



CITY OF LAUNCESTON ANNUAL REPORT

2020-21



Acknowledgement to Country

This report respectfully acknowledges that the land on which the City of Launceston is built is at the heart of the Stoney Creek Nation, which was made up of at least three clans: Tyerenotepanner, Panninher and Leetermairrener.

The Stoney Creek Nation clans lived along the riverways in harmony with the seasons for several thousand generations, and today they are remembered as the traditional owners of this land.

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 boundary. The most recent boundary changes were in 1992 when parts of Prospect and Relbia were included within the municipality.

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 543 employees. Launceston is the largest council in Tasmania in terms of population.



PO Box 396,
Launceston, Tasmania 7250

Phone 03 6323 3000
Email contactus@launceston.tas.gov.au

Cover - Image: City of Launceston

Contents

Mayor's Message	5
Chief Executive Officer's Report	6
Vision, Mission, Values	8
Council Profile	9
Councillor Profiles	10
Executive Leadership Team	17
Organisational Grouping of Networks	18
Annual Performance Snapshot	19
The Year in Review	23
Integrated Corporate Planning Framework	51
Strategy and Planning	52
Reporting to the Annual Plan 2020-21	55
Financial Ratios	68
Financial Report	69



Mayor's Message



Like other cities around the globe, Launceston's primary focus during the 2020-21 financial year revolved around navigating the COVID-19 pandemic.

While Northern Tasmania has so far been extremely fortunate in terms of avoiding community transmission of COVID-19, we have still felt a number of the impacts.

Our tourism and hospitality sectors continue to face significant challenges and businesses and residents have had to quickly adapt to measures like mandatory check-in apps.

Over the past 12 months the Council has continued the roll-out of its Community Care and Recovery Package, which contained a number of support measures for both residents and local businesses impacted by the pandemic.

The package was combined with an Accelerated Capital Works Program, aimed at fast-tracking a number of infrastructure upgrade and improvement projects across the municipality.

This resulted in maintenance works on the Cataract Gorge's historic Alexandra Bridge, an upgrade of CBD parenting facilities, the introduction of an all-abilities Changing Place in the Paterson St West Car Park and a number of other road, footpath and rural bridge upgrades.

Despite the pandemic, or perhaps in part because of it, I'm pleased to report that planning approvals remain at record levels.

The Council approved 771 planning applications worth \$383m in the 2020-21 financial year, smashing the previous record – set the year before – of 673 planning applications worth \$215m.

Throughout the year the Council continued to undertake important strategic work, reviewing the future of UTAS Stadium, developing a Cultural Strategy, and working with a range of other stakeholders as part of the Tamar Estuary Management Taskforce.

During the year it was my pleasure to officiate at a number of citizenship ceremonies, and to present the Key to the City of Launceston to cyclist Richie Porte in honour of his achievements on the world stage.

The City of Launceston's portfolio of responsibilities is diverse and continues to evolve in response to the needs of our community.

Launceston is also evolving.

The scale of the development boom across the municipality is unprecedented, especially when Launceston City Deal projects are thrown into the mix.

As these various projects are built or rolled out in coming years it will create an enormous

amount of economic activity, new employment and new opportunities.

It will also mean Launceston is a city which continues to grow and change; and one where we have to strike a balance between what we value about our past and what we aspire to in the future.

In coming years we are likely to see further changes to how we move around our city, how we utilise our CBD, how we build on our past, and how we manage community assets.

This will result in new challenges and opportunities for Launceston as we seek to strike that balance and make the best decisions for this and future generations.

The key will be to remain open and optimistic about our future, and to be mindful of the values and attributes that have made Launceston what it is.

A handwritten signature in dark ink, appearing to read 'A. van Zetten'. The signature is fluid and cursive.

Albert van Zetten
Mayor

Chief Executive Officer's Report



Throughout this year, like all organisations, the City of Launceston has continued to deliver its services to the community amid the ongoing COVID-19 pandemic.

There were short-lived shutdowns across most of Tasmania early during the pandemic, which impacted us all. Our tourist sector has continued to feel those pressures from being shut out of our most populous mainland states, while the lucrative overseas visitor market has been shut off completely.

Despite that, the Launceston economy has continued to perform strongly, with some sectors - such as our building industry - experiencing growth on an unprecedented scale.

As testament to that, over the past two years, the City of Launceston approved more than half-a-billion dollars in development - a staggering outcome in the midst of a worldwide pandemic.

Similarly, the impact on the Council's financial position has shifted significantly.

Initially when the pandemic took hold, the Council took a conservative approach when setting the 2020-21 annual plan and budget, resulting in an expected \$11.3 million underlying operating deficit.

In particular, revenues for the Launceston Aquatic Centre, Parking and the Launceston Waste Centre were budgeted to be

significantly lower due to expected closures of these facilities as a result of the pandemic.

However, the extent of predicted closures did not eventuate and actual 2020-21 revenues were \$6.8m better than those budgeted and the organisation's operating expenses were slightly lower than budget.

Accordingly, the Council returned an underlying deficit of \$3.1 million and a comprehensive surplus of \$38.7 million for the financial year. The comprehensive result was driven largely by the revaluation of Council's property and infrastructure assets, along with the revaluation of Council's TasWater ownership share.

From an operational perspective, we successfully delivered on a number of commitments, including the development of a new four-year delivery plan, the implementation of an inaugural Sustainability Strategy, the roll-out of the ABCDE Learning Site program to Youngtown, the development of our first-ever Cultural Strategy, an ambitious accelerated capital works program, as well as the continuation of its organisational cultural development program.

I believe that the Launceston City Deal can take some of the credit for positive state of the Launceston economy, with the three-year review being completed within the financial year, together with the progression of the planned five-year extension to the deal.

Certainly, the \$280 million University of Tasmania redevelopment at Inveresk is a highly visible outcome that will have lasting, positive impacts on our city for decades to come.

The State Election in May provided the Council with the opportunity to push its business case for funding for the University of Tasmania Stadium re-development as well as the necessary governance changes.

With debate and discussion around a Tasmanian AFL team at near fever-pitch during the year, the proposal to invest \$200 million into increasing the stadium's seating capacity, coupled with plans for a new, 5000-seat indoor sporting and entertainment facility grabbed the attention of not only our sports-loving public, but importantly a State Government in full election mode.

The Government's commitment to initially invest \$65 million into this project - along with establishing a new Stadiums Trust to manage key sporting facilities across the State, aligned perfectly with Council's long-term strategic planning for the stadium.

Projects like these can and will sustain our community in terms of economic return in the short term, but no one in Town Hall would suggest they are the be-all-and-end-all of our ongoing economic prosperity.

To continue to these levels of growth, we all must look further

ahead and find new and exciting ways to build and carrying forward that momentum.

Proposals such as the Queen Victoria Museum and Art Gallery Future Directions Plan, the Northern Suburbs Community Hub at Mowbray and our continued investment into the Smart Cities program will do just that - and more.

If we truly aspire to be Australia's most liveable city, it is incumbent on our leaders to be brave, to be insightful and to have a clear and inspired vision for Launceston now and into the future.

In closing I would like to sincerely thank the Councillors for their commitment and leadership throughout the year and I will remain ever thankful for the work of our truly exceptional workforce.



Michael Stretton
Chief Executive Officer



Organisational Vision, Mission & Values

Greater Launceston Plan Community Vision Statement

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

Our Vision

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

Our 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

Council Profile

Elected Representatives

Councillors have specific powers, responsibilities and duties as set out in the *Local Government Act 1993 (Tas)*.

Council Elections

Councillors are elected for a four year term. Local government elections were last held in 2018.

Councillor Krista Preece was sworn in as a Councillor on 21 June 2021 filling the vacancy of outgoing Councillor and former Mayor Janie Finlay.

Council Meetings

At the City of Launceston, council meetings are held every second Thursday in keeping with the schedule published on the Council's website.

Council meetings start at 1pm in the Town Hall Council Chambers and are open to the public. Members of the public can ask questions of the Council during public question time at the start of each meeting, or can speak to an item in the agenda.

From time to time, a special meeting of Council is convened in accordance with regulation 4(1)(b) or (6) of the *Local Government (Meeting Procedures) Regulations 2015*. Additionally, section 72B of the *Local Government Act 1993 (Tas)* requires Council to hold an Annual General Meeting. In 2020, our Annual General Meeting was held on 3 December.

Employment

In 2020-21, Council employed 543 people in the equivalent of 460.51 full-time roles, covering a broad range of professions across four networks plus the Office of the Chief Executive Officer.

Road Network

Council maintains more than 757.12 kilometres of roads including 390.17 kilometres of urban roads and 366.95 kilometres of rural roads (including bridge segments of 1.39 kilometres which form part of the road length) and a further 15.1 kilometres of shared responsibility with the Tasmanian Government. The Tasmanian Government is responsible for a further 144.74 kilometres of roads including 15 bridges with a total of 1.31 kilometres in the Launceston municipality. City of Launceston maintains 94 bridges. There are approximately 32.34 kilometres of privately maintained roads in the Launceston municipality.

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. Council owns, maintains and/or manages 261 parks, reserves and conservation areas, which includes more than 1930.6 hectares of parklands with more than 25,823 trees (not including bushland trees).

Council owns and operates the Launceston Leisure and Aquatic Centre, used by locals and visitors alike, as well as the University of Tasmania Stadium, which hosts major sporting events including AFL and Big Bash League matches.

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

Councillor Profiles



- 1 **Mayor Councillor** Albert van Zetten
- 2 **Deputy Mayor,**
Councillor Danny Gibson
- 3 **Councillor** Janie Finlay
- 4 **Councillor** Rob Soward
- 5 **Councillor** Hugh McKenzie
- 6 **Councillor** Jim Cox
- 7 **Councillor** Karina Stojansek
- 8 **Councillor** Andrea Dawkins
- 9 **Councillor** Nick Daking
- 10 **Councillor** Paul Spencer
- 11 **Councillor** Alan Harris
- 12 **Councillor** Tim Walker
- 13 **Councillor** Krista Preece

Mayor Albert van Zetten

Mayor Albert van Zetten was first elected to the City of Launceston in 2005.

Before entering the local government sector, Mayor van Zetten spent more than 30 years as a chartered accountant, 18 years as Chief Executive Officer of Launceston City Mission and had close involvement with a range of community organisations across Northern Tasmania.

In October 2007, he was elected Mayor with the aim of working with Northern Tasmanians to help make Launceston one of the world's great regional cities.

He is currently in his fifth term as Mayor of the City of Launceston, supported by his wife Lyndle and family, and strongly believes that community collaboration and teamwork can make the impossible, possible.

Launceston is on track to become one of the great regional cities in the world: it is small enough to manage and large enough to matter. He believes great opportunities lie ahead for Launceston, and that Northern Tasmanians, working together, can achieve great things for our community.

Council Committees: Chief Executive Officer's Contract and Performance Review Committee.

Special Committees: Launceston City Heart Reference Group, NTCA Ground Management Committee, QVMAG Governance Advisory Board.

External Committees: Local Government Association of Tasmania, TasWater Owners Representatives.

Deputy Mayor Danny Gibson

Deputy Mayor 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.

Deputy Mayor 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.

The Deputy is proud to have been elected to the Local Government Association of Tasmania's General Management Committee effective June 2021.

Council Committees: Chief Executive Officer's Contract and Performance Review Committee.

Special Committees: Community Recognition Awards, Cultural Advisory Committee, Launceston Sister City Committee, Northern Youth Coordinating Committee, QVMAG Governance Advisory Board, Scholarships and Bursary Committee, Youth Advisory Group.

External Committees: Launceston College Association, Launceston Tamar Valley Communities for Children Council, Local Government Association of Tasmania General Management Committee.

Councillor Janie Finlay (until 15 May 2021)

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 Tornadoes. 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. She 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 Finlay vacated her position as a Councillor for the City of Launceston on 15 May 2021 after being elected to State Parliament.

Special Committees: Audit Panel, Launceston City Heart Reference Group.

External Committees: Economic Development Working Group, Launceston Safer Communities Partnership, University of Tasmania Northern Campus Engagement and Advisory Group.

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 postgraduate qualifications in educational leadership and business and has a strong

community and sporting background including 24 years as a senior teacher with the Department of Education. He is a past Director of the Northern Tasmanian Football League and Connect Credit Union (My State Ltd) and has had 24 years' experience as an AFL Accredited Level 2 Football Coach.

Councillor Soward has held senior state manager roles in the Tasmanian employment sector, working on job creation and assisting people to gain employment. Councillor Soward has strong interests in improving community health and wellbeing and is currently involved in a project management role in that area.

Special Committees: Community Recognition Awards, Launceston Sister City Committee.

Councillor Hugh McKenzie

Councillor Hugh McKenzie was elected in October 2011. He comes from a strong business background, having been a partner in business advisory firm KPMG for 24 years. Since retiring from that position in 2011 he has spent the past 10 years giving back to his community in a variety of ways, not the least in his role as Councillor. He determined, in order to do this role the way he wanted (which is full commitment) he needed to be free from a permanent full-time role and as such now focuses on Board positions and community roles outside his Councillor duties. In the theme of giving back he is the immediate past Chair of Primary Health Tasmania, which has played a vital role in the current COVID-19 space, he sits as the Council-endorsed Director and current Chair on the Launceston Airport, is the President of the Board of Management for the Northern Suburbs Community Centre, and is the chair of the Cape Hope Foundation, a philanthropic

organisation that funds "hand up" type projects in the Northern Tasmania region including scholarships for disadvantaged young people.

He was previously the Chair of Scotch Oakburn College and a founding Trustee of the Tamar Valley Peace Trust, State Chair and National Committee member of Chartered Accountants Australia New Zealand (CAANZ).

Councillor McKenzie is an avid sports fan who has participated in football (Australian Rules), cricket, tennis, golf and cycling, including as past President of the Stan Siejka Cycling Festival.

He lives by the motto of "don't say, do".

Special Committees: Audit Panel, Heritage Advisory Committee, Pedestrian and Bike Committee, Tender Review Committee.

External Committees: Australia Pacific Airports Launceston, Economic Development Working Group, Theatre North Inc., University of Tasmania Northern Campus Engagement and Advisory Group.

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 state-wide. 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.

Council Committees: Chief Executive Officer's Contract and Performance Review Committee.

Special Committees: Launceston

Sister City Committee, Municipal Emergency Management Committee (Chair), Tender Review Committee.

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 Managing Director of a state-wide 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.

Special Committees: Community Grants (Organisations) Program, Events Sponsorship Assessment Panel, Launceston City Heart Reference Group, Launceston Sister City Committee.

External Committees: Ravenswood Action Group.

Councillor Andrea Dawkins

Councillor Andrea Dawkins was first elected to City of Launceston in 2014, leading to a stint in state

parliament from 2015 to 2018. She has over 20 years in small business, having strengths in social enterprise and placemaking.

Councillor Dawkins campaigned on waste reduction, a local food security plan for the LGA and greater focus on animal welfare. So far, in this term, she has moved successful motions leading to the establishment of Australia's first public greyhound off-leash area and the phasing out of single-use plastics, in council managed properties and land and for council sponsored events.

Special Committees: Access Advisory Committee, Community Recognition Awards, Cultural Advisory Committee, Scholarships and Bursary Committee.

External Committees: Design Tasmania.

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 financing construction with large developments across the country.

Councillor Daking has spent years

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

Special Committees: Events Sponsorship Assessment Panel, Launceston City Heart Reference Group, Tender Review Committee, Youth Advisory Group.

External Committees: Cityprom Limited, Economic Development Working Group.

Councillor Paul Spencer

Councillor Paul Spencer was elected in November 2018. He is happily married to wife Margy and has been for 40 years. Together they have five adult sons and five grandchildren. Councillor Spencer has been a hard-working electrician for 46 years and self-employed in his own successful business for 30 years. Two of Councillor Spencer's sons are also qualified electricians and have joined the business.

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.

Council Committees: Chief Executive Officer's Contract and Performance Review Committee.

Special Committees: Community Grants (Organisations) Program, Tender Review Committee.

External Committees: Launceston Safer Communities Partnership.

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 International 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 is committed to bringing fresh perspective, new ideas and strong leadership to Council and supports the introduction of 60-minute free parking in CBD Council owned car parks, expanded CBD pedestrian areas, increased street trees in the city, new dedicated off-road cycle paths throughout the city and improved traffic flow management around the city.

Special Committees: Cataract Gorge Advisory Committee, Events Sponsorship Assessment Panel, Launceston City Heart Reference Group, Pedestrian and Bike Committee.

External Committees: Franklin House Management Committee, Newstead College Association, University of Tasmania Northern Campus Engagement and Advisory Group.

Councillor Tim Walker

Councillor Tim Walker was elected in 2018 and is a former ABC reporter and 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 and restoring our environment.

Councillor Walker knows Launceston faces big challenges in terms of population growth, 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. These include improving public transport options and dedicated cycleways, encouraging affordable and sustainable housing, improving resource recycling to reduce environmental pollution, developing a meaningful, ongoing relationship with the Tasmanian Aboriginal community, improving the kanamaluka/Tamar Estuary and our other waterways, supporting local fresh food security, and championing thoughtful urban development that does not detract from our enviable and unique community lifestyle.

Councillor Walker considers it an honour to serve the City of Launceston as a Councillor, and is always available to hear from you about your ideas or concerns for our community.

Council Committees: Chief Executive Officer's Contract and Performance Review Committee.

Special Committees: Cataract Gorge Advisory Committee (Chair), Community Grants (Organisations) Program, Heritage Advisory Committee.

External Committees: Economic Development Working Group, Tamar Natural Resource Management Reference Group.

Councillor Krista Preece (from 21 June 2021)

Councillor Krista Preece joined the City of Launceston in June 2021, winning a countback to fill the vacancy left by outgoing Councillor and former Mayor Janie Finlay.

Councillor Preece was born in Launceston, the eldest of three children. Her father worked at the local radio station and she spent time working alongside his team. She has also worked in retail before completing her apprenticeship as a hairdresser,

working at several well-known businesses across the city during that time. She currently works at the Launceston General Hospital as a ward clerk in the Department of Emergency Medicine and a Specialist clinic - positions she finds extremely rewarding.

Councillor Preece is a former Rotary President and current Assistant Governor. She is also a carer for her elderly aunt. Councillor Preece and her husband live in Newstead and they have four children. She is excited at the opportunity to represent the people of Launceston and wants to give back to her "amazing" community.

Councillor Preece believes that promoting a positive health message to those in our community is paramount. She is also passionate about providing residents with a reliable and well-connected public transport system, particularly for people who rely on catching a bus for work and medical appointments.

Councillor Preece is an avid supporter of the maker movement and the many incredible markets that operate across Launceston. She is looking forward to helping shape the city's future post-COVID and believes she will bring accessibility and relatability to the Council table.



Meeting Attendance

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

From 1 July 2020 to 30 June 2021, there were a total of 24 ordinary Council meetings and 21 Workshops. A Special Council Meeting was held on 22 October 2020, and our Annual General Meeting was held on 3 December 2020.

Councillor Krista Preece was sworn in as a Councillor on 21 June 2021 and attended the Council Workshop on 24 June 2021.

Council Committee Meeting Attendance

From 1 July 2020 to 30 June 2021, meetings were convened for the following Council committee:

- The Chief Executive Officer's Contract and Performance Review Committee.

Chief Executive Officer's Contract and Performance Review Committee

Councillors van Zetten, Gibson, Cox, Spencer, and Walker were appointed to this committee after the 2018 local government elections. This committee met on 15 October 2020 and 10 June 2021.

	Council	Workshop	Annual General Meeting	Chief Executive Officer's Contract and Performance Review Committee	Special Council Meeting 10 October 2020
Total Meetings Held	24	21	1	2	1
Mayor Councillor Albert van Zetten	22	20	1	2	1
Deputy Mayor Councillor Danny Gibson	23	21	1	2	1
Councillor Janie Finlay (1 July 2020 to 15 May 2021)	19/21	15/18	1	-	1
Councillor Rob Soward	18	11	1	-	1
Councillor Hugh McKenzie	22	17	1	-	1
Councillor Jim Cox	23	18	1	1	1
Councillor Karina Stojansek	20	18	0	-	1
Councillor Andrea Dawkins	23	19	0	-	1
Councillor Nick Daking	20	14	0	-	1
Councillor Paul Spencer	24	20	1	1	1
Councillor Alan Harris	24	21	1	-	1
Councillor Tim Walker	22	21	0	2	1
Councillor Krista Preece (21 June to 30 June 2021)	-	1/1	-	-	-

Executive Leadership Team



- 1. Michael Stretton**
Chief Executive Officer
- 2. Leanne Hurst**
General Manager Community and Place
- 3. Louise Foster**
General Manager Organisational Services
- 4. Tracy Puklowski**
General Manager Creative Arts and Cultural Services
(1 July 2020 to 19 May 2021)
- 5. Dan Ryan**
Acting General Manager Creative Arts and Cultural Services
(20 May to 30 June 2021)
- 6. Shane Eberhardt**
General Manager Infrastructure and Assets
- 7. Paul Gimpl**
Chief Financial Officer

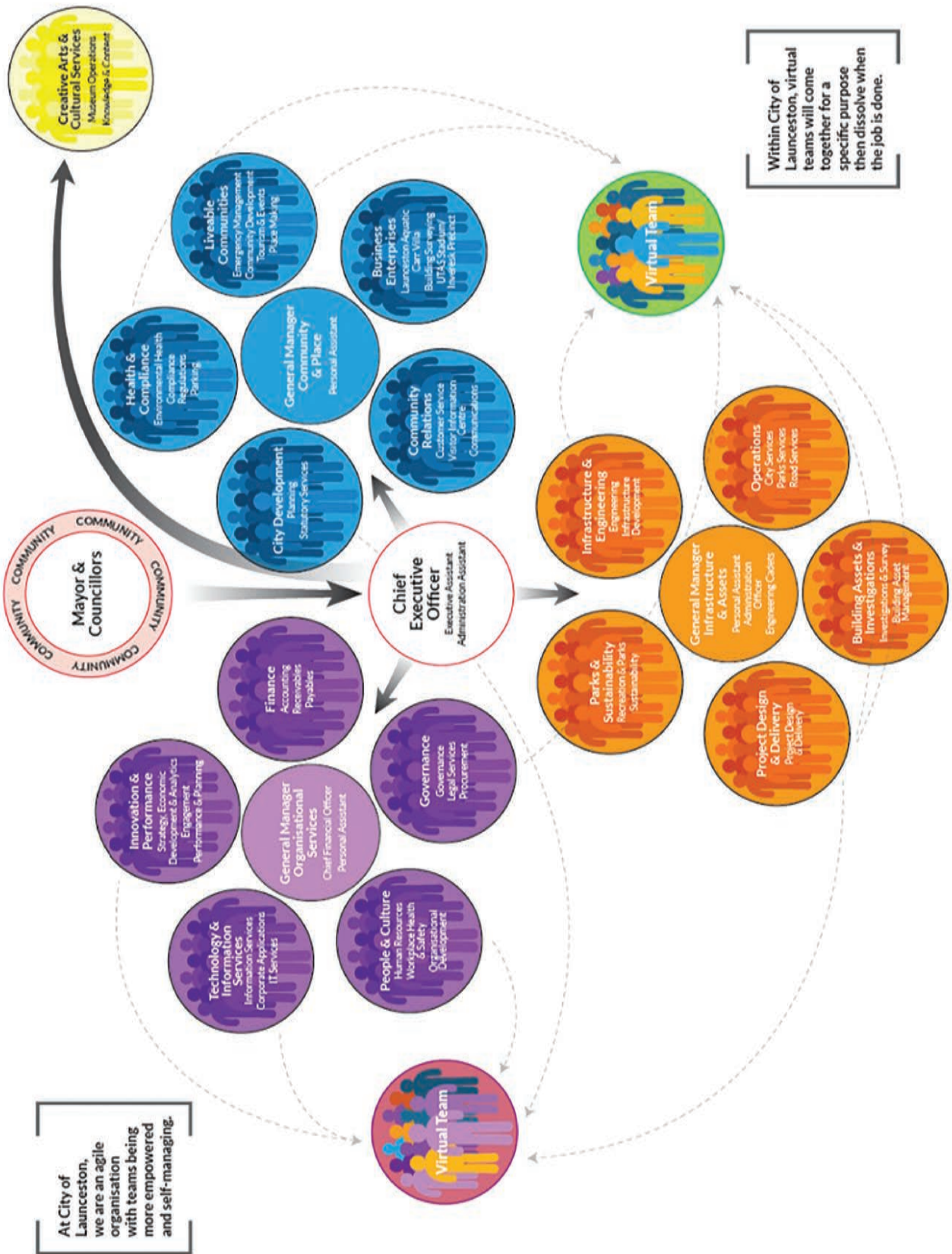
Organisational Structure

Within our organisational structure are four Networks of teams. These Networks are in place to improve collaboration, engagement, and communication in a dynamic way and provide more equitable distribution of work across the organisation.

Each Network is led by a General Manager who reports directly to the Chief Executive Officer. The General Managers are supported by a strong leadership structure of Managers and Team Leaders.

- Creative Arts and Cultural Services - manages and operates the Queen Victoria Museum and Art Gallery at two sites in Launceston: the Art Gallery at Royal Park and Museum at Inveresk, with History, Natural Sciences and Visual Arts and Design the key collections areas.
- Community and Place - our externally focused teams, providing services to our community, including Community Relations, City Development, Health and Compliance, Liveable Communities, and Business Enterprises.
- Infrastructure and Assets - focused on the planning, maintenance, renewal and upgrade of the City's infrastructure and assets. This includes Sustainability and Recreation, Infrastructure and Engineering, Project Design and Delivery, Building Assets and Investigations, and Operations.
- Organisational Services - delivering the services internally to our organisation, including Finance, IT and Information Services, People and Culture, Governance, and Innovation and Performance.

Organisational Grouping of Networks



Annual Performance Snapshot

Actioned Community Requests

In the 2020-21 financial year the City of Launceston responded to 23,384 service requests in the following areas:

2911

ROADS AND FOOTPATHS

2798

ENVIRONMENTAL HEALTH

901

PARKS AND RECREATION

390

BOOKINGS (HALLS, HOME ENERGY
AUDIT TOOLKITS, MALLS)

557

STORMWATER AND
DRAINAGE

1316

BUILDING AND PLANNING

1298

TREE MANAGEMENT

6490

WASTE MANAGEMENT

3517

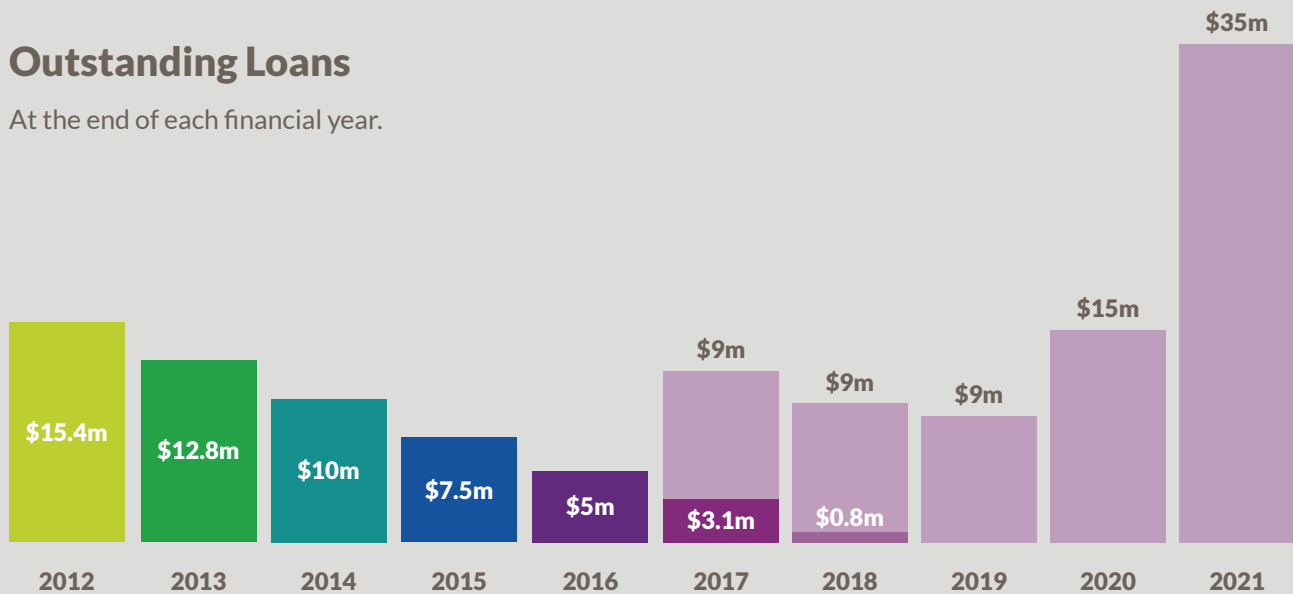
PARKING

3206

OTHER

Outstanding Loans

At the end of each financial year.



■ Tasmanian Government Accelerated Local Government Capital Program Interest Only Loans. Interest refunded by the Tasmanian Government.

Where the Dollars Come From

	\$'000		
Rates	71,777	64.5%	<div style="width: 64.5%;"></div>
Fees and Charges	26,512	23.8%	<div style="width: 23.8%;"></div>
Grants – Revenue Purposes	8,535	7.7%	<div style="width: 7.7%;"></div>
Interest	558	0.5%	<div style="width: 0.5%;"></div>
Investments	1,362	1.2%	<div style="width: 1.2%;"></div>
Other	2,489	2.2%	<div style="width: 2.2%;"></div>
	111,233	100.0%	

Where the Dollars Go

Provision of Services	79,847	69.4%	<div style="width: 69.4%;"></div>
Finance Costs	535	0.5%	<div style="width: 0.5%;"></div>
Depreciation	23,359	20.3%	<div style="width: 20.3%;"></div>
State Government Fire Service Levy	8,310	7.2%	<div style="width: 7.2%;"></div>
Rate Remissions and Abatements	2,955	2.6%	<div style="width: 2.6%;"></div>
	115,005	100.0%	

Expenditure by Program

General and Public Services	18,735	16.3%	<div style="width: 16.3%;"></div>
Public Order and Safety	9,103	7.9%	<div style="width: 7.9%;"></div>
Health and Welfare	2,738	2.4%	<div style="width: 2.4%;"></div>
Housing and Community Amenities	25,882	22.5%	<div style="width: 22.5%;"></div>
Recreation and Culture	33,341	29.0%	<div style="width: 29.0%;"></div>
Roads Traffic and Parking	19,605	17.0%	<div style="width: 17.0%;"></div>
Other	5,601	4.9%	<div style="width: 4.9%;"></div>
	115,005	100.0%	







A Year in Review

The Launceston City Deal

The City of Launceston is an active partner in the Launceston City Deal (City Deal) and committed to working with City Deal partners, the Community and Business Advisory Board, neighbouring Councils and stakeholders to realise the vision for the city and region.

In its fourth year the City Deal continues to deliver positive outcomes, a statement supported in the findings from the Three-Year Review. The review found that overall, the City Deal is making progress towards achieving the vision of making Launceston one of Australia's most liveable and innovative regional cities, with growing incomes and falling levels of disadvantage. At its signing, there were 33 commitments identified for delivery by 2022. Impressively, 15 of these are now complete and five additional commitments have been added.

The visible transformation to Launceston is apparent, particularly at the Inveresk Precinct where the construction of three new University of Tasmania buildings is well underway, firmly establishing the University's relocation to the inner city.

The City of Launceston has continued to progress projects addressing the strategies outlined in the My Place My Future Plan. Specific focus has been given to leveraging the Council's close relationships with the Northern Suburbs communities to build on leadership capabilities, shift the narrative of the region to one of celebrating positive outcomes, and remove barriers to progression. The Social Enterprises Toolbox and Ignite Us programs were launched.

All three levels of government continue to demonstrate their commitment to this place-based initiative through a combined focus on the Northern Suburbs Community Recreation Hub and engagement via the Strategic Working Group.

River Health Action Plan projects are progressing in both categories of catchment works and upgrades to Launceston's combined sewer and stormwater system. The Council remains committed to supporting improvements to the health of the kanamaluka/Tamar Estuary and is invested in what the future looks like for the community's interaction with the estuary. The Tamar Estuary Management Taskforce is working on a draft vision for the future of the kanamaluka/ Tamar Estuary. When complete, the vision will shape the management and use of this important waterway for generations to come.

Launceston's Smart City journey continues to see technology embraced to inform decision making. Work commenced on a network of sensors to provide ongoing data about the use of existing transport infrastructure and city assets. The anonymised information provides insights into movement of pedestrians, cyclists, vehicles, public transport and freight within the city. Data collected will be made available through an open data platform.

A traffic management system (TMS) has been installed at 53 sites across the city. The associated art program resulted in a vibrant art trail across the city called Electric Botany. Electric Botany was a finalist in the 2020 Australian Street Art Awards.

November 2020 saw Councillors unanimously endorse the inaugural City of Launceston Cultural Strategy 2020-2030. The Strategy underpins a strong local, intrastate and interstate demand for cultural activities and experiences. Council events and assets greatly support this sector and implementation activities are being identified and delivered. The refurbishment of Launceston's historic Albert Hall is being undertaken in three stages by the City of Launceston, with support from the Australian Government.

Investor confidence in Launceston is positive and evident through infill and inner-city living developments. Within one kilometre of the central business district, 144 development applications were submitted from 1 July 2020 to 30 June 2021 at an estimated value of \$55 million. The value of building approvals for the same period was recorded at \$114.3 million. Demand for retail and commercial space in the central business district is strong. Post the COVID-19 lockdown, early data shows that Launceston's central business district has rebounded with only 57 vacant ground floor shops. This equates to approximately 93% of the Launceston central business district's ground floor commercial space being utilised and open for business.

The wayfinding component of the City Heart project is complete with 200 wayfinding signs installed at key locations, making navigating the street network and finding key points of interest – such as the hospital,

post office, and shops – easier for all. Upgrades to public space street furniture in central business district locations and landscaping on the western side of Civic Square will commence early next year which aims to increase connectivity across the city.

More than 50 Wi-Fi points have been deployed with 85% of the central business district now covered. In addition to free public access, the Wi-Fi network has supported the deployment of device counters for the Greater Launceston Transformation Project's Smart City Mobility Project and the trial of digital bus stop signs on St John Street.

Planning for Stage 2 of the City Heart Project has progressed with investigations and design processes underway for St John Street and Paterson Street.

The Regional Economy Development Strategy (REDS) has been effective in identifying opportunities that will support the region to recover from the impacts of the COVID-19 pandemic. Regional economic development agency Northern Tasmania Development Corporation (NTDC) focused on developing economic programs to assist regional recovery. A suite of economic development initiatives called RecoveryNow were developed and submitted to the Premier's Economic and Social Recovery Advisory Council. NTDC continues to engage with stakeholders to develop region-wide industry to deliver REDS priorities, with an added emphasis on strategic business plan integration.

For more information on the Launceston City Deal, visit www.launcestoncitydeal.com.au

Three-year review and future projects

As part of the ongoing governance of the City Deal, the Three-Year Implementation Review of the Launceston City Deal was conducted and the report will be publicly released late 2021. Informed by the Review, an updated Implementation Plan will be developed to support delivery of the City Deal until the end of its extended term in 2027.





Image: Rob Burnett

Recognition Events

Key to the City - Richie Porte

On Saturday 30 January 2021 the City of Launceston presented Launceston-born Richie Porte with the Key to the City of Launceston.

The Key is a symbol of recognition of the enormity of Richie's cycling achievements and his continued loyalty to Launceston.

Richie's family and friends attended the ceremony in Civic Square where Richie was welcomed by a guard of honour formed by local cyclists.

Richie's success in his chosen sport of cycling was recognised by this honour of being granted the Key to the City; the fifth 'Key to the City' presented in Launceston's history.

Past recipients of the Key to the City:

- round-the-world yachtsman Ken Gourlay (2007)
- former world boxing champion Daniel Geale (2012)
- Tasmania's finest cricketer and former Test captain Ricky Ponting (2014)
- esteemed composer, the late Peter Sculthorpe (2015)

Freedom of Entry to the City of Launceston

On Sunday 21 March 2021 the City of Launceston Council conferred Freedom of Entry of the City of Launceston on Australian Air Force Cadets No. 5 Wing – 508 Squadron and Australian Navy Cadets – TS Tamar. The Australian Army Cadets – 62 ACU Launceston and 67 ACU, Youngtown were welcomed to the City of Launceston as part of the Ceremony.

The conferral ceremony was held in Prince's Square. The Cadets then exercised their Freedom of Entry to the City, marching along St John Street accompanied by the Tasmanian Army Band.

A senior Tasmania Police Officer issued the Challenge at the intersection of The Avenue and the Brisbane Street Mall before acknowledging their right and privilege and allowing them to continue past the Town Hall and give the Salute to the Mayor. The Parade concluded at Paterson Barracks.

Supporting the Community

Youth

Youth Advisory Group (YAG)

YAG is a special committee of Council, consisting of 21 members from eight different schools and selected mentors who provide guidance. Apart from being a leadership group, the group's primary role is to act as a consultative link between City of Launceston and young people and to inform the broader community about matters that affect them.

YAG had 18 meetings this year to successfully deliver projects supporting youth in the municipality, including:

- installation of Launceston College Little Library
- participation in the Tasmanian Youth Forum
- 1000 Hearts Project - YAG members sourced eco-friendly materials, making 100 hearts out of felt during the YAG meetings before presenting them to local businesses as a symbol of thanks and the kindness that exists within our community
- support for two local schools through the Student Executive Equity Development (SEED) school project funding program
- development of a Welcome to Launceston pack for newly arrived Australians
- assisted with organising multiple Youth events including the Rock Challenge, Skate Park League and Harmony Day

Northern Youth Coordinating Committee (NYCC)

NYCC is a special committee of the Council comprising of 120 members across non-government organisations, Tasmanian and local government. The Committee held five regular meetings and helped support three youth projects in 2020-21 including:

- sponsorship for headspace Launceston's Mental Health Week Event
- sponsorship for The Smith Family to run High School Tutoring, Career Support and Homework Club at Brooks High School

Free2B Girls Program

This year saw the establishment of the Free2B Girls program in Youngtown. Free2B Girls is intended to enhance the wellbeing of young females in the

municipality through discovering opportunities for personal growth and positive social engagement, improving mental health and increasing rates of social, educational and economic participation of teenage girls in regional communities.

Youngtown ABCDE Learning Site

The City of Launceston collaborated with Bank of I.D.E.A.S. to deliver the fourth ABCDE Learning Site in Youngtown in 2020-21. Council worked with local leaders in Youngtown to identify, connect and mobilise their community assets in order to take action, make positive change and directly shape their community's future. The City of Launceston is one of the first local governments to embrace ABCDE Learning Sites in Australia, leading the way in developing sustainable communities and now successfully rolling out the program in Rocherlea, Ravenswood, Mowbray and Youngtown.

Community Development

Children's Week and Seniors Week

The implementation of the Community Development Framework has enabled a refocus of one of the Community Development Officer roles to Children, Families and Seniors. COVID-19 certainly had an impact on our Children's and Seniors Week activities. Communication with Seniors took on new and innovative formats during COVID-19, including the distribution of postcards and linking children with residents of aged care residences. Traditional Children's Week activities did not progress and a smaller alternate series of events was trialled for Seniors Week. This included a partnership with Tamar River Cruises and a series of morning tea cruises which were fully subscribed with restricted numbers. Seniors' Newsletters continue to be produced incorporating a wealth of information about Council services, and during COVID-19, this was expanded to relevant health services.

Due to COVID-19, a different approach to recognising volunteers within the municipality was required for Volunteers Week in 2020. As such, no awards were held in 2020.

Launceston Access Advisory Committee

With renewed vigour and commitment from partner agencies, the Launceston Access Advisory Committee

was very proud to present the Access Framework for Action to Council in November 2020, which was unanimously adopted. Five commitment themes were proposed in the Framework:

1. Our Inclusive Community
2. Access to Public Spaces and Buildings
3. Access to Employment and Education
4. Access to Transport
5. Access to Arts and Events

The Framework was designed to be actioned over four years, with an annual action plan developed every year. Now that Committee meetings have increased to quarterly, strategic input on significant development, masterplans or proposals is being sought more regularly and the Committee is enjoying the opportunity to share the collective wisdom to influence future designs. With the Framework guiding annual plans, there is much optimism for improvements to Launceston's accessibility.

Music in the Park

In a COVID-19 impacted world there were very few events across Launceston in December 2020 so it was decided that the Music in the Park event dates could be extended to celebrate and promote seniors and families in Launceston. Additionally there was a need for some enjoyment and celebration within the community. Hence, the program was increased with an additional four events; two in December and two in February - a total of eight Sunday afternoon events. Music in the Park occurred in the Band Rotunda, City Park with free train rides and a jumping castle.

The event scheduled for 20 December 2020 was cancelled due to rain but the rest all attracted good attendance numbers. In total, 3150 people attended the seven events, with a peak of 700 people attending the Ferguson Brothers on 10 January 2021. Very positive feedback from the public was received.

My Place My Future

An outcome of City Deal, My Place My Future is the strategy to revitalise Launceston's northern suburbs and is a joint commitment across all three levels of government. Although implementation of State and Federal Government initiatives are longer term and require more planning, City of Launceston has continued to implement a number of local projects and activities in the last financial year. These include:

- Installation of a number of trial sites of public Wi-Fi using different technologies appropriate to the location. To date, these include Waverley Park, Torrens Street Reserve (Mayfield), Starting Point Neighbourhood House (Ravenswood), Mowbray Business Precinct with future sites still being considered
- Development of a Social Enterprise Toolkit. The toolkit includes all the material for prospective social enterprises to undertake the training and gain accreditation in establishing a business that benefits the community
- Ignite Us leadership program was developed and implemented, with 15 successful participants working through a course of materials, ably supported by mentors and subject matter experts. The program is being enhanced and expanded in 2021
- A road safety campaign has been developed with grant funding from the State Government and some initiatives trialled on three streets within the northern suburbs
- A vandalism review was initiated to research triggers, barriers and approaches to break vandalism activities

Council's implementation of activities under this strategy continue through support from the Northern Suburbs Project Officer who works closely with community leaders across the seven northern suburbs identified in this strategy.

Tourism

Launceston - Launnie for short; the meeting place of three waterways, and a cultural hub and gastronomic centre for more than 2,000 generations.

Launceston is a popular visitor destination with a series of green and wild spaces linked by heritage streetscapes and thoughtful adaptations, welcoming visitors with a real blend of old-world and new, tradition and innovation. Natural and built heritage, food, wine (and spirit) have drawn together a diverse community of makers, artisans, storytellers and nature lovers from all over the world. Culture takes many forms, and we've made life's simple pleasures an art.

There are no tourists here – just locals and temporary locals discovering their true north.

COVID-19 severely impacted Tasmania's visitor economy throughout 2020, with border restrictions in place for all non-essential travellers from 19 March 2020. In the year ending March 2021, Launceston welcomed an estimated 147,000 domestic visitors, 44.8% of total visitors to Tasmania and an estimated 110,000 stayed at least one night in Launceston. *Tasmanian Visitor Survey (TVS), year ending March 2021.

In partnership with Visit Northern Tasmania, Council's consumer-facing website <https://visitnortherntasmania.com.au/launceston> provides a comprehensive resource for visitors encompassing interactive trip planner, seasonal itineraries and state-wide events calendar.

City of Launceston continued work on delivery of an authentic and dynamic place brand, reflective of Launceston's Place DNA 'personality and attributes'. The place brand informs our strategic tourism priorities and inspires local pride and elevates Launceston's unique proposition to prospective residents, visitors and investors.

Launceston Visitor Information Centre (LVIC)

The ever-changing environment of the COVID-19 pandemic has led to a constant balancing act of maintaining the safety of our LVIC staff and meeting the demands and expectations of our visitors wishing to access information. Following lockdown, the LVIC demonstrated its true commitment to servicing its visitors by being the first Visitor Centre in Tasmania to reopen its doors and provide face-to-face service as early as July 2020.

Our Visitor Centre continues to be the main touchpoint within destination and is recognised for providing unbiased, objective and high-quality information. We have evolved in line with our visitors' needs, successfully integrating the use of digital technology into our bricks and mortar centre as well as further developing our online presence. These new technologies, combined with the authentic human experience our visitors encounter within our centre, has resulted in a unique and superior service that encourages longer stays and greater spend within our region.

Emergency Management

Council continues to work with all levels of government, regional emergency services agencies and non-government organisations to ensure that planning and preparedness for emergencies is well advanced.

Over the past year, this has included updates to internal policies and procedures, confirming resourcing in conjunction with partner agencies, collaboration on communication protocols with emergency services agencies and contributing to the review of many Tasmanian Government strategic emergency management documents. The most significant local documents that were updated include the Municipal Emergency Management Plan and the Flood Response Plan. The snow event in August 2020 tested Council's response capabilities and produced many learnings for process improvements to be applied to future events. To reduce the impact of potential bushfires, Council conducted a range of fuel reduction burns in Council-managed parks.

From a recovery perspective, Council enhanced its capacity through the further engagement and training of staff to coordinate evacuation and/or recovery centres. A major exercise was undertaken in November 2020 with many agencies to open a recovery centre at the University of Tasmania's UniGym. Through collaboration and realistic examples, staff from Council and partner agencies such as Salvation Army, St John Ambulance, Red Cross and many more, were able to put into practice the theory and test the procedures. Adding to Council's readiness to provide relief post emergencies, listed evacuation/recovery centres were fully audited, internal floor maps and external site maps completed with suggested layouts.

Easy Park Smart Device Parking Application

The City of Launceston introduced the EasyPark parking application in January 2019 for use on Smart Devices. In 2020-21, there were a total of 789,646 EasyPark transactions. June 2021 was the busiest month with 75,095 transactions recorded.

Launceston Leisure and Aquatic Centre (LAC)

LAC continues to achieve record LAfit and swimming membership numbers. Due to high utilisation and value, our Group Fitness class offerings have increased from 63 per week, to over 80. Our Swim School maintained record enrolments numbers, and ran a highly successful adult swim program which helped over 70 adults learn to swim. We received an average of almost 10,000 visitors a week, and achieved the best operational financial result since the Centre opened in 2009.

Carr Villa

Annual Burial and Cremation Statistics

Burials	186
Cremations	363
Ash placements	43

In the financial year 2020-21 the following services were provided:

Capital Works Projects

The main focus this financial year was to improve the safety and accessibility of the following assets by:

- continuing the upgrade or renewal of road and drainage assets
- renewing the Northern Wall concrete floor to increase safety, accessibility and presentation

New Ash Garden

The Development Application for the New Ash Garden was advertised November 2020 and the physical start of the project commenced in February 2021. Work on the project progressed well but declining weather conditions as well as continued challenges

due to COVID-19 restrictions (delivery of goods and materials) extended the completion of stage one and stage two of the project into the 2021-22 financial year.

Training

Two team members completed their Certificate III in Horticultural studies, and all outdoor team members undertook Confined Space Training. Carr Villa's Outdoor Supervisor attended a Foundation Leadership Program.

A Cultural Strategy for Launceston

On 26 November 2020, City of Launceston Council unanimously endorsed the adoption of the City of Launceston's Cultural Strategy 2020-2030 (the Strategy). It signifies the end of the development process and the beginning of a challenging and exciting 10-year period where our vision can become a reality.

On 4 February 2021, an informal function was held at the Queen Victoria Museum Inveresk to celebrate the launch of the Strategy and thank stakeholders involved in the development of the Strategy.

The Strategy indicates an intention to establish a Cultural Advisory Committee as the next step. On 20 May 2021, Council unanimously endorsed the adoption of the Cultural Advisory Committee - Terms of Reference. Work then began on seeking nominations from community members.

Council officers have also started working on the Implementation Framework. Successful implementation of the Strategy requires commitment from Council and its partners to lead the way in supporting and developing the creative and cultural sector of the municipality. A whole-of-council approach in conjunction with a review of core staff responsibilities and programs will allow the integration of these outcomes within current resource constraints.

Sustainability

Towards Zero Emissions Action Plan 2021-2025

In response to Council declaring a climate emergency and endorsing the Sustainability Strategy in 2019, the Towards Zero Emissions Action Plan was developed in 2020 with the aim of driving a reduction in both Council and community wide greenhouse gas emissions. The Action Plan sets out how the City of Launceston will achieve targets to power Council owned buildings with 100% renewable energy, operate as a carbon neutral organisation by 2025, and support the reduction of community-wide emissions, while playing our part help meet the Paris Agreement and avoid a global average temperature rise of 2°C by 2050.

Key aspects of the Action Plan include the following:

- Acknowledgement of the climate emergency and a summary of Tasmania's climate projections for 2100
- Council's and the community-wide 2018-19 baseline emission profiles
- Our progress to date in reducing Council operational emissions
- A list of actions, timeframes and estimated costs to reduce Council and community-wide emissions with a focus on seven key areas:
 1. Leadership, transparency and tracking
 2. Waste avoidance and recovery
 3. Efficient facilities
 4. Zero emissions transport
 5. Sustainable supply train
 6. Carbon sequestration
 7. Community emissions

The Towards Zero Emissions Action Plan sits under the Sustainability Action Plan (in development) and forms the basis of the Towards Zero Emissions key priority area of the Sustainability Action Plan.

Single-Use Plastics Policy

Council committed to reducing single-use plastics by ceasing the purchase of all single-use plastics on 1 July 2020 and phase out single-use plastics at events (sponsored and non-sponsored), markets and other activities on Council controlled land by 2022.

Climate Change Profiles

Funded by the Northern Tasmanian councils and completed in June 2021, local climate indices were established to assist Council's strategic, operational, service, adaptation and emergency management planning functions to help manage climate risk. Climate indices are provided for a baseline of 1961-1990, current of 2001-2020 and then as forecasts over 20-year periods out to 2100. Climate indices included: average temperatures, extreme temperatures, average annual evaporation, average rainfall, rainfall extremes, mean minimum asphalt critical viscosity, average annual cumulative Forest Fire Danger index and sea level rise.

LAC Energy Upgrade Project

Council commenced major works in early 2021 to transition the LAC, Council's second largest emitter of greenhouse gases, from fossil fuel gas to electrification utilising heat pumps and a 99kW roof top solar photovoltaic system comprising 240 solar panels for both pool water and pool hall air conditioning system heating. Excluding the landfill, the LAC is Council's largest source of emissions. The combination of high fossil fuel gas and electricity use contributed 1,577 tCO₂e and represents 2.7% of Council's 2018-19 emission profile. The project is expected to result in significant emissions reduction for Council operations.

Electric vehicles

Council purchased its second electric fleet vehicle in October 2020.



Section 77(2) of the Local Government Act 1993 (Tas) requires us to include the details of any grant, assistance or benefit that is not a legal entitlement to any person provided during the preceding financial year.

Community Grants

For 2020-21 \$63,375 of Community Grants were provided to support the community. A total of 16 grants were provided to organisations for community projects and a further 11 grants were approved to support our local young people participate in state, national and international competitions and events.

Community Grants - Organisations	\$
Cancer Patients Foundation - Look Good Feel Better	3,750.00
Edmund Rice Camps Tasmania - Program support	3,750.00
Good Neighbour Council Launceston Inc. - Invigorate Me Exercise	2,950.00
Launceston Field Naturalist Club Inc. - Loop Track Upgrade	3,750.00
Migrant Resource Centre Northern Tasmania - Playing up	4,348.00
Nepali Society of Northern Tasmania Inc. - Active and Creative Kids Launceston	5,000.00
Pets In The Park Inc. - Program Support	3,750.00
Reclink Australia - Bike Riding Confidence Program	3,750.00
Rotary Club of Tamar Sunrise - Launceston Community Reflections 2020	3,750.00
Stompin' Inc. - Primary Stompin'	5,000.00
Tamar Bicycle Users Group - Bike Week March 2021	3,000.00
Northern Suburbs Community Centre Inc. - Food Security in the Northern Suburbs	5,000.00
Orienteering Tasmania Inc.- Orienteering Course	4,814.00
COTA Tasmania - Live Well Live Long	3,538.00
Clifford Craig Medical Research Trust - Art & Music at the LGH	2,500.00
Just Cats Inc. - Desexing Program	3,000.00
	61,650.00

Community Grants - Teams/Groups/Individuals	\$
8 x \$100 Individual Grants	800.00
Afghan Youth Team - Soccer Tournament Canberra	100.00
Northern Tasmanian Junior Soccer Association U13 Girls	375.00
Northern Tasmanian Junior Soccer Association U16 Girls	450.00
	1,725.00

Events Sponsorship

Events play a vital role in creating communities that are engaged, vibrant and have a strong sense of pride and community connectivity. Events deliver a range of positive impacts including economic and tourism benefits, promotion of the city's image as a destination and they provide an opportunity to raise the city profile as a great place to live and invest in.

A total of 49 events were awarded sponsorship through the Event Sponsorship Program in the 2020-21 financial year however, only 32 events proceeded primarily due to COVID-19 impacts. The Event Sponsorship funding has also enabled meaningful continued support of the events industry holistically amidst the challenges presented by COVID-19.

The City of Launceston provided over \$470,897 in event sponsorship during the 2020-21 year to the following groups/events;

Sponsorship - Signature Events	\$
Junction Arts Festival	36,000.00
Junction Arts Festival (2019-20 Event 20% Balance)	9,000.00
Launceston Festivale	48,000.00
Launceston Festivale (2019-20 Event 20% Balance)	12,000.00
Launceston Running Festival - Launceston 10	11,250.00
Launceston Running Festival - Launceston 10 (2019-20 Event 20% Balance)	3,000.00
Tasmanian Turf Club - Launceston Cup	15,000.00
	134,250.00

Sponsorship - Major Events	\$
A Festival Called Panama	12,500.00
A Festival Called Panama (2019-20 event 20% balance)	2,500.00
Australian Musical Theatre Festival (2019-20 event 20% balance)	2,500.00
BOFA Film Festival	15,000.00
Launceston Competitions (2019-20 event 20% balance)	1,500.00
Rally Tasmania (2019-20 event 20% balance)	4,000.00
Tamar Valley Cycle Challenge - Sally's Ride	7,500.00
	45,500.00

Sponsorship - Special Events	\$
Moorilla Estate - Mona Foma Aqua Luma	50,000.00
Ten Days on the Island	50,000.00
Transplant Australia Ltd - Transplant Games	50,000.00
Vibestown Production - The Basin Concert	18,500.00
	168,500.00

Sponsorship - New Years Eve Event	\$
Beerfest New Years Eve	46,000.00
	46,000.00



Sponsorship - Small & Celebratory Events	\$
Cancer Council Of Tasmania - Relay for Life Launceston	3,750.00
Clifford Craig Foundation Ltd - Run and Walk for Your Heart	3,750.00
Cornerstone Youth Services Inc. - Tasmanian Rock Challenge	2,610.00
Devil State Derby League - Roller Derby Tournament (2019-20 event 20% balance)	437.40
Harvest Launceston Farmers Market - Celebrating Tasmanian Women	3,750.00
Interweave Arts Association Inc. - Remade 2020	5,000.00
J Anifandis - Launceston Ukulele Jamboree	3,750.00
Launceston & Henley Inc. (Tamar Regatta Association) - Launceston & Henley Regatta	3,750.00
Launceston Alive - Launceston Alive Easter Community Festival	3,000.00
Launceston City Mission Inc. - Launceston City Community Christmas	5,000.00
Migrant Resource Centre (North Tas) - Harmony Day	5,000.00
Northern Childrens' Network - FunTastic ArTastic: Interactive Arts for all Ages	3,750.00
Northern Tasmanian Croquet Centre (NTCC) - NTCC Easter Croquet Tournament	625.00
Pony Club Tasmania Northern Zone - State three-day event championships (State Trials)	2,500.00
Royal Hotel Trading Pty Ltd t/as Alchemy - Little Italy Festival	3,750.00
Royal Hotel Trading Pty Ltd t/as Alchemy - Little Italy Festival (2019-20 event 20% balance)	500.00
RSPCA Tasmania - Paws N Claus	3,750.00
S & I Styling By Tanya - Autumn Fashion Festival	3,750.00
St Cecilia Productions Tasmania Inc. - Grand End of Year Concert	3,225.00
St Giles Society - Balfour Burn (2019-20 event 20% balance)	750.00
St Patricks River Valley Progress Association - St Patricks River Valley Day (2019-20 event 20% balance)	750.00
Stompin' Youth Dance Company INC. - Barcode (2019-20 event 20% balance)	1,000.00
Story Locker - Tasmanian Storytelling Festival	3,750.00
Tasmanian Brick Enthusiasts Inc. - Brixhibition Launceston 2021	5,000.00
Tasmanian Poetry Festival Inc. - Tasmanian Poetry Festival	3,750.00
	76,647.40

Other Grants, Benefits and Remissions

Remissions - COVID-19 Community Care and Recovery	\$
Lease charges	123,068.71
Parking fees and fines	10,814.48
Planning and development fees	242,172.00
Public hall hire fees	3,440.00
Public health fees	88,127.50
Section 129 Local Government Act 1993 (Tas)- Covid-19 Recovery Package	2,108,414.39
Sponsorship and contribution agreements	52,272.72
Sports ground hire fees	49,814.51
	2,678,124.31

Grants and Contributions - COVID-19 Community Care and Recovery	\$
Community Care and Recovery Grants	
Achieve Sports Physiotherapy and Rehab	3,000.00
Canton Restaurant	3,000.00
Cinergee Day Spa and Wellness Retreat	3,000.00
Douglas Property Investments Pty Ltd	3,000.00
Kosaten Japanese Restaurant	3,000.00
Youngtown Pharmacy	3,000.00
Assistance and Program support	
Design Tasmania - Financial Contribution	18,855.00
Playgroup Tasmania Inc.	1,200.00
Theatre North Inc. - Financial Contribution	117,000.00
	155,055.00

Remissions - Rates (Charitable and Hardship Concessions) Section 129 Local Government Act 1993 (Tas)	\$
Central Business District	3,402.77
Fire	4,703.64
General	264,028.30
Interest	1,092.01
Legal	0.00
Penalty	1,347.21
Waste	1,837.94
	276,411.87

Grants - Waste Management	\$
Dorset Council	395.00
Fork If Farm Pty Ltd	2,554.90
Kings Meadows High School	2,306.00
Launceston College	1,000.00
Lilydale District Pony Club	2,271.50
Longford Primary School	3,600.00

Grants - Waste Management	\$
Northern Midlands Council	4,625.00
Northern Midlands Council	1,916.80
Northern Suburbs Community Centre Inc.	6,145.00
Our Lady of Mercy Catholic School	863.50
Panama Productions Pty Ltd	1,777.00
Rotary Club of Central Launceston	500.00
Scotch Oakburn College	710.08
The Launceston Preparatory School	2,992.00
Westbury Primary School	2,500.00
	34,156.78

Other Contributions	\$
Business Events Tasmania - Financial Contribution	36,995.00
City of Launceston RSL Band - Financial Contribution	5,000.00
Cityprom Ltd- Financial Contribution	530,000.00
Cornerstone Youth Services Inc. - Financial Contribution towards Relocation	1,000.00
Harvest Launceston Community Farmers Market - Rental relief	1,363.68
Just Cats Inc. - Financial Contribution	30,000.00
Launceston Flood Authority - Financial Contribution	181,805.00
Northern Tasmanian Cricket Association - Financial Contribution	335,835.00
Northern Tasmanian Development Corp Inc. - Financial Contribution	182,017.00
Northern Tasmanian Development Corp Inc. - Population Study	21,250.00
Northern Tasmanian Development Corp Inc. - Contribution to Regional Circular Economy Grants	276,101.00
NRM North- Financial Contribution	62,000.00
Reptile Rescue - Donation	1,000.00
Tamar Region NRM - Financial Contribution	127,849.00
Tasmanian Canine Defence League - Financial Contribution	200,004.00
Theatre North Inc. - Financial Contribution	110,463.00
Tourism Northern Tasmania Inc. - Financial Contribution	146,281.00
University of Tasmania - Tertiary Education Scholarships	41,500.00
Vox Harmony - Financial Contribution	3,000.00
	2,293,463.68

Parking Concessions

The car parking concessions available to eligible pensioners are stored on a SmartCard. During 2020-21 the total for pensioner concessions to park in the Paterson Street East, Paterson Street West and Elizabeth Street car parks was \$127,572.

Waste Management Concessions

The City of Launceston provides free or subsidised entry to a number of groups. The value of these waste management concessions for 2020-21 was:

- Pensioner Concessions \$95,103
- Residents Free Vouchers \$178,100
- Charitable Concessions \$30,94

Development Applications

Number of applications accepted this financial year

- Discretionary 732
- Permitted 50

Processing of Development Applications

Average number of statutory days* to determine applications

- Discretionary 32.38
- Permitted 13

* '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 section 39(3) of the *Historic Cultural Heritage Act 1995* (Tas). Statutory days include any additional days negotiated between Council and the applicant under section 57(6) of the *Land Use Planning and Approvals Act 1993* (Tas), 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 \$396,628,305.00

Processing of Building Applications

Number of building applications received this financial year 808

Planning Scheme Monitoring

Number of Infringement Notices issued under section 65A of the <i>Land Use Planning and Approvals Act 1993</i> (Tas)	3
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> (Tas)	54
Number of Enforcement Notices issued under section 65C of the <i>Land Use Planning and Approvals Act 1993</i> (Tas)	20
Number of Notices of Intention to cancel a permit issued under section 65F of the <i>Land Use Planning and Approvals Act 1993</i> (Tas)	0
Number of permits cancelled under section 65G of the <i>Land Use Planning and Approvals Act 1993</i> (Tas)	0

Public Health Statement

The City of Launceston's environmental health team works to protect the health and safety of our residents and visitors. Our team of environmental health officers undertakes a wide range of tasks under Tasmanian legislation including the *Public Health Act 1997* (Tas) and the *Food Act 2003* (Tas) to protect public health.

We have strong involvement with food businesses in the municipality. We licence food premises, inspect food handling practices and confirm food businesses are compliant with food 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 their practices are safe and hygienic.

We continue to provide immunisation clinics for the public and in schools as outlined in the national immunisation program schedule.

We take a proactive position on protecting our environment and assess building and development applications to reduce potential impacts on the environment. We also issue environment protection notices to protect the environment and improve amenity for Launceston residents.

Other functions of the Environmental Health Team include:

- Disease prevention and control
- Unhealthy premises
- Public Health education and promotion
- Public Health nuisances
- Public Health emergency management
- Assessment of public events
- Exhumations
- Recreational and bathing water quality
- Air, water and soil pollution
- Environmental complaints
- Smoke-free area patrols

Staff Resources throughout 2020-21

- One full-time Manager Health and Compliance
- One full-time Team Leader Environmental Health
- Three full-time and two part-time Environmental Health Officers
- One part-time Environmental Health Cadet/ Trainee (15 to 30 June 2021)
- One full-time and two part-time Technical Officers
- One full-time contracted Environmental Health Consultant

Public Health Activities

Type of Activity	Statistics	Comments
Public Health Act 1997 (Tas)		
Place of Assembly assessment for mass gatherings	7	For example; events such Junction Arts Festival and Mona Foma
Inspection of Premises and Operators of Health Risk Activities	19 premises 38 operators	Includes tattooing, body piercing - all premises and operators inspected annually
Patrol of Smoke-Free areas	27	Areas as declared by Council and under the <i>Public Health Act 1997 (Tas)</i>
Regulated Systems	6	For example; cooling towers
Private Water Providers	4	
Housing	36	For example; inspection of private premises due to complaints of mould or squalid living conditions
Recreational Waters - natural	4 sites, 75 samples taken	Water holes and rivers tested during summer months
Recreational Waters Pools and Spas - Council owned	3 sites, 106 samples taken	Includes the Launceston Aquatic Centre, the Basin Pool and Lilydale Pool
Immunisations	3761	Number of doses administered
Infringements	0	Failing to register a premise where a public health risk activity occurs
Food Act 2003 (Tas)		
Registered Food Business	656	Food businesses that occupy a fixed premise
Registration of Temporary Food Businesses	163	Includes school fairs, sporting events, festivals and markets etc.
Registration of Statewide Food Businesses	88	Includes mobile food vans, trailers and stalls
Food Complaint Inspections	62	Complaints made by customers which may or may not be justified
Inspection of Registered Food Businesses	1050	Includes new premises, random and routine inspections
Improvement Notices issued	53	Compliance notice issued to food businesses to rectify food safety issues
Prosecutions	0	
Prohibition Orders	10	For serious non-compliances of food businesses against the <i>Food Act 2003 (Tas)</i>
Infringement Notices	5	Failure to comply with the <i>Food Act 2003 (Tas)</i> and or the Food Standards Code
Environment		
Environmental pollution investigations (excluding noise)	199	For example; emissions such as odour, wood smoke, dust
Noise pollution investigations	174	Includes noise from industrial, commercial and residential sources
Infringements	0	
Environmental Protection Notices and Abatements	4	For matters relating to environmental management and amenity



Tenders and Contracts

Contracts valued at or exceeding \$250,000 excluding GST

Regulation 29(1) of the *Local Government (General) Regulations 2015* requires us to report on contracts for the supply or provision of goods or services valued at or exceeding \$250,000 excluding GST, entered into or extended in the 2020-21 financial year:

Contract description	Contract period	Extension option	Tender (T) or contract (C) value excluding extension option and GST	Successful contractor
CD057/2020 Launceston Waste Centre - creation of new landfill waste site	December 2020 to December 2021	No	\$8,148,642 (T)	Batchelor Construction Group KDC 2012 Kingston TAS 7051
	Variation	No	\$292,994	
	Additional payment	No	\$157,766	
CD058/2020 Golconda Road upgrade	January 2021 to April 2021	No	\$1,670,544 (T)	Andrew Walter Constructions PO Box 5 Claremont TAS 7011
CD040/2020 Launceston Leisure and Aquatic Centre - design and construction of heat pump	December 2020 to May 2021	No	\$1,444,190 (T)	TCM Pty Ltd 90 Charles Street Moonah TAS 7009
CD063/2020 Invermay Road upgrade - Forster Street to Vermont Road	December 2020 to March 2021	No	\$1,320,080 (T)	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD066/2020 Churchill Park sports ground development	December 2020 to June 2021	No	\$1,193,566 (T)	MP & HM Baker Pty Ltd 9 Hudson Fysh Drive Western Junction TAS 7212
CD067/2020 Carr Villa carpark upgrade	March 2021 to June 2021	No	\$806,050 (T)	Jonathan Hearn Landscape Design & Construction PO Box 3028 Launceston TAS 7250
Petrol and diesel fuel supply	July 2020 to June 2021	Extended annually	\$608,131.52 (C)	Caltex Australia GPO Box 3998 Sydney NSW 2001
CD052/2019 Paterson Street West Car Park facilities upgrade	December 2020 to April 2021	No	\$597,565 (T)	VOS Construction & Joinery Pty Ltd 3 Hudson Fysh Drive Western Junction TAS 7212
CD060/2020 Purchase of landfill bulldozer	February 2021	No	\$564,500 (T)	Komatsu Australia Pty Ltd PO Box 339 Mowbray TAS 7248
CD051/2020 Quarantine Road kerb and pavement rehabilitation	December 2020 to February 2021	No	\$467,549 (T)	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD073/2020 Architectural and professional services - Albert Hall	April 2021	No	\$460,655 (T)	Terroir 181 Elizabeth Street Hobart TAS 7000
Technology One license fees	July 2020 to June 2021	Extended annually	\$436,081 (C)	Technology One PO Box 96 Fortitude Valley QLD 4006
			\$139,007 (C)	
CD048/2020 Youngtown Oval change rooms upgrade	November 2020 to February 2021	No	\$384,764 (T)	Tas City Building Pty Ltd 58A Elizabeth Street Launceston TAS 7250

Contract description	Contract period	Extension option	Tender (T) or contract (C) value excluding extension option and GST	Successful contractor
CD017/2020 Replacement of on-street parking meters - first 50	November 2020 to April 2021	No	\$340,000 (T)	Australian Parking and Revenue Control 37 Parramatta Road Haberfield NSW 2045
CD062/2020 Poplar Parade rehabilitation works	December 2020 to February 2021	No	\$329,850 (T)	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD022/2020 Road Safety Centre - Stage 1 earthworks	October 2020 to September 2021	No	\$305,788 (T)	Paul Zanetto Pty Ltd 3 Killafaddy Road St Leonards TAS 7250
Purchase of Isuzu truck	May 2021	No	\$272,370 (C)	Webster Trucks & Motors Tas PO Box 412 Launceston TAS 7250
CD024/2020 Upper Blessington Road bridge	November 2020 to May 2021	No	\$261,800 (T)	Bridgepro Engineering Pty Ltd 19-21 Faulkner Drive Latrobe TAS 7307
CD033/2020 QVMAG re-roof project	December 2020 to March 2021	No	\$253,451 (T)	Tas City Building Pty Ltd 58A Elizabeth Street Launceston TAS 7250
CD059/2020 Forest Road rehabilitation works	December 2020 to June 2021	No	\$251,518 (T)	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD019/2020 Consultancy panel	July 2020 to June 2023	No	\$250,000 (T)	Artas Architects 54 Tamar Street Launceston TAS 7250 Cardno Pty Ltd Level 4, 501 Swanston Street Melbourne VIC 3000 Cumulus Studios Pty Ltd PO Box 95 North Hobart TAS 7002 GHD Pty Ltd PO Box 1269 Launceston TAS 7250 JMG Engineers & Planners 49-51 Elizabeth Street Launceston TAS 7250 Morrison & Breytenbach Architects Pty Ltd GPO Box 725 Hobart TAS 7001 Philp Lighton Architects 65 Tamar Street Launceston TAS 7250 Pitt & Sherry Pty Ltd PO Box 1409 Launceston TAS 7250 Rare Innovation Pty Ltd PO Box 1898 Launceston TAS 7250 WSP Australia Pty Ltd Level 27, 680 George Street Sydney NSW 2034

Contract description	Contract period	Extension option	Tender (T) or contract (C) value excluding extension option and GST	Successful contractor
CD044/2020 Graphic design panel	January 2021 to December 2023	January 2024 to December 2026	\$250,000 (T) excluding extension option	Boris Petrack 29 Wyett Street West Launceston TAS 7250 Clever Creative Shop 2/45 Brisbane Street Launceston TAS 7250 Louise Thrush 20 Merivale Street Sandhill TAS 7249 Plural Agency 316/87 Gladstone Street South Melbourne VIC 3205

Section 333A of the *Local Government Act 1993 (Tas)* provides for instances when the requirement to tender for goods or services valued at or above \$250,000 excluding GST does not apply. These instances are detailed at regulation 27 of the *Local Government (General) Regulations 2015*.

Regulation 29(2) requires us to report on some of these instances - specifically, when tenders have not been sought because of an emergency pursuant to regulation 27(a), and when a decision of Council has been made pursuant to regulation 27(i).

Pursuant to regulation 27(i) of the *Local Government (General) Regulations 2015*, public tenders were not sought for the following procurement:

Reason for not inviting public tenders	Description of goods or services acquired	Value excluding GST	Name of supplier
(i) relates to the continuation of an existing service sourced from Esri Australia Pty Ltd since 1999	Purchase of Esri Australia software, support and maintenance	\$300,000* (\$100,000 per year over three years)	Esri Australia PO Box 15459 Brisbane City East QLD 4002
(ii) the software underpins services delivered daily, including property, mapping, location and planning services		*This contract was first reported in the 2019-20 Annual Report; Council's decision was made on 25 February 2021	
(iii) City of Launceston has invested significantly in the development of business processes and in the customisation of linked software			
(iv) officers regard the software as fit-for-purpose and are of the view that the acquisition of alternative software will incur significant additional expenditure without commensurate improvement to efficiency and effectiveness			

Contracts valued at or exceeding \$100,000 excluding GST but less than \$250,000

Regulation 29(3) of the *Local Government (General) Regulations 2015* requires us to report on contracts for the supply or provision of goods or services valued at or exceeding \$100,000 excluding GST but less than \$250,000, entered into or extended in the 2020-2021 financial year:

Contract description	Contract period	Extension option	Contract value excluding extension option and GST	Successful contractor
CD018/2019 Architectural and professional services for new Launceston Tennis Centre	January 2021 to April 2021	No	\$241,700	Preston Lane Architects Pty Ltd 60 Barrack Street Hobart TAS 7000
Purchase of Kobelco excavator	October 2020	No	\$232,980	DLM Machinery PO Box 170 Newstead TAS 7250
CD023/2020 Patersonia River bridge design and construction	October 2020 to February 2021	No	\$199,800	Bridgepro Engineering Pty Ltd 19-21 Faulkner Drive Latrobe TAS 7307
CD025/2020 Snake Gully bridge design and construction	October 2020 to March 2021	No	\$199,400	Bridgepro Engineering Pty Ltd 19-21 Faulkner Drive Latrobe TAS 7307
CD006/2020 Alexandra Bridge repainting at the First Basin	October 2020 to December 2020	No	\$190,700	McElligotts (Tas) Pty Ltd PO Box 255 Kings Meadows TAS 7249
CD019/2020 Concept design - QVMAG Futures Plan	March 2021 to August 2021	No	\$183,300	Cumulus Studios PO Box 95 North Hobart TAS 7002
Safety Circle Program 2020	September 2020 to December 2020	No	\$180,000	Safety Circle Pty Ltd GPO Box 790 Hobart TAS 7001
CD018/2020 Launceston City Heart Wayfinding Project	August 2020 to November 2020	No	\$169,615	Flying Colours Printing Warehouse 5, 3-17 Merino Street Kings Meadows TAS 7249
Gas pipeline delivery contract to Launceston Leisure and Aquatic Centre	January 2021 to June 2021	No	\$161,151	Tas Gas Networks PO Box 858 Launceston TAS 7250
Gas to Council sites, particularly Launceston Leisure and Aquatic Centre	January 2021 to June 2021	No	\$159,321	Aurora Energy Pty Ltd Locked Bag 4 Hobart TAS 7001
CD041/2020 Fleet vehicle digital radio replacement	September 2020	No	\$148,223	TECS PO Box 106 Launceston TAS 7250
Royal Park hazardous chemical storage	December 2020 to January 2021	No	\$146,242	Storemaster PO Box 3212 Burnie TAS 7320
Purchase of Isuzu truck	September 2020 to January 2021	No	\$144,245	Webster Trucks PO Box 412 Launceston TAS 7250
Periodic supply - road repairs	September 2020 to March 2021	No	\$140,000	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248

Contract description	Contract period	Extension option	Contract value excluding extension option and GST	Successful contractor
Mobile phone and data	July 2020 to June 2021	Extended annually	\$139,939	Telstra Corporation GPO Box 9901 Melbourne VIC 8101
Purchase of utility tractor	December 2020	No	\$134,104	Midland Tractors PO Box 3 Longford TAS 7301
Launceston Transport Strategy proposal	July 2020 to August 2020	No	\$129,000	WSP Australia Pty Ltd Level 27, 680 George Street Sydney NSW 2034
Council contribution to subdivision works at Brougham Street, West Launceston	April 2021	No	\$128,106	Tasmanian Skylights Pty Ltd 963 Meander Valley Highway Longford TAS 7301
Ernest Street upgrade - Harold Street to Reid Street	October 2020 to September 2021	No	\$125,858	Paul Zanetto Pty Ltd 3 Killafaddy Road St Leonards TAS 7250
CD056/2020 Launceston Leisure and Aquatic Centre solar PV installation	January 2021 to April 2021	No	\$124,648	Contact Electrical Pty Ltd PO Box 3024 Launceston TAS 7250
CD045/2019 Reseal Wellington Street from Pipeworks Road to Cridge Street	April 2021 to June 2021	No	\$124,172	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD037/2020 Property development and management services	August 2020 to March 2021	No	\$124,000	SEMZ Property Advisory & Project Management Suite 2b, 182 Victoria Parade East Melbourne VIC 3002
Building plans assessment and certification	February 2021 to September 2021	No	\$121,000	Trident Building Surveying 23A Kingsway Launceston TAS 7250
Council contribution to stormwater line at 204 Vermont Road	September 2020	No	\$120,000	Pelion Peaks Pty Ltd PO Box 3035 Launceston TAS 7250
Proposal to deliver a risk assessment for the City of Launceston flood protection system	June 2021	No	\$118,840	WSP Australia Pty Ltd Level 27, 680 George Street Sydney NSW 2034
Talune Street upgrade - Hobart Road to Waroona Street	September to November 2020	No	\$118,607	Paul Zanetto Pty Ltd 3 Killafaddy Road St Leonards TAS 7250
Autumn 2021 fuel reduction burn - Carr Villa Flora Reserve, Cataract Gorge Reserve, Youngtown Regional Park, Russell Plains, Granville Street Reserve, Havelock Street Reserve, Woods Reserve	August 2020 to April 2021	No	\$113,760	Ground Proof Mapping PO Box 1027 Launceston TAS 7250
Purchase of Isuzu truck	September to December 2020	No	\$111,745	Webster Trucks PO Box 412 Launceston TAS 7250
Purchase a pre-cast concrete toilet block for bike centre refurbishment	April 2021	No	\$111,255	Hudson Civil Products Pty Ltd PO Box 316 Prospect TAS 7250

Contract description	Contract period	Extension option	Contract value excluding extension option and GST	Successful contractor
Purchase of a wood chipper	March 2021	No	\$109,567	Bandit Tree Equipment 28/20 Tucks Road Seven Hills NSW 2147
CD016/2018 Ashleigh Avenue (Salisbury Avenue to Auburn Street) - rehabilitation	July to November 2020	No	\$108,342	Crossroads Civil Contracting Pty Ltd 73-79 Lilydale Road Rocherlea TAS 7248
CD004/2021 Northern Tasmanian Waste Management Group waste composition audit	May to July 2021	No	\$101,300	Justwaste PO Box 499 Prospect TAS 7250



Image: City of Launceston

Enterprise Powers Statement

Section 72(1)(ca) of the Local Government Act 1993 (Tas) requires us to make a statement of the activities and performance of 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.

Council is represented on the board of Enterprize Tasmania Ltd by Chief Executive Officer, Michael Stretton. An outline of Enterprize Tasmania Ltd projects can be found at www.enterprize.space and information about their activities and performance over the past 12 months is available at www.acnc.gov.au/charity/03fd8e8dcbb1e871a725e67ad15de0b9#financials-documents.

TasWater

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

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

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

The Council is represented on Taswater's Owners Representatives Group by Mayor, Councillor Albert van Zetten. Detailed performance information is available at www.taswater.com.au/about-us/annual-reports.

Northern Tasmanian Development Corporation Ltd

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

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

- a. provide proactive, 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 governments 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, the City of Launceston pays an annual subscription fee to NTDC. Information about NTDC's activities and performance over the past 12 months is available at www.ntdc.org.au.

Australia Pacific Airports (Launceston) Pty Ltd

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

The book value of these notes is \$257,556 as at 30 June 2021.

These notes entitle Council to a share in the operating results of the company, on an equivalent basis to the shareholders. Councillor Hugh McKenzie is a Director.

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

In the 2020-21 the Council did not receive a dividend due to the impact of COVID-19 on Australian Pacific Airports (Launceston) Pty Ltd revenues as a result of restrictions on air travel.

Strata Scheme No. 175691, CH Smith Centre, Launceston

Council is a member of Strata Scheme No. 175691. This entity acts as the body corporate for the CH Smith Centre.

The primary objectives of Strata Scheme No. 175691 are to:

- a. administer, manage and improve the common property reasonably and for the benefit of the owners and occupiers of the lots; and
- b. maintain the service infrastructure in good and serviceable order and condition; and
- c. prepare and maintain a fire prevention, detection and evacuation plan; and
- d. prepare and maintain a building security protocol plan over the site;
- e. exercise its powers under the Act; and
- f. to enforce the by-laws; and
- g. to take out and maintain a policy of insurance as required under the Act and any further insurance that may be required by resolution of the lot owners; and
- h. to carry out other functions for the benefit of the lot owners.

Council is represented on the board of Strata Scheme No. 175691 by Team Leader Governance, Kelsey Hartland. As a member, Council pays its share of the costs incurred by Strata Scheme No. 175691. In 2019-20, the members of the body corporate appointed a body corporate manager to ensure the ongoing alignment of activities and performance with objectives. The members of the body corporate review this appointment annually and the arrangement was continued in 2020-21.

Creative Property Holdings Pty Ltd

In May 2020, the Council entered into an agreement with Creative Property Holdings Pty Ltd to facilitate a mixed-use redevelopment of a key site in the Launceston central business district. The objectives of the redevelopment are to address economic and education challenges currently being faced by the City and deliver improved public transport services to the City. Construction-related benefits, job creation and operations-related benefits are expected to complement increased amenity and activity in the City. Due to a legal dispute in respect to a contract to purchase the subject site, these objectives are yet to be realised.

Information on the redevelopment is available at www.launceston.tas.gov.au/News-Media/Major-CBD-sites-to-be-redeveloped-under-Council-plan.

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 2020 to 30 June 2021.

Donation of Land Statement

Local Government Act 1993 (Tas) Section 72(1)(da) requires the City of Launceston to report on any land donated by the Council during the year.

The Council made no such donations of land.

Allowances and Expenses Statement

Section 72(1)(cb) of the Local Government Act 1993 (Tas) requires us to provide a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors.

In 2020-21 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	\$554,790
Expenses	\$20,878

Public Interest Disclosure Statement

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

- As required by section 86(a) of the *Public Interest Disclosures Act 2002 (Tas)*, the Public Interest Disclosures Procedure can be found on the City of Launceston website at www.launceston.tas.gov.au. As there were no public interest disclosures or recommendations of the Ombudsman during the reporting period, the remainder of section 86 of the *Public Interest Disclosures Act 2002 (Tas)* is not relevant to this Statement.

Integrated Corporate Planning Framework

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

Strategy and Planning

Greater Launceston Plan

Through Northern Tasmania Development Corporation (NTDC) the City of Launceston has worked with councils in the Greater Launceston Area (George Town, Meander Valley, Northern Midlands and West Tamar) to begin a review of the Greater Launceston Plan (the Plan). This is a recognition that a collaborative approach is the most appropriate way to pursue successful futures for all our residents.

The Plan 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 and the review is seeking to update the trends and understand how we can best respond to changes in opportunities and challenges to continue achieving the vision.

Corporate Strategic Plan 2014 to 2024: 2019 Review

The Corporate Strategic Plan 2014 to 2024 was adopted on 24 November 2014, following Council's endorsement of the Greater Launceston Plan 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 last review of the Corporate Strategic Plan 2014-2024 commenced in 2018. As part of the results of the review, the Corporate Strategic Plan 2014-2024 was repositioned 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 Greater Launceston Plan.

The reviewed Corporate Strategic Plan 2014-2024: 2019 Review was adopted on 30 May 2019 and provided the structure for the Annual Plan 2020-21 which is demonstrated by the seven strategic priorities, 10-year goals and focus areas.

Strategic Asset Management Plan (SAMP)

Section 70B of the *Local Government Act 1993* (Tas) requires the Council to prepare a SAMP and an asset management strategy for the municipal area. Rather than have 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 \$2.3 billion. 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 was adopted by Council 11 July 2019.

Long Term Financial Plan (LTFP)

Section 70 of the *Local Government Act 1993* (Tas) requires Council to prepare a 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 us 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 model the capital and ongoing operational cost associated with asset management, at a whole of organisation level.

The LTFP is reviewed and adopted annually by Council. The LTFP 2020-2030 was adopted by Council on 10 December 2020.

Annual Plan 2020-21

The following pages provide an update on the final status of Annual Plan 2020-21 actions for the period ending 30 June 2021. The Annual Plan 2020-21 and its reporting takes its structure from the Corporate Strategic Plan 2014 to 2024: 2019 Review, therefore progress against the Annual Plan 2020-21 is reported in terms of the plan's contribution to the achievement of the strategic priorities.







REPORTING ON THE ANNUAL PLAN 2020-21

The City of Launceston's Annual Plan for 2020-21 was developed around the seven priority areas outlined in the Strategic Plan 2014 to 2024. In essence, the Strategic Plan indicates the actions and strategies the Organisation will pursue through its own operations to deliver on the Greater Launceston Plan goals.

2020-21 Annual Plan actions

Final progress report for period ending 30 June 2021



17

COMPLETE OR SUBSTANTIALLY COMPLETE
(90-100%)



16

IN PROGRESS



1

DEFERRED
BY COUNCIL

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------

STRATEGIC
PRIORITY



We connect with our Community and our Region through meaningful engagement, cooperation and representation.

Our interactions with our community are authentic, timely, accurate and open. We want to build strong and productive relationships with our community and regional partners.

10-Year Goal: To seek out and champion positive engagement and collaboration to capitalise on the major opportunities, and address the future challenges facing our community and region.

Focus Area: To develop and consistently utilise contemporary and effective community engagement processes

Develop a Community Engagement - Policy, Strategy, Framework and Toolkit.

Strategy adopted. Framework and Toolkit have been completed.

Organisational Services



100%

Focus Area: To develop and consistently utilise contemporary and effective community engagement processes

Implement a rolling program of proactive community engagement through Tomorrow Together.

Rolling program in development, theme six currently awaiting approval.

Organisational Services



90%

Focus Area: To advocate and collaborate to enhance regionally significant services and infrastructure for the benefit of our communities.

Complete and implement a Regional Sports Facility Plan in conjunction with sporting clubs, the State Government and neighbouring councils.

The project start was delayed due to COVID-19. The project has recommenced and will be delivered in 2021/2022.

Infrastructure and Assets



5%

Focus Area: To advocate and collaborate to enhance regionally significant services and infrastructure for the benefit of our communities.

Develop and implement an effective advocacy strategy for the State and Federal elections.

The Council's Four-Year Delivery Plan has now been approved and the priorities are being advocated for at both the State and Federal levels. The Mayor and Chief Executive Officer attended a meeting in Canberra in December 2020 to discuss the Council's priorities directly with the relevant Ministers. Additionally, the Council worked with the Northern Tasmanian Development Corporation on the development of the regional collaboration framework which will enhance regional advocacy moving forward. Following a successful State election advocacy campaign, the Council's focus has now shifted to the next Federal election.

Chief Executive Officer



95%

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------

STRATEGIC
PRIORITY


2

We Facilitate Prosperity by seeking out and responding to opportunities for growth and renewal of our regional economy.


We use our influence and resources to deliver the foundations for ongoing economic development. We want Launceston to be the heart of a thriving regional economy.

10-Year Goal: To have realised opportunities that grow and sustain our economy, and foster creative and innovative people and industries.


Focus Area: To actively market the City and region and pursue investment.


Implementation of outcomes of Cityprom review.	The Council considered the final report on the Cityprom Review at its meeting on 17 June 2021 and endorsed the future direction for the organisation. A working group has now been formed between the Council, Cityprom and Launceston Chamber of Commerce which will complete the required work to introduce the changes for the 2022-2023 financial year. This work will be carried out during 2021-2022.	Chief Executive Officer	 <p>80%</p>
--	---	-------------------------	--

Focus Area: To facilitate direct investment in the local economy to support growth.

Implement an Accelerated Capital Works program.	In May 2020, in response to the COVID-19 pandemic, Council approved the \$40m Accelerated Capital Works Program aimed at delivering \$20m to market by 30 December 2020 and a further \$20m by 30 April 2021. This program has been paused as there are currently capacity issues in the civil constructing and consulting industries. Approximately \$15m in project value is in the delivery phase. Major road reseal/reconstruction projects are now underway on Quarantine Road, Invermay Road and Golconda Road. Works have also begun at the Launceston Waste Centre and the Road Safety Centre.	Infrastructure and Assets	 <p>100%</p>
---	--	---------------------------	---

Focus Area: To provide an environment that is supportive to business and development within the municipality.

<p>Cultural Strategy</p> <ul style="list-style-type: none"> Commence implementation of a Cultural Strategy for the City of Launceston. 	<p>Actions identified for implementation in 2020-2021 have been completed. The Interim Art in Public Space Policy and Procedure is scheduled for adoption in July 2021. Work is underway on the development of a Public Art Strategy. Recruitment for the Cultural Advisory Committee is almost complete. A funding application has been submitted to the Arts Tasmania Community Arts and Cultural Development (Local Government) Fund Program for a pilot project focused on partnering with arts organisations and supporting Tasmanian artists to increase community participation in arts.</p>	Creative Arts and Cultural Services	 <p>100%</p>
---	---	-------------------------------------	---

Action	Progress Comments	Network	Progress
Focus Area: To provide an environment that is supportive to business and development within the municipality.			
Review Horizon 2021-Economic Development Plan.	Review is underway and a draft of the reviewed strategy is in progress. A draft executive summary has been shared with the Council and the Executive Leadership Team for feedback.	Organisational Services	 70%

STRATEGIC
PRIORITY


3

We are a Progressive Leader that is accountable to our governance obligations and responsive to our community.


Our decision-making and actions are evidence-based, strategic, transparent and considered. We are ethical, fair and impartial in complying with and enforcing the law.

10-Year Goal: To ensure decisions are made in a transparent and accountable way, that effectively meet our statutory obligations, support quality services and underpin the long-term sustainability of our organisation.


Focus Area: To provide for the health, safety and welfare of the community.

Continue to support the long-term recovery of the municipality in light of the COVID-19 pandemic.	The Council will continue to work with the State Government, Northern Tasmanian Development Corporation, the Local Government Association of Tasmania and other councils on community recovery initiatives that arise.	Chief Executive Officer	 100%
---	--	-------------------------	---

Focus Area: To fairly and equitably discharge our statutory and governance obligations.

Complete negotiation of the City of Launceston Enterprise Agreement.	Due to impacts from the COVID-19 pandemic in early 2020, bargaining was unable to progress on the City of Launceston Enterprise Agreement 2016. Australian Services Union and the Council agreed to a 12-month extension and negotiations formally commenced in November 2020 with all parties to the negotiations presenting their Logs of Claim. Negotiations are ongoing.	Organisational Services	 80%
--	--	-------------------------	--

Focus Area: To fairly and equitably discharge our statutory and governance obligations.

Continue review of Governance/Ownership Model - UTAS Stadium.	The Future Direction Plan - York Park (UTAS Stadium) 2021 has been considered and endorsed by Council. During the State election the Government committed to the establishment of Stadiums Tasmania as well as a \$65m redevelopment of the stadium. State Government officers are currently working with the Council to progress these important deliverables.	Chief Executive Officer	 80%
---	---	-------------------------	--

Action	Progress Comments	Network	Progress
Focus Area: To fairly and equitably discharge our statutory and governance obligations.			
Commence review of Governance/Ownership Model - QVMAG.	A Draft QVMAG Futures Plan (the Plan) has been developed which reviewed the Governance/Ownership issues and options for the QVMAG moving forward. The Plan is currently undergoing a stakeholder engagement process after which it will be formally considered by Council.	Chief Executive Officer	 80%
Focus Area: To ensure decisions are made on the basis of accurate and relevant information.			
Level of Service Planning Stage 1 • Develop a project plan to document service levels, review appropriateness of services, and engage with the community around expectations.	Project scoping yet to be commenced due to re-prioritisation. Scoping to commence in July 2021.	Organisational Services	 5%
Focus Area: To continually improve our service delivery via a continuous improvement mindset, pursuing efficiency gains and adopting technological and other process innovations.			
Organisational Cultural Development Roadmap • Continue to implement an organisational development program.	The Leadership Development Program pilot training has been completed with excellent feedback. The final stages of planning are underway for internal reflection on the Organisational Alignment Project (OAP) outcomes that will include the Senior Leadership Team (SLT) discussing with employees. This will be a leader led project and the tool for the OAP Review has been developed and approved by the Executive Leadership Team (ELT). Safety Circle refresher training is almost completed with Values Champions taking the lead in the refresher of Safety Circle across the organisation. ELT has been provided with an update recently and the SLT was provided with an update on 7 July 2021. Further initiatives from this will be integrated into the Cultural Roadmap for the year ahead.	Organisational Services	 85%
Focus Area: To continually improve our service delivery via a continuous improvement mindset, pursuing efficiency gains and adopting technological and other process innovations.			
Review organisational Information and Communications Technology (ICT) Strategy.	ICT Strategy has been developed and has in-principle support from the General Manager Organisational Services and the Information Technology Team. Final Draft is now being prepared for the SLT feedback and then signoff from ELT.	Organisational Services	 90%
Focus Area: To maintain a financially sustainable organisation.			
Negotiate a new Combined Agreement with TasWater.	The City of Launceston, in conjunction with TasWater, have reviewed the current Agreement and have made amendments to ensure effective operation of the combined drainage system. The revised Agreement will be formalised with a Council decision in the next few months.	Infrastructure and Assets	 95%

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------

STRATEGIC
PRIORITY

4

We value our City's Unique Identity by celebrating our special heritage and culture and building on our competitive advantages to be a place where people choose to live, work and visit.

We facilitate our community's sense of place by enhancing local identity. We want people to be proud to say that Launceston is my City.

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

Focus Area: To promote and enhance Launceston's rich heritage, culture and natural environment.

Launceston Heritage List Review and Precincts

- Continue review of the City of Launceston's local heritage list.

Work on Stage 4 of the Heritage List Review is complete. Preparation for the final stage (Stage 5) will commence shortly. Review of the proposed heritage precincts is also underway.

Community and Place



75%

Focus Area: To support the central business district and commercial areas as activity places during day and night.

Continue work on Launceston City Heart Bus Interchange.

The functional design for the new facility is progressing with Department of State Growth and developer.

Infrastructure and Assets



50%

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------

STRATEGIC
PRIORITY

5

We Serve and Care for our Community by providing equitable and efficient services that reflect needs and expectations of our community.

We are invested in our community's long-term health, well-being, safety and resilience. We want to be trusted and respected by our community.

10-Year Goal: To offer access to services and spaces for all community members, and to work in partnership with stakeholders to address the needs of vulnerable communities.

Focus Area: To plan for and provide services and facilities that recognise the changing demographics and needs of our community.

Implement Council commitments from the My Place My Future Plan.

The Ignite Us community leadership project and the Social Enterprises Toolbox program have been developed and these programs are now live in the community. Public Wi-Fi locations in the northern suburbs continue to be rolled out, with the most recent installation in Mowbray. An immunisation program in the northern suburbs has been successfully trialled and a community-led program of projects is currently being developed. A consultant has been appointed to develop a project for tackling vandalism and has started work. With a State Government grant, work is underway on improving safety on roads and in particular addressing hooning.

Community and Place



90%

Focus Area: To define and communicate our role in promoting social inclusion and equity.

Development of a Social Inclusion Framework.

A draft Social Inclusion Statement of Commitment has been developed and an internal project team is working on an implementation plan. SLT has endorsed the current approach and the internal implementation plan is progressing. Unfortunately, this project has not developed any further due to a shortage of resources.

Community and Place



30%

Focus Area: To work in partnership with community organisations and other levels of government to maximise participation opportunities for vulnerable and diverse members of the community.



Continue to roll out the ABCDE Learning Sites approach to Youngtown.

The Youngtown ABCDE Learning Site is complete and the final celebration will be held on 21 July 2021. A number of community-led projects have been implemented, including new signage for Franklin Village, the recording of Youngtown history stories (including heritage items from the South Launceston Football Club).

Community and Place



100%

Action	Progress Comments	Network	Progress
Focus Area: To develop and manage infrastructure and resources to protect our community from natural and other hazards.			
Develop planning controls to align with 2018 River Flood Study.	Consultants have been engaged and the project has commenced.	Community and Place	 5%
Focus Area: To develop and manage infrastructure and resources to protect our community from natural and other hazards.			
Stormwater Management Plans <ul style="list-style-type: none"> Implement actions from adopted stormwater management plans. 	Significant progress against actions in the Stormwater System Management Plan has been achieved, including: <ul style="list-style-type: none"> review of the Urban Open Drain Procedure review of planning controls for subdivisions and incorporation of stormwater flood overlays within the planning scheme stage 1 riparian restoration for urban waterway at Newnham Reserve completed riparian restoration at Jinglers Reserve planned dam safety inspections for stormwater detention basins formalised; and long-term waterway health monitoring program commenced. Investigations for capital investment for flood mitigation in Prospect and Guy Street North completed. Prospect works will be delivered in 2021-2022. 	Infrastructure and Assets	 100%

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------

STRATEGIC
PRIORITY

6

We are a *Progressive Leader that is accountable to our governance obligations and responsive to our community.*

Our decision-making and actions are evidence-based, strategic, transparent and considered. We are ethical, fair and impartial in complying with and enforcing the law.

10-Year Goal: To enhance the unique natural character, values, and amenity of our City by minimising the impacts of our organisation's and our community's activities in the environment.

Focus Area: To reduce our and the community's impact on the natural environment.

Implement actions from the Sustainability Strategy.

During the past financial year, the Council made several commitments to achieve a more sustainable operation. The commitments are:

- calculate the Council's carbon footprint
- achieve carbon neutrality of the Council's operations by 2025
- achieve 100% renewable energy for all the Council-owned buildings by 2025; and
- continue to work towards the Council's City Power Partnership pledges involving sustainable transport, renewable energy and divest from fossil fuel investments.

To achieve these commitments and align ourselves with the Climate Emergency Australia we are currently developing a Sustainability/Climate Action Plan (for both climate mitigation and adaptation) and incorporating the UN Sustainable Development Goals to transition both the Council and the community to a low-carbon future.

Infrastructure and Assets



25%

Focus Area: To contribute to air and river quality improvements in Launceston.

River Health Action Plan - Implementation

- Technical support for TasWater/NRM North in implementation of the River Health Action Plan (catchment management and combined system improvements, public education and policy development) and management of the sediment raking program (data review, hydrological modelling and community).

The vision for kanamuluka/Tamar Estuary was released by Tamar Estuary Management Taskforce (TEMT) in June 2021.

River Health Action Plan catchment management - sewage intrusion project ahead of budget and investigations in all Launceston suburbs is complete. Water quality monitoring and rectification of identified intrusions are ongoing. Significant improvements to water quality anticipated as a result of this project, with a number of sewage intrusions identified.

Continued support and engagement with TasWater to implement the actions in the combined drainage system. Public education activities, such as public speaking events, Science Week and information videos for social media have been delivered throughout the year.

Infrastructure and Assets



100%

Action	Progress Comments	Network	Progress
--------	-------------------	---------	----------


STRATEGIC
PRIORITY **7**

We are a City Planning for our Future by ensuring our approach to strategic land-use, development and infrastructure investment is coordinated, progressive, and sustainable.


We play a leading role in balancing the enviable amenity of our municipality with the needs of future development and growth. We want to influence the delivery of the right investment for our City and Region.

10-Year Goal: To facilitate appropriate development via integrated land-use planning, infrastructure investment, and transport solutions within our municipality and region.

Focus Area: To take a strategic approach to development sites and infrastructure investment within the municipality to maximise public benefit and encourage development and investment.





<p>University of Tasmania (UTAS) Relocation - City Deal Agreement.</p> <ul style="list-style-type: none"> Engage with UTAS on the project to relocate to Inveresk to ensure it integrates with the precinct and the City in a planned manner. 	<p>The Council is continuing to actively participate in the UTAS/City of Launceston Working Group which regularly meets to consider and guide progress on the UTAS Relocation. Additionally, various technical working groups have been established to work with UTAS in respect to urban realm and infrastructure plans and works.</p>	<p>Chief Executive Officer</p>	 100%
--	---	--------------------------------	--

Focus Area: To take a strategic approach to development sites and infrastructure investment within the municipality to maximise public benefit and encourage development and investment.

<p>Commence project to identify highest and best use of the Council-owned buildings and land</p>	<p>Data review has commenced.</p>	<p>Organisational Services</p>	 10%
--	-----------------------------------	--------------------------------	---

Focus Area: To improve and maintain accessibility, transport options and infrastructure within the Launceston area, including its rural areas.

<p>Greater Launceston Transport Vision</p> <ul style="list-style-type: none"> Consider and plan for delivery of priorities identified as part of Greater Launceston Transport Vision. 	<p>Consultation has been completed for the Greater Launceston Transport Vision and Work Plan with submissions currently being reviewed and considered by neighbouring councils and Department of State Growth.</p> <p>The Greater Launceston Transport Vision will likely be ready for formal adopting in August 2021 along with City of Launceston's Transport Strategy.</p>	<p>Infrastructure and Assets</p>	 95%
--	---	----------------------------------	---

Action	Progress Comments	Network	Progress
Focus Area: To improve and maintain accessibility, transport options, and infrastructure within the Launceston area, including its rural areas.			
<p>Traffic Signal Project</p> <ul style="list-style-type: none"> Continue upgrade of the City's traffic signal infrastructure (owned by State Growth), targeted improvement of intersections, implementation of data capture technology and data analytics and provide a framework to encourage more sustainable transport options. 	Project complete.	Infrastructure and Assets	 100%
Focus Area: To improve and maintain accessibility, transport options, and infrastructure within the Launceston area, including its rural areas.			
Continue work on St Leonards Residential Growth Strategy and Masterplan.	Progress has been delayed. Priority has been given to the South Prospect area with St Leonards to recommence in the 2022-2023 financial year.	Community and Place	 Deferred by Council 11 February 2021
Focus Area: To improve and maintain accessibility, transport options, and infrastructure within the Launceston area, including its rural areas.			
Continue work on South Prospect Residential Growth Strategy and Masterplan.	Work is ongoing with the Masterplan finalisation underway and engineering analysis being completed. Amendments to the Northern Regional Land Strategy have been approved by the Minister. Applications to re-zone are anticipated to commence late in 2021.	Community and Place	 80%
Focus Area: To improve and maintain accessibility, transport options, and infrastructure within the Launceston area, including its rural areas.			
To support the delivery of the Greater Launceston Transport Vision, develop a Launceston Transport Strategy which will include consideration of parking, active transport, freight movement and Smart City mobility opportunities.	<p>The Council worked with partners to develop the draft Launceston Transport Strategy (LTS). Community engagement has been undertaken and it is expected to present the LTS to Council for formal adoption in August 2021.</p> <p>To support the implementation of the LTS the following has been developed:</p> <ul style="list-style-type: none"> Four-year transport delivery plan Terms of Reference for a new Transport Committee Network Operating Plan to support management of the road network; and Central Area District Parking Implementation Plan. 	Infrastructure and Assets	 95%

Action	Progress Comments	Network	Progress
Focus Area: To ensure our suite of strategic planning initiatives are coordinated, and representative of our community's needs and aspirations.			
<p>City Deal Agreement</p> <ul style="list-style-type: none"> Continue to work with the Federal and State governments to successfully implement all of the City of Launceston commitments under the City Deal program to deliver a range of economic and social benefits to the City. 	<p>Work on Launceston City Deal projects is continuing. Relationships continue to be maintained with partners and stakeholders. The Terms of Reference for the Community and Business Advisory Group have been revised in line with feedback received from the representative group during the Three-Year Review. Communications protocols were developed and implemented across the three levels of government. City Heart Stage 1 - Wayfinding is now complete. Two remaining Stage 1 City Heart projects are pending government approval for completion May 2022.</p>	<p>Chief Executive Officer</p>	 100%
Focus Area: To ensure our suite of strategic planning initiatives are coordinated, and representative of our community's needs and aspirations.			
<p>City Deal Agreement - third year review and determination of projects for additional five years.</p>	<p>The Three-Year Review has been undertaken. Preparation to program the five-year extension is complete (20%). The process to program the Launceston City Deal extension has commenced.</p>	<p>Chief Executive Officer</p>	 70%



FINANCIAL RATIOS

	2021	2020	2019	2018	2017
CURRENT RATIO	1.98:1	3.65:1	4.12:1	3.32:1	2.15:1
<i>To assess the adequacy of working capital (net current assets)</i>					
Current Assets less restricted assets	73,534,370	54,701,402	70,902,463	64,164,688	63,631,600
Current Liabilities	37,062,177	14,978,826	17,218,839	19,317,591	29,550,593
Restricted assets includes funds held in trust and the Waste Centre Rehabilitation provision					
INTEREST EXPENSE TO OPERATING REVENUE RATIO	0.43%	0.31%	0.32%	0.43%	0.36%
<i>To assess the degree to which revenue is committed to interest</i>					
Interest Expense (external loans)	446,465	315,357	333,498	436,173	354,386
Operating Revenue (untied)	102,935,903	101,313,905	103,384,177	101,319,632	99,331,053
RATE COVERAGE RATIO	61.5%	61.4%	57.9%	56.8%	56.8%
<i>To assess dependence on rate revenue</i>					
Rate Revenue (untied)	63,337,521	62,211,222	59,903,671	57,558,624	56,370,820
Operating Revenue (untied)	102,935,903	101,313,905	103,384,177	101,319,632	99,331,053
GRANT COVERAGE RATIO	8.3%	8.9%	9.5%	8.9%	10.8%
<i>To assess dependence on grant revenue</i>					
Grant Revenue (incl. QVMAG)	8,533,547	9,033,483	9,776,305	9,038,417	10,734,138
Operating Revenue (untied)	102,935,903	101,313,905	103,384,177	101,319,632	99,331,053
USER CHARGES COVERAGE RATIO	25.8%	23.2%	24.3%	24.4%	22.6%
<i>To assess dependence on user charges revenue</i>					
User Charges Revenue	26,510,338	23,465,669	25,074,837	24,690,874	22,451,835
Operating Revenue (untied)	102,935,903	101,313,905	103,384,177	101,319,632	99,331,053
DEPRECIATION TO CAPITAL EXPENDITURE	1.27:1	1.6:1	1.6:1	1.64:1	1.58:1
<i>To compare assets added with depreciation of assets</i>					
Capital Works	29,554,440	36,274,394	34,628,808	32,975,000	31,547,000
Depreciation	23,359,326	22,681,034	21,584,324	20,090,015	20,007,332
RATE PAID PER MODAL VALUATION (RESIDENTIAL)					
<i>To assess the movement in typical residential rates</i>					
Modal AAV	13,200	13,200	13,200	12,000	12,000
Rate Amount - General (inc Fire Levy)	1,635	1,616	1,678	1,520	1,526
RATE REVENUE PER CAPITA	\$1043.06	\$1038.29	\$1007.30	\$971.80	\$946.21
<i>To assess the average rate raised per head of population</i>					
Revenue Rate	71,776,411	70,610,823	67,941,093	65,114,648	63,567,647
Population	68,813	68,007	67,449	67,004	67,181



FINANCIAL REPORT

2020-21

Statement of Comprehensive Income
For the Year Ended 30 June 2021

	Note	Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 Restated* \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	70,938	71,777	70,611
Statutory fees and fines	2.2	4,107	6,324	5,043
User fees	2.3	15,998	20,188	18,424
Grants	2.4	9,277	8,473	8,518
Contributions - cash	2.5	-	62	516
Interest	2.6	738	558	1,507
Other income	2.7	2,003	2,489	2,540
Investment revenue	2.9	1,362	1,362	2,108
		104,423	111,233	109,267
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	4,553	3,147	2,951
Non Government Capital Cash Contributions	2.5	-	302	162
Contributions - non-monetary assets	2.5	-	2,496	21,412
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	(200)	(4,453)	(13,676)
		4,353	1,492	10,849
Total income from continuing operations		108,776	112,725	120,116
Expenses from continuing operations				
Employee benefits	3.1	44,114	42,855	43,117
Materials and services	3.2	35,831	34,850	40,150
Impairment of receivables	3.3	26	12	12
Depreciation and amortisation	3.4	22,087	23,359	22,682
Finance costs	3.5	1,233	535	323
Change in value of Museum collection	3.6	-	34,523	-
Other expenses	3.7	11,975	13,394	14,510
Total expenses from continuing operations		115,266	149,528	120,794
Result from continuing operations		(6,490)	(36,803)	(678)
Net result for the year		(6,490)	(36,803)	(678)
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	9.1	-	16,749	(63,238)
Net asset revaluation increment/(decrement)	9.1	-	52,595	48,394
Actuarial gain/loss on defined benefits plans	6.5	-	6,192	442
Total Other Comprehensive Income		-	75,536	(14,402)
Total Comprehensive result		(6,490)	38,733	(15,080)

* The comparative figures have been restated to reflect the correction of a prior period error. Refer Note 9.8 for details.

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

Statement of Financial Position
As at 30 June 2021

	Note	As at 30 June 2021 \$'000	As at 30 June 2020 Restated* \$'000	As at 30 June 2019 Restated* \$'000
Assets				
Current assets				
Cash and cash equivalents	4.1	74,830	27,270	10,329
Trade and other receivables	4.2	5,166	8,031	8,202
Investments	4.3	10,009	33,074	61,657
Inventories	4.4	899	721	718
Non-current assets classified as held for sale	4.5	4,518	4,518	3,402
Total current assets		95,422	73,614	84,308
Non-current assets				
Investments	5.1	225,702	208,957	272,195
Property, infrastructure, plant and equipment	6.1	1,476,559	1,401,770	1,336,124
Intangible assets	6.2	4,426	5,227	5,631
Right-of-use assets	6.3	224	259	-
Museum Collection	6.4	203,692	252,744	249,779
Superannuation Asset	6.5	2,025	-	-
Other assets	6.6	258	258	258
Total non-current assets		1,912,886	1,869,215	1,863,987
Total assets		2,008,308	1,942,829	1,948,295
Liabilities				
Current liabilities				
Trade and other payables	7.1	9,060	5,006	8,265
Trust funds and deposits	7.2	2,375	2,667	1,838
Employee Provisions	7.3	7,381	7,273	7,120
Rehabilitation Provision	8.2	7,920	-	-
Lease liabilities	7.4	29	27	-
Contract liabilities	7.5	1,296	-	-
Interest-bearing loans and borrowings	8.1	9,000	-	-
Total current liabilities		37,061	14,973	17,223
Non-current liabilities				
Employee Provisions	7.3	1,024	943	791
Rehabilitation Provision	8.2	11,338	14,827	10,452
Lease liabilities	7.4	235	263	-
Interest-bearing loans and borrowings	8.1	26,000	15,000	9,000
Superannuation	6.5	-	2,906	1,814
Total non-current liabilities		38,597	33,939	22,057
Total liabilities		75,658	48,912	39,280
Net Assets		1,932,650	1,893,917	1,909,015
Equity				
Accumulated surplus		1,194,397	1,225,008	1,225,262
Reserves	9.1	738,253	668,909	683,753
Total Equity		1,932,650	1,893,917	1,909,015

* The comparative figures have been restated to reflect the correction of a prior period error. Refer Note 9.8 for details.

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

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Payments			
Provision of Goods and Services (including GST)		(78,958)	(92,763)
Interest Paid		(446)	(315)
State Government Fire Service Levy		(8,310)	(8,310)
Receipts			
Rates and Charges		69,545	67,736
Fees and Charges		30,346	27,108
Grants and Contributions – Revenue		8,535	9,033
Interest Received		558	1,507
Other (including GST)		6,247	7,982
Net Cash from Operating Activities	9.2	27,517	11,979
Cash flows from investing activities			
Payments			
Capital Works		(29,554)	(36,274)
Transfers (to) from Investments		23,065	28,582
Receipts			
Sale of Assets		456	1,560
Grants and Contributions – Capital		4,745	3,019
Investment Revenue	9.2	1,362	2,108
Net Cash Used In Investing Activities		74	(1,005)
Cash flows from financing activities			
Payments			
Loan Repayments		-	-
Lease Repayments		(33)	(33)
Receipts			
Loan Proceeds		20,000	6,000
Net Cash From in Financing Activities	9.2	19,967	5,967
Net increase (decrease in cash held)		47,558	16,942
Cash and cash equivalents at 1 July		27,271	10,330
Cash and cash equivalents at 30 June		74,830	27,271

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

**Statement of Changes in Equity
For the Year Ended 30 June 2021**

*City of Launceston
2020-2021 Financial Report*

	Note	Accumulated Surplus	Asset Revaluation Reserve		Fair Value Reserve		Other Reserves		Total Equity
			2021	2020	2021	2020	2021	2020	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		1,225,008	713,062	(44,153)	-	-	-	1,893,917	
Net result for the year		(36,803)	-	-	-	-	-	(36,803)	
Other Comprehensive Income:									
Fair value adjustments for financial assets at fair value	5.1	-	-	16,749	-	-	-	16,749	
Fair Value adjustment on equity investment assets	9.1	-	52,595	-	-	-	-	52,595	
Net asset revaluation increment/(decrement)	6.5	6,192	-	-	-	-	-	6,192	
Actuarial gain/loss on defined benefits plans									
Total comprehensive income		(30,611)	52,595	16,749	-	-	-	38,733	
Transfers between reserves		-	-	-	-	-	-	-	
Balance at end of the financial year		1,194,397	765,657	(27,404)	-	-	-	1,932,650	
Balance at beginning of the financial year		2020	2020	2020	2020	2020	2020	2020	
Correction of Prior Period Error	9.8	1,225,262	652,707	19,085	-	-	-	1,897,054	
Restated opening balance			11,961					11,961	
Adoption of AASB 16		1,225,262	664,668	19,085	-	-	-	1,909,015	
Net result for the year		(18)	-	-	-	-	-	(18)	
Other Comprehensive Income:									
Fair Value adjustment on equity investment assets	5.1	-	-	(63,238)	-	-	-	(63,238)	
Net asset revaluation increment/(decrement)	9.1	-	48,394	-	-	-	-	48,394	
Actuarial gain/loss on defined benefits plans	6.5	442	-	-	-	-	-	442	
Total comprehensive income		(236)	48,394	(63,238)	-	-	-	(15,080)	
Transfers between reserves		-	-	-	-	-	-	-	
Balance at end of the financial year		1,225,008	713,062	(44,153)	-	-	-	1,893,917	

The above statement should be read with the accompanying notes.

**City of Launceston
Financial Report
Table of Contents**

FINANCIAL REPORT		Page
Notes to Financial Statements		
Note 1	Overview	
1.1	Reporting entity	7
1.2	Basis of accounting	7
1.3	Use of estimates and judgements	7
1.4	Impact of Covid 19 on financial reporting for 2020-21	8
1.5	Material budget variations	9
1.6	Functions/Activities of the Council	12
Note 2	Revenue	
2.1	Rates and charges	15
2.2	Statutory fees and fines	16
2.3	User fees	16
2.4	Grants	17
2.5	Contributions	18
2.6	Interest	19
2.7	Other income	19
2.8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	20
2.9	Investment revenue	21
Note 3	Expenses	
3.1	Employee benefits	21
3.2	Materials and services	21
3.3	Impairment of receivables	22
3.4	Depreciation and amortisation	22
3.5	Finance costs	24
3.6	Change in value of museum collection	25
3.7	Other expenses	25
Note 4	Current Assets	
4.1	Cash and cash equivalents	26
4.2	Trades and other receivables	26
4.3	Investments	27
4.4	Inventories	27
4.5	Assets held for sale	28
Note 5	Investments	
5.1	Investment in water corporation	28
Note 6	Non-current assets	
6.1	Property, infrastructure, plant and equipment	30
6.2	Intangible assets	36
6.3	Right-of-use assets	37
6.4	Queen Victoria Museum and Art Gallery	38
6.5	Superannuation Asset	39
6.6	Other assets	43
Note 7	Current liabilities	
7.1	Trade and other payables	43
7.2	Trust funds and deposits	43
7.3	Employee Provisions	44
7.4	Lease liabilities	45
7.5	Contract liabilities	46

**City of Launceston
Financial Report
Table of Contents**

Note 8	Non-current liabilities	
8.1	Interest bearing loans and borrowings	47
8.2	Rehabilitation Provision	47
Note 9	Other financial information	
9.1	Equity	49
9.2	Reconciliation of cash flows from operating activities to surplus (deficit)	52
9.2	Reconciliation of liabilities arising from financing activities	52
9.2	Reconciliation of cash and cash equivalents	52
9.3	Commitments	53
9.4	Contingent liabilities and contingent assets	53
9.5	Financial instruments	54
9.6	Fair value measurements	60
9.7	Events occurring after balance date	66
9.8	Prior Period Errors	66
Note 10	Other matters	
10.1	Related party transactions	68
10.2	Special committees and other activities	70
10.3	Interest in other entities	70
10.4	Other significant accounting policies and pending accounting standards	71
10.5	Significant Business Activities	74
10.6	Management indicators	77
	Certification of the Financial Report	

Note 1 Overview

1.1 Reporting entity

- (a) The Launceston City Council was established on 30 October 1852 and is a body corporate with perpetual succession and a common seal.
- (b) The function of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

These financial statements are a general purpose financial report that consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Local Government Act 1993 (LGA1993) (as amended)*. Council has determined that it does not have profit generation as a prime objective.

Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report has been prepared on the accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.5, 5.1, 6.1, 6.2, 6.3, 6.4, 6.5 and 8.2

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

1.3 Use of judgements and estimates

Judgements and Assumptions

In the application of Australian Accounting Standards, Council is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1 Overview (Continued)

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 7.3.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 6.5

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 6.1.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1

Rehabilitation obligations

Assumptions and judgements are utilised in determining the value of Council's obligations to rehabilitate the landfill and clay quarry at the Launceston Waste Centre. These are discussed in note 8.2

1.4 Impact of Covid 19 on Financial Reporting for 2020-21

The COVID-19 pandemic has impacted this financial report, which may be reflected in the comparability of some line items and amounts reported in the statements and/or the notes.

Council significantly altered its budget in light of the pandemic, and pleasingly the bottom line result has been favourable. A reduction for various revenue categories was budgeted for, and budgeted expenses were adjusted to reflect Council's level of assistance provided to the community, which is outlined below.

Council approved an \$8.5m Community Care & Recovery Package in April 2020 in response to the pandemic.

- A freeze on any rates increase, originally planned at 3.9%.
- Six months rate remissions for eligible Commercial and Sport & Recreation rated properties.
- Development of a new Rates and Charges Hardship Policy.

1.4 Impact of Covid 19 on Financial Reporting for 2020-21 (Continued)

- Fee and rent relief for individuals and business relating to Council facilities and services.
- Accelerated Capital Works Programme of \$40m to stimulate the local building, construction and ancillary sectors.
- Community Care and Recovery Grants available to local businesses.
- Events and sponsorship relief.
- Community assistance initiatives including for vulnerable members of the community.

Further details of such impacts are discussed in the following note on material budget variations.

1.5 Material Budget Variation

	Budget \$'000	Actual \$'000	Variance %
Revenue			(positive is favourable)
<u>Rates and Charges</u>	70,938	71,777	1%
Rates revenue was favourable against budget due to higher than anticipated rates growth and supplementary valuations received during the year.			
<u>Statutory fees and fines</u>	4,107	6,324	54%
All fees and fines revenue was budgeted in light of Covid-19. This resulted in a decrease in forecast revenue when compared to previous years. Due to the relatively quick recovery from Covid-19 in Tasmania, fees and fines revenue has generally been favourable to budget. The main sources of this favourable variance are planning and building fees which has been driven by a strong building and construction sector.			
<u>User fees</u>	15,998	20,188	26%
Council budgeted for a significant decrease in user fees revenue due to Covid-19 and the expectation that several Council facilities would be closed or see a significant reduction in usage. This includes the Launceston Leisure & Aquatic Centre, the Queen Victoria Museum & Art Gallery, Launceston Waste Centre, various sporting and recreation facilities along with Council owned and operated car parks and on-street parking. Tasmania has rebounded faster than anticipated from Covid-19 and Council's User Fees favourable variance is in line with this.			
<u>Grants - Operational</u>	9,277	8,473	-9%
Council is reimbursed by the Tasmanian Government for any interest expense paid on interest free loans, this is recognised in the form of grant revenue. Council borrowed (interest free) funds later in the year than originally expected, leading to a reduction in this revenue and the corresponding expense.			

1.5 Material Budget Variation (Continued)

	Budget \$'000	Actual \$'000	Variance % (positive is favourable)
<u>Contributions - cash</u>	-	62	100%

Cash contributions were not budgeted for.

Various cash contributions were received throughout the year including contributions held by Council for Public Open Spaces, Northern Tasmania Circular Economy payments from neighbouring Councils, NRM North contributions and upgraded facilities at Youngtown Oval.

<u>Interest</u>	738	558	-24%
-----------------	-----	-----	------

Interest earned has been affected by historic lows in the Official Cash Rate which was 0.10% after being reduced by 0.15% in November 2020. Council had assumed a steady Official Cash Rate of 0.25% throughout the entire financial year.

<u>Other income</u>	2,003	2,489	24%
---------------------	-------	-------	-----

Various favourable variances in other income and miscellaneous reimbursements received throughout the year, bad debts recovered and additional rent received for the use of Council owned facilities.

Capital Income

<u>Capital Grants</u>	4,553	3,147	-31%
-----------------------	-------	-------	------

Capital grant income is typically received upon completion of certain milestones. Due to significant sector activity resulting in a shortage of available suppliers in the market, some projects have been delayed until 2021/22 at which point it is expected work will be undertaken and funding received.

<u>Contributions non-monetary</u>	-	2,496	100%
-----------------------------------	---	-------	------

Recognition of assets received by Council throughout the year, which is not budgeted for.

Expenses

<u>Employee Benefits</u>	44,114	42,855	3%
--------------------------	--------	--------	----

This variance is primarily due to staff vacancies that existed across Council during the year, it should be noted that Council budgets for a fully staffed workforce. Full time equivalents as at 30 June 2021 increased to 460 from 426 as at 30 June 2020, however various vacancies were put on hold in the first half of 2020-21, with many vacancies filled late in the year.

A reduction in staff travel and conference registration fees due to Covid-19 restrictions has also impacted this variance.

1.5 Material Budget Variation (Continued)

	Budget \$'000	Actual \$'000	Variance % (positive is favourable)
<u>Materials and Services</u>	35,831	34,850	3%
Savings were made across several expenditure types during the year. These include, but are not limited to;			
<ul style="list-style-type: none"> - Utilities - gas, water, electricity. - Insurance premiums. - Contributions to community events delayed due to Covid-19. - Fuel savings relating to the use of Council owned major plant equipment. - Sports field maintenance costs, due to lower usage as a result of Covid-19 decreasing the number of events held - Land Tax Covid-19 remissions received. 			
<u>Depreciation</u>	22,087	23,359	-6%
Additional depreciation unbudgeted expense as a result of:			
<ul style="list-style-type: none"> - Swap of urban road assets with the Department of State Growth added to Council's overall asset value and therefore increased depreciation. - Revaluation leading to an increase in the value of assets at the Launceston Waste Centre. - University of Tasmania Stadium new surface commenced depreciating, and the previous surface assets had a written down value of nil. - Additional depreciation cost of new assets purchased during the year in Fleet, Parks and Information Technology. 			
<u>Finance Costs</u>	1,233	535	57%
Council is reimbursed by the Tasmanian Government for any interest expense paid on interest free loans, this is recognised in the form of grant revenue. Council borrowed (interest free) funds later in the year than originally expected, leading to a reduction in this expense and the corresponding revenue.			
<u>Change in museum collection</u>	-	34,523	-100%
The entire Queen Victoria Museum & Art Galley was subject to a revaluation during the year by an external third party valuer. A change in valuation methodology was applied to Natural Sciences collection from market value to recollection costs, which resulted in a large decrease to the overall value of the collection.			
Due to the change \$14.7m was taken to the relevant revaluation reserve, which was exhausted, with the remaining \$34.5m being required to be taken to the Statement of Comprehensive Income.			
<u>Other Expenses</u>	11,975	13,394	-12%
The major variances can be attributed to changes to the provision for rehabilitation of waste cells at the Launceston Waste Centre.			

Note 1.6 - Functions and Activities of the Council

(a) 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 2021 \$'000	BUDGET (unaudited) \$'000
REVENUES										
Rates and charges	57,797	8,439	-	-	5,017	-	-	524	71,777	70,938
Statutory fees and fines	701	258	203	-	3,104	-	2,058	-	6,324	4,107
User fees	335	1	22	-	7,825	6,387	5,577	41	20,188	15,998
Grants	1,972	-	-	190	540	1,838	3,808	125	8,473	9,277
Contributions - cash	-	-	-	-	43	9	-	10	62	-
Interest	534	14	-	-	3	7	-	-	558	738
Other income	52	23	-	4	302	2,082	14	12	2,489	2,003
Investment revenue	1,362	-	-	-	-	-	-	-	1,362	1,362
	62,753	8,735	225	194	16,834	10,323	11,457	712	111,233	104,423
EXPENSES										
Employee Costs (net of capitalised)	13,401	364	1,043	801	7,650	13,115	3,500	2,981	42,855	44,114
Materials and Services	1,140	324	52	529	13,734	12,271	4,523	2,277	34,850	35,831
Impairment of Debts	-	-	2	-	-	2	8	-	12	26
Depreciation and Amortisation	2,735	14	-	-	3,747	6,160	10,667	36	23,359	22,087
Finance Costs	446	-	-	-	82	-	-	7	535	1,233
Change in Asset Values	-	-	-	-	-	34,523	-	-	34,523	-
Other Expenses	3,694	8,315	88	-	813	356	13	115	13,394	11,975
Full Cost Attribution	21,416	9,017	1,185	1,330	26,026	66,427	18,711	5,416	149,528	115,266
Competitive Neutrality	(2,121)	86	150	73	(221)	1,102	746	185	-	-
	(560)	-	-	-	77	335	148	-	-	-
	18,735	9,103	1,335	1,403	25,882	67,864	19,605	5,601	149,528	115,266
	44,018	(368)	(1,110)	(1,209)	(9,048)	(57,541)	(8,148)	(4,889)	(38,295)	(10,843)
Surplus (Deficit) from Operations										
Capital Grants and Infrastructure Adjustments										
Capital grants received specifically for new or upgraded assets	-	-	-	-	-	594	2,003	550	3,147	4,553
Non Government Capital Cash Contributions	-	-	-	-	-	110	-	192	302	-
Contributions - non-monetary assets	-	-	-	-	1,276	115	1,105	-	2,496	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(43)	1	3	(2)	(536)	(1,726)	(2,150)	-	(4,453)	(200)
Surplus (Deficit) Before Other Comprehensive Income	43,975	(367)	(1,107)	(1,211)	(8,308)	(58,448)	(7,190)	(4,147)	(36,803)	(6,490)
Infrastructure Assets	193,535	1,233	-	1,346	299,287	330,471	650,457	233	1,476,562	-
Other Assets	327,796	-	-	-	-	203,692	-	258	531,746	-
Total Assets	521,331	1,233	-	1,346	299,287	534,163	650,457	491	2,008,308	-

Note 1.6 - FUNCTIONS AND ACTIVITIES OF COUNCIL (Continued)

(b) Comparative figures for prior year (2020)

	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 2020 \$000	BUDGET (unaudited) \$000
REVENUES										
Rates and charges	57,086	8,400	-	-	4,594	-	-	531	70,611	70,251
Statutory fees and fines	-	51	598	-	3,175	-	1,219	-	5,043	-
User fees	1,015	226	(373)	-	7,415	4,918	5,163	60	18,424	25,605
Grants	1,993	-	-	171	536	2,406	3,312	100	8,518	8,428
Contributions - cash	-	-	-	-	300	154	-	62	516	-
Interest	1,454	13	-	-	7	33	-	-	1,507	2,095
Other income	377	46	3	4	304	1,649	124	33	2,540	2,356
Investment revenue	2,108	-	-	-	-	-	-	-	2,108	3,224
	64,033	8,736	228	175	16,331	9,160	9,818	786	109,267	111,959
EXPENSES										
Employee Costs (net of capitalised)	14,024	400	1,017	876	7,518	12,690	4,394	2,198	43,117	43,204
Materials and Services	2,816	339	54	298	13,890	12,968	6,244	3,541	40,150	40,471
Impairment of Debts	-	-	-	-	5	7	-	-	12	26
Depreciation and Amortisation	2,659	13	-	-	3,571	6,018	10,382	39	22,682	21,358
Finance Costs	315	-	-	-	-	-	-	8	323	622
Change in Asset Values	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,168	8,311	-	-	2,984	890	59	98	14,510	8,550
Full Cost Attribution	21,982	9,063	1,071	1,174	27,968	32,573	21,079	5,884	120,795	114,231
Competitive Neutrality	(560)	86	150	73	(160)	1,102	763	185	-	-
	19,223	9,149	1,221	1,247	27,885	34,010	21,990	6,069	120,795	114,231
	44,810	(413)	(993)	(1,072)	(11,554)	(24,850)	(12,172)	(5,283)	(11,528)	(2,272)
Surplus (Deficit) from Operations										
Capital Grants and Infrastructure Adjustments										
Capital grants received specifically for new or upgraded assets	-	-	-	-	-	420	1,647	884	2,951	2,834
Non Government Capital Cash Contributions	-	-	-	-	-	162	-	-	162	-
Contributions - non-monetary assets	-	-	-	-	1,493	3,365	16,554	-	21,412	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(40)	-	(4)	-	(12)	(937)	(12,683)	-	(13,676)	(200)
Net Surplus (Deficit) Before Other Comprehensive Income	44,770	(413)	(997)	(1,072)	(10,073)	(21,840)	(6,654)	(4,399)	(679)	362
Infrastructure Assets	64,253	1,174	-	1,170	273,513	294,511	765,873	1,276	1,401,770	
Other Assets	288,057	-	-	-	-	252,744	-	258	541,059	
Total Assets	352,310	1,174	-	1,170	273,513	547,255	765,873	1,534	1,942,829	

1.6 Functions/Activities of the Council (Continued)

(a) Revenue, expenditure and assets attributable to each function as categorised in (c) below:

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

	2021	2020
Current assets	95,422	73,614
Non-current assets	1,912,886	1,869,215
	2,008,308	1,942,829

(c) *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

Assistance, education and consultation activities connected with community support, care and development.

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

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.

	2021 \$'000	2020 \$'000
Note 2 Revenue		
Note 2.1 Rates and charges		
Council uses Assessed Annual Value as the basis of valuation of all properties within the municipality. The assessed annual value of a property is its assessed rental value.		
Valuation and Rating		
Gross Assessed Annual Value of the City	709,289	700,150
Rates	Cents /\$AAV	Cents /\$AAV
General Rate - Residential	6.7654	6.7654
General Rate - Commercial	7.8384	7.8384
General Rate - CBD Variation	9.3823	9.3823
General Rate - Industrial	7.8436	7.8436
General Rate - Public Purpose	7.8384	7.8384
General Rate - Primary Production	7.5215	7.5215
General Rate - Sporting and Recreation	7.8384	7.8384
General Rate - Quarrying and Mining	6.1270	6.1270
General Rate - Vacant Land	6.8554	6.8554
Service Rates		
Fire Protection - Urban	1.3958	1.3869
Fire Protection - Rural	0.3364	0.3378
Fire Protection - Lilydale District	0.3781	0.3781
	\$	\$
General Charge (Fixed Amount)	290.60	290.60
Minimum Rates apply:-		
Fire Levy	41	41
SERVICE CHARGES	\$ Range	\$ Range
Waste Management - on bin size	114.20 - 268.00	105.00 - 249.75
Rating Revenue		
General Rates	\$'000	\$'000
General Charge	10,434	10,343
General Rate - CBD Variation	524	531
General Rate - Residential	29,196	28,809
General Rate - Commercial	10,285	10,085
General Rate - Industrial	3,051	3,029
General Rate - Public Purpose	3,035	3,028
General Rate - Primary Production	965	961
General Rate - Quarrying and Mining	6	6
General Rate - Sporting and Recreation	263	253
General Rate - Vacant Land	562	572
	<u>58,321</u>	<u>57,617</u>
Fire Protection	8,439	8,400
Waste Management	5,017	4,594
Total rates and charges	<u>71,777</u>	<u>70,611</u>

Note 2.1 Rates and charges (Continued)

The date of the latest general revaluation of land for rating purposes within the municipality was July 2016, and the valuation was first applied in the rating year commencing 1 July 2017.

Accounting policy

Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Note 2.2 Statutory fees and fines

	2021	2020
	\$'000	\$'000
Infringements and Costs	1,406	1,219
Regulatory Fees	4,290	3,175
Regulatory Services	597	598
Permits and Registrations	31	51
Total statutory fees and fines	6,324	5,043

Accounting policy

Fees and fines (including parking fees and fines) are recognised when or as the performance obligation is completed, or when the taxable event has been applied and Council has an unconditional right to receive payment.

Note 2.3 User fees

Sport and Leisure Facilities	4,535	3,146
Parking Fees and Charges	5,880	5,353
Waste Charges	6,483	6,749
Health Fees	23	16
Cemetery Fees and Charges	1,289	1,232
Trading Revenue	1,553	1,471
Venue Hire	6	5
Commissions	419	452
Total user fees	20,188	18,424

Accounting policy

Council recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Licences granted by Council are all either short-term or low value and all revenue is recognised at the time that the licence is granted rather than the term of the licence.

Note 2.4 Grants

	2021 \$'000	2020 \$'000
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	8,368	7,235
State funded grants	3,252	3,350
Total	11,620	10,585
Grants - Recurrent		
Commonwealth Grants		
Financial Assistance Grants - General Purpose	1,427	1,433
Financial Assistance Grants - Roads	3,122	2,912
Roads	503	255
Parks	5	-
Other	315	1,007
State Grants		
Roads	184	167
Sporting Facilities	250	-
Drainage and Flood Mitigation	540	536
Museum	1,583	1,484
Other	544	724
Total recurrent grants	8,473	8,518

Accounting policy

Council recognises untied grant revenue and those without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, revenue is recognised as or when control of each performance obligations is satisfied. (i.e. when it transfers control of a product or provides a service.) A contract liability is recognised for unspent funds received in advance and then recognised as income as obligations are fulfilled.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have a continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised and revenue as the unspent funds are expended at the point in time at which required performance obligations are completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For the acquisitions of assets, revenue is recognised when the asset is acquired and controlled by the Council.

Note 2.4 Grants (Continued)

In both years the Commonwealth has made early payment of quarterly instalments of the Financial Assistance Grants for the following year.

Capital grants received specifically for new or upgraded assets

	2021	2020
	\$'000	\$'000
Commonwealth Grants		
Roads	1,903	1,207
Sporting Facilities	340	420
Parks	200	-
Museum	3	-
Other	550	-
State Grants		
Roads	100	440
Parks	51	-
Other	-	884
Total capital grants	<u>3,147</u>	<u>2,951</u>

Note 2.5 Contributions

(a) Cash

Ongoing Operations

Drainage and Flood Mitigation	33	300
Museum	9	153
Other	20	62
Total	<u>62</u>	<u>516</u>

Note 2.5 Contributions Capital

(a) Cash

Sporting Facilities	60	18
Parks	-	110
Museum	50	34
Other	192	-
Total	<u>302</u>	<u>162</u>

(b) Non-monetary assets

Roads	1,105	16,554
Parks	30	150
Drainage and Flood Mitigation	1,276	1,493
Museum	85	3,215
Total	<u>2,496</u>	<u>21,412</u>

Accounting policy

Council recognises contributions without performance obligations when received. In cases where the contributions are for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled.

	2021	2020
	\$'000	\$'000
Note 2.6 Interest		
Interest on financial assets	45	928
Interest on rates	329	333
Interest on cash and cash equivalents	184	246
Total	<u>558</u>	<u>1,507</u>

Accounting policy

Interest is recognised progressively as it is earned.

Note 2.7 Other income		
Rental income	993	942
Sponsorship	378	448
Donations	51	92
Recycling	103	106
Volunteer services	138	91
Bequests	115	134
Other	711	727
Total other income	<u>2,489</u>	<u>2,540</u>

Accounting policy

Rental income

Rents are recognised as revenue when the payment is due. Rental payments received in advance are recognised as a payable until they are due.

Sponsorship Income

Sponsorship income is recognised upon issue of an invoice.

Donations

Donations revenue is recognised as received.

Recycling Income

Recycling Income is recognised upon issue of an invoice.

Volunteer services

Council recognises the inflow of resources in the form of volunteer services where the fair value of those services can be reliably measured and Council would have purchased those services if they had not been donated.

Bequests

Bequest revenue is recognised as received.

Other

Other income is recognised either as received or on the issue of an invoice.

Operating leases as lessor

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

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Note 2.7 Other income (Continued)

Accounting policy Cont

Where leases are commercial agreements, the properties are held for the dominant purpose of enhancing council's operating programs and facilities, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.

	2021 \$'000	2020 \$'000
Proceeds of sale	456	1,274
Less Carrying Amounts	<u>(4,909)</u>	<u>(14,950)</u>
Gain (Loss)	<u>(4,453)</u>	<u>(13,676)</u>
Gain on Disposal	147	448
Scheduled Loss on Disposal	2,134	990
Unscheduled Loss on Disposal	<u>2,466</u>	<u>13,134</u>
	<u>4,600</u>	<u>14,124</u>
Net Gain (Loss)	<u>(4,453)</u>	<u>(13,676)</u>

Accounting policy

Gains and losses on asset disposals

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Note 2.9 Investment revenue

Investment revenue from water corporation

Dividend revenue received	1,362	1,141
Tax equivalent received	-	221
Guarantee fee received	-	-
Total investment revenue from water corporation	<u>1,362</u>	<u>1,362</u>

Investment Revenue from Australian Pacific Airports Ltd (APAL)

Dividend revenue received	-	746
Total Investment revenue from APAL	<u>-</u>	<u>746</u>
Total Investment Revenue	<u>1,362</u>	<u>2,108</u>

Accounting policy

Dividend revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

Note 3	Expenses	2021	2020
Note 3.1	Employee benefits	\$'000	\$'000
	Wages and Salaries	30,216	28,713
	Workers Compensation Insurance	513	417
	Employee Leave Entitlements	4,503	4,757
	Payroll Tax	2,364	2,278
	Superannuation and Retiring Allowance	6,323	6,373
	Fringe Benefits Tax	96	95
	Redundancy	60	1,380
	Other Costs	677	663
		<u>44,752</u>	<u>44,676</u>
	Less amounts capitalised	<u>(1,897)</u>	<u>(1,559)</u>
	Total employee benefits	<u>42,855</u>	<u>43,117</u>

Accounting policy

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

Note 3.2	Materials and services	2021	2020
		\$'000	\$'000
	Contract payments	16,171	20,625
	Building maintenance	-	-
	Plant and equipment maintenance	-	-
	Utilities		
	Street Lighting	1,058	1,084
	Gas	659	738
	Electricity	1,133	1,149
	Water Fixed - Charges	728	652
	Water - Volumetric Charges	301	332
	Combined Service Charge (TasWater)	1,233	1,327
	Kerbside Collection	5,857	5,374
	Rent External	14	-
	Land Tax	281	482
	Contributions		
	LGAT	72	71
	CBD Promotional	530	530
	Regional cooperation	815	659
	Flood Authority (Internal)	182	182
	Community Assistance Grants	313	1,095
	Events Funding	466	611
	Provision of Services	629	519

Note 3.2 Materials and services (Continued)	2021 \$'000	2020 \$'000
Administrative		
Administration	630	835
Adverting and Promotion	191	209
Computers and Communication	466	393
Expert Advice	905	1,027
Insurance (Exc. Workers Compensation)	905	957
Maintenance	161	157
Payment and Debt collection	401	446
Postage Printing and Stationery	339	303
Motor Vehicle Expenses	410	393
Total materials and services	34,850	40,150

Accounting policy

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred.

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 3.3 Impairment of receivables	2021 \$'000	2020 \$'000
Parking fine debtors	7	-
Other debtors	5	12
Total impairment of receivables	12	12

Accounting policy

Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Council's policy and events giving rise to impairment losses are disclosed in note 4.2

Note 3.4 Depreciation and amortisation	2021 \$'000	2020 \$'000
<i>Property</i>		
Buildings	3,530	3,539
<i>Plant and Equipment</i>		
Plant, machinery and equipment	3,198	3,138
<i>Infrastructure</i>		
Roads	11,445	11,084
Drainage	1,738	1,694
Flood Protection	447	499
Recreational, leisure and community facilities	1,453	1,313
Other Infrastructure	839	701

Note 3.4 Depreciation and amortisation (Continued)

	2021	2020
	\$'000	\$'000
<i>Intangible assets</i>		
Intangible assets	677	679
<i>Right-of-use of assets</i>		
Right-of-use of assets	32	35
Total depreciation and amortisation	23,359	22,682

Accounting policy

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually.

Depreciation and amortisation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

The museum collection is not depreciated - see note 6.4

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless stated:

	Period
Land improvements	
Buildings	
freehold buildings	30 - 250 years
leasehold buildings	30 - 250 years
structures	30 - 250 years
leasehold building improvements	
Plant and Equipment	
buildings plant	5- 40 years
light vehicles	4 - 5 years
major plant	5 - 30 years
minor plant	3 - 20 years
computer equipment	3 - 10 years
furniture and equipment	4 - 50 years
stormwater and drainage pump stations	10 - 50 years

Note 3.4 Depreciation and amortisation cont

	Period
Roads	
local road pavements	150 years
arterial road pavements	100 years
roads sealed surfaces	20 - 35 years
roads unsealed surfaces	10 years
road substructure	300 years
roads infrastructure	30 - 100 years
road kerb and channel	100 years
Bridges	25 - 100 years
Other Infrastructure	
footpaths and cycleways	30 - 50 years
Waste	
Waste Centre Clay Liner	60 - 100 years
Future Rehabilitation Costs	3 - 30 years
Waste Centre Other	10 - 30 years
Parks, open space and streetscapes	10 - 150 years
Stormwater and Drainage	80 - 150 years
Flood Protection Infrastructure	100 - 200 years
Flood Protection Plant	20 years
Intangible assets	
Data Systems	3 - 10 years
Plans and Strategies	10 - 15 years
Municipal Valuations	6 years
Right-of-use of assets	
Right-of-use of assets	Lease Term

Note 3.5 Finance costs	2021 \$'000	2020 \$'000
Interest - borrowings	446	315
Unwinding of rehabilitation liability	82	-
Interest - lease liabilities	7	8
Total	535	323
Less capitalised borrowing costs on qualifying assets	-	-
Total finance costs	535	323

Note 3.5 Finance costs (Continued)

Accounting policy
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. No borrowing costs were capitalised during the period,
Finance costs include interest on borrowings, leases and unwinding of discounts.

Note 3.6 Change in value of Museum collection

	2021 \$'000	2020 \$'000
Total reduction in collection value	49,254	-
Taken to equity	14,731	-
Expensed	34,523	-
	<u>49,254</u>	<u>-</u>

Note 3.7 Other expenses

	2021 \$'000	2020 \$'000
External auditors' remuneration (Tasmanian Audit Office)		
Auditing of the Financial Statements	61	56
Other Audit Services	6	13
Internal auditors' remuneration (internal audit)	36	49
Councillors' allowances	555	546
Election Expenses	25	30
Volunteer services	138	91
Fire Levy Paid to State Fire Service	8,310	8,310
Remissions and Abatements	2,955	2,580
Change in Rehabilitation Provision	1,308	2,835
Total	<u>13,394</u>	<u>14,510</u>

Accounting policy
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset, or an increase of a liability has arisen that can be measured reliably.

Note 4	Current Assets	2021	2020
Note 4.1	Cash and cash equivalents	\$'000	\$'000
	Cash on hand	30	29
	Cash at bank trading	632	819
	At Call Investments	74,129	26,391
	Special Committees	39	31
	Total cash and cash equivalents	74,830	27,270

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Trust funds and bequests	2,441	2,362
Provision for retiring allowance	188	175
Provision for waste centre rehabilitation	19,258	14,827
Restricted funds	21,887	17,364
Total unrestricted cash and cash equivalents	52,943	9,906

Accounting policy

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less.

Restricted funds

Trusts and bequests

Trusts and bequests represent amounts bequeathed to Council for expenditure on specific purposes.

Retiring allowance

Council has a small number of employees entitled to a retiring allowance by way of a legacy entitlement.

Rehabilitation Liability

Council's rehabilitation liability is significant with most of the liability to be realised within the next ten years.

Note 4.2	Trade and other receivables	2021	2020
	Current	\$'000	\$'000
	Rates debtors	1,749	2,472
	Parking infringement debtors	1,507	1,618
	Provision for expected credit loss - parking infringements	(784)	(1,014)
	Other debtors	2,438	4,716
	Provision for expected credit loss - other debtors	(200)	(286)
	Net GST receivable	456	525
	Total trade and other receivables	5,166	8,031
	Reconciliation of movement in expected credit loss		
	Carrying amount at 1 July	1,300	1,535
	Amounts written off during the year	(49)	(69)
	Movement in Provision	(267)	(166)
	Carrying amount at 30 June	984	1,300

For ageing analysis of the financial assets, refer to note 9.5

Note 4.2 Trade and other receivables (Continued)

Accounting policy
Trade and other receivables
Trade receivables that do not contain a significant financing component are measured at cost, which represents their transaction value.
Impairment
Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment.
Rate Debtors
For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.
Sundry debtors
Sundry debtors are assessed for impairment on an individual basis.
Infringement and statutory charges debtors
Infringement and statutory charges debtors are impaired using an aging matrix.
Write off of debts
Council writes off receivables when there is information indicating that there is no realistic prospect of recovery.

Note 4.3 Investments	2021	2020
<i>Current</i>	\$'000	\$'000
Term deposits - more than 3 months	<u>10,009</u>	<u>33,074</u>
	<u>10,009</u>	<u>33,074</u>

Accounting policy
Investments
Term deposits with maturities beyond 90 days at the time of investment are measured at principle and interest on an accrual basis

Note 4.4 Inventories		
Inventories held for distribution	677	499
Inventories held for sale	<u>222</u>	<u>222</u>
Total inventories	<u>899</u>	<u>721</u>

Accounting policy
Inventories
Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.
Inventories held for sale are measured at the lower of cost and net realisable value.
Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

	2021	2020
	\$'000	\$'000
Note 4.5 Assets held for sale		
Carrying Value	26,332	26,332
Impairment adjustment	(21,814)	(21,814)
Total	<u>4,518</u>	<u>4,518</u>

In 2017, Council entered into a Memorandum of Understanding with the University of Tasmania for an exchange of property, to assist in facilitation of 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. While the building works are complete title had not passed at the reporting date.

In 2019/20, Council and the Department of State Growth signed a deed of transfer to exchange a number of roads within the municipality. The finalisation of this exchange has been delayed due to a lack of resources within the Department of State Growth to undertake the gazetting of these roads. As a result of this delay, a number of assets associated with Brisbane Street and York Street are now classified as held for sale.

Accounting policy

Assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount or fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Note 5 Investments

Note 5.1 Investment in water corporation

Opening balance	208,957	272,195
Change in fair value of investment	16,745	(63,238)
Total investment in water corporation	<u>225,702</u>	<u>208,957</u>

Council has derived returns from the water corporation as disclosed at note 2.9

Accounting policy

Equity Investment

Council's investment in TasWater is defined by statute under the *Water and Sewerage Corporations Act (Tas) 2012*.

Council has elected under AASB 9: *Financial Instruments* to irrevocably classify this equity investment as designated at fair value through other comprehensive income.

Note 5.1 Investment in water corporation (Continued)

Accounting policy

Equity Investment

Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised.

Dividends and other revenues associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2021, Council holds 14.32% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets

Note 6.1 Property, infrastructure, plant and equipment

	2021 \$'000	2020 \$'000
<i>Summary</i>		
at cost	65,165	51,511
Less accumulated depreciation	(21,662)	(19,871)
	<u>43,503</u>	<u>31,640</u>
at fair value as at 30 June	2,028,011	1,920,864
Less accumulated depreciation	(594,951)	(550,734)
	<u>1,433,060</u>	<u>1,370,130</u>
Total	<u>1,476,563</u>	<u>1,401,770</u>
 <i>Property</i>		
Land		
at fair value as at 30 June	151,973	131,678
	<u>151,973</u>	<u>131,678</u>
Land under roads		
at fair value at 30 June	145,889	145,689
	<u>145,889</u>	<u>145,689</u>
Total Land	<u>297,862</u>	<u>277,367</u>
 Buildings		
at fair value as at 30 June	302,777	276,865
Less accumulated depreciation	(116,885)	(100,382)
Total Buildings	<u>185,892</u>	<u>176,483</u>
Total Property	<u>483,754</u>	<u>453,850</u>
 <i>Plant and Equipment</i>		
Plant, machinery and equipment		
at cost	45,621	43,916
Less accumulated depreciation	(21,662)	(19,871)
Total Plant and Equipment	<u>23,959</u>	<u>24,045</u>
 <i>Infrastructure</i>		
Roads		
at fair value as at 30 June	1,002,735	967,372
Less accumulated depreciation	(352,278)	(334,230)
	<u>650,457</u>	<u>633,142</u>

Note 6.1 Property, infrastructure, plant and equipment (Continued)

	2021	2020
	\$'000	\$'000
Drainage		
at fair value as at 30 June	264,181	253,635
Less accumulated depreciation	(84,343)	(79,648)
	<u>179,838</u>	<u>173,987</u>
Recreational, leisure and community facilities		
at fair value as at 30 June	63,241	60,230
Less accumulated depreciation	(14,452)	(12,406)
	<u>48,789</u>	<u>47,824</u>
Flood Protection		
at fair value as at 30 June	58,751	52,312
Less accumulated depreciation	(10,266)	(8,692)
	<u>48,485</u>	<u>43,620</u>
Refuse Disposal		
at fair value as at 30 June	38,465	33,083
Less accumulated depreciation	(16,727)	(15,376)
	<u>21,738</u>	<u>17,707</u>
Total Infrastructure	<u>949,307</u>	<u>916,280</u>
Works in progress		
At cost	19,544	7,595
Total Works in progress	<u>19,544</u>	<u>7,595</u>
Total property, infrastructure, plant and equipment	<u>1,476,563</u>	<u>1,401,770</u>

Note 6.1 Property, infrastructure, plant and equipment (Continued)
Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	131,678	30	20,265	-	-	-	-	151,973
Land under roads	145,689	214	-	-	(14)	-	-	145,889
Total land	277,367	244	20,265	-	(14)	-	-	297,862
Buildings	176,484	-	12,835	(3,530)	(1,750)	-	1,853	185,892
Total buildings	176,484	-	12,835	(3,530)	(1,750)	-	1,853	185,892
Total property	453,851	244	33,100	(3,530)	(1,764)	-	1,853	483,754
Plant and Equipment								
Plant, machinery and equipment	24,044	-	-	(3,198)	(396)	-	3,507	23,957
Total plant and equipment	24,044	-	-	(3,198)	(396)	-	3,507	23,957
Infrastructure								
Roads	633,144	896	20,804	(11,445)	(2,551)	-	9,606	650,454
Drainage	173,986	1,275	6,038	(1,738)	(175)	-	452	179,838
Flood Protection	43,619	-	5,313	(447)	-	-	-	48,484
Refuse Disposal	17,706	3,041	613	(839)	-	-	1,217	21,738
Parks and Recreation	47,825	-	1,460	(1,453)	-	-	958	48,790
Total infrastructure	916,280	5,212	34,228	(15,922)	(2,726)	-	12,233	949,304
Works in progress								
Works in progress	7,595	29,541	-	-	-	-	(17,592)	19,544
Total works in progress	7,595	29,541	-	-	-	-	(17,592)	19,544
Total property, infrastructure, plant and equipment	1,401,770	34,998	67,327	(22,650)	(4,886)	-	-	1,476,559

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Reconciliation of property, infrastructure, plant and equipment (Continued)

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Property								
Land	111,813	(345)	16,266	-	(726)	-	4,670	131,678
Land under roads	127,356	2,133	18,424	-	(2,772)	-	548	145,689
Total land	239,169	1,788	34,690	-	(3,498)	-	5,218	277,367
Buildings	172,658	-	-	(3,539)	(412)	-	7,777	176,484
Total buildings	172,658	-	-	(3,539)	(412)	-	7,777	176,484
Total property	411,827	1,788	34,690	(3,539)	(3,910)	-	12,995	453,851
Plant and Equipment								
Plant and Equipment	22,585	-	-	(3,138)	(594)	-	5,191	24,044
Total plant and equipment	22,585	-	-	(3,138)	(594)	-	5,191	24,044
Infrastructure								
Roads	618,318	13,502	13,721	(11,084)	(9,311)	-	7,999	633,144
Drainage	165,685	1,478	5,641	(1,694)	-	-	2,875	173,986
Flood Protection	43,555	332	-	(499)	-	-	231	43,619
Refuse Disposal	18,413	-	(108)	(701)	-	-	102	17,706
Parks and Recreation	39,433	-	(3,950)	(1,313)	(80)	-	13,735	47,825
Total infrastructure	885,404	15,312	15,304	(15,291)	(9,391)	-	24,942	916,280
Works in progress								
Work in Progress	16,305	35,534	-	-	-	-	(44,244)	7,595
Total works in progress	16,305	35,534	-	-	-	-	(44,244)	7,595
Total property, infrastructure, plant and equipment	1,336,121	52,634	49,994	(21,968)	(13,895)	-	(1,116)	1,401,770

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction and direct labour incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold \$'000
Land	
Land	5
Land under roads	0
Buildings	
Buildings	0
Plant and Equipment	
Plant, machinery and equipment	0 - 1
Roads	
Road pavements and seals	5 - 10
Road substructure	5 - 10
Road kerb, channel and minor culverts	0 - 5
Bridges deck	0 - 10
Bridges substructure	0 - 10
Drainage	0 - 10
Refuse	10
Flood	1
Parks and Recreation	0 - 10
Museum collection	5
Revaluation	
Council has adopted the following valuation bases for its non-current assets:	
Land	fair value
Buildings	fair value
Plant and equipment	cost
Roads	fair value
Drainage	fair value
Refuse	fair value
Flood	fair value
Parks and Recreation	fair value
Investment in water corporation	fair value

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Accounting Policy (Continued)

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*.

At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

	2021	2020
	\$'000	\$'000
Note 6.2 Intangible assets		
Data Systems	3,007	3,594
Plans and Strategies	1,214	1,326
Municipal Valuation	205	307
Total intangible assets	4,426	5,227

Reconciliation of intangible assets	Data Systems	Plans and Strategies	Municipal Valuations	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	7,557	2,180	614	10,351
Additions	36	-	-	36
Disposals	(80)	-	-	(80)
Opening Work in Progress	(222)	(152)	-	(374)
Work in Progress	613	-	-	613
Balance at 30 June 2020	7,904	2,028	614	10,546
Additions	129	-	-	129
Disposals	(126)	(99)	-	(225)
Opening Work in Progress	(613)	-	-	(613)
Work in Progress	381	-	-	381
Balance at 30 June 2021	7,675	1,929	614	10,218
Accumulated amortisation and impairment				
Balance at 1 July 2019	3,920	596	205	4,721
Amortisation expense	470	106	102	678
Disposals	(80)	-	-	(80)
Transfers	-	-	-	-
Balance at 30 June 2020	4,310	702	307	5,319
Amortisation expense	468	106	102	676
Disposals	(110)	(93)	-	(203)
Transfers	-	-	-	-
Balance at 30 June 2021	4,668	715	409	5,792
Net book value at 30 June 2020	3,594	1,326	307	5,227
Net book value at 30 June 2021	3,007	1,214	205	4,426

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$1,000 to \$10,000 and is consistent with the prior year.

Note 6.2 Intangible assets (Continued)

Accounting Policy Cont

The estimated useful lives for current and comparative periods are as follows:

Data Systems	3 - 10 years
Plans and Strategies	10 - 15 years
Municipal Valuations	6 years

Note 6.3 Right-of-use assets

	Property \$'000	Total \$'000
Gross carrying amount		
Balance at 1 July 2020	294	294
Additions	-	-
Disposals / derecognition	-	-
Balance at 30 June 2021	<u>294</u>	<u>294</u>
Accumulated amortisation and impairment		
Balance at 1 July 2020	35	35
Disposals	-	-
Amortisation expense	35	35
Balance at 30 June 2021	<u>70</u>	<u>70</u>
Net book value at 30 June 2021	<u>224</u>	<u>224</u>
Gross carrying amount		
Balance at 1 July 2019	-	-
Adoption of AASB 16	294	294
Additions	-	-
Disposals / derecognition	-	-
Balance at 30 June 2020	<u>294</u>	<u>294</u>
Accumulated amortisation and impairment		
Balance at 1 July 2019	-	-
Adoption of AASB 16	-	-
Disposals	-	-
Amortisation expense	35	35
Balance at 30 June 2020	<u>35</u>	<u>35</u>
Net book value at 30 June 2020	<u>259</u>	<u>259</u>

Note 6.3 Right-of-use assets (Continued)

Accounting policy

Leases - Council as Lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 7.4 for details on accounting policy of lease liability.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

All right-of-use assets are measured as described in the accounting policy for property, infrastructure, plant and equipment in Note 6.1. Also, Council applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the aforesaid note."

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Council expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Note 6.4 Queen Victoria Museum and Art Gallery

Museum Collection

	2021 \$'000	2020 \$'000
Opening Balance	252,744	249,779
Additions	202	3,215
Disposals	-	(250)
Collection revaluation - taken to equity	(14,731)	-
Collection revaluation - expensed	(34,523)	-
Collection Carrying Value	<u>203,692</u>	<u>252,744</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 2021.

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

Accounting Policy

Museum Collection

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.

Note 6.4 Queen Victoria Museum and Art Gallery (Continued)

Accounting Policy (Continued)

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.

Change in Accounting Estimate

For the 30 June 2021 valuation a change was made to the valuation method for the majority of Natural Sciences specimens, from market value to a recollection cost.

This has resulted in a large decrease to the overall value of the Queen Victoria Museum and Art Gallery collection.

	2021 \$'000	2020 \$'000
Results from Museum Operations		
Revenue		
Fees and Charges	357	453
State Government Operations Grant	1,521	1,484
Other Grants	62	1,073
Bequests and Donations	148	226
Interest	7	33
Other Income	173	219
	<u>2,268</u>	<u>3,488</u>
Expenses		
Provision of Services	6,311	7,702
Bequest Expenditure	46	27
Depreciation	933	977
Full cost Attribution	366	366
	<u>7,656</u>	<u>9,072</u>
Operating Surplus	<u>(5,388)</u>	<u>(5,584)</u>
Add Collection Contributions	85	3,215
Add Capital Grants and Contributions	53	34
Less Collection Revaluation Reduction	(34,523)	-
Surplus / (Deficit)	<u>(39,773)</u>	<u>(2,335)</u>

Note 6.5 Superannuation

City of Launceston Defined Benefits - Sub Fund of Spirit super

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

	2021 \$'000	2020 \$'000
The Council has taken up an Asset /(Liability) of :	2,025	(2,906)

Note 6.5 Superannuation (Continued)

Accounting Policy

Superannuation Liability

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*

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 Spirit Super.

Defined Benefit Funds

The Council contributes, in respect of its eligible employees, to the City of Launceston Defined Benefits Division which was established for employees of the Council. It includes a small number of former employees of the Council that transferred to TasWater. The fund is closed to new entrants.

The details of the actuarial review are:

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 Deloitte, as at 31 May 2021.

	2021 \$'000	2020 \$'000
The amount taken up as an employee benefit obligation is made up as follows:		
Balance Sheet Calculation		
Fair value of plan assets	57,521	51,340
Less present value of defined benefit obligation	(55,496)	(53,810)
Employee benefit asset (obligation)	2,025	(2,470)
Add Allowance for Contributions Tax	-	(436)
Asset / (Liability) Recognised	<u>2,025</u>	<u>(2,906)</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	53,810	57,632
Current service cost	2,333	2,678
Interest cost	483	771
Member contributions and transfers from other funds	804	1,212
Actuarial (gains)/ losses due to changes in financial assumptions	(2,711)	465
Actuarial (gains)/losses due to changes in experience	6,362	79
Benefits and tax paid	(5,585)	(9,027)
Present value of defined benefit obligation - 30 June	<u>55,496</u>	<u>53,810</u>

Note 6.5 Superannuation (Continued)

	2021	2020
	\$'000	\$'000
Assets		
Reconciliation of Assets		
Fair value of plan - 1 July	51,340	56,091
Expected return on plan assets	443	738
Actuarial gains/ (losses)	8,758	445
Employer contributions	1,072	1,144
Member contributions and transfers from other funds	1,492	1,949
Benefits and tax paid	(5,584)	(9,027)
Fair value of defined benefit obligation - 30 June	<u>57,521</u>	<u>51,340</u>
Expense recognised in Operating Surplus		
Current service cost	2,333	2,678
Interest cost	483	771
Expected return on plan assets	(443)	(738)
Superannuation expense	<u>2,373</u>	<u>2,711</u>
Expense recognised in Other Comprehensive Income		
Actuarial gains/(losses)	<u>6,192</u>	<u>442</u>

General Plan Information

The Plan is a division of the "profit for members" superannuation scheme known as Spirit Super ("the Scheme") and the Trustee of the Scheme is Motor Trades Association of Australia Superannuation Fund. 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

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 by Michael Berg of Rice Warner as at 30 June 2020.

The actuary recommended that the Employer contribute at the rate of 11% of salaries. The funding method used to make the contribution recommendation was the "aggregate funding method".

The economic assumptions used in the investigation were:

Rate of investment return:	5.20%	7.00%
Rate of inflationary salary increases:	2.75%	4.00%

Note 6.5 Superannuation (Continued)

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.

	2021 \$'000	2020 \$'000
Actual Return on Plan Assets		
Present value of defined benefit obligation at end of year	55,496	53,810
Add Allowance for Contributions Tax	-	436
Fair value of Plan assets at end of year	(57,521)	(51,340)
(Surplus)/Deficit in Plan	<u>(2,025)</u>	<u>2,906</u>
Experience adjustments - Plan liabilities	(6,362)	(79)
Experience adjustments - Plan assets	8,758	445
Actual return on Fund assets	9,202	1,184

	2021	2020
Principal Assumptions		
Discount Rate p.a.	1.61%	0.89%
Salary Increases	0% - 2.5%	2.25% - 2.75%

Expected Contributions

If the Council follows the recommendations in the actuarial report, the expected contributions to the Fund for the year ending 31 May 2021 are as follows:

	2021 \$'000	2020 \$'000
Expected member contributions (for defined benefits only)	1,140	1,201
Expected member contributions (incl. deemed member contributions)	622	655

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: 1,187
Discount Rate	Decrease by: 1% p.a.	Increase by: 1,669
Salary Growth Rate	Increase by: 1% p.a.	Increase by: 1,533
Salary Growth Rate	Decrease by: 1% p.a.	Decrease by: 1,153

Note 6.6 Other assets	2021 \$'000	2020 \$'000
<i>Non-current</i>		
Deferred Receivable - Loan Australian Pacific Airports Ltd	258	258
Total	<u>258</u>	<u>258</u>

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	-	-
Accrued expenses	9,060	5,006
Total trade and other payables	<u>9,060</u>	<u>5,006</u>

Accounting policy

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date. General Creditors are unsecured, not subject to interest charges and are normally settled on invoice terms.

For ageing analysis of trade and other payables, refer to note 9.5

Note 7.2 Trust funds and deposits

Refundable deposits	423	162
Prepayments	198	204
Rates Paid in Advance	1,703	2,234
Conditional Museum Funding	51	67
Total trust funds and deposits	<u>2,375</u>	<u>2,667</u>

Accounting policy

Refundable Deposits

Amounts received as refundable deposits controlled by Council are recognised as Trust funds until they are returned or forfeited.

Note 7.3 Employee Provisions

2021

Balance at beginning of the financial year
Additional provisions

Increase in the discounted amount arising because of time and the effect of any change in the discount rate.

Balance at the end of the financial year

Current

Non-current

Total

2020

Balance at beginning of the financial year
Additional provisions

Increase in the discounted amount arising because of time and the effect of any change in the discount rate

Balance at the end of the financial year

Current

Non-current

Total

(a) Employee benefits

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

Weighted average increase in employee costs

Weighted average discount rates

Employee Numbers - Full time equivalents

	Annual leave	Long service leave	Accrued time	Retiring Allowance	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	2,956	4,988	97	175	8,216
Additional provisions	(9)	105	6	13	115
Increase in the discounted amount arising because of time and the effect of any change in the discount rate.	55	19	-	-	74
Balance at the end of the financial year	3,002	5,112	103	188	8,405
Current	3,002	4,088	103	188	7,381
Non-current	-	1,024	-	-	1,024
Total	3,002	5,112	103	188	8,405
2020					
Balance at beginning of the financial year	2,709	4,150	90	171	7,120
Additional provisions	131	793	7	4	935
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	116	45	-	-	161
Balance at the end of the financial year	2,956	4,988	97	175	8,216
Current	2,956	4,045	97	175	7,273
Non-current	-	943	-	-	943
Total	2,956	4,988	97	175	8,216
(a) Employee benefits					
				2021	2020
				\$'000	\$'000
				1.92%	2.25%
				1.21%	0.27%
Employee Numbers - Full time equivalents				460	426

Note 7.3 Employee Provisions (Continued)

Accounting policy

Employee benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accrued time expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accrued time are recognised in the provision for employee benefits.

ii) Long term employee benefit obligations

The liability for long service leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

iii) Personal Leave

No accrual is made for personal leave as Council experience indicates that, on average, personal leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken personal leave.

Superannuation

iv) Defined benefit plans

See note 6.5

v) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Note 7.4 Lease liabilities

	2021 \$'000	2020 \$'000
Lease liabilities	264	290
	<u>264</u>	<u>290</u>
Current	29	27
Non-Current	235	263
Total	<u>264</u>	<u>290</u>

Lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

As at 30 June 2021	Minimum lease payments due						Total
	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	After 5 Years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	35	36	39	40	42	103	295
Finance charges	(6)	(6)	(5)	(4)	(3)	(7)	(31)
Net present value	<u>29</u>	<u>30</u>	<u>34</u>	<u>36</u>	<u>39</u>	<u>96</u>	<u>264</u>
As at 30 June 2020							
Lease payments	34	35	36	38	39	144	326
Finance charges	(7)	(6)	(6)	(5)	(4)	(8)	(36)
Net present value	<u>27</u>	<u>29</u>	<u>30</u>	<u>33</u>	<u>35</u>	<u>136</u>	<u>290</u>

Accounting policy

Leases - Council as Lessee

The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease. Where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases and leases of low-value assets

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$10,000 or less. Council recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Note 7.5 Contract Liabilities

	2021	2020
	\$'000	\$'000
Current		
Grants received in advance	<u>1,296</u>	<u>-</u>
	1,296	-

Accounting policy

Council recognised the following contract liabilities with customers:

Rates and charges in advance

Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by council at the beginning of the rating or charge period to which the advance payment relates.

Grants received in advance

These amounts are grants for roads and community infrastructure which are yet to be completed.

Upfront Payments

Upfront payments of funding are recognised as a contract liability until performance obligations in accordance with AASB 15 are satisfied and recognition criteria are met.

Note 8. Non Current Liabilities

Note 8.1 Interest-bearing loans and borrowings	2021 \$'000	2020 \$'000
Current		
Borrowings - secured	9,000	-
	<u>9,000</u>	<u>-</u>
Non-current		
Borrowings - secured	26,000	15,000
	<u>26,000</u>	<u>15,000</u>
Total	<u>35,000</u>	<u>15,000</u>
Borrowings		
The maturity profile for Council's borrowings is:		
Not later than one year	9,000	-
Later than one year and not later than five years	26,000	15,000
Later than five years	-	-
Total	<u>35,000</u>	<u>15,000</u>

Accounting policy

Interest bearing liabilities

The borrowing capacity of Council is limited by the *Local Government Act 1993*.

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

Borrowings are secured by way of mortgages over the general rates of the Council.

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period.

Note 8.2 Rehabilitation Provision

Provision for Rehabilitation

Balance at beginning of year	14,827	10,452
Unwinding of discount	82	-
Favourable discount - Other revenue	-	(53)
Repriced liability taken to equity	-	1,593
Repriced liability expensed	1,308	2,835
New Cells Recognised	3,041	-
Balance at end of year	<u>19,258</u>	<u>14,827</u>
Current Liability	7,920	-
Non Current Liability	11,338	14,827
Total Liability	<u>19,258</u>	<u>14,827</u>

Note 8.2 Rehabilitation Provision (Continued)

Accounting policy

Rehabilitation

The Council operates a refuse disposal area (Launceston Waste Centre) 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 as a finance cost.

Each year at the balance date the liability is reassessed to ensure the provision represents an accurate reflection of the future costs. Where there is an asset revaluation reserve available these changes are taken to Equity. If there is no revaluation reserve available they are expensed in the year they are incurred.

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

	Balance at beginning of reporting year	Net Surplus	Comprehensive Income	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
Note 9 Other financial information				
Note 9.1 Equity				
(a) Asset revaluation reserve				
2021				
Property & Infrastructure	713,062	-	52,595	765,657
Total asset revaluation reserve	713,062	-	52,595	765,657
2020				
Property & Infrastructure	664,668	-	48,394	713,062
Total asset revaluation reserve	664,668	-	48,394	713,062

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

(b) Fair value reserve

2021 Equity Investment assets				
Investment in water corporation	(44,153)	-	16,749	(27,404)
Total fair value reserve	(44,153)	-	16,749	(27,404)
2020 Equity Investment assets				
Investment in water corporation	19,085	-	(63,238)	(44,153)
Total fair value reserve	19,085	-	(63,238)	(44,153)

Note 9.1 Equity (Continued)

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

	Balance at beginning of reporting year \$'000	Net Surplus	Comprehensive Income	Balance at end of reporting year \$'000
(c) Accumulated Surplus				
2021				
Capital Reserve Government Grants	195,383	3,147	-	198,530
Capital Reserve Other Contributions	21,398	2,496	-	23,894
General Reserve	982,940	(47,066)	-	935,874
CBD Reserve	(81)	(121)	-	(202)
Investment in Water Corporation	2,724	-	-	2,724
Public Open Space	398	30	-	428
Self Insurance	3,485	200	-	3,685
Special Committees	32	-	-	32
Waste Centre Rehabilitation	14,827	4,430	-	19,257
Employee Benefits	1,540	-	6,192	7,732
Trusts and Bequests - Parks	32	-	-	32
Trusts and Bequests - Museum	2,327	82	-	2,409
Total Accumulated Surplus	1,225,005	(36,802)	6,192	1,194,395

Note 9.1 Equity (Continued)

	Balance at beginning of reporting year \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Balance at end of reporting year \$'000
2020				
Capital Reserve Government Grants	192,394	2,989	-	195,383
Capital Reserve Other Contributions	21,364	34	-	21,398
General Reserve	991,269	(8,329)	-	982,940
CBD Reserve	16	(97)	-	(81)
Investment in Water Corporation	2,724	-	-	2,724
Public Open Space	343	55	-	398
Self Insurance	3,298	187	-	3,485
Special Committees	24	8	-	32
Waste Centre Rehabilitation	10,360	4,467	-	14,827
Employee Benefits	1,098	-	442	1,540
Trusts and Bequests - Parks	32	-	-	32
Trusts and Bequests - Museum	2,322	5	-	2,327
Total Accumulated Surplus	1,225,244	(681)	442	1,225,005
Total Equity			2021	2020
			\$'000	\$'000
			1,932,648	1,893,914

Note 9.2 (a) Reconciliation of cash flows from operating activities to surplus (deficit)

	2021 \$'000	2020 \$'000
Result from Continued Operations	(36,803)	(678)
Non-Cash Charges		
Depreciation	23,359	22,682
Employee Provisions	1,450	1,840
Provision for Rehabilitation Movements	1,389	2,835
Allowance for Impaired Debts	12	12
Loss (Profit) on Sale of Non-current Assets	4,453	13,676
Changes in Assets and Liabilities		
Rate and Sundry Receivables	2,865	1,070
Inventories	(177)	(3)
Sundry Creditors	3,753	(2,822)
Change in Value of Museum Collection	34,523	-
Non-Cash Income		
Asset and Infrastructure Contributions	(2,496)	(21,412)
Investing Activities		
Investment Revenue	(1,362)	(2,108)
Grants and Contributions Capital	(3,449)	(3,113)
Net Cash from Operating Activities	27,517	11,979

(b) Reconciliation of Liabilities Arising from Financing Activities

	Interest Bearing Loans and Borrowings	Lease Liabilities	Total
Balance as at 1 July 2019	9,000	323	9,323
Changes from Financing Cash Flows			
Cash Received	6,000	-	6,000
Cash Repayments	-	(33)	(33)
Balance as at 30 June 2020	15,000	290	15,290
Changes from Financing Cash Flows			
Cash Received	20,000	-	20,000
Cash Repayments	-	(26)	(26)
Balance as at 30 June 2021	35,000	264	35,264

c) Reconciliation of Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash	701	879
Short Term Investments	74,129	26,392
Total	74,830	27,271

Note 9.3 Commitments	2021	2020
Capital Expenditure Commitments	\$'000	\$'000
Buildings	888	130
Plant and equipment	656	702
Roads	1,177	279
Drainage	117	14
Refuse	1,985	145
Flood	37	25
Parks	737	112
Other	-	4,800
Total Capital expenditure commitments	5,597	6,207

Note 9.4 Contingent liabilities and contingent assets

Contingent liabilities

At the reporting date 30 June 2021 the Council had no contingent liabilities that would materially affect any of the amounts or disclosures in these accounts.

Note 9.5 Financial Instruments

(a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and non-lease financial liabilities, both recognised and unrecognised, at balance date are as follows. For lease liabilities refer to Note 7.4

2021

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:				Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets							
Cash and cash equivalents	0.09%	74,830	-	-	-	-	74,830
Investments	0.29%	-	10,009	-	-	-	10,009
Trade and other receivables	0.00%	-	-	-	-	5,166	5,166
Deferred Receivables		-	-	-	-	258	258
Investment in water corporation		-	-	-	-	225,702	225,702
Total financial assets		74,830	10,009	-	-	231,126	315,965
Financial liabilities							
Trade and other payables		-	-	-	-	9,060	9,060
Trust funds and deposits		-	-	-	-	2,375	2,375
Interest-bearing loans and borrowings	1.66%	-	9,000	26,000	-	-	35,000
Total financial liabilities		-	9,000	26,000	-	11,435	46,435
Net financial assets (liabilities)		74,830	1,009	(26,000)	-	219,691	269,530

Note 9.5 Financial Instruments (Continued)

2020

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:				Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets							
Cash and cash equivalents	1.57%	27,270	-	-	-	27,270	
Investments	1.68%	-	33,074	-	-	33,074	
Trade and other receivables	0.00%	-	-	-	8,031	8,031	
Deferred Receivables		-	-	-	258	258	
Investment in water corporation		-	-	-	208,957	208,957	
Total financial assets		27,270	33,074	-	217,246	277,590	
Financial liabilities							
Trade and other payables		-	-	-	5,006	5,006	
Trust funds and deposits		-	-	-	2,667	2,667	
Interest-bearing loans and borrowings	2.66%	-	15,000	-	-	15,000	
Total financial liabilities		-	15,000	-	7,673	22,673	
Net financial assets (liabilities)		27,270	33,074	(15,000)	209,573	254,917	

Note 9.5 Financial Instruments (Continued)

(b) Fair Value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	74,830	27,270	74,830	27,270
Other financial assets	10,009	33,074	10,009	33,074
Trade and other receivables	5,166	8,031	5,166	8,031
Deferred Receivables	258	258	258	258
Investment in water corporation	225,702	208,957	225,702	208,957
Total financial assets	315,965	277,590	315,965	277,590
<i>Financial liabilities</i>				
Trade and other payables	9,060	5,006	9,060	5,006
Trust funds and deposits	2,375	2,667	2,375	2,667
Interest-bearing loans and borrowings	35,000	15,000	35,272	15,460
Total financial liabilities	46,435	22,673	46,708	23,133

(c) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.

(d) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Note 9.5 Financial Instruments (Continued)

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases with the property owner. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- appropriate liquidity,
- diversification by financial institution
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss.

Council has no material exposure to credit risk. All investments are first ranked deposits with Australian banks rated S&P A or higher. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment Policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note.

Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Note 9.5 Financial Instruments (Continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial (minmum A credit rating)	Government (AA credit rating)	Other Unrated	Total
2021				
Cash and cash equivalents	74,830	-	-	74,830
Trade and other receivables	-	-	5,424	5,424
Investments and other financial assets	10,009	225,702	-	235,711
Total contractual financial assets	84,839	225,702	5,424	315,965
2020				
Cash and cash equivalents	27,270	-	-	27,270
Trade and other receivables	-	-	8,289	8,289
Investments and other financial assets	33,074	208,957	-	242,031
Total contractual financial assets	60,344	208,957	8,289	277,590

Movement in Provisions for Impairment of Trade and Other Receivables	2021 \$'000	2020 \$'000
Balance at the beginning of the year	1,300	1,535
New Provisions recognised during the year	(49)	(69)
Amounts written off during the year	(267)	(166)
Balance at end of year	984	1,300

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's Trade and Other Receivables was:

	2021 \$'000	2020 \$'000
Current (not yet due)	1,990	1,437
Past due by up to 30 days	560	84
Past due between 31 and 90 days	80	68
Past due more than 90 days	3,521	7,741
Total Trade & Other Receivables	6,150	9,331

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$200,201 (2019-20: \$285,809) were impaired. The amount of the provision raised against these debtors was \$200,201 (2019-20: \$286,809). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

Note 9.5 Financial Instruments (Continued)

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2021 \$'000	2020 \$'000
Post due over 90 days	984	1,300
Total Trade & Other Receivables	984	1,300

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have a liquidity portfolio structure that requires surplus funds to be invested within various durations.
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods'

The table below lists the contractual maturities for Non-Lease Financial Liabilities. For lease liabilities refer to Note 7.4

These amounts represent the discounted cash flow payments (ie principal only).

2021	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	9,062	-	-	-	-	-	9,062
Trust funds and deposits	-	-	-	-	-	2,375	2,375
Interest-bearing loans and borrowings		9,000	-	26,000	-	-	35,000
Total financial liabilities	9,062	9,000	-	26,000	-	2,375	46,437

2020	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	5,008	-	-	-	-	-	5,008
Trust funds and deposits	-	-	-	-	-	2,667	2,667
Interest-bearing loans	-	-	9,000	6,000	-	-	15,000
Total financial liabilities	5,008	-	9,000	6,000	-	2,667	22,675

Note 9.5 Financial Instruments (Continued)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

Cash investments and loans payable are fixed interest.

		Interest rate risk			
		-0.05%		+ 0.05%	
		-5 basis points		+5 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2021	\$'000				
Financial assets:					
Cash and cash equivalents	74,830	(37)	-	37	-

		Interest rate risk			
		-0.05%		+ 0.05%	
		-5 basis points		+5 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2020	\$'000				
Financial assets:					
Cash and cash equivalents	27,270	(14)	-	14	-

Note 9.6 Fair Value Measurements

Council measures and recognises the following assets at fair value on a recurring basis:

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land
 - Buildings
 - Roads, including footpaths and cycleways
 - Drainage
 - Parks and Recreation
 - Flood Protection
 - Refuse Disposal

Council does not measure any liabilities at fair value on a recurring basis.

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These are disclosed in note 4.5.

Note 9.6 Fair Value Measurements (Continued)

(a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2021.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates.

If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water	5.1	-	-	225,702	225,702
Land	6.1	-	297,862	-	297,862
Buildings	6.1	-	-	185,892	185,892
Roads, including footpaths	6.1	-	-	650,457	650,457
Drainage	6.1	-	-	179,838	179,838
Parks and Recreation	6.1	-	-	48,789	48,789
Flood Protection	6.1	-	-	48,485	48,485
Refuse Disposal	6.1	-	-	21,738	21,738
		-	297,862	1,360,901	1,658,763
Non-recurring fair value measurements					
Assets held for sale		4,518	-	-	4,518
	4.5	4,518	-	-	4,518

Note 9.6 Fair Value Measurements (Continued)

(a) Fair Value Hierarchy

As at 30 June 2020

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water	5.1	-	-	208,957	208,957
Land	6.1	-	277,367	-	277,367
Buildings	6.1	-	-	176,483	176,483
Roads, including footpaths	6.1	-	-	633,142	633,142
Drainage	6.1	-	-	173,987	173,987
Parks and Recreation	6.1	-	-	47,824	47,824
Flood Protection	6.1	-	-	43,620	43,620
Refuse Disposal	6.1	-	-	17,707	17,707
		-	277,367	1,301,720	1,579,087
Non-recurring fair value measurements					
Assets held for sale	4.5	4,518	-	-	4,518
		4,518	-	-	4,518

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

The following assets / liabilities that are measured at fair value on a recurring basis have been subject to a transfer between levels of the hierarchy.

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

(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 and significant inputs used to derive fair values

Level 2 Measurements (recurring and non-recurring)

Level 2 assets are measured at the 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.

Investment in water corporation

Refer to Note 5.1 for details of valuation techniques used to derive fair values.

Land - including land under roads

Land is measured at the Valuer General's valuation.

Note 9.6 Fair Value Measurements (Continued)

(b) Highest and best use Cont

Buildings

Buildings are measured at their current replacement cost, as valued by LG Valuation Services on 1 January 2018.

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.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 3.4

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

The methods for calculating CRC are described under individual asset categories

Roads and Bridges (including footpaths)

Roads are measured at their depreciated replacement costs.

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. Road asset costs were last indexed on 1 April 2021.

Drainage

Drainage infrastructure is 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 asset costs were last indexed on 1 April 2021.

Flood

Flood 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. Flood assets were revalued on 1 April 2021.

Note 9.6 Fair Value Measurements (Continued)

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

Refuse

Refuse 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. Refuse asset costs were last indexed on 1 April 2021.

Parks

Parks 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. Parks asset costs were last indexed on 1 April 2021.

(d) Unobservable inputs and sensitivities

Fair Value	\$,000	Valuation Technique	Key Unobservable Input	Effect of Change on Fair Value
Investment in Water Corporation	225,702	% of net assets	Value of net assets	Value will increase or decrease as the value of the Water Corporation moves.
Buildings	185,892	Market Valuation	Movements in market value	Value will increase or decrease with movements in market values
Roads	650,457	Input costs per m2	Input Costs	Value will increase or decrease with movements in input costs
Drainage	179,838	Replacement cost	Individual costs of replacement	Value will increase or decrease with movements in replacement cost inputs
Flood Protection	48,485	Replacement cost	Individual costs of replacement	Value will increase or decrease with movements in replacement cost inputs
Parks and Recreation	48,789	Replacement cost	Individual costs of replacement	Value will increase or decrease with movements in replacement cost inputs

(e) Changes in recurring level 3 fair value measurements

	2021 \$'000	2020 \$'000
Balance at beginning of reporting period	1,301,720	1,330,259
Gain/loss recognised in profit or loss	(19,452)	(18,847)
Gain/loss recognised in other comprehensive income-	63,817	(47,921)
Acquisitions	19,292	48,031
Disposals	(4,476)	(9,802)
Transfers into level 3		
Transfers out of level 3		
Closing balance	1,360,901	1,301,720

Note 9.6 Fair Value Measurements (Continued)

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 5.1 and 6.1 respectively.

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

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

Note 9.6 Fair Value Measurements (Continued)

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in this note and 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 9.7 Events occurring after balance date

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

Note 9.8 Prior period errors

Roads assets

In preparation of the 2020-21 financial statements, Council identified road assets, including land under roads that had been incorrectly recognised as a result of a road swap with the State Government. Council recognised assets before legal title had passed to Council.

Council recognised these assets as a non-monetary contribution. This resulted in an overstatement of non monetary contributions of \$10,452,000.

In addition a section of road was transferred from Council to the State Government but was not disposed of by Council. The value of the transferred asset was \$1,055,000.

A further asset was awaiting transfer to the State Government. This has been reclassified as Asset Held for Sale of \$1,116,288.

In total the value of the land under roads was overstated by \$2,271,410 and the value of roads assets was overstated by \$10,352,243.

Parks assets

Council identified an error in a prior year calculation for depreciation.

The accumulated depreciation value for parks assets was overstated by \$444,390.

Museum collection

In a prior valuation of the museum collection a number of populations within the natural sciences and fine arts collections were incorrectly excluded from the valuation which resulted in an understatement of \$11,961,158.

Note 9.8 Prior period errors (Continued)

	2020 Unadjusted	Prior Period Error 1	Prior Period Error 2	Prior Period Error 3	2020 Adjusted
	\$'000	\$'000	\$'000	\$'000	\$'000
Statement of Changes in Equity					
Total equity 30 June 2019	1,897,054			11,962	1,909,016
Adoption of AASB 16	(18)				(18)
Surplus / (deficit)	10,827		(11,507)		(680)
Net asset revaluation	47,950	444			48,394
Other comprehensive income	(62,796)				(62,796)
Balance 30 June 2020	1,893,017	444	(11,507)	11,962	1,893,916
Statement of Financial Position					
Assets held for sale	3,402		1,116		4,518
Property, Infrastructure and Plant and Equipment	1,413,952	444	(12,623)		1,401,773
Museum collection	240,783			11,962	252,745
Accumulated Surplus	1,236,513		(11,507)		1,225,006
Reserves	656,504	444		11,962	668,910
Total equity	1,893,017	444	(11,507)	11,962	1,893,916
Statement of Comprehensive Income					
Contributions - non monetary assets	31,865		(10,452)		21,413
Net gain (loss) on disposal of Property, Infrastructure and Plant and Equipment	(12,621)		(1,055)		(13,676)
Surplus / (deficit)	10,827		(11,507)		(680)
Net asset revaluation	47,950	444			48,394
Total comprehensive result	(4,019)	444	(11,507)		(15,082)

Note 10 Other matters

Note 10.1 Related party transactions

Accounting Standards Disclosures

AASB 124 Related Party Disclosures

AASB 124 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 Executive.

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 General Manager and Executive positions.

Key Management Personnel Compensation

	2021	2020
	\$'000	\$'000
Councillors		
Short Term Benefits (Allowances)	555	546
Short Term Benefits (Expenses)	21	23
	<u>576</u>	<u>569</u>
Long Term Benefits	-	-
	<u>576</u>	<u>569</u>

Note 10.1 Related party transactions (Continued)

Senior Officers Remuneration	2021		2020	
	Actual	Annualised	Actual	Annualised
\$20,001 - \$40,000	1	-	-	-
\$60,001 - \$80,000	-	-	1	-
\$140,001 - \$160,000	-	-	-	1
\$160,001 - \$180,000	1	1	2	1
\$200,001 - \$220,000	1	2	1	1
\$220,001 - \$240,000	2	2	3	4
\$240,001 - \$260,000	1	1	-	-
\$300,001 - \$320,000	1	1	-	1
	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>

	2021 \$'000	2020 \$'000
Senior Officers		
Short Term Benefits	1,264	1,265
Long Term Benefits	57	(23)
Post Employment Benefits	156	154
Termination Benefits	7	153
	<u>1,484</u>	<u>1,549</u>

Related Party Transactions

Transactions

Sales of Goods and Services	-	3
Purchase of Goods and Services	-	1,786
	<u>-</u>	<u>1,789</u>

Loans to Key Management Personnel	-	-
Outstanding Balances owed by Key Management Personnel	-	1

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 no goods and services from, or made no contributions to organisations that Key Management Personnel or their close associates have significant influence or control over during the reporting year.

Contributions totalled \$0 (\$119,550) and purchases totalled \$0 (\$1,665,963). These transactions were at arms length and on normal commercial terms or through open tender.

Note 10.1 Related party transactions (Continued)

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 transactions are not included in these disclosures.

Note 10.2 Special Committees

	2021 \$'000	2020 \$'000
Committee Name		
Dilston Hall	7	6
Lebrina Progress Association	11	9
Lilydale Memorial Hall Committee	13	10
North Esk Memorial Hall and Recreational Ground	8	7
Balance - 30 June	<u>39</u>	<u>32</u>

Summary of Special Committees

Balance 1 July	32	28
Receipts	10	7
Expenses	(3)	(3)
Balance 30 June	<u>39</u>	<u>32</u>

10.3 Interests in other entities

Launceston Flood Authority

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

This Authority was formed by 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'".

The Authority is 100% owned by Council and holds no assets in it's own name.

Revenue and Expenses	2021 \$'000	2020 \$'000
Revenue		
State Government Grants	540	536
Commonwealth Government Grants	-	-
Launceston City Council	182	182
Interest Income	3	7
Other Income	-	-
Total Revenue	<u>725</u>	<u>725</u>
Expenses		
Operations Costs	349	378
Depreciation	514	594
Total Expenses	<u>863</u>	<u>972</u>
Surplus / (Deficit)	<u>(138)</u>	<u>(247)</u>

Note 10.4 Other significant accounting policies and pending accounting standards

(a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax, Land Tax and the Goods and Services Tax.

Goods and services tax (GST)

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 presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(b) Impairment of non-financial assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value.

Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the depreciated value of the asset approximated by its written down replacement cost.

(c) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(d) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued.

The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

At the reporting date Council had no financial guarantee contracts.

Note 10.4 Other significant accounting policies and pending accounting standards (Continued)

(e) Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

At the reporting date Council had no contingent assets or liabilities.

(f) Budget

The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent revised budget amounts and are not audited.

(g) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

AASB 1059 Service Concession Arrangements.

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.

Council has no material service concession arrangements.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

AASB 2020-1 Classification of liabilities as current or non current

Amends AASB 101 to clarify the requirements for the presentation of liabilities in the statement of financial position as current and non current.

No material effects are expected as a result of adoption.

AASB 2020-3 Annual improvements

Amends AASB 1 to simplify the application by a subsidiary

Amends AASB 3 to update reference to the conceptual framework

Amends AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability and substantially different from the terms of the original liability

Amends AASB 116 to require an entity to include the sale proceeds from selling items produced while preparing an asset for its intended use.

Amends AASB 137 to specify the costs when assessing whether a contract will be loss making.

No material effects are expected as a result of adoption.

Note 10.4 Other significant accounting policies and pending accounting standards (Continued)

(h) Pending Accounting Standards Cont

AASB 2020-4 Covid rent concessions

This Standard amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid-19 pandemic and meet specified conditions are lease modifications.

AASB 2021-3 Covid rent beyond 30 June 2021

Extends provisions of AASB 2020-4 by one year

No material effects are expected as a result of adoption of AASB 2020-4 and AASB2021-3

AASB 2020-8 Interest benchmark reform phase 2

This Standard amends AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139 to help entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements
No material effects are expected as a result of adoption.

AASB 2021-2 Disclosure of accounting polices and definition of estimates

Amends AASB 7, to clarify that information about measurement bases for financial instruments;

Amends AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies.

Amends AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;

Amends AASB 134, to identify material accounting policy information as a component of a complete set of financial statements.

Amends AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

No material effects are expected as a result of adoption.

10.5 Significant Business Activities

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Off Street Parking		Launceston Aquatic		LA fit		Building Surveying and Certification	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue								
Rates	-	-	-	-	-	-	-	-
User Charges	3,020	2,790	3,205	2,247	1,404	949	592	392
Grants	-	-	-	-	-	-	-	-
Total Revenue	3,020	2,790	3,205	2,247	1,404	949	592	392
Expenditure								
Direct								
Employee Costs	230	295	1,975	1,908	404	354	212	185
Materials and Contacts	253	282	1,164	1,328	78	78	9	12
Interest	-	-	-	-	-	-	-	-
Utilities	76	83	272	155	14	8	-	-
Indirect								
Engineering and Administration	190	434	249	276	56	37	-	-
Total Expenses	749	1,094	3,660	3,667	552	477	222	198

10.5 Significant Business Activities Cont

	Off Street Parking		Launceston Aquatic		LA fit		Building Surveying and Certification	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Notional cost of free services received								
Capital Costs								
Depreciation and amortisation	416	403	793	815	78	78	3	3
Opportunity cost of capital	2,329	1,998	1,593	1,512	17	17	3	2
Total Capital Costs	2,745	2,401	2,386	2,327	95	95	5	5
Competitive neutrality adjustments								
Rates and land tax	148	148	76	76	79	79	-	-
Full Cost Attribution	73	90	86	86	7	7	73	61
	221	238	162	162	86	86	73	61
Calculated Surplus/(Deficit)	(695)	(943)	(3,003)	(3,909)	671	291	292	128
Tax Equivalent rate	30%	30%	30%	30%	30%	30%	30%	30%
Taxation equivalent	490	317	-	-	207	92	87	39
Competitive neutrality costs	711	555	162	162	293	178	161	100
Net Result Surplus / (Deficit)	(1,185)	(1,260)	(3,003)	(3,909)	464	199	204	89

10.5 Significant Business Activities (Continued)

Accounting policy

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

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

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

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

Significant Business Activities

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

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

The following items have been disclosed:

Labour Costs

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

Superannuation costs have been adjusted to the 10.0% 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.

Note 10.6 Management indicators

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
(a) Underlying surplus or (deficit)				
Net result for the year	(36,803)	(678)	20,306	16,678
Less non-operating income				
FAG Grant in Advance - Current Year	(2,353)	(2,235)	(2,261)	(2,174)
FAG Grant in Advance - Prior	2,235	2,261	2,174	2,104
Capital Grants and Contributions	(5,945)	(24,525)	(18,139)	(16,124)
Bequests	(115)	(134)	(157)	(126)
Capital Interest		-	(4)	(81)
Infrastructure Adjustments		-	(477)	948
Disaster Recovery Income	-	-	-	(525)
Add non-operational expenses				
Assets Held for Sale	-	-	-	(841)
Unscheduled Loss on Disposal of Fixed Assets	2,466	13,134	613	3,185
Disaster Recovery Spending	-	-	-	254
Organisational Restructure				
Redundancies	60	1,381	-	-
Covid 19 Pandemic Costs	2,823	3,581	-	-
Museum revaluation adjustment	34,523	-	-	-
Underlying surplus/(deficit)	<u>(3,109)</u>	<u>(7,215)</u>	<u>2,055</u>	<u>3,298</u>
Benchmark	0	0	0	0

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

Comment

Council returned an underlying deficit of \$3.1m, against a budgeted underlying deficit of \$11.3m.

The decrease to the valuation of the QVMAG Collection was a \$34.5m expense hit to the Statement of Comprehensive Income due to a change in valuation methodology.

Council is still feeling the impact of the Covid-19 Pandemic. The freeze on Council rates is not captured in the Covid-19 Pandemic Costs noted in the table above, and represents in excess of \$2.2m lost revenue which will be compounded in future years.

(b) Underlying surplus ratio

Underlying surplus (deficit)	<u>(3,109)</u>	<u>(7,215)</u>	<u>2,055</u>	<u>3,298</u>
Recurrent Income	111,000	109,606	111,172	108,073
Underlying surplus (deficit)				
Underlying surplus ratio %	-3%	-7%	2%	3%
Benchmark	0%	0%	0%	0%

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

Note 10.6 Management indicators (Continued)

Comment

Council has a benchmark of greater than 0% in its Long Term Financial Plan. Whilst not achieved in 2020/21, the Long Term Financial Plan details various strategies and actions to return to a small underlying surplus in the medium term.

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
(c) Net financial liabilities				
Liquid assets less	90,005	68,375	80,188	74,485
Total liabilities	75,658	48,912	39,277	36,984
Net financial liabilities	<u>14,347</u>	<u>19,463</u>	<u>40,911</u>	<u>37,501</u>
Benchmark	0	0	0	0

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Comment

Council remains in position to be able to meet ongoing liabilities, through recurrent operational income.

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>	<u>14,347</u>	<u>19,463</u>	<u>40,911</u>	<u>37,501</u>
Recurrent income	111,000	109,606	111,172	108,073
Benchmark	0% - (50%)	0% - (50%)	0% - (50%)	0% - (50%)
Net financial liabilities ratio %	13%	18%	37%	35%

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

Comment

Council remains in position to be able to meet ongoing liabilities, through recurrent operational income

(e) Asset consumption ratio

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Transport Infrastructure

<u>Depreciated replacement cost</u>	<u>650,457</u>	<u>633,142</u>	<u>618,318</u>	<u>590,498</u>
Current replacement cost	1,002,735	967,372	938,070	891,976
Benchmark	>60%	>60%	>60%	>60%
Asset consumption ratio %	65%	65%	66%	66%

Note 10.6 Management indicators (Continued)

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Buildings				
<u>Depreciated replacement cost</u>	<u>185,892</u>	<u>176,483</u>	<u>172,657</u>	<u>163,845</u>
Current replacement cost	302,777	276,865	273,842	262,647
Benchmark	>60%	>60%	>60%	>60%
Asset consumption ratio %	61%	64%	63%	62%
Drainage				
<u>Depreciated replacement cost</u>	<u>179,838</u>	<u>173,986</u>	<u>165,686</u>	<u>163,019</u>
Current replacement cost	264,181	253,634	237,904	232,177
Benchmark	>60%	>60%	>60%	>60%
Asset consumption ratio %	68%	69%	70%	70%

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

Comment

Council is above the specified benchmarks across each asset class. Council is constantly reviewing asset data and ensuring levels of service are in line with the Strategic Asset Management Plan.

(f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Transport Infrastructure

<u>Projected capital funding</u>	<u>82,158</u>	<u>89,212</u>	<u>68,887</u>	<u>60,641</u>
Projected capital expenditure	82,158	89,212	68,887	60,641
Benchmark	90-100%	90-100%	90-100%	90-100%
Asset renewal funding ratio %	100%	100%	100%	100%
Buildings				
<u>Projected capital funding</u>	<u>10,662</u>	<u>16,035</u>	<u>12,865</u>	<u>7,257</u>
Projected capital expenditure	10,662	16,035	12,865	7,257
Benchmark	90-100%	90-100%	90-100%	90-100%
Asset renewal funding ratio %	100%	100%	100%	100%

Note 10.6 Management indicators (Continued)

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Drainage				
<u>Projected capital funding</u>	3,410	4,550	4,415	1,935
Projected capital expenditure	3,410	4,550	4,415	1,935
Benchmark	90-100%	90-100%	90-100%	90-100%
Asset renewal funding ratio %	100%	100%	100%	100%

** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

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

Comment

Council annually reviews both its Long Term Financial Plan and Strategic Asset Management Plan. There is a high degree of coordination between the two, to ensure consistency of information and that the funding requirements as identified in the Strategic Asset Management Plan can be accommodated within the Long Term Financial Plan.

(g) Asset sustainability ratio

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
<u>Capex on replacement/renewal of existing assets</u>	16,552	17,059	15,375	15,020
Annual depreciation expense	23,359	22,682	21,584	20,090
Benchmark	100%	100%	100%	100%
Asset sustainability ratio %	71%	75%	71%	75%

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

Comment

The Strategic Asset Management Plan identifies Council assets that are due for renewal, at which point Council staff will determine if renewal works are required and if so they are included in the annual capital budgeting process.

Note 10.6 Management indicators (Continued)

2021	Capital renewal \$'000	Capital new /upgrade \$'000	Total Capital Expenditure \$'000
Land	-	6	6
Buildings	2,431	1,621	4,052
Transport Infrastructure	10,447	1,041	11,488
Stormwater and Drainage	201	501	702
Plant	2,046	313	2,359
Other	1,427	9,520	10,947
Total	16,552	13,002	29,554

2020	Capital renewal \$'000	Capital new /upgrade \$'000	Total Capital Expenditure \$'000
Land	242	1,902	2,144
Buildings	1,081	9,062	10,143
Transport Infrastructure	5,619	2,406	8,025
Stormwater and Drainage	282	-	282
Plant	3,258	-	3,258
Other	6,577	5,845	12,422
Total	17,059	19,215	36,274

Comment

Council conducts a comprehensive annual capital budgeting process, which includes a community consultation process, to balance the need to renew existing assets while providing new/upgrade assets to our community. Several high cost new/upgrade projects were undertaken in 2020/21, including the landfill cell project at the Launceston Waste Centre, upgrades to Churchill Park sports fields, a new ash placement area at Carr Villa and upgrades to the Paterson Street West toilet and parenting facilities.

Certification of the Financial Report

The financial report presents fairly the financial position of the City of Launceston as at 30 June 2021 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Leanne Hurst
Acting General Manager

Date : 8/10/2021

Independent Auditor's Report
To the Councillors 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 2021 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) present fairly, in all material respects, Council's financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) are 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.6, nor the Significant Business Activities disclosed in note 10.5 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>Valuation of property, museum collection and infrastructure assets <i>Refer to notes 6.1, 6.4 and 9.6</i></p>	
<p>Property and infrastructure at 30 June 2021 includes land, land under roads, buildings and material long-life infrastructure assets, such as roads and bridges, drainage, flood protection, refuse disposal and parks and recreation totalling \$1.43bn. The fair value of the museum collection at 30 June 2021 totalled \$0.20bn.</p> <p>The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluation of a regular basis to ensure valuation represent fair value. Indexation is applied to fair values between formal valuations when considered appropriate.</p> <p>In 2020-21, Council revalued land, flood protection and museum collection assets. Indexation was applied to roads and bridges, drainage, parks and recreation and refuse disposal assets. The valuations determined by both internal and external experts are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values, including the assumptions used. • Evaluating indexation applied to assets between formal valuations. • Testing, on a sample basis, the mathematical accuracy of the revaluation calculations and recording of the valuations in the asset register and general ledger. • Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. • Evaluating the adequacy of relevant disclosures in the financial report, including those regarding key assumptions used.

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 Councillors 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 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 represent 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 – Audit
Delegate of the Auditor-General**
Tasmanian Audit Office

11 October 2021
Hobart



Image: City of Launceston

Town Hall, 18-28 St John Street Launceston
T 03 6323 3000
E contactus@launceston.tas.gov.au
www.launceston.tas.gov.au