

	2019 \$000	2018 \$000
<b>Actual Return on Plan Assets</b>		
Present value of defined benefit obligation at end of year	57,632	53,159
Add Allowance for Contributions Tax	(272)	-
Fair value of Plan assets at end of year	56,090	53,781
Surplus/(Deficit) in Plan	<u>1,270</u>	<u>622</u>

## Notes to the Financial Statements

### Note 10.2 - Superannuation (Cont)

	2019 \$000	2018 \$000
Experience adjustments - Plan liabilities	(1,249)	36
Experience adjustments - Plan assets	1,623	1,315
Actual return on Fund assets	3,028	2,579
<b>Principal Assumptions</b>		
Discount Rate p.a.	1.39%	2.63%
Salary Increases	2.3% - 3.0%	2.2% - 3.0%

### Expected Contributions

If the Council follows the recommendations in the actuarial report, the expected contributions to the Fund for the year ending 31 May 2020 are as follows:

	2020 \$000	2019 \$000
Expected member contributions (for defined benefits only)	1,377	1,416
Expected member contributions (incl. deemed member contributions)	751	772

### 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% p.a.	Decrease by: 2,209
Discount Rate	Decrease by: 1% p.a.	Increase by: 2,765
Salary Growth Rate	Increase by: 1% p.a.	Increase by: 2,497
Salary Growth Rate	Decrease by: 1% p.a.	Decrease by: 2,057

### Note 11.1 - Commitments for Capital Expenditure

	2019 \$000	2018 \$000
At the reporting date, the Council had entered into contracts for the following capital expenditures:		
Plant and Equipment	1,804	940
Refuse Infrastructure	132	220
Roads Infrastructure	715	5,846
Parks and Recreation Infrastructure	5,505	2,519
Drainage Infrastructure	78	350
Flood Protection Infrastructure	63	832
Buildings	172	266
	<b>8,469</b>	<b>10,973</b>
These expenditures are due for payment:		
Not later than one year	8,469	10,973

## Notes to the Financial Statements

### Note 11.2 - 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 2019 the Council had no contingent liabilities that would materially affect any of the amounts or disclosures in these accounts.

### Note 12.1 - Cash Flow

	2019 \$000	2018 \$000
<b>(a) Reconciliation of Cash Used in Operating Activities to Surplus (Deficit)</b>		
Surplus (Deficit)	20,306	16,678
<b>Non-Cash Charges</b>		
Depreciation	21,584	20,090
Employee Provisions	1,499	1,265
Provision for Rehabilitation Movements	-	199
Allowance for Impaired Debts	30	136
Loss (Profit) on Sale of Non-current Assets	1,438	3,804
Write Down of Available for Sale Asset	-	(841)
<b>Changes in Assets and Liabilities</b>		
Rate and Sundry Receivables	(938)	(1,519)
Inventories	(33)	(87)
Sundry Creditors	(2,243)	(8,499)
Deposits	(84)	(36)
<b>Non-Cash Income</b>		
Infrastructure Adjustments	(477)	948
<b>Investing Activities</b>		
Investment Revenue	(3,465)	(4,750)
Grants and Contributions Capital	(18,139)	(16,125)
Net Cash from Operating Activities	<u>19,478</u>	<u>11,263</u>

#### (b) Reconciliation of Liabilities Arising from Financing Activities

	Interest Bearing Loans and Borrowings	Other	Total
<b>Balance as at 1 July 2018</b>	9,769	-	9,769
Changes from Financing Cash Flows			
Cash Received	-	-	-
Cash Repayments	(769)	-	(769)
<b>Balance as at 30 June 2019</b>	<u>9,000</u>	<u>-</u>	<u>9,000</u>

## Notes to the Financial Statements

### Note 12.1 - Cash Flow (Cont)

#### 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 term deposits with maturity terms of less than 90 days. 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.

		<b>2019</b>	<b>2018</b>
		<b>\$000</b>	<b>\$000</b>
Cash	7.1	2,030	430
Short Term Investments	7.3	8,300	7,956
		<b>10,330</b>	<b>8,386</b>

### Note 13.1 - 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.

#### Debtors and Deposits

##### Rate Debtors

All rates levied during the reporting period are recognised as revenues. Uncollected rates are recognised as receivables (refer Note 7.2).

##### Other Debtors

Receivables are carried at nominal amounts due less any allowance for provision for expected credit losses. (Refer note 7.2)

##### 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.

## Notes to the Financial Statements

### Note 13.1 - Financial Instruments (Cont)

#### 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.

	2019 \$000	2018 \$000
<b>CARRYING VALUE</b>		
<b>Financial Assets</b>		
Cash, Cash Equivalents and Term Deposits	71,985	68,635
Investments	272,195	237,631
Current Receivables	6,787	5,850
Deferred Receivables	258	258
<b>Total Financial Assets</b>	<b>351,225</b>	<b>312,374</b>
<b>Financial Liabilities</b>		
At Amortised Cost	17,686	20,318
<b>Total Financial Liabilities</b>	<b>17,686</b>	<b>20,318</b>
<b>NET TOTAL</b>	<b>333,539</b>	<b>292,056</b>
<b>FAIR VALUE</b>		
<b>Financial Assets</b>		
Cash, Cash Equivalents and Term Deposits	71,985	68,635
Investments	272,195	237,631
Current Receivables	6,787	5,850
Deferred Receivables	258	258
<b>Total Financial Assets</b>	<b>351,225</b>	<b>312,374</b>
<b>Financial Liabilities</b>		
At Amortised Cost	18,120	20,421
<b>Total Financial Liabilities</b>	<b>18,120</b>	<b>20,421</b>
<b>NET TOTAL</b>	<b>333,105</b>	<b>291,953</b>

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

At fair value through profit and loss based upon quoted market prices at the reporting date or independent valuation.

## Notes to the Financial Statements

### Note 13.1 - Financial Instruments (Cont)

#### (a) Cash and Cash Equivalents, Financial Assets at fair value through the Profit and Loss.

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.

	2019 \$000	2018 \$000
<b>Increase of Values/Rates</b>		
<b>Profit</b>		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	630	589
<b>Equity</b>		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	630	589
<b>Decrease of Values/Rates</b>		
<b>Profit</b>		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(630)	(589)
<b>Equity</b>		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(630)	(589)

#### (b) Receivables

The Council's major receivables comprise:

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

## Notes to the Financial Statements

### Note 13.1 - Financial Instruments (Cont)

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.

	2019 \$000	2018 \$000
A profile of the Council's receivables credit risk at balance date follows:		
<b>Receivables Credit Risk</b>		
<b>(i) Ageing of Receivables</b>		
<b>Current</b>		
Rate Debtors	(1,403)	(1,440)
Accrued Revenue	135	590
Sundry Debtors	5,405	4,196
Prepayments	84	89
Parking Infringement Debtors	166	49
	<b>4,387</b>	<b>3,484</b>
<b>Overdue</b>		
Rate Debtors	1,347	1,308
Accrued Revenue	-	-
Sundry Debtors	708	700
Prepayments	-	-
Parking Infringement Debtors	1,881	1,951
	<b>3,936</b>	<b>3,959</b>
<b>Total Receivables</b>	<b>8,323</b>	<b>7,443</b>
<b>(ii) Movement in Provision for Impairment of Receivables</b>		
Balance at the beginning of the year	(1,593)	(1,729)
Movement in provision	12	82
Amounts already provided for and written back this year	46	54
	<b>(1,535)</b>	<b>(1,593)</b>
<b>Provision for Impairment at 30 June 2019</b>	<b>(1,535)</b>	<b>(1,593)</b>
<b>Net Receivables</b>	<b>6,788</b>	<b>5,850</b>

## Notes to the Financial Statements

### Note 13.1 - Financial Instruments (Cont)

#### (c) Fair Value Hierarchy

The table following 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 either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3

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

	2019 \$000	2018 \$000
Level 3 - Investments	<u>272,195</u>	<u>237,631</u>

#### (d) Payables and Borrowings

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to 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.

The contractual cash outflows (i.e. principal only) of the Council's payables and borrowings are set out in the Liquidity Table:

	2019 \$000	2018 \$000
<b>Liquidity Table</b>		
<b>Variable Interest</b>		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	-	-
	<hr/>	<hr/>
<b>Fixed Rate Maturity</b>		
<u>Less than 1 Year</u>		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	-	769
	<hr/>	<hr/>
		769
<u>1 to 5 Years</u>		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	9,000	9,000
	<hr/>	<hr/>
	9,000	9,000

## Notes to the Financial Statements

### Note 13.1 - Financial Instruments (Cont)

	2019 \$000	2018 \$000
<b>Liquidity Table</b>		
<b>Non Interest</b>		
Deposits	424	508
Sundry Creditors	8,265	10,040
Secured Loans	-	-
	8,689	10,548
<b>Total Cash Outflows</b>		
Deposits	424	508
Sundry Creditors	8,261	10,040
Secured Loans	9,000	9,769
	17,685	20,317
<b>Actual Carrying Amount</b>		
Deposits	424	508
Sundry Creditors	8,261	10,040
Secured Loans	9,000	9,769
	17,685	20,317

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.

The following interest rates were applicable to the Council's Liabilities at balance date:

	2019 \$000	2018 \$000
<b>Secured Loans</b>		
Carrying Value	9,000	9,769
Average Interest Rate	3.38%	3.59%

### Note 13.2 - 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

##### Land

All developed and undeveloped freehold, including land under roads, and leasehold land owned or controlled by the Council.

## Notes to the Financial Statements

### Note 13.2 - Fair Value Measurements (Cont)

#### Buildings

All buildings owned by the Council. This includes Administration, Commercial, Recreational, Cultural, Residential and other buildings.

#### Category

##### 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 category. Investment in TasWater

#### a) Fair Value Hierarchy

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

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

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

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, 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 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	-	239,169	-	239,169
Buildings	-	-	172,657	172,657
Roads and Bridges	-	-	618,318	618,318
Drainage	-	-	165,686	165,686
Other Infrastructure	-	-	101,404	101,404
Investment in TasWater	-	-	272,195	272,195
	-	<b>239,169</b>	<b>1,330,260</b>	<b>1,569,429</b>

## Notes to the Financial Statements

### Note 13.2 - Fair Value Measurements (Cont)

#### Non-recurring fair value measurements

Assets held for sale	3,402	-	-	3,402
	<b>3,402</b>	<b>-</b>	<b>-</b>	<b>3,402</b>

#### As at 30 June 2018

#### Recurring fair value measurements

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	-	243,805	-	243,805
Buildings	-	-	163,845	163,845
Roads and Bridges	-	-	590,498	590,498
Drainage	-	-	163,019	163,019
Other Infrastructure	-	-	92,805	92,805
Investment in TasWater	-	-	237,631	237,631
	<b>-</b>	<b>243,805</b>	<b>1,247,798</b>	<b>1,491,603</b>

#### Non-recurring fair value measurements

Assets held for sale	4,242	-	-	4,242
	<b>4,242</b>	<b>-</b>	<b>-</b>	<b>4,242</b>

#### Transfers between levels of the hierarchy

Council policy is to recognise transfers into or between hierarchy levels at the end of the reporting period. The following assets have been subject to a transfer between levels in the hierarchy.

#### Hierarchy Transfers 2019

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	(649)	649	0	-
Other Transfers	(243)	-	243	-
	<b>(892)</b>	<b>649</b>	<b>243</b>	<b>-</b>

#### Hierarchy Transfers 2018

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land available for sale	1,508	(1,508)	-	-
Other Transfers	1,894	-	(1,894)	-
	<b>3,402</b>	<b>(1,508)</b>	<b>(1,894)</b>	<b>-</b>

#### 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.

## Notes to the Financial Statements

### Note 13.2 - Fair Value Measurements (Cont)

#### **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 3 Taswater investment is valued at Councils share of the net assets.

#### **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.

Land under roads is measured on a square meter rate provided by the Valuer General.

#### **Level 3 Assets**

##### Buildings

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

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.

##### Investments

The investment in TasWater is valued at the Councils share of the net assets of TasWater

#### **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.

## Notes to the Financial Statements

### Note 13.2 - Fair Value Measurements (Cont)

	2019 \$000	2018 \$000
<b>e) Changes in recurring level 3 fair value measurements</b>		
<b>Balance at beginning of reporting period</b>	1,247,798	1,245,021
Add Prior Period Adjustments	-	-
Additions	43,684	19,508
Gain/loss recognised in Operating Result	(17,387)	(15,990)
Gain/loss recognised in Other Comprehensive Income	57,730	5,122
Disposals	(1,809)	(1,313)
Transfers Into Level 3	243	-
Transfers out of level 3	-	(4,550)
<b>Closing balance</b>	<b>1,330,259</b>	<b>1,247,798</b>

### 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.

Asset Group	Basis of Valuation
<b>Drainage</b>	<ul style="list-style-type: none"> <li>- Rates per metre for various diameters of pipelines and include house connections and fittings allowance</li> <li>- Rates vary depending on whether beneath private or public land</li> <li>- Manholes. identify number and allow for an average size</li> <li>- "Chamber Manholes". identify number and allow for an average size</li> <li>- Gully pits. identify number and allow for connections</li> </ul> <p>No allowance for kerb adaptors or connections to kerbs</p>
<b>Roads</b>	<ul style="list-style-type: none"> <li>- Pavement (road sub base and base) m<sup>2</sup></li> <li>- Kerb and Channel in metres left and right</li> <li>- Road surface m<sup>2</sup></li> <li>- Footpath m<sup>2</sup> left and right</li> <li>- Verge (includes guide posts, table drains, bollards as a count and guardrails in linear metres).</li> </ul> <hr/> <ul style="list-style-type: none"> <li>- 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).</li> <li>- Bridge – type includes timber, concrete and steel – for vehicles and or pedestrians in m<sup>2</sup>.</li> <li>- Culvert – includes box culverts in m<sup>2</sup> or reinforced concrete pipe in diameter size</li> </ul>

## Notes to the Financial Statements

### Note 13.2 - Fair Value Measurements (Cont)

Asset Group	Basis of Valuation
Buildings	- Independent market valuation.
Parks and Recreation	- Improved grounds m <sup>2</sup> - 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 m <sup>2</sup> - 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 13.1)

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 13.1 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).

### Note 13.3 - Pending Accounting Standards

At the reporting date the following pending accounting standards 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 standard is applicable for reporting periods beginning on or after 1 January 2019.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset. For Council, the main impact is the recognition of non monetary and below market value contributions to be recognised as revenue at market value.

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. While Council has volunteers providing unpaid work across a number of its operations, this work would not be funded by Council should the volunteers withdraw their services.

Where an asset is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council has undertaken an initial review of its peppercorn leases and does not believe the value of these right-of-use assets will have a material effect on Council's financial statements.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises rate income as it is levied, rather than when received. Therefore, there will be no impact as a result of the changes to accounting for prepaid rates under AASB 1058, apart from the prepaid rates being treated as a liability rather than being netted off receivables .

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.

## Notes to the Financial Statements

### Note 13.3 - Pending 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 contract costs and contracts which contain a financing element.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contract 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.

At the reporting date there is no anticipated impact on the amounts disclosed.

#### 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 9.4.

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 13.3 - Pending Accounting Standards (Cont)

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to accumulated surpluses for the difference in accounting treatment on initial adoption. At the reporting date Council had no material operating leases.

#### **AASB 1059 Service Concession Arrangements: Grantors**

##### **Associated Standards**

##### **AASB 2018 - 5 Deferral of AASB 1059**

This Standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective.

AASB 2018 - 5 Defers its implementation until reporting year 2021.

No material effects are expected from the adoption of this standard.

##### **AASB 2018-2 Plan Amendment Curtailment or Settlement**

The Standard amends AASB 119 to specify how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period.

No material effects are expected from the implementation of this standard.

##### **AASB 2018-7 Definition of Materiality**

The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material. No material effects are expected from the implementation of this standard.

### Note 13.4 - Related Party Transactions

#### **Accounting Standards Disclosures**

##### **AASB 124 Related Party Disclosures**

For reporting periods beginning on or after 1 July 2016 Local Government is required to adopt AASB 124 Related Party Disclosures.

The standard requires the disclosure of related party relationships, transactions and outstanding balances, including commitments.

##### **Related Parties**

The Council's Related Parties are those that it controls or can exert significant influence over.

For the reporting year Council has no Related Parties that it controls or can exert significant influence over.

##### **Key Management Personnel**

Key Management Personnel are those who, directly or indirectly, have authority for planning, directing and controlling the activities of the Council.

The Council has interpreted the definition of Key Management Personnel to include the Mayor, Deputy Mayor, Councillors, General Manager and the Directors.

## Notes to the Financial Statements

### Note 13.4 - Related Party Transactions (Cont)

#### Local Government Act Disclosures

##### Councillor's Disclosure

##### Pecuniary Interests

Councillors are required to disclose pecuniary interests in matters which come before the Council. In addition, under section 84(2) of the *Local Government Act 1993*, the Council is required to "specify any interests as notified to the General Manager of any Councillor in respect of any body or organisation with which the Council has major financial dealings."

##### Allowances

Section 72(cb) of the *Local Government Act 1993* requires a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors.

##### Remuneration of Senior Officers

Section 72(1)(cd) of the *Local Government Act 1993*, requires the Council to report the total annual remuneration paid to employees who hold positions designated by the Council as senior positions. The Council has determined that senior positions comprise Director and General Manager positions.

#### Key Management Personnel Compensation

##### Councillors

Short Term Benefits (Allowances)

Short Term Benefits (Expenses)

Long Term Benefits

	2019 \$000	2018 \$000
Short Term Benefits (Allowances)	540	534
Short Term Benefits (Expenses)	26	26
	<u>566</u>	<u>560</u>
Long Term Benefits	-	-
	<u>566</u>	<u>560</u>

##### Senior Officers

##### Remuneration

\$40,001 - \$60,000  
 \$60,001 - \$80,000  
 \$120,001 - \$140,000  
 \$140,001 - \$160,000  
 \$160,001 - \$180,000  
 \$200,001 - \$220,000  
 \$220,001 - \$240,000  
 \$260,001 - \$280,000

	2019 Number of Employees		2018 Number of Employees	
	Actual	Annualised	Actual	Annualised
\$40,001 - \$60,000	1	-	-	-
\$60,001 - \$80,000	1	-	1	-
\$120,001 - \$140,000	1	-	3	-
\$140,001 - \$160,000	1	-	3	-
\$160,001 - \$180,000	1	2	3	1
\$200,001 - \$220,000	4	5	-	-
\$220,001 - \$240,000	-	-	-	5
\$260,001 - \$280,000	1	1	-	1
	<u>10</u>	<u>8</u>	<u>10</u>	<u>7</u>

## Notes to the Financial Statements

### Note 13.4 - Related Party Transactions (Cont)

	2019 \$000	2018 \$000
<b>Senior Officers</b>		
Short Term Benefits	1,424	1,343
Long Term Benefits	29	54
Post Employment Benefits	188	195
Termination Benefits	37	392
	1,678	1,984
<b>Related Party Transactions</b>		
<b>Transactions</b>		
Sales of Goods and Services	185	78
Purchase of Goods and Services	6,490	1,931
	6,675	2,009
Loans to Key Management Personnel	-	-
Outstanding Balances owed by Key Management Personnel	-	-

#### 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 \$51,820 (\$77,560) and purchases totalled \$6,437,919 (\$1,852,058). 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 13.5 - Events After Reporting Period

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

## Notes to the Financial Statements

### Note 14.1 - Authorities

#### 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".

	2019 \$000	2018 \$000
<b>Revenue and Expenses</b>		
<b>Revenue</b>		
State Government Grants	524	511
Launceston City Council	182	178
Interest Income	5	9
Other Income	-	5
<b>Total Revenue</b>	<b>711</b>	<b>703</b>
<b>Expenses</b>		
Operations Costs	631	580
Depreciation	586	573
<b>Total Expenses</b>	<b>1,217</b>	<b>1,153</b>
<b>Surplus / (Deficit)</b>	<b>(506)</b>	<b>(450)</b>

### Note 14.2 - 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 2.1.

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:

## Notes to the Financial Statements

### Note 14.2 - Significant Business Activities (Cont)

#### 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).

#### 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.

	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000
<b>OFF STREET PARKING</b>			
<b>Revenue</b>			
Operating Revenue	3,245	3,144	3,046
	<b>3,245</b>	<b>3,144</b>	<b>3,046</b>
<b>Expenses</b>			
Employee Benefits	99	147	157
Material and Services	531	696	489
Depreciation	285	361	276
	<b>915</b>	<b>1,204</b>	<b>922</b>
Full Cost Attribution	32	(1)	32
Competitive Neutrality	145	145	142
	<b>1,092</b>	<b>1,348</b>	<b>1,096</b>
<b>Operating Surplus / (Deficit)</b>	2,153	1,796	1,950
Less Notional Income Tax	646	539	585
<b>Surplus / (Deficit)</b>	<b>1,507</b>	<b>1,257</b>	<b>1,365</b>
<b>Capital Costs</b>			
Asset Disposal Loss/ (Gain)	19	-	2,147
Notional Cost of Capital	1,885	1,885	1,542
	1,904	1,885	3,689
<b>Fully Attributed Surplus / (Deficit)</b>	<b>(397)</b>	<b>(628)</b>	<b>(2,324)</b>

## Notes to the Financial Statements

### Note 14.2 - Significant Business Activities (Cont)

	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000
<b>LAUNCESTON AQUATIC (Excludes LA Fit)</b>			
<b>Revenue</b>			
Operating Revenue	3,111	3,031	2,947
	<b>3,111</b>	<b>3,031</b>	<b>2,947</b>
<b>Expenses</b>			
Employee Benefits	1,975	1,961	1,831
Material and Services	1,739	2,007	1,588
Depreciation	816	814	763
	<b>4,530</b>	<b>4,782</b>	<b>4,182</b>
Full Cost Attribution	74	74	73
Competitive Neutrality	83	83	82
	<b>4,687</b>	<b>4,939</b>	<b>4,337</b>
<b>Operating Surplus / (Deficit)</b>	<b>(1,576)</b>	<b>(1,908)</b>	<b>(1,390)</b>
Less Notional Income Tax	-	-	-
<b>Surplus / (Deficit)</b>	<b>(1,576)</b>	<b>(1,908)</b>	<b>(1,390)</b>
<b>Capital Costs</b>			
Asset Disposal Loss/ (Gain)	-	-	3
Notional Cost of Capital	1,532	1,532	1,413
	1,532	1,532	1,416
<b>Fully Attributed Surplus / (Deficit)</b>	<b>(3,108)</b>	<b>(3,440)</b>	<b>(2,806)</b>
<b>LAFit</b>			
<b>Revenue</b>			
Operating Revenue	1,139	1,133	1,007
	<b>1,139</b>	<b>1,133</b>	<b>1,007</b>
<b>Expenses</b>			
Employee Benefits	359	337	349
Material and Services	126	135	118
Depreciation	53	43	46
	<b>538</b>	<b>515</b>	<b>513</b>
Full Cost Attribution	76	76	74
Competitive Neutrality	6	6	6
	<b>620</b>	<b>597</b>	<b>593</b>
<b>Operating Surplus / (Deficit)</b>	<b>519</b>	<b>536</b>	<b>414</b>
Less Notional Income Tax	155	161	124
<b>Surplus / (Deficit)</b>	<b>364</b>	<b>375</b>	<b>290</b>
<b>Capital Costs</b>			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	20	20	8
	20	20	8
<b>Fully Attributed Surplus / (Deficit)</b>	<b>344</b>	<b>355</b>	<b>282</b>

## Notes to the Financial Statements

### Note 14.2 - Significant Business Activities (Cont)

	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000
<b>BUILDING SURVEYING AND CERTIFICATION</b>			
<b>Revenue</b>			
Operating Revenue	214	211	207
	<b>214</b>	<b>211</b>	<b>207</b>
<b>Expenses</b>			
Employee Benefits	172	122	161
Material and Services	10	14	23
Depreciation	3	10	10
	<b>185</b>	<b>146</b>	<b>194</b>
Full Cost Attribution	41	28	27
Competitive Neutrality	-	3	3
	<b>226</b>	<b>177</b>	<b>224</b>
<b>Operating Surplus / (Deficit)</b>	<b>(12)</b>	<b>34</b>	<b>(17)</b>
Less Notional Income Tax	-	10	-
<b>Surplus / (Deficit)</b>	<b>(12)</b>	<b>24</b>	<b>(17)</b>
<b>Capital Costs</b>			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	2	2	2
	<b>2</b>	<b>2</b>	<b>2</b>
<b>Fully Attributed Surplus / (Deficit)</b>	<b>(14)</b>	<b>22</b>	<b>(19)</b>

### Note 14.3 - Special Committees

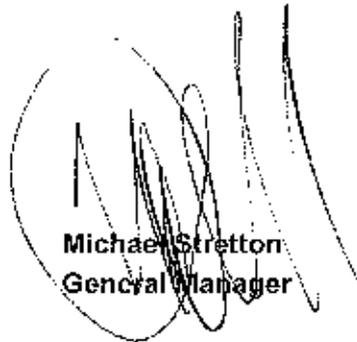
	2019 \$000	2018 \$000
<b>Committee Name</b>		
Dilston Hall	3	3
Karoola Hall and Recreation Ground	-	5
Lebrina Progress Association	7	7
Lilydale Memorial Hall Committee	10	9
North Esk Memorial Hall and Recreational Ground	8	9
Balance - 30 June	<b>28</b>	<b>33</b>
<b>Summary of Special Committees</b>		
Balance 1 July	34	39
Receipts	6	10
Expenses	12	15
Balance 30 June	<b>28</b>	<b>34</b>

The Karoola Recreation Ground Committee ceased operating during the reporting year

## STATEMENT BY THE GENERAL MANAGER

The accompanying financial statements set out on pages 58 to 121 present fairly the financial position of the City of Launceston as at 30 June 2019, 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 27/04/2019



Michael Stretton  
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 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income, the asset renewal funding ratio disclosed in note 5.1, nor the Significant Business Activities disclosed in note 14.2 to the financial report and accordingly, I express no opinion on them.

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

## Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p><b>Valuation of property and infrastructure</b> <i>Refer to notes 4.5, 8.4 and 13.2</i></p> <p>Property, infrastructure, plant and equipment at 30 June 2019 includes land, buildings, roads, bridges, stormwater, drainage and other infrastructure totalling \$1.33bn. The fair values of these assets are based on depreciated current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. The valuations are highly dependent upon a range of assumptions and estimated unit rates. Between valuations Council reviews fair values and applies relevant indexation where considered necessary to ensure the carrying amount does not differ materially.</p> <p>In 2018-19 Council revalued roads, bridges, stormwater and drainage assets, based on depreciated replacement cost valuations determined by internal experts. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital expenditure in 2018–19 totalled \$0.035bn on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which</p>	<ul style="list-style-type: none"> <li>• Assessing the scope, expertise and independence of experts engaged to assist in the most recent valuations.</li> <li>• Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>• Testing, on a sample basis, the mathematical accuracy of the valuation model’s calculations.</li> <li>• Evaluating indexation applied to assets between formal valuations.</li> <li>• Evaluating management’s assessment of the useful lives.</li> <li>• Performing substantive analytical procedures on depreciation expenses.</li> <li>• Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.</li> <li>• Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.</li> <li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>

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<b>Why this matter is considered to be one of the most significant matters in the audit</b>	<b>Audit procedures to address the matter included</b>
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are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.

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### **Responsibilities of the General Manager for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

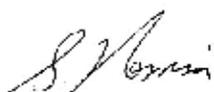
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material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

to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

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

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

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



Stephen Morrison  
**Assistant Auditor-General Financial Audit Services**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

27 September 2019  
Hobart



Large print copies  
of this document are  
available on request.

Town Hall, 18 St John Street Launceston  
T 03 6323 3000  
E [contactus@launceston.tas.gov.au](mailto:contactus@launceston.tas.gov.au)  
[www.launceston.tas.gov.au](http://www.launceston.tas.gov.au)

