

CITY OF LAUNCESTON ANNUAL REPORT

2019/20



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, that 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 554 employees. Launceston is the largest council in Tasmania in terms of population.



City of
LAUNCESTON

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City of Launceston Annual Report

The Annual Report provides a comprehensive overview of the City of Launceston's activities during 2019/20 including an account of our performance, to our community.

The Annual Report meets legislative requirements incorporating the results of Council's performance in respect of goals and objectives set in the 2019/20 Annual Plan and details of our financial performance.

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



MAYOR'S MESSAGE



The past twelve months have seen yet more transformative projects taking shape in Launceston.

To the delight of parents and children across the municipality, the much-anticipated Riverbend Park was officially opened in August 2019.

This park represents several years' work by the City of Launceston and its funding partners, the Tasmanian Government and Australian Government.

As Tasmania's newest and best all-abilities playground, Riverbend Park has transformed a former industrial site into the municipality's premier recreational area.

Now part of a seamless pedestrian and cycling link from the Cataract Gorge to Royal Park, the Seaport and Inveresk, Riverbend Park has already proven itself a popular addition to the City.

Its completion, and the positive reception it has received, are outcomes the Mayoress and I take particular satisfaction in, as the long-standing need for such a park was something we identified many years ago.

There were other achievements throughout the year. The Council completed a reconstruction of the playing surface at University of Tasmania Stadium, committed to phasing out single use plastics at Council-owned facilities and on Council owned land, and declared a climate emergency.

We completed important work to better understand the challenges Launceston faces; namely the Shopping in the City report examining retail challenges and opportunities in our central business district, and the sediment raking report which studied the effectiveness of a five-year trial of raking in the kanamaluka / Tamar Estuary.

We continued our collaboration with communities in our Northern Suburbs, continuing our ABCDE Learning Site initiative, and releasing the My Place My Future Plan.

The City of Launceston also announced plans for the redevelopment of the former Birchalls building and the construction of a dedicated Launceston Bus Interchange in our central business district; projects which will help re-imagine the way we use our city heart.

This Annual Report covers the period from 1 July 2019, to 30 June 2020, and therefore includes the beginning of the COVID-19 pandemic in early 2020.

While to date Tasmania has been spared the terrible community transmission and dire public health consequences witnessed in other parts of the world as a result of this virus, we have not been immune to the social and economic ramifications.

Many of our tourism, hospitality and service businesses were forced to close in the early phases of the pandemic, and many Northern Tasmanians have been doing it tough.

Some of these ramifications will be long lasting, and will pose challenges for Northern Tasmania on a number of fronts into the future.

I am extremely pleased that my fellow elected representatives and the operational arm of the Council were able to collaborate so effectively - and quickly - to develop the City of Launceston's Community Care and Recovery Package.

This package of rates relief and small business support was twinned with a \$40 million accelerated capital works program, over five years, to continue to spur economic activity and generate employment opportunities in the region.

While the past 12 months have delivered many challenges, I know that the City of Launceston will continue to work constructively and collaboratively with the people of Northern Tasmania to make Launceston one of the world's greatest regional cities.

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

Albert van Zetten
Mayor

CEO'S MESSAGE



In what could inarguably be the biggest year in our organisation's history, the City of Launceston has served its community in a constructive, innovative, agile and inclusive manner.

The year started with the Organisational Alignment Project (OAP), which was the largest re-structure our organisation has seen since amalgamation. I believe the OAP delivered an outstanding engagement process with staff and Councillors. As a result we are already observing positive outcomes after only seven interrupted months of implementation. Once a full complement of staff can be recruited, I'm confident that the organisation will continue to provide great service to our community and be an employer of choice.

The COVID-19 pandemic took hold in March 2020 some three months after the restructure. I am very proud of the way in which the Councillors and our staff led the community during this pandemic. This included the development and implementation of the nation-leading \$9 million Community Care and Recovery Package, which is continuing to assist those in our community that have been impacted by the pandemic. Internally, our COVID-19 Pandemic Response Plan provided a clear pathway for continued operation of services to our community. We led in a caring and agile manner throughout the pandemic, and will continue to do so until our 'new normal' becomes clear.

Financially, the Council recorded an underlying deficit of \$7.2 million primarily as a result of the pandemic.

In total the Council incurred pandemic costs of \$3.58 million and a revenue loss of over \$2.5 million due to decline in revenue from parking, venue hire, the Launceston Leisure and Aquatic Centre, University of Tasmania Stadium and the Queen Victorian Museum and Art Gallery. Additionally, a shortfall in revenue received from the Council's ownership stake in TasWater of \$1.3 million is also included in the underlying result. Overall however, the Council recorded an operational surplus of \$10.8 million due largely to a road asset swap with the Tasmanian Government.

Despite the obvious challenges that were presented throughout this year, the Council has delivered some significant milestones.

In late July, the Council formally agreed to a five-year extension to the Launceston City Deal - a tripartite agreement between all tiers government that has delivered a number of significant outcomes for the City.

And it will continue to do so over the 10-year life of the agreement - and no doubt beyond.

The City of Launceston continues to play a key role in the delivery of the River Health Action Plan - a now \$130 million investment that will deliver 13 key projects to significantly improve water quality in the kanamaluka / Tamar Estuary.

The draft Cultural Strategy was completed. In the face of COVID-19, the timeframe for community consultation was extended. The Stormwater System Management Plan was completed

and adopted by the Council, while the My Place My Future Plan was successfully launched. The Sustainability Strategy was developed, including an implementation action plan for the Council to strive towards 100 per cent neutrality of carbon emissions by 2025. Notably, the Local Provisions of the Launceston Planning Scheme were completed and submitted to the Tasmanian Planning Commission.

Over the next 12 months, like almost every organisation in the country, the City of Launceston will continue to manage and respond to the impacts of the COVID-19 pandemic. Additionally, I will continue to lead the organisation towards a very positive future, which will include re-structuring the University of Tasmania Stadium and Queen Victoria Museum and Art Gallery, together with the implementation and the extension of our very important Launceston City Deal.

In what was a very challenging year, my sincere thanks go to the Mayor and Councillors for their leadership and support, and to the Council staff for their commitment and high-level performance throughout the year. I am a very proud Chief Executive Officer.

A handwritten signature in black ink, consisting of a circular mark followed by several loops and a final vertical stroke.

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

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

Council Elections

The Mayor and 11 Councillors are elected for a four-year term in an 'all-in all-out' election, which means the elected representatives have a four-year term including the positions of Mayor and Deputy Mayor. Local government elections were last held in 2018.

Council Meetings

At 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.

Council meetings 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 2019, our Annual General Meeting was held on 5 December.

From 2 April 2020, during the height of the COVID-19 pandemic, council meetings were conducted via Microsoft Teams. Members of the public were not permitted to attend council meetings in person, and were invited to submit written questions and statements which were read to the meeting by Council Officers. Face-to-face council meetings resumed on 3 September 2020, with public attendance capped at 20 to ensure physical distancing could be observed.

Employment

In 2019/20, Council employed 554* people in the equivalent of 426.30 full-time roles, covering a broad range of professions across four networks plus the Office of the Chief Executive Officer.

**This figure is reduced from the same time last year due to the Launceston Leisure and Aquatic Centre and the Queen Victoria Museum and Art Gallery operating at reduced capacity due to COVID-19 pandemic restrictions. Therefore, casual hours for June 2020 were less than the previous year.*

Road Network

Council maintains more than 762.84 kilometres of road including 388.49 kilometres of urban roads and 372.96 kilometres of rural roads (includes bridge segments of 1.39 kilometres which form part of the road length) and a further 15 kilometres of shared responsibility with the Tasmanian Government. The Tasmanian Government is responsible for a further 144.7 kilometres including 15 bridges in the Launceston municipality. City of Launceston maintains 92 bridges.

Parks and Recreation

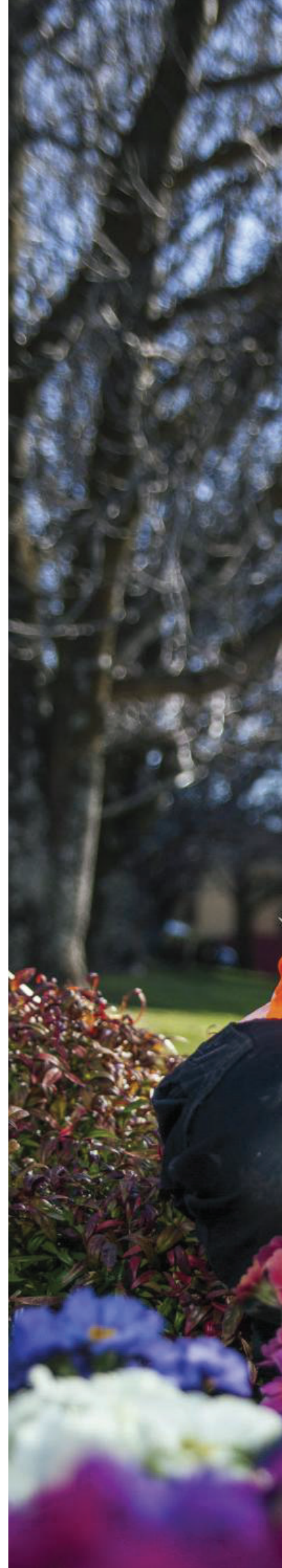
Launceston is renowned for its established parks, gardens and wide range of recreation facilities, which are unrivalled when compared with other similar-sized communities across Australia. Council owns, maintains and/or manages 273 parks, reserves and conservation areas, which includes more than 2078.7 hectares of parklands with more than 26,899 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. Additionally, the Council facilitates and sponsors many community recreational programs, including the Active City Park Program and Active Launceston.

Cultural Facilities

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

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 **His Worship the Mayor,**
Councillor Albert van Zetten
- 2 **Deputy Mayor,**
Councillor Danny Gibson
- 3 **Councillor** Janie Finlay
- 4 **Councillor** Hugh McKenzie
- 5 **Councillor** Rob Soward
- 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

Mayor **Albert van Zetten**

Mayor 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 fourth term as Mayor of the City of Launceston, supported by his wife Lyndle and their three children, and strongly believes that community collaboration and teamwork can make the impossible, possible.

Deputy Mayor **Danny Gibson**

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

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

Councillor **Janie Finlay**

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

Councillor Finlay was re-elected to the Council in 2014, bringing her experience in the not-for-profit and business sectors back to the City of Launceston. 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 **Hugh McKenzie**

Councillor 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 nine 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 a full commitment) that he needed to be free from a permanent full-time role and as such now focusses on board positions and community roles outside his Councillor duties.

In the theme of giving back, he is currently the Chair of Primary Health Tasmania, which has played a vital role in the current COVID-19 space, he sits as the Council-endorsed Director on the Launceston Airport, is a member 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.

Councillor **Rob Soward**

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

Councillor Soward holds post-graduate qualifications in educational leadership 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 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.

Councillor **Jim Cox**

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

Councillor **Karina Stojansek**

Councillor 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 statewide IT training organisation. She completed a Bachelor of Commerce at the University of Tasmania and has extensive skills in accounting, human resources and business management.

Councillor Stojansek is currently on the board of the local Steiner School and has served on various committees including RSPCA Tasmania and the Trevallyn Tennis Club in the positions of President, Treasurer and Secretary.

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

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

Councillor Andrea Dawkins

Councillor Dawkins was first elected to City of Launceston in 2014, leading to a stint in state parliament from 2015 to 2018. Councillor Dawkins has spent more than 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 local government area and greater focus on animal welfare.

So far, in this term, Councillor Dawkins has moved successful motions leading to the establishment of Australia's first public greyhound off-leash area and the phasing out single use plastics at Council-owned facilities and on Council owned land.

Councillor Nick Daking

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

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

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

Councillor Paul Spencer

Councillor Spencer was elected in November 2018. He is happily married to wife Margy and has been for 39 years. Together they have five adult sons and five grandchildren. Councillor Spencer has been a hard-working electrician for 44 years and self-employed in his own successful business for 29 years. Two of Paul'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.

Councillor Alan Harris

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

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

Councillor Harris brings fresh perspective, new ideas and strong leadership to Council and supports the

introduction of 90-minute free parking in Council-owned car parks, expanded pedestrian areas in the central business district, new dedicated cycle paths throughout the City and improved traffic flow management around the City.

Councillor Tim Walker

Councillor Walker was elected in 2018 and is a former ABC reporter and current adviser to Senator Peter Whish-Wilson. He would like to see Launceston continue becoming a more inclusive and sustainable community. He has an active interest in heritage, arts and protecting our environment.

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

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

Meeting Attendance

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

From 1 July 2019 to 30 June 2020, there were a total of 24 ordinary Council meetings.

Council meeting attendance 1 July 2019 to 30 June 2020

- Councillor van Zetten 23
- Councillor Gibson 23
- Councillor Finlay 24
- Councillor McKenzie 20
- Councillor Soward 22
- Councillor Cox 20
- Councillor Stojansek 23
- Councillor Dawkins 22
- Councillor Daking 23
- Councillor Spencer 24
- Councillor Harris 23
- Councillor Walker 22

Annual General Meeting Attendance

Our Annual General Meeting was held on 5 December 2019. Councillors van Zetten, Gibson, Finlay, Soward, Cox, Dawkins, Spencer and Harris were in attendance.

Council Workshop Meeting Attendance

Generally, Council Workshops were held fortnightly on the alternate week to Council Meetings. From 1 July 2019 to 30 June 2020, there were 18 Workshops held, excluding pre-Council Workshops.

Workshop attendance 1 July 2019 to 30 June 2020

- Councillor van Zetten 17
- Councillor Gibson 18
- Councillor Finlay 16
- Councillor McKenzie 15
- Councillor Soward 15
- Councillor Cox 13

- Councillor Stojansek 16
- Councillor Dawkins 18
- Councillor Daking 15
- Councillor Spencer 18
- Councillor Harris 17
- Councillor Walker 18

Council Committee Meeting Attendance

From 1 July 2019 to 30 June 2020, meetings were convened for the following Council committees:

- the Chief Executive Officer's Contract and Performance Review Committee; and
- a committee was established to conduct a hearing and exercise related powers under section 104 of the *Local Government (Building and Miscellaneous Provisions) Act 1993 (Tas)*, in respect of Petitions to Amend Sealed Plans.

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:

- 8 August 2019, with Councillors van Zetten, Gibson, Cox, Spencer and Walker in attendance
- 7 November 2019, with Councillors van Zetten, Gibson, Spencer and Walker in attendance.

Committees Established in Respect of Petitions to Amend Sealed Plans

In respect of a Petition to Amend Sealed Plan SPD15, Councillors Finlay, McKenzie, Harris and Walker were appointed to this Committee. The Committee met on 25 July 2019. Councillors Finlay, McKenzie, Harris and Walker were in attendance.

Executive Leadership Team (ELT)



- 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
- 5. Shane Eberhardt**
General Manager,
Infrastructure and Assets
- 6. Paul Gimpl**
Chief Financial Officer



Organisational Alignment Project (OAP)

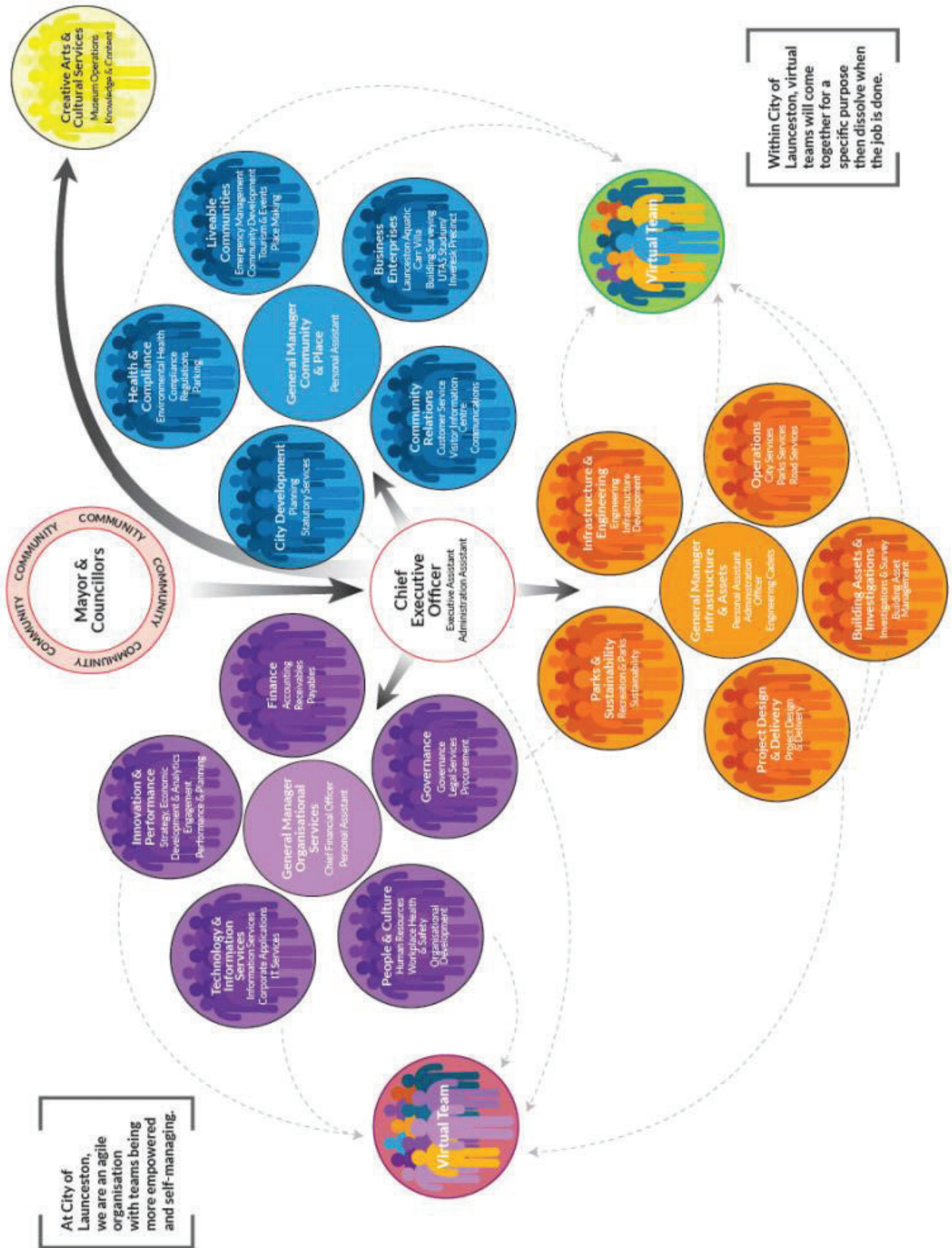
From 9 December 2019, the City of Launceston has commenced a journey to become an agile organisation. Within our organisational structure are four Networks of teams. These Networks are in place to improve collaboration, engagement, and communication in a dynamic way and provides more equitable distribution 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.

These Networks are:

- Organisational Services - delivering the services internally to our organisation, including Finance, IT and Data Management, People and Culture, Governance and Innovation and Performance.
- 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.
- Creative Arts and Cultural Services - manages and operates the Queen Victoria Museum and Art Gallery with two sites in Launceston: the Art Gallery at Royal Park and Museum at Inveresk, with History, Natural Sciences and Visual Arts and Design, and the Key Collections areas.

Organisational Grouping of Networks



Annual Performance Snapshot

Actioned Community Requests

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

2,307

ROADS AND FOOTPATHS

3,315

ENVIRONMENTAL HEALTH

846

PARKS & RECREATION

316

BOOKINGS (HALLS, HEAT KITS, MALLS)

550

STORMWATER & DRAINAGE

1,317

BUILDING & PLANNING

1,066

TREE MANAGEMENT

6,580

WASTE MANAGEMENT

3,239

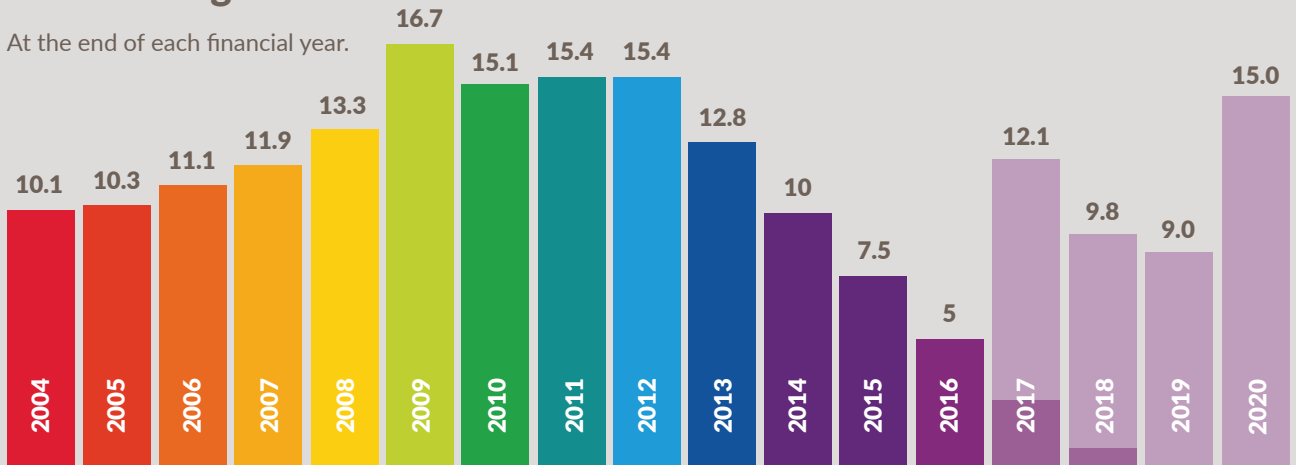
PARKING

1,358

OTHER

Outstanding Loans

At the end of each financial year.



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

Where the Dollars Come From

	\$'000		
Rates	70,611	48.8%	
Fees and Charges	23,465	16.2%	
Grants – Capital Purposes	34,977	24.2%	
Grants – Revenue Purposes	9,033	6.2%	
Interest	1,507	1.0%	
Other	5,097	3.5%	
	144,689	100.0%	

Where the Dollars Go

Provision of Services	86,899	71.9%	
Borrowing	323	0.3%	
Depreciation	22,681	18.8%	
State Government Fire Service Levy	8,310	6.9%	
Rate Remissions and Abatements	2,580	2.1%	
	120,793	100.0%	

Expenditure by Program

General and Public Services	21,981	18.2%	
Public Order and Safety	9,063	7.5%	
Health and Welfare	2,245	1.9%	
Housing and Community Amenities	27,968	23.1%	
Recreation and Culture	32,573	27.0%	
Roads Traffic and Parking	21,079	17.5%	
Other	5,884	4.9%	
	120,793	100.0%	



A Year in Review

The Launceston City Deal

The Launceston City Deal has delivered many outcomes and continues to build strong foundations for Launceston's continuing transformation.

The My Place My Future Plan was launched with the community in August 2019 by the three levels of government. The plan has now progressed to implementation phase.

Strong community relationships have been developed through the project and close partnerships across the three levels of government has enabled positive cross-government collaboration. Some of the local projects identified are scheduled for delivery and the Australian and Tasmanian governments are committed to establishing a cadet facility and community hub in the Northern Suburbs.

Launceston's central business district is receiving positive attention from investors and developers to convert CBD buildings to residential living. The commitment to increase infill development and assist the private sector to redevelop buildings in Launceston's CBD for residential purposes has unlocked private sector investment in underutilised buildings in and around the city, resulting in the development of over 50 individual residences over the past two years.

The City of Launceston released the 'Investing in the City' guide which outlines the process for inner city living developments in Launceston. The guide aims to assist potential investors and/or current building owners within the Central Business District to understand and navigate the development process.

Actions are progressing to improve the health of the kanamaluka / Tamar Estuary and Council Officers, environmental scientists and engineers remain involved and focussed to support positive outcomes. The 2020 Tamar Estuary Report Card shows an overall improvement in grades across all zones of the kanamaluka / Tamar Estuary, compared with the 2018 Report Card. The required investment to deliver the combined stormwater and sewerage recommendations has been secured and project management plans are in place.



The City Heart Project is increasing events and connectivity to Launceston's city centre. The redeveloped Civic Square is an established home to the vibrant Launceston Night Markets. Attracting the local community and visitors, the regular markets are a celebration of local food and beverages with entertainment provided by musicians from within the community.

The announcement of a new bus interchange in the current Paterson Street Central car park will result in deferring the St John Street redevelopment. Plans for St John Street and the surrounding streets will be revisited with consideration to these exciting new developments.

Over the past 12 months, Launceston's transition to a smart city has further progressed. The \$3.4 million Launceston Traffic Signal Upgrade Project is nearing completion. Project components including fibre optic communication networks, traffic signal controller upgrades and traffic monitoring networks (via travel-time sensors and closed circuit television cameras) will enable high quality monitoring of the network through live travel times, variable signal phasing to manage peak traffic and live video streaming of intersections to improve traffic and incident management.

Before installation, local artists were engaged to design and paint 20 traffic signal boxes. The decorated boxes will form a public art trail called 'Electric Botany'. Initiatives under the Smart City Mobility Project, which commenced in March, will utilise data from the sensors installed during the traffic signal upgrade project. Data will enhance existing GIS and spatial systems and the production of a Dynamic Multi Modal Model for Launceston will provide capability for modelling scenarios to enable decision-making on investment in infrastructure, transport services and relationship to land use planning.

The regional economic development agency, Northern Tasmania Development Corporation Limited (NTDC) released the Regional Economic Development Strategy (REDS) which aims to establish a collaborative framework for planning future economic activities in the region. Endorsed by participating regional councils, including the City of Launceston, REDS sets out a vision that 'by 2031, Launceston and Northern Tasmania will be Australia's most liveable and innovative region, with growing incomes and falling levels of disadvantage'. NTDC has expanded its focus for strategy implementation to include supporting economic recovery post-COVID-19.

Three-Year Review and the Future

2020 marks the formal checkpoint for the Launceston City Deal through the three-year review. The review will assess the full impact of the City Deal in achieving the vision to make Launceston one of Australia's most liveable and innovative regional cities.

Three years in and the Launceston City Deal appears to be a driver for change. The collaboration across the three levels of government, community and business has already effected policy reform, yielded targeted investment and increased cross-government partnerships to address specific needs. The review will highlight where the future focus is best placed to achieve the vision and help to inform the programming of years six to ten of the Launceston City Deal.

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



Supporting the Community

Youth Advisory Group

The Youth Advisory Group (YAG) is a special committee of Council, consisting of 11 members from six different schools and selected mentors who provide guidance. The group's primary role is to act as a consultative link between City of Launceston and young people and to inform the broader community about matters that affect them.

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

- Co-facilitation of the Youth #stayhomesavelives campaign during COVID-19 pandemic
- Participation in the Tasmanian Youth Forum and Youth Parliament
- Supported two local schools through the SEED school project funding program
- Participation in the annual Youth Council Meeting held in Council Chambers

Northern Youth Coordinating Committee (NYCC)

The NYCC is a special committee of the Council comprising of 130 members across non-government organisations, Tasmanian and local government. The Committee held five regular meetings and helped support three youth projects in 2019/20 including:

- Sponsorship for headspace Launceston's Mental Health Week Event - #Checkin We all have a role to play
- Sponsorship for Youth Network of Tasmania's Tasmanian Youth Forum
- Sponsorship for headspace Launceston's Isolation Pet Show online event

School Holiday Program

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

Youth Newspaper

The Examiner Student Newspaper Program titled Momentum, is supported by City of Launceston. The student publication is a newspaper written by youth for youth. Several Launceston-based students were involved, and The Examiner team provided support and exposure to the journalism sector. Each year, YAG is offered the opportunity to take part and utilise the publication to advertise for members and contribute to content for the online publication.

Mowbray ABCDE Learning Site

The City of Launceston collaborated with Bank of I.D.E.A.S to deliver the third ABCDE Learning Site in Mowbray in 2019/20. Council worked with local leaders within Mowbray 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 the ABCDE Learning Sites in Australia, leading the way in developing sustainable communities and now successfully rolling out the program in Rocherlea, Ravenswood and Mowbray.

Suicide Prevention Trial

City of Launceston is hosting the Launceston trial as a part of Australian Government's National Suicide Prevention Trial. Tasmania is one of the 12 sites chosen across Australia and Launceston is one of the three Tasmanian locations. Australian Government funding is allocated via Primary Health Tasmania to enable the project team to work with a range of local stakeholders such as health service providers, neighbourhood houses, police, people with a lived experience, among many others. The trial has been operational since 2017 with aims to reduce suicide and its impacts, address the risk factors of suicide and increase protective factors, build resilience and wellbeing of the community and enable people to access effective help. Although suicide may impact anyone, this trial focuses on men aged between 40-64 years and men and women over the age of 65. Having delivered many activities to date (see below) the trial is now scheduled in end in June 2021.

Activities implemented as a part of the trial broadly include:

- Awareness raising and stigma reduction:
- Training to recognise and respond to suicidality: Providing training free
- Using safe and inclusive language when talking about suicide and mental health
- Supporting people at risk

Seniors

Living as a Senior Newsletter - Edition 20, April 2020

Seniors were provided with coronavirus health information, including a quick guide to preventing COVID-19 and top tips to look after yourself and staying connected. A seniors morning tea was planned for 2019/20 however this has been postponed due to COVID-19.

Music in the Park

As part of the annual Music in the Park community event, over 1,400 locals joined the City of Launceston for live music in the heart of the City for the month of January. The event featured local musicians such as the Evan Carydakis Duo, the Tassie Tenor, Launceston's local RSL band and the St Andrews Caledonian Pipe Band and West Tamar Band.

Volunteer Recognition Awards

The Volunteer Recognition Award Ceremony was rescheduled due to COVID-19, finally being held in September 2020. Good nominations were received and awards were presented at a smaller event.

Launceston Access Advisory Committee

The Committee has undergone a revival of membership and now comprises many of the agencies that provide services for people with disabilities. In 2019/20, the Committee led the review of the Access Framework for Action. This has taken on an exciting different format to previous years and will be adopted shortly.

Children's Week and Seniors' Week

As part of the City Heart Activation Programme and to increase visitation to the space, banners were installed in Brisbane Street Mall for the duration of October 2019 to celebrate both Children's Week and Seniors Week. There were eight banners depicting artwork by seniors and eight banners depicting artwork by children displayed on banner poles. The children's artwork explored the concept of home in various ways and children were asked to think about "What makes Launceston feel like home to you?" The seniors artwork explored the concept of home in various ways and were asked to think about "What makes you feel connected to your home in Launceston?"

My Place My Future

A Northern Suburbs Revitalisation Plan was a commitment in the Launceston City Deal. Careful planning ensured that the communities within Launceston's Northern Suburbs remained a central focus. The result of this approach is a strategic document, the My Place My Future Plan (The Plan) that is agreed and accepted by the Australian and Tasmanian governments, City of Launceston and the community.

The Launceston Northern Suburbs consists of seven separate suburbs: Invermay, Mowbray, Newnham, Mayfield, Rocherlea, Ravenswood and Waverley. Each of these suburbs is diverse, unique, and dynamic. Together, they make up 32 per cent of those who live within the City of Launceston's boundaries (Launceston population 66,802). However, five of these seven suburbs are in a percentile of below five on the SEIFA Index of Disadvantage; indicating that of all suburbs across Australia, only 5 per cent are considered less disadvantaged. One of these suburbs has a percentile of 1; meaning that only 1 per cent of suburbs have a lower SEIFA Index.

Launched with the community on 26 August 2019 by all three levels of government, the Plan is built upon ongoing collaboration and engagement that has built community trust, and has resulted in an approach that the community is connected to. The first year of implementation has focused on continuing to build relationships, supporting or extending existing programs, and developing bespoke programs to address identified needs.

Four key activities as a result of the Plan include:

- Two public wi-fi hotspots, scheduled for launch between July and October 2020;
- Development of a bespoke model for a grassroots leadership program that will continue to build

community capacity;

- Development of a tailored and accessible Social Enterprise Toolbox with an attached Learning Management System that enables free, uninhibited information on establishing and operating a social enterprise; and
- Establishment of a Strategic Working Group, that consists of representatives from across the three levels of government. This group provides a mechanism for quick, tailored responses to emerging opportunities to be identified and actioned.

There are also a number of less tangible outcomes. These include:

- Much better communication between the community and the three levels of government;
- A deeper level of trust and respect between the Northern Suburbs and local government;
- An understanding within Council that the Northern Suburbs are a strategic priority;
- More confidence for Council officers to develop and deliver projects in these suburbs, and a deeper understanding of the impact of these projects; and
- Much better collaboration amongst Council officers on issues, opportunities or needs that relate to the Northern Suburbs.

In short, the Plan has delivered a place-based and community-led platform for change that is acknowledged by the three levels of government, and is flexible enough to allow emerging opportunities to be identified and actioned.



Tourism

Launceston is the heart of tourism in Northern Tasmania, a popular visitor destination with stunning natural attractions, well preserved heritage and locally sourced produce in abundance.

In the year ending March 2020, Launceston welcomed an estimated 552,900 interstate and international visitors, remaining steady from the previous year and representing 42 per cent of total visitors to Tasmania. An estimated 311,000 visitors reported arriving via Launceston Airport, and of the overall visitors to Tasmania 1 in 3 stayed at least one night in Launceston. *Tasmanian Visitor Survey (TVS), year ending March 2020.

In partnership with Visit Northern Tasmania, Council's consumer-facing website has new enhanced functionality and user flow with the integration of two plug-ins Alpaca and Crowdriff. The www.visitnortherntasmania.com.au website provides a comprehensive resource for visitors to Launceston encompassing interactive trip planner, pre-set itineraries and state-wide events calendar.

City of Launceston continued work on delivery of an authentic and dynamic city brand, reflective of Launceston's Place DNA 'personality and attributes'. The Launceston brand informs strategic tourism priorities and serves to engage our visitor market, community and business sector; providing for a sense of place.

In March 2020, COVID-19 triggered a global pandemic causing the largest single disruption the Tasmanian visitor economy has experienced. In response to the pandemic Tourism Tasmania launched a new marketing campaign Make Yourself at Home, to support the tourism industry during the phased reopening process while traditional interstate and international markets are not available. Launceston collaborated with Hawthorn Football Club to leverage the campaign by delivering an innovative personalised video invitation to 10,000+ local footy fans to encourage them to Make Yourself at the home of the Tassie Hawks.

Emergency Management

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

This year, Council played a significant role in the response and recovery for the COVID-19 pandemic. Council provided staff to assist in the Northern Region Emergency Coordination Centre and shared resources with several agencies providing community services.

Council also conducted a number of recovery activities including the distribution of postcards to aged care homes so residents could still connect with family; a youth program that checked in on young people but also encouraged them to abide by the rules, provided financial support for organisations providing food relief to vulnerable people, worked with service providers to ensure homeless people were not at risk, and supported the delivery of Council's Community Care and Recovery Grants.

Council staff have also contributed to the review of many Tasmanian Government strategic emergency management documents and modified its own response and recovery plans in line with the requirements of COVID-19.

Easy Park Smart Device Parking Application

The City of Launceston introduced the EasyPark parking application in January 2019. The application has recorded more than 650,000 transactions since its implementation. In August 2020, we set a new record for monthly transactions, recording 55,721 transactions.

Launceston Leisure and Aquatic Centre

Through the 2019/20 period the Launceston Leisure and Aquatic Centre recorded record membership numbers for LAfit in addition to managing the annual learn to swim program, 63 weekly group fitness classes, and welcoming an average of 9,723 visitors per week. Before it's temporary closure due to COVID-19, the Centre hosted a wide range of events including; Twilight Splash, MS Megaswim, New Horizons Iceberg Swim, Aussie Masters Winter Championships, Swimming Tasmania Sprint Relay Championships, Regional Championships, and various school carnivals.

Launceston Visitor Information Centre

Throughout the COVID-19 pandemic, the Launceston Visitor Information Centre used the temporary closure to reassess the centre's operations and refine the businesses processes including:

- Completion of the Centre's Engagement Strategy;
- Completion of a training handbook to not only assist existing staff, but also to be used as a resource for hosting work experience students or opportunities for the migrant resource centre; and
- Updating of the Centre's 100+ page operations manual in to an interactive digital format, supporting greater accessibility and usability.

In more recent months, the team has continued further improvement by:

- Supporting our local tourism operators;
- Securing a further 12 months of funding from Tourism Tasmania to operate as one of the states Gateway Visitor Information Centres; and
- Launching a Launceston Visitor Information Centre specific Facebook page to promote the centre and our local tourism operators, which has been met with high engagement levels and reach throughout local markets.

Carr Villa Memorial Park

Annual Burial and Cremation Statistics

In the financial year 2019/20 the following services have been provided:

- Burials 174
- Cremations 431
- Ash placements 148

Pricing Strategy Carr Villa

The proposed pricing structure for Carr Villa was adopted by Council for another four financial years to assist in reducing the operating deficit. The objective for the pricing strategy is to ensure Council's operations at Carr Villa remain financially sustainable and that pricing more accurately reflects the long-term cost of managing the Memorial Park.

Cremation services increased by 70 per cent compared to last financial year (254) and burial services decreased by 7.4 per cent compared to last financial year (188).

Capital Works Projects

The main focus this financial year was to provide improved facilities at the Works Depot and the Crematorium by:

- Providing adequate facilities for storage and handling of our bulk materials. Dry materials enable us to improve our efficiencies (Lean) when backfilling or preparing grounds for new lawn.
- Installing of an aluminium/metal roof awning attached to the Crematorium walls at the delivery area. Protection against the elements (providing shade, breaking strong winds, and protecting from rain or snow) is required to provide a dignified process when receiving coffins for either a service or delivery only at the Crematorium.
- Continuing the upgrade or renewal of road and drainage assets.

A Cultural Strategy for Launceston

Consultation on the Cultural Strategy is now complete after a stop-start year in terms of the community engagement process due to COVID-19.

The engagement process was relaunched with a hugely popular World Café event with key stakeholders, and captured some extremely positive and engaging feedback.

The full body of work will be complete by the end of this year. From there, an implementation plan will be developed that will chart a new course for Launceston in terms of how we think about culture and how we embed it into our thinking and the decisions we make.

The strategy will also lay out a forward path for Launceston to maximise its unique cultural opportunities and to identify our strengths and weaknesses in this space.

It has been a fascinating journey so far, and an even more exciting one still lies ahead of us.



Community Grants

For 2019/2020 over \$55,315 of Community Grants were awarded to support the community. A total of 15 grants to organisations for community projects and a further 19 grants were provided to support our local young people participate in state, national and international competitions and events.

Organisation	Amount
Punchbowl Community Bushland Conservation	\$5,000
Mental Health Support Groups	\$1,000
Edmund Rice Camps Northern Tasmania	\$3,750
Future Leaders All Abilities Program - Launceston	\$3,750
Bike Week Launceston 2020	\$1,500
Permaculture Design Course for Community Resilience	\$3,750
Level Up!	\$3,750
Cancer Wellness Program	\$2,063
Artist in Residence, Health Streetscapes - Launceston General Hospital	\$3,750
Recycling for a Cause	\$2,500
Desexing for Financial hardship instances	\$3,000
Food Security in the Northern Suburbs	\$5,000
Orienteering Permanent Course Launceston	\$4,814
Live Well Live Long	\$3,538
Art and Music at the LGH : A Video : an initiative in the Healing Process	\$2,500
TOTAL	\$49,665

Individual Team/Group	Amount
Northern Tasmanian Junior Soccer Association Under 16 Girls	\$450
Tasmanian Touch Football Under 15 Girls	\$450
National Science and Engineering Challenge	\$450
SSA Under 15 Boys Tasmanian AFL Team	\$300
Under 14 Northern Tigers	\$375
Tasmanian Touch Football Under 18 Girls	\$450
Northern Tasmania Junior Soccer Association Under 12 Girls	\$300
NTJSA Under 13 Black Representative Team	\$450
Individual	\$300
Individual	\$100
Individual	\$300
Individual	\$100
NTJSA Under 14 Gold Representative Team	\$300
Under 19/17/15 Australian Boxing Championship	\$150
Metal Minds Robotic Teams	\$300
Individual	\$100
Individual	\$300
Individual	\$100
Queechy Engineering - Ingenuity	\$375
TOTAL	\$5,650

Event Sponsorships

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 58 events were supported by the Event Sponsorship Program in the 2019/2020 financial year. 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 approved over \$600,000 in event sponsorship during the 2019/2020 year to the following groups and events.

Signature Event Sponsorship 2019/2020	Amount
Tasmanian Open Dance Sport Championships	\$15,000
Festivale	\$60,000
The Tasmanian Breath of Fresh Air Film Festival	\$15,000
Launceston City Cycling Festival (including Launceston Cycling Classic)	\$15,000
Launceston Tennis International ^	\$15,000
2020 Ladbrokes Launceston Cup	\$15,000
Symphony Under the Stars Launceston	\$20,000
* Launceston Running Festival / Launceston 10	\$15,000
Junction Arts Festival	\$45,000
TOTAL	\$215,000

Major Event Sponsorship 2019/2020	Amount
We Will Rock You	\$12,500
MOFO Sessions 2	\$15,000
2019 Tamar Community Peace Festival	\$9,375
Blooming Tasmania Flower and Garden Festival	\$7,125
Kid I Am	\$9,375
Effervescence Tasmania	\$15,000
Tamar Valley Cycle Challenge	\$6,945
Tour of Tasmania	\$8,680
The UBU Plays	\$20,000
* Mamma Mia	\$15,000
* Australian Musical Theatre Festival	\$12,500

* Subaru Rally Tasmania	\$20,000
A Festival called PANAMA	\$12,500
Party in the Paddock	\$15,000
* Launceston Competitions	\$7,500
Chilli Skyfire	\$7,500
TOTAL	\$194,000

** Due to COVID-19 impacts, asterisked events were postponed or cancelled.*

Small and Celebratory Event Sponsorship 2019/2020	Amount
Mad Hatters Twilight Festival	\$5,000
Lions Club City of Launceston Inc. Christmas Parade	\$5,000
Out of the Shadows	\$5,000
Remade 2019	\$5,000
Launceston Festival of Dance	\$3,750
Launceston Tournament	\$3,750
Cancer Council Tasmania Women's 5km Walk Run 2019	\$3,750
2019 Poetry Festival	\$3,000
Who's Afraid of Virginia Woolf?	\$3,750
Picnic at Hanging Rock	\$3,750
Grand End of Year Concert	\$1,663
* Roller Derby Tournament	\$2,187
* All Expenses Paid	\$5,000
Soggy Bottom Regatta and Family Fun Day	\$5,000
* Brixhibition	\$5,000
Tassie Trail Fest	\$5,000
* Relay for Life	\$3,750
* Balfour Burn for St Giles	\$3,750
* RSPCA Tasmanian Million Paws Walk	\$3,750
Launceston and Henley Regatta	\$3,750
* St Patricks River Valley Day	\$3,750
* NTCC Easter Croquet Tournament	\$1,250
* Launceston Easter Community Festival	\$3,750
Little Italy	\$2,500
Launceston Carols by Candlelight	\$5,000
Launceston City Community Christmas	\$5,000
* Harmony Day	\$5,000
TOTAL	\$106,850

** Due to COVID-19 impacts, asterisked events were postponed or cancelled.*

Special Event Sponsorship 2019/2020	Amount
AKF National Championships	\$15,000
Australian Veteran Golfers Union National Championship Tasmania	\$15,000
39th FIPS Mouch World Fly Fishing Championship 2019	\$22,500
* 2020 BMX Australia National Championships	\$30,000
TOTAL	\$82,500

** Due to COVID-19 impacts, highlighted events were postponed or cancelled.*

New Years Eve Event Sponsorship 2019/2020	Amount
BeerFest New Years Eve	\$46,000
TOTAL	\$46,000

Conferences, Conventions and Championships 2019/2020	Amount
Australian Conference for Neurodevelopmental Disorder	\$4,110
School Sport Australia AFL 15 Years and Under National Championship.	\$11,200
Australian Truffle Growers Association	\$1,500
TOTAL	\$16,810

Parking

The car parking concessions available to eligible pensioners are stored on a SmartCard. During 2019/20 the total for pensioner concessions to park in the Paterson Street East, Paterson Street West and Elizabeth Street car parks was \$111,685.

Waste Management Concession

The City of Launceston provides free or subsidised entry to a number of groups. The value for 2019/20:

Pensioner Concessions	79,205
Residents Free Vouchers	138,997
Charitable Concessions	24,628
Specialist Product Disposals	6,914

Development Applications

Number of applications accepted this financial year

Discretionary	558
Permit granted	113

Processing of Development Applications

Average number of statutory days* to determine applications

Discretionary	33
Permitted	9

** '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*. Statutory days include any additional days negotiated between council and the applicant under section 39(6) of the *Land Use Planning and Approvals Act 1993*, but do not include days where the 'clock is stopped'.

Value of all Development Approvals

Total value of development approvals for each use class this financial year

	\$214,949,114
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Processing of Building Applications

Number of building applications received this financial year

	681
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Planning Scheme Monitoring

Number of Infringement Notices issued under s65A of the <i>Land Use Planning and Approvals Act 1993</i>	1
Number of Notices of Intent (NOI) to Issue Enforcement Notices issued under s65B of the <i>Land Use Planning and Approvals Act 1993</i>	50
Number of Enforcement Notices issued under s65C of the <i>Land Use Planning and Approvals Act 1993</i>	14
Number of Notices of Intention to cancel a permit issued under section 65F of the <i>Land Use Planning and Approvals Act 1993 (Tas)</i>	0
Number of permits cancelled under section 65G of the <i>Land Use Planning and Approvals Act 1993 (Tas)</i>	0

Public Health

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

Council has a strong involvement with food businesses in the municipality and performs tasks such as licensing food premises, inspecting food handling practices and ensuring food businesses are compliant with the relevant legislation and standards.

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

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

We take a strong position on protecting our environment and assess building and development applications to reduce potential impacts on the environment.

Public Health Activities

Type of Activity	Statistics	Comments
Public Health Act 1997 (Tas)		
Place of Assembly assessment for mass gatherings	16	For example; events such as Royal Launceston Show, and Party in the Paddock
Inspection of Premises and Operators of Health Risk Activities	21 Premises	For example: cooling towers
41 Operators	Includes tattooing, body piercing - all premises and operators inspected annually.	
Patrol of Smoke-Free areas	153	Areas as declared by Council and under the <i>Public Health Act 1997 (Tas)</i>
Regulated Systems	5	For example; cooling towers
Private Water Providers	4	
Housing	35	For example; inspection of private premises due to complaints of mould or squalid living conditions
Recreational Waters - natural	4 sites, 63 samples taken	Water holes and rivers tested during summer months
Recreational Waters Pools and Spas - Council owned	3 sites, 85 samples	Includes the Launceston Aquatic Centre, the Basin Pool and Lilydale Pool
Immunisations	3595	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	891	Food businesses that have occupy a fixed premise
Registration of Temporary Food Business	289	Includes school fairs, sporting events, festivals and markets etc.
Registration of Statewide Food Businesses	85	Includes mobile food vans, trailers and stalls
Food Complaint Inspections	68	Complaints made by customers which may or may not be justified
Inspection of Registered Food Businesses	1021	Includes new premises, random and routine inspections
Improvement Notices issued	58	Compliance notice issued to food businesses to rectify food safety issues
Prosecutions	0	
Prohibition Orders	7	For serious non-compliances of food businesses against the <i>Food Act 2003 (Tas)</i>
Infringement Notices	10	Failure to comply with the <i>Food Act 2003 (Tas)</i> and or the Food Standards Code.
Environment		
Environmental pollution investigations (excluding noise)	159	For example; emissions such as odour, wood smoke, dust
Noise pollution investigations	170	Includes noise from industrial, commercial and residential sources
Infringements	0	
Environmental Protection Notices and Abatements	1	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 2019/2020 financial year:

Contract description	Contract period	Extension option	Tender (T) or contract (C) value excluding extension option and GST	Successful contractor
CD039/2018 Kerbside collection - waste, recycling and FOGO	April 2020 to April 2027	April 2027 to Apr 2034	\$17,878,000 (T)	Veolia Environmental Services
CD036/2018 UTAS Stadium field of play reconstruction	August to November 2019	No	\$3,411,465.36 (T)	Hazell Bros Group
CD029/2019 Granville Street remedial works	January to April 2020	No	\$1,262,374 (T)	Hazell Bros Group
City of Launceston Smart City Mobility Project	March to June 2020	No	\$800,000 (T)	Sage Automation
Petrol and diesel fuel supply	July 2019 to June 2020	Extended annually	Estimated \$800,000	Caltex Australia
CD046/2019 Periodic bitumen spray seal, road surface repairs	January 2020 to June 2022	No	Estimated \$600,00	Crossroads Civil Contracting Fulton Hogan Industries Pty Ltd
Annual Technology One license fee	July 2019 to June 2020	Extended annually	\$566,102.61 (C)	Technology One Ltd
Computer hardware	November to December 2019	No	\$457,893 (C)	Intuit Technologies
Launceston Aquatic Centre gas supply, gas and network connection fees	January 2021 to June 2021	No	Estimated \$450,000 (C)	Aurora Energy
CD004/2020 Prossers Forest Road asset upgrade	March to June 2020	No	\$327,249.20 (T)	Crossroads Civil Contracting
Purchase of Esri Australia software, support and maintenance	November 2019 to November 2022	No	\$300,000 (C)	Esri Australia
CD009/2019 UTAS Stadium practice cricket nets	November to December 2019	No	\$283,664.38 (T)	The Baker Group
CD008/2019 Vegetation management services and hire of machinery and equipment with an operator	July 2019 to June 2022	No	Estimated \$250,000 (C)	Equity Labour Services Digga Excavations Mytrax C2 Demolition M & G Brooks Graeme Blyth Shaw Contracting Streetwise Mick Carter Gradco Complete Earth Works
CD045/2019 Periodic supply of asphalt for road/footpath works	February 2020 to June 2022	No	Estimated 250,000 (C)	Fulton Hogan Industries Pty Ltd Crossroads Civil Contracting Deray Contractors Northseal Pty Ltd

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).

Regulation 27(a) provides for non-application of the tender process when there is an emergency, if, in the opinion of the general manager, there is insufficient time to invite tenders for the goods or services required in that emergency.

Reason for not inviting public tenders	Description of goods or services acquired	Value of the goods or services acquired excluding GST	Name of supplier
Market volatility means there is insufficient time to apply the tender process	Electricity	Estimated \$1,136,351	Aurora Energy

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 2019/2020 financial year:

Contract description	Contract period	Extension option	Value excluding extension option and GST	Successful contractor
Purchase of a Volvo truck	August 2019 to February 2020	No	\$249,380	Webster Trucks and Motors TAS
Supply and replace stormwater pumps	October 2019 to June 2020	No	\$245,790	Industrial Fire & Electrical Pty Ltd
Blaydon Street road works	February to June 2020	No	\$216,484	Crossroads Civil Contracting Pty Ltd
Upgrade to the program pool at Launceston Aquatic Centre	July to September 2019	No	\$208,409	Tas City Building Pty Ltd
Taroona Street flood gate replacement civil works	October to November 2019	No	\$206,469.91	Paul Zanetto Pty Ltd
Tyre recycling service	July 2019 to June 2020	No	\$163,636.36	Tyrecycle Pty Ltd
Rocherlea Recreation Ground upgrade to change rooms	December 2019 to March 2020	No	\$158,801	Tas City Building Pty Ltd
Purchase of a backhoe	February to May 2020	No	\$150,470	Komatsu Australia Pty Ltd
Road and footpath inspections	October 2019 to June 2020	No	\$145,788	Infrastructure Management Group Pty Ltd

Contract description	Contract period	Extension option	Value excluding extension option and GST	Successful contractor
Contract NRM030: inspection services for sewerage intrusion into stormwater	January to December 2020	No	\$140,000	AJ Water & Leak Detection
Purchase of an Isuzu truck	February to June 2020	No	\$139,355.88	Webster Trucks and Motors TAS Pty Ltd
Supply and install soft fall surface at Riverbend Park	July to September 2019	No	\$113,813	Playtas Group Pty Ltd
Upgrade Paterson Street Carpark elevator	August 2019 to June 2020	No	\$102,800	Otis Elevator Company Pty Ltd
Supply and install CCTV equipment and network infrastructure at Paterson Street Carpark	February to June 2020	No	\$102,410	TMR Systems Pty Ltd
Fire reduction burning program at various sites	October 2019 to May 2020	No	\$101,295	Ground Proof Mapping Pty Ltd
Purchase of forklift	May to August 2020	No	\$100,000	FRM Materials Handling Pty Ltd



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 the Council in relation to any activity undertaken pursuant to section 21 as compared with its objectives for the preceding financial year. Section 21 relates to the exercise of enterprise powers.

Enterprize Tasmania Ltd

We are an initial member and shareholder 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:

- Foster and build a start-up ecosystem and entrepreneurial community within Tasmania;
- Promote innovation and entrepreneurship in Tasmania by assisting innovators to develop, test and commercialise their ideas;
- 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;
- Provide access for all members of the Tasmanian community to events, training and education that encourage and support innovation, entrepreneurship and commercialisation activities;
- 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
- Do 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 <https://enterprize.space/> and information about their activities and performance over the past 12 months is available at <https://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:

- To efficiently provide water and sewerage functions in Tasmania;
- To encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis;
- To be a successful business and, to this end -
 - To operate its activities in accordance with good commercial practice; and
 - To deliver sustainable returns to its members; and
 - 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, in TasWater's Annual Report.

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:

- Provide proactive, engaged and strategic regional economic leadership;
- Consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the organisation's members encompass;
- Implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and
- 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 per cent share in Australia Pacific Airports (Launceston) Pty Ltd in the form of capital notes.

The book value of these notes is \$257,556 as at 30 June 2020. These notes entitle the 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 2019/20 financial year, Council received a dividend of \$746,000 for its investment, compared with a budgeted revenue of \$500,000.

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:

- Administer, manage and improve the common property reasonably and for the benefit of the owners and occupiers of the lots; and
- Maintain the service infrastructure in good and serviceable order and condition; and
- Prepare and maintain a fire prevention, detection and evacuation plan; and
- Prepare and maintain a building security protocol plan over the site;
- Exercise its powers under the Act; and
- To enforce the by-laws; and
- 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
- 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, the 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.

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 key sites in the Launceston central business district. The objectives of the redevelopment are to address economic and education challenges currently being faced by the City. Construction-related benefits, job creation and operations-related benefits are expected to complement increased amenity and activity in the City. Due to the recent nature of the partnership, 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.

Allowances and Expenses Statement Local Government Act 1993

In 2019/20 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	\$ 546,305
Expenses	\$ 23,177

Donation of Land Statement

Local Government Act 1993 Section 72(1)(da) requires the City of Launceston to report on any land donated by the Council during the year. The Council made no such donations of land.

Public Interest Disclosure Statement

In accordance with Section 86 of the *Public Interest Disclosures Act 2002* (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.

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 2019 to 30 June 2020.

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 Vision Statement

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

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 2019/20 which is demonstrated by the seven strategic priorities, 10-year goals and focus areas.

Strategic Asset Management Plan 2019 to 2039

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

The SAMP covers 33,000 individual assets with a combined current replacement value of \$2.03 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

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

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

The LTFP estimates the future operating revenues and expenses associated with operating requirements, capital expenditure and asset management renewal, in support of the deliverables in the Corporate Strategic Plan. It also provides a mechanism for 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 to 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, this will occur early in the 2020/21 financial year.

Annual Plan 2019/20

The following pages provide an update on the final status of Annual Plan 2019/20 actions for the period ending 30 June 2020. The Annual Plan 2019/20 and its reporting takes its structure from the Corporate Strategic Plan 2014 to 2024: 2019 Review, therefore progress against the Annual Plan 2019/20 is reported in terms of the plan's contribution to the achievement of the strategic priorities.





REPORTING ON THE ANNUAL PLAN 2019/20

The City of Launceston's Annual Plan for 2019/20 was developed around the seven Strategic Priority areas outlined in the Strategic Plan 2014-2024.

2019/20 Annual Plan Actions

Final progress report for period ending 30 June 2020

 **5**

COMPLETE

 **20**

IN PROGRESS

 **7**

DEFERRED
BY COUNCIL

 **0**

NOT STARTED

Action	Progress Comments	Network	Progress
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STRATEGIC
PRIORITY

1

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 lead the implementation of the GLP via collaborative and constructive relationships with our regional partners.

Review the GLP to provide an agreed vision and evidence based plan to guide the sustainable development of the GLP area over the medium and longer term horizons, which is supported by all member councils.

Northern Tasmania Development Corporation (NTDC) have agreed to undertake a coordinating role for this project. A tender package for the project has been finalised, however, this project was deferred by 18 months due to the financial impact that the COVID-19 pandemic has had on the Council's operational budget.

Chief Executive Officer



Deferred
by Council
28 May 2020

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

Develop a framework for delivery of a Regional Recreation Strategy (Regional Sports Plan) in conjunction with sporting clubs, the State Government and neighbouring councils.

The works have been tendered for but an appointment of a consultant to assist in development of the plan has been put on hold due to the fact that the region's sporting associations and teams are currently managing the impacts of the COVID-19 pandemic and are not well placed to be actively contributing to this process.

Infrastructure and Assets



The project will re-commence in late 2020/2021 once we are comfortable the community sporting clubs are in a position to actively engage in this Plan that will guide our sports infrastructure spending over the next 10 years.

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

Develop the City of Launceston's capacity to deliver consistent, sustainable and more effective community engagement for our stakeholders.

Our Tomorrow Together Community Engagement Program passed the halfway mark when we launched our fourth of six themes (Mobile and Accessible) in December. The fifth theme (Social, Inclusive and Fair) was ready to launch but was put on hold due to COVID-19 pandemic. Planning has commenced to complete the consultation on the fourth and fifth themes in 2020.

Chief Executive Officer



Action	Progress Comments	Network	Progress
Focus Area: To develop and consistently utilise contemporary and effective community engagement processes.			
Develop a Community Engagement Policy, Strategy, Framework and Toolkit, as well as to provide training to our identified 'Champions' across the City of Launceston.	<p>The Community Engagement Strategy is complete and specific 'Champion' training has been undertaken with around 25 identified employees. This continues on an ongoing basis. An updated Community Engagement Framework and Toolkit is yet to be completed.</p> <p>This action has been carried over to the 2020/2021 financial year.</p>	Chief Executive Officer	 Deferred by Council 28 May 2020

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 provide an environment that is supportive to business and development within the municipality.

Cultural Strategy

- Complete and commence implementation of a Cultural Strategy for the City of Launceston.

The deadline for community consultation on the draft Strategy was extended in the wake of the COVID-19 pandemic. A new consultation plan is in place, but the adoption of the final Strategy will inevitably be later than originally planned.

Creative Arts and Cultural Services



Action	Progress Comments	Network	Progress
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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 ensure decisions are made on the basis of accurate and relevant information.

Level of Service Planning Stage 1

- Commence planning to document service levels, review appropriateness of services, and engage with the community around expectations.

The intention was to commence in May 2020 once a dedicated project resource was employed. The project is currently on hold and with project planning to commence in 2020/2021.

Organisational
Services



Deferred by
Council 28
May 2020

Focus Area: To continually improve our service delivery via a continuous improvement mindset, pursuing efficiency gains, and adopting technological and other process innovations.

Organisational Alignment Project

- Implement outcomes of the Organisational Alignment Project.

The Organisational Alignment project has been substantially completed. Work will continue on the revised governance structures for UTAS Stadium and QVMAG over the next two-three years, however, these elements of the project will be separately reported moving forward.

Chief Executive
Officer



Organisational Cultural Development Roadmap


- Continue to implement an organisational development program, with a focus on organisational culture, Lean and leadership development.

The Cultural Roadmap contains seven Focus areas for improvement including the Organisational Alignment Project (OAP), Cultural Action Planning and Embedding our Values and Behaviours. All of these things have been progressing steadily and simultaneously, with some areas more advanced along the timeline with an increased focus on developing our leaders and setting them up to succeed in our revised organisational structure. Through the OAP, a number of other opportunities for improvement were identified and these have been incorporated into the Cultural Roadmap: for example, the need for a greater focus on professional and skill development and more accountable, inclusive and collaborative leadership. Our Cultural Roadmap already included a focus on many of these items, and the OAP feedback has reinforced their importance and helped us to identify areas of priority.

Organisational
Services



The implementation of actions which form part of our Cultural Roadmap will progress over a number of years - the actions are currently planned out until December 2021. Roll out of leadership development training was placed on hold due to COVID-19 pandemic but other elements progressed.

Action	Progress Comments	Network	Progress
Review organisational Information and Communications Technology (ICT) Strategy.	The current strategy is due for review and will commence once the Organisational Alignment Project embeds new resources to support a holistic review. This action is to be delivered in 2020/2021.	Organisational Services	 Deferred by Council 28 May 2020
Focus Area: Focus Area: To maintain a financially sustainable organisation.			
Diversifying our Income Streams <ul style="list-style-type: none"> Conduct a feasibility study on diversifying income streams for Creative Arts and Cultural Services. 	The action will become part of governance review for Creative Arts and Cultural Services.	Creative Arts and Cultural Services	 Deferred by Council 31 October 2019
Focus Area: To provide for the health, safety and welfare of the community.			
Workplace Health and Safety <ul style="list-style-type: none"> Review Safety Management System and commence implementation of review findings. 	Project is well progressed and an external consultant has completed a draft Workplace Health and Safety Management Plan. New resources have been embedded in the Workplace Health and Safety Team to support the review and its implementation. Some components of the developed safety improvement plan will roll over to the 2020/2021 financial year.	Organisational Services	
Focus Area: To fairly and equitably discharge our statutory and governance obligations.			
Commence renegotiation of the City of Launceston Enterprise Agreement.	Planning for negotiations was undertaken - formal negotiations were placed on hold due to COVID-19 pandemic and consultation was undertaken with the workforce regarding a 12 month roll over of the 2016 Enterprise Agreement. Both the Australian Services Union and the Council's Management have since agreed upon this rollover, and both parties have signed a Memorandum of Understanding.	Organisational Services	

Action	Progress Comments	Network	Progress
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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.

<p>Launceston City Heart - Wayfinding and Connectivity Implementation - City Deal Agreement</p> <ul style="list-style-type: none"> Implementation of wayfinding treatments in the CBD (Launceston City Heart area). 	<p>A number of trial wayfinding signs have been installed around the City and Seaport area.</p> <p>A contract has been awarded for rolling out the signage from June through to September 2020.</p>	<p>Infrastructure and Assets</p>	
<p>Launceston Heritage List Review and Precincts</p> <ul style="list-style-type: none"> A review of the City of Launceston's local heritage list. 	<p>This project is on track and in the third year of a five-year review.</p>	<p>Community and Place</p>	
<p>Collection Audit</p> <ul style="list-style-type: none"> As part of the Digital Cultural Experience migrate QVMAG collection information onto new platform. 	<p>The first collections are now complete and ready for the data to be migrated within the Digital Cultural Experience (DCE) project. However, progress has now been significantly impacted by COVID-19 pandemic.</p>	<p>Creative Arts and Cultural Services</p>	

Focus Area: To continue to offer an attractive network of parks, open spaces and facilities throughout Launceston.

<p>St John Street Redevelopment - City Deal Agreement</p> <ul style="list-style-type: none"> Commence the redevelopment of St John Street (Central North and Central South) as part of Stage 1 of the Launceston City Heart Masterplan. 	<p>Work is nearing completion on the identification of future arrangements for re-locating the bus interchange from St John Street. Once complete, the St John Street Redevelopment Plan will be reviewed and refined, with work expected to commence on the re-development in 2020.</p>	<p>Infrastructure and Assets</p>	
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Action	Progress Comments	Network	Progress
Focus Area: To support the central business district (CBD) and commercial areas as activity places during day and night.			
Launceston City Heart <ul style="list-style-type: none"> Implement Stage 2 Implementation Planning. 	<p>Council will partner with the State Government to develop the bus interchange, which will include dedicated bus stops, as well as an undercover waiting area. This will allow the relocation of bus stops currently located in St John Street, and pave the way for the future redevelopment of the street as part of the Launceston City Heart Project.</p> <p>The purchase of the Birchalls building will facilitate the private development of a ground-level arcade and serve as a public thoroughfare linking the Brisbane Street Mall to the proposed bus interchange.</p> <p>The Paterson Street Central car park purchase will enable the private development on the remainder of the site - a proposed \$80 million creative industries precinct funded by the New Creative Group.</p> <p>The Group's proposal will encompass world-class education in design and technology, a virtual and augmented reality enterprise, commercial offices, modern food and retail offerings, as well as student accommodation.</p> <p>The Council's newly created Placemaking Team will be working through engagement and conceptual design of these projects in 2020/2021.</p>	Infrastructure and Assets	 <p>Deferred by Council 28 May 2020</p>


STRATEGIC
PRIORITY

5

We serve and care for our community by providing equitable and efficient services that reflect the 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 develop and manage infrastructure and resources to protect our community from natural and other hazards.			
Review and implement planning controls to align with 2018 River Flood Study.	<p>A draft discussion paper has been prepared which has been workshopped with Councillors and key stakeholders.</p> <p>The project has been placed on hold. Subject to budget allocations it is likely to be commenced in the 2021/2022 financial year.</p>	Community and Place	

Action	Progress Comments	Network	Progress
<p>Focus Area: To develop and manage infrastructure and resources to protect our community from natural and other hazards.</p>			
<p>Stormwater Management Plans</p> <ul style="list-style-type: none"> Analyse results of hydraulic modelling developed over the past three years to finalise stormwater management plans for key urban catchments. 	<p>The Stormwater System Management Plan was adopted by Council at its Meeting held on 28 November 2019.</p> <p>Key priorities from this Plan are as follows:</p> <ul style="list-style-type: none"> Community resilience - improve flood awareness for people in flood-prone areas. Development controls - update E5.0 Flood Prone Areas Code overlay to include mapped overland flow paths and flooding of urban waterways. Structural interventions - priority projects include Prospect and Guy Street North. Water quality and aquatic habitat mitigation measures - review Urban Open Drain Procedure, reinstate riparian vegetation, protect wetlands, implement monitoring program. 	<p>Infrastructure Services</p>	
<p>Focus Area: To plan for and provide services and facilities that recognise the changing demographics and needs of our community.</p>			
<p>My Place My Future (Northern Suburbs Revitalisation Strategy)</p> <ul style="list-style-type: none"> Stage 2 Implementation. 	<p>The <i>My Place My Future</i> Plan was successfully launched in August 2019 with the next stage of this project to be implementation and delivery of the plan. This implementation Plan has been finalised and prior to its release, was going to go through another period of community consultation. This did not happen due to COVID-19 pandemic, so implementation is progressing through all levels of government. Local government led projects have commenced in the areas of a social enterprise toolkit, neighbourhood leadership program, and a Mowbray industrial precinct revitalisation study.</p>	<p>Community and Place</p>	
<p>Review Council's Access Action Plan.</p>	<p>The review is on track, with extensive consultation occurring at present. The first draft has been workshopped with the Access Advisory Committee and various external stakeholders. It was scheduled for a Council Workshop in April, which was postponed due to COVID-19 pandemic. Upon rescheduling, this can progress to development of the final plan and adoption.</p>	<p>Community and Place</p>	
<p>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.</p>			
<p>Continue to roll out the <i>ABCDE</i> Learning Sites approach to Mowbray.</p>	<p>The consultation, workshops, project planning, and delivery of the Mowbray Learning Site has been completed with an asset map delivered, project list being refined and the launch of the <i>Dear Mowbray</i> video completed. The final report has been released.</p>	<p>Community and Place</p>	

Action	Progress Comments	Network	Progress
Focus Area: To define and communicate our role in promoting social inclusion and equity.			
Develop a Social Inclusion Framework.	This action was intended to span two reporting years. Although progress slowed after commencement due to the impacts of COVID-19, research and benchmarking has begun. Internal consultation is now underway with a draft framework being developed to aid in external consultation in the second half of 2020.	Community and Place	


STRATEGIC
PRIORITY

6

We protect our environment by caring for our unique natural assets and amenity, and sensitively managing future development opportunities.

We strive to minimise the impact of our actions on the environment, while planning for, adapting to and managing the impact of climate change. We want to protect the special character and values of our city for future generations.

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 contribute to air and river quality improvements in Launceston.			
<p>River Health Action Plan - Implementation.</p> <ul style="list-style-type: none"> The project will include the 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). 	<ul style="list-style-type: none"> The Council has been working closely with TasWater to develop the implementation plan for the combined drainage works. The 12 month program delivered by the Council to remove cross connections from separated sewer systems into stormwater in Launceston and West Tamar municipalities is on track. The program is extending to the Launceston suburbs in the Meander municipality, which will see the inspection of stormwater pipes for all of Launceston. Significant work has been undertaken on sediment management within the Estuary. A Working Group has been established to review management options, with the intent to discuss options with the community when suitable. Detailed communications strategy has been developed and implementation commenced. Continuation of Tamar Action Grants process, with further rounds of funding for land holders to be released. 	Infrastructure and Assets	

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

Sustainability Strategy

Commence development of a Sustainability Strategy that will:

- Identify actions and strategic projects to improve resource recovery and diversion away from landfill.
- Outline an energy and greenhouse gas reduction action plan to enable the City of Launceston to reduce its carbon footprint.
- Identify actions to build community and infrastructure resilience in light of the potential impacts of future climate change.

The Sustainability Strategy was adopted by Council on 3 October 2019. The key aspects of the Strategy are:

- The development of an implementation action plan for the City of Launceston to strive towards achieving 100% neutrality of carbon emission by 2025.
- A renewable energy action plan for the City of Launceston to move towards 100% renewables as sources of energy by 2025.
- A plan for engaging and working with the community, business and not-for-profit sectors to reduce community emissions and move towards renewables.
- Acknowledgement of the reality of our changing climate and other forms of environmental degradation as urgent matters to be addressed.
- Council's commitment to seeking positive solutions for climate change mitigation and adaptation under the implementation action plan.

A greenhouse gas audit has been undertaken which will provide direction for development of a greenhouse gas reduction plan in 2020/2021 to progress towards these targets.

Infrastructure and Assets



Action	Progress Comments	Network	Progress
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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.

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

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

Construction of the Library and Student Experience building and bridge to Willis Street have commenced, while development applications for the River's Edge building and building on the Willis Street site have been lodged with the Council. The parking plan for the Inveresk precinct has been completed and approved by the Council. UTAS is currently preparing a Development Application for a carpark on the northern round-house site and work is underway for UTAS to lease the land from the Council following the request from the Royal National Agricultural and Pastoral Society of Tasmania Limited (RNAPS) to surrender their current lease. The land transfer agreement between the Council and UTAS has been largely completed with the formal land transfer to occur prior to the end of 2020.

Chief
Executive
Officer



Focus Area: To ensure our suite of strategic planning initiatives are coordinated, and representative of our community's needs and aspirations.

City Deal Agreement


- Continue to work with the commonwealth and state governments to successfully implement all of the City of Launceston's commitments under the City Deal program to deliver a range of economic and social benefits to the City.

Work on Launceston City Deal projects is continuing. The Regional Economic Development Strategy was approved by the Council 1 December 2019, and this follows the delivery of the My Place My Future Plan, River Health Action Plan, Greater Launceston Transformation Project and City Heart projects. This inaugural Launceston City Cultural Strategy is currently undergoing public consultation with this process having been extended to accommodate the impacts from the COVID-19 pandemic.

Chief
Executive
Officer



Actions	Progress Comments	Network	Progress
<p>Focus Area: To improve and maintain accessibility, transport options, and infrastructure within the Launceston area, including its rural areas.</p>			
<p>Launceston Transport Strategy</p> <ul style="list-style-type: none"> Develop a Transport Strategy for the municipality that captures the challenges and opportunities that come with the growth and development across the city, the relocation of UTAS to Inveresk and the trends and technological advances in sustainable transport planning and operation. 	<p>The State Government and Northern Councils are collaboratively working on a Transport Vision for the Greater Launceston Area. This vision will include an action plan which identifies the primary investigations and/or on-the-ground works which are needed to understand and address the challenges and opportunities which exist throughout the transport network.</p> <p>The Vision has been endorsed by Council for consultation which will progress when suitable.</p>	<p>Infrastructure and Assets</p>	
<p>Traffic Signal Project</p> <ul style="list-style-type: none"> Upgrade of the City's aging 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 sustainability transport options. 	<p>The final year of the three-year project is on track. Traffic Signal Upgrade is nearing completion, with the benefits of the system realised all components are installed. Milestones achieved include replacement of all 1980s-era PTF-type signal controllers, the first batch of 20 signal controller replacements complete and traffic monitoring cameras on Wellington Street installed. Stage 1 of the traffic signal cabinet art project is complete. Stage 2 will deliver a further 30 painted/vinyl-wrapped cabinets. Elements of the Smart City Mobility Project have been delayed due to the COVID-19 pandemic, however, the Strategic Transport Multi Modal Model is on track for completion in July and work has commenced on the Green Travel Framework and the Live Platform and Analytics project.</p>	<p>Infrastructure and Assets</p>	
<p>St Leonards Residential Growth Strategy and Masterplan.</p>	<p>Significant consultation and investigation activity has been completed. Long term financial plan modelling will now be undertaken. Regional transport network impacts will further inform the draft strategy and masterplan.</p>	<p>Community and Place</p>	 <p>Deferred by Council 28 May 2020</p>

Actions	Progress Comments	Network	Progress
South Prospect Residential Growth Strategy and Master plan.	A concept site development plan has been prepared for the purposes of discussion and feasibility analysis. Further work is necessary to develop the concepts into rezonings and planning scheme amendments for inclusion in the Launceston Local provision schedules later in 2020. Amendments to the Northern Region Land Use strategy are being prepared to facilitate the rezonings.	Community and Place	

Focus Area: To ensure that our application of the land-use planning system at a local and regional level is effective and efficient.

Launceston Planning Scheme

- Finalise the local provisions of the Launceston Planning Scheme for translation to the new State-wide planning scheme framework.

Local provisions have been endorsed by Council and submitted to the Tasmanian Planning Commission for consideration prior to the formal public advertising process.

Awaiting Planning Commission decision. Progress on consultation has been delayed due to uncertainty created by COVID-19 pandemic.

Community and Place



FINANCIAL RATIOS

	2020	2019	2018	2017	2016
CURRENT RATIO	3.65:1	4.12:1	3.32:1	2.15:1	2.03:1

To assess the adequacy of working capital (net current assets)

Current Assets less restricted assets	54,701,402	70,902,463	64,164,688	63,631,600	56,894,765
Current Liabilities	14,978,826	17,218,839	19,317,591	29,550,593	28,078,600

Restricted assets includes funds held in trust and the Waste Centre Rehabilitation provision.

INTEREST EXPENSE TO OPERATING REVENUE RATIO	0.31%	0.32%	0.43%	0.36%	0.38%
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To assess the degree to which revenue is committed to interest

Interest Expense (External loans)	315,357	333,498	436,173	354,386	357,381
Operating Revenue (untied)	101,313,905	103,384,177	101,319,632	99,331,053	93,000,753

RATE COVERAGE RATIO	61.4%	57.9%	56.8%	56.8%	59.7%
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To assess dependence on rate revenue

Rate Revenue (Untied)	62,211,222	59,903,671	57,558,624	56,370,820	55,567,799
Operating Revenue (Untied)	101,313,905	103,384,177	101,319,632	99,331,053	93,000,753

GRANT COVERAGE RATIO	8.9%	9.5%	8.9%	10.8%	6.0%
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To assess dependence on grant revenue

Grant Revenue (incl. QVM&AG)	9,033,483	9,776,305	9,038,417	10,734,138	5,616,256
Operating Revenue (untied)	101,313,905	103,384,177	101,319,632	99,331,053	93,000,753

USER CHARGES COVERAGE RATIO	23.2%	24.3%	24.4%	22.6%	23.6%
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To assess dependence on user charges revenue

User Charges Revenue	23,465,669	25,074,837	24,690,874	22,451,835	21,911,908
Operating Revenue (untied)	101,313,905	103,384,177	101,319,632	99,331,053	93,000,753

DEPRECIATION TO CAPITAL EXPENDITURE	1.6:1	1.6:1	1.64:1	1.58:1	1.4:1
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To compare assets added with depreciation of assets

Capital Works	36,274,394	34,628,808	32,975,000	31,547,000	27,301,000
Depreciation	22,681,034	21,584,324	20,090,015	20,007,332	19,440,415

RATE PAID PER MODAL VALUATION (RESIDENTIAL)

To assess the movement in typical residential rates

Modal AAV	13,200	13,200	12,000	12,000	11,400
Rate Amount -General (inc Fire Levy)	1,326	1,395	1,246	1,277	1,278

RATE REVENUE PER CAPITA	\$1038.29	\$1007.30	\$971.80	\$946.21	\$929.12
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To assess the average rate raised per head of population

Revenue Rate	70,610,823	67,941,093	65,114,648	63,567,647	62,323,203
Population	68,007	67,449	67,004	67,181	67,078



FINANCIAL REPORT

2019 – 2020

CITY OF LAUNCESTON

FINANCIAL STATEMENTS

YEAR ENDED 30 June 2020

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STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 June 2020

		Actual	Budget (Unaudited)	Actual
	Note	2020 \$000	2020 \$000	2019 \$000
REVENUES				
Rates and Charges	3.1	70,611	70,251	67,939
Fees and Charges	3.2	23,465	25,605	25,074
Revenue Grants and Contributions				
Financial Assistance Grants	3.3	4,346	4,337	4,452
Other Operating Grants	3.3	4,687	4,091	5,325
Capital Grants and Contributions	3.4	34,977	2,834	18,139
Interest	3.5	1,507	2,095	2,042
Interest - Capital Funds	3.5	-	-	4
Investment Revenue	3.6	2,108	3,224	3,465
Bequests	3.7	134	188	157
Other	3.8	2,854	2,168	2,962
		<u>144,689</u>	<u>114,793</u>	<u>129,559</u>
Infrastructure Adjustments	3.9	-	-	477
Total Revenue		<u>144,689</u>	<u>114,793</u>	<u>130,036</u>
EXPENSES				
Maintenance of Facilities and Provision of Services				
Employee Benefits	4.1	43,117	43,204	40,953
Materials and Services	4.2	40,935	40,471	36,087
Impairment of Debts	4.3	12	26	30
Finance Costs				
Interest on Loans	4.4	315	304	333
Interest Lease Liabilities	4.4	8	-	-
Provision for Rehabilitation	10.1	-	318	25
Change in Provision for Rehabilitation	10.1	2,835	-	-
Depreciation and Amortisation	4.5	22,681	21,358	21,584
State Government Fire Service Levy	4.6	8,310	8,310	7,959
Remissions and Abatements	4.7	2,580	240	1,001
		<u>120,793</u>	<u>114,231</u>	<u>107,972</u>
Loss on Disposal of Fixed Assets	4.8	13,069	200	1,758
Total Expenses		<u>133,862</u>	<u>114,431</u>	<u>109,730</u>
SURPLUS (DEFICIT)		<u>10,827</u>	<u>362</u>	<u>20,306</u>
Other Comprehensive Income				
Items that will not be reclassified to surplus or deficit				
Investment Revaluation	8.2	(63,238)		34,564
Actuarial Gains (Losses)	10.2	442		(1,383)
Net Infrastructure Asset Revaluation Increase (Decrease)	6.1	47,950		14,159
COMPREHENSIVE RESULT		<u>(4,019)</u>	<u>362</u>	<u>67,646</u>

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

		As at 30-Jun-20	As at 30-Jun-19 Restated*
	Notes	\$000	\$000
EQUITY			
Capital Reserves	6.1	216,781	213,758
Revenue Reserves	6.1	1,017,373	1,009,150
Asset Revaluation Reserves	6.1	700,657	652,707
Investment Reserves	6.1	(44,153)	19,085
Trusts and Bequests	6.1	2,359	2,354
TOTAL EQUITY		1,893,017	1,897,054
<i>Represented by:-</i>			
CURRENT ASSETS			
Cash at Bank and on Hand	7.1	879	2,030
Rates and Sundry Receivables	7.2	8,031	8,202
Short Term Investments	7.3	59,466	69,956
Inventories	7.4	721	718
Assets Held for Sale	7.5	3,402	3,402
		72,499	84,308
NON-CURRENT ASSETS			
Deferred Receivables	8.1	258	258
Investments	8.2	208,957	272,195
Intangible Assets	8.3	5,227	5,631
Property, Infrastructure and Plant and Equipm	8.4	1,413,952	1,336,124
Museum Collection	8.5	240,783	237,818
Right of Use Assets	8.6	258	-
		1,869,435	1,852,026
TOTAL ASSETS		1,941,934	1,936,334
CURRENT LIABILITIES			
Deposits and Prepayments	9.1	2,667	1,838
Employee Provisions	9.2	7,273	7,120
Lease Liabilities	9.4	27	-
Sundry Payables and Accruals	9.5	5,011	8,265
		14,978	17,223
NON-CURRENT LIABILITIES			
Employee Provisions	9.2	943	791
Rehabilitation Provision	10.1	14,827	10,452
Interest Bearing Liabilities	9.3	15,000	9,000
Lease Liabilities	9.4	263	-
Superannuation Obligation	10.2	2,906	1,814
		33,939	22,057
TOTAL LIABILITIES		48,917	39,280
NET ASSETS		1,893,017	1,897,054
Commitments for			
Capital Expenditure	11.1	6,207	8,469
Contingent Liabilities	11.2	-	-

* The comparative figures have been restated to reflect the correction of a prior period error. Refer Note 1.2 for details.

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
Year Ended 30 June 2020

	Notes	2020 \$000	2019 \$000
TOTAL EQUITY			
Balance 1 July		1,897,054	1,843,694
Prior Period Error		-	(14,287)
Restated Opening Balance		1,897,054	1,829,407
Adoption of AASB 16		(18)	-
Restated Opening Balance		1,897,036	1,829,407
Surplus / (Deficit)		10,827	20,307
Comprehensive Income		442	(1,383)
Asset Revaluations			
Infrastructure Assets		47,950	14,159
Investments		(63,238)	34,564
Balance 30 June		1,893,017	1,897,054
CAPITAL RESERVES			
Balance 1 July	6.1	213,758	199,659
Surplus / (Deficit)	6.1	3,023	14,099
Balance 30 June		216,781	213,758
REVENUE RESERVES			
Balance 1 July	6.1	1,009,150	1,018,772
Prior Period Error	1.2	-	(14,287)
Adoption of AASB 16		(18)	-
Restated Opening Balance		1,009,132	1,004,485
Surplus / (Deficit)	6.1	7,615	6,048
Comprehensive Income	6.1	442	(1,383)
Transfers	6.1	184	-
Balance 30 June		1,017,373	1,009,150
ASSET REVALUATION RESERVES			
Balance 1 July	6.1	652,707	638,548
Asset Revaluations	6.1	47,950	14,159
Balance 30 June		700,657	652,707
INVESTMENTS			
Balance 1 July	6.1	19,085	(15,479)
Asset Revaluations	6.1	(63,238)	34,564
Balance 30 June		(44,153)	19,085
TRUSTS AND BEQUESTS			
Balance 1 July	6.1	2,354	2,194
Surplus / (Deficit)	6.1	189	160
Transfers	6.1	(184)	-
Balance 30 June		2,359	2,354
		1,893,017	1,897,054

This statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
Year Ended 30 June 2020

	Notes	2020 \$000	2019 \$000
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Provision of Goods and Services (including GST)		(92,762)	(84,728)
Interest Paid		(315)	(333)
State Government Fire Service Levy		(8,310)	(7,959)
Receipts			
Rates and Charges		67,736	66,864
Fees and Charges		27,108	26,436
Grants and Contributions – Revenue		9,033	9,776
Interest Received		1,507	2,046
Other (including GST)		7,982	7,376
Net Cash from Operating Activities	12.1	<u>11,979</u>	<u>19,478</u>
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments			
Capital Works		(36,274)	(34,629)
Transfers (to) from Investments		28,582	(1,406)
Receipts			
Sale of Assets		1,560	1,332
Grants and Contributions – Capital		3,019	14,473
Investment Revenue		2,108	3,465
Net Cash Used In Investing Activities		<u>(1,005)</u>	<u>(16,765)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payments			
Loan Repayments		-	(769)
Repayment of Lease Liabilities		(33)	-
Receipts			
Loan Proceeds		6,000	-
Net Cash From in Financing Activities		<u>5,967</u>	<u>(769)</u>
Net Increase (Decrease) in Cash Held		16,941	1,944
Cash and Cash Equivalents at 1 July		10,330	8,386
Cash and Cash Equivalents at 30 June	12.1	<u>27,271</u>	<u>10,330</u>

This statement should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS
Year Ended 30 June 2020

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 - b) Statement of Compliance
 - c) Presentation of Financial Statements
 - d) Adoption of New and Revised Accounting Standards
 - e) Standards Available for Early Adoption
 - f) Accounting Estimates
 - g) Private Sector Contributions
 - h) Taxation
 - i) Rounding
 - j) Prior Period Disclosure
 - k) Change in Accounting Policies

Prior Period Error

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- 3.3 Revenue Grants and Contributions
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- 7.2 Rates and Sundry Receivables
- 7.3 Short Term Investments
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- 7.5 Assets Held for Sale
- 8.1 Deferred Receivables
- 8.2 Investments
- 8.3 Intangible Assets
- 8.4 Property, Infrastructure and Plant and Equipment
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- 14.2 Significant Business Activities
- 14.3 Special Committees

Statement by the General Manager

Audit Report

Note 1.1 - Statement of Accounting Policies

a) Reporting Entity

This report is a general purpose financial report. All entities through which the Council controls resources to carry out its functions (including the Special Committees detailed in Note 14.3) have been included in these financial statements. Inter-entity balances and transactions have been eliminated.

b) Statement of Compliance

This financial report has been prepared to comply with Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board (AASB) and the *Local Government Act 1993* (as amended). It has been prepared on an accrual and going concern basis under the convention of historical cost accounting, with the exception that certain non-current assets (other than deferred debtors), are included at valuation (refer Notes 8.2, 8.3, 8.4, 8.5). Except as disclosed below the accounting policies adopted are consistent with those of the previous year.

c) Presentation of Financial Statements

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

d) Adoption of New and Revised Accounting Standards

In the current year the Council has adopted the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

Council adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. In accordance with the provisions of this transition approach, Council recognised the cumulative effect of applying these new standards as an adjustment to opening Accumulated Surpluses at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, Council has applied the practical expedients and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

As Council has applied the modified retrospective approach, it has applied the practical expedient described in AASB15.C5(c) for all contract modifications that occurred before application date. In doing so Council did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, Council reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation.

Notes to the Financial Statements

Note 1.1 - Statement of Accounting Policies (Cont)

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The impact of the new standard has changed in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. Under the new income recognition model applicable to not-for-profit entities, Council determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), Council applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, Council considers whether AASB1058 applies.

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

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

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

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council previously recognised income when received. Under AASB 1058, income is recognised when the taxable event has occurred.

Council recognised volunteer services of \$90,939 as revenue (note 3.8). This was offset by a corresponding expense (note 4.2).

AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

Note 1.1 - Statement of Accounting Policies (Cont)

Council has applied this standard from 1 July 2019 using a retrospective approach (partial) with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

AASB 16 has resulted in an operating lease being brought onto the Statement of Financial Position. There are limited exceptions relating to short-term leases and low-value assets which are disclosed in note 3.6.

The calculation of the lease liability has taken into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use asset has been recognised, which has been amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases has been through amortisation and interest charges. Council's current operating lease expenditure is shown at Note 4.4. In the Statement of Cash Flows lease payments has been shown as cash flows from financing activities instead of operating activities.

a) Impact of the new definition of a lease

Council has made use of the practical expedient available on transition to AASB 16 not to reassess whether a contract is or contains a lease. Instead contracts containing a lease under AASB 17 or Interpretation 4 at transition will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

b) Impact of lessee accounting

i) Former operating leases

AASB 16 changes how Council accounts for leases previously classified as operating leases under AASB 17, which were off balance sheet.

Applying AASB 16, for all leases, Council:

- a) Recognises right-of-use of assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income.
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the Statement of Cash Flows.

Lease incentives (e.g rent-free period) are recognised as part of the measurement of the right of use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as small plant), Council has opted to recognised a lease expense on a straight-line basis as permitted by AASB 16. This expenses is presented within 'other expenses' in the Statement of Comprehensive Income.

ii) Former finance leases

AASB 16 requires that Council recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by AASB 117. This change did not have a material effect on the Council's financial statements.

Notes to the Financial Statements

Note 1.1 - Statement of Accounting Policies (Cont)

iii) Lessor accounting

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate. However, AASB 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under AASB 16, an intermediate lessor accounts for the head lease and sub-lease as two-separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right of use asset arising from the head lease (and not by reference to the underlying asset as was the case under AASB 117).

The impact of the recognition of a Right of Use Asset and Lease Liability is:

1 July 2019	\$
Right of Use Asset	296,588
Lease Liability	(314,839)
Retained Earnings	<u>18,251</u>
	<u>-</u>

e) Standards Available for Early Adoption and not Adopted

At the reporting date a number of standards were available for early adoption and relevant to the Council's operations but were not applied by the Council. Those that are likely to have a material effect on the future disclosures of Council are listed at Note 13.3.

f) Accounting Estimates

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

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

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

g) Private Sector Contributions of Property Infrastructure and Plant and Equipment

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

h) Taxation

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

Fringe Benefits Tax, Payroll Tax and Land Tax

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

Notes to the Financial Statements

Note 1.1 - Statement of Accounting Policies (Cont)

Goods and Services Tax

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

i) Rounding

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

j) Prior Period Disclosure

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

k) Change in Accounting Policies

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

Note 1.2 Prior Period Adjustment

In the reporting year ended 30 June 2020 the Council made adjustments to the 30 June 2018 comparative balances to correct a prior period error.

Prior Period Errors

A review of Work in Progress identified costs that should have been expensed rather than capitalised. These costs related to the purchase and construction of assets not controlled by council. Due to their nature, these costs would have been excluded from Council's underlying result. Therefore, prior year underlying results were not impacted by the below error.

	As Previously Reported	Adjustments	Restated
	\$000	\$000	\$000
1 July 2018			
Statement of Financial Position			
Property, Infrastructure and Plant and Equipment	1,319,988	(14,287)	1,305,701
Revenue Reserves	1,018,772	(14,287)	1,004,485
30 June 2019			
Statement of Financial Position			
Property, Infrastructure and Plant and Equipment	1,350,411	(14,287)	1,336,124
Revenue Reserves	1,023,437	(14,287)	1,009,150

Note 2.1 - Functions and Activities of the Council

a) Functions and Activities of the Council

General Public Service

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

Public Order and Safety

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

Health

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

Welfare

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 services.

Recreation and Culture

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

Roads and Traffic

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

Other

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

Full Cost Attribution

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

Notes to the Financial Statements

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

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

	GENERAL PUBLIC SERVICES \$000	PUBLIC ORDER & SAFETY \$000	HEALTH \$000	WELFARE \$000	HOUSING & COMMUNITY AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2020 \$000	BUDGET (unaudited) \$000
REVENUES										
Rates and Charges	57,086	8,400	-	-	4,594	-	-	531	70,611	70,251
Fees	1,015	277	225	-	10,588	4,918	6,382	60	23,465	25,605
Financial Assistance Grants	1,433	-	-	-	-	-	2,912	-	4,345	4,337
Other Grants	559	-	-	171	836	2,559	400	162	4,687	4,091
Interest	1,454	13	-	-	7	33	-	-	1,507	2,095
Interest - Capital Funds	-	-	-	-	-	-	-	-	-	-
Investment Revenue	2,108	-	-	-	-	-	-	-	2,108	3,224
Other (including Bequests)	377	46	3	4	304	2,098	124	33	2,989	2,356
	64,032	8,736	228	175	16,329	9,608	9,818	786	109,712	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	13,753	6,244	3,541	40,935	40,471
Impairment of Debts	-	-	-	-	5	7	-	-	12	26
Interest on Loans and Leases	315	-	-	-	-	-	-	8	323	304
Provision for Rehabilitation	-	-	-	-	-	-	-	-	-	318
Change in Rehabilitation Provision	-	-	-	-	2,835	-	-	-	2,835	-
Depreciation and Amortisation	2,659	13	-	-	3,571	6,018	10,382	39	22,682	21,358
State Government Fire Service Levy	-	8,310	-	-	-	-	-	-	8,310	8,310
Remissions and Abatements	2,167	1	-	-	149	105	59	98	2,579	240
Loss on Fixed Assets	40	-	4	-	12	937	12,076	-	13,069	200
	22,021	9,063	1,075	1,174	27,980	33,510	33,155	5,884	133,862	114,431
Full Cost Attribution	(2,199)	86	150	73	(160)	1,102	763	185	-	-
Competitive Neutrality	(560)	-	-	-	77	335	148	-	-	-
	19,262	9,149	1,225	1,247	27,897	34,947	34,066	6,069	133,862	114,431
Surplus (Deficit) from Operations	44,770	(413)	(997)	(1,072)	(11,568)	(25,339)	(24,248)	(5,283)	(24,150)	(2,472)
Capital Grants and Infrastructure Adjustments										
Capital Grants and Contributions	4,099	-	-	-	1,493	3,708	25,676	-	34,976	2,834
Infrastructure Adjustments	-	-	-	-	-	-	-	-	-	-
Write Down of Assets Held For Sale	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit) Before Other Comprehensive Income	48,869	(413)	(997)	(1,072)	(10,075)	(21,631)	1,428	(5,283)	10,826	362
Infrastructure Assets	63,851	1,164	-	1,170	271,562	293,589	779,636	-	1,410,972	
Work in Progress	402	10	-	-	1,951	922	3,647	1,276	8,208	
Other Assets	281,713	-	-	-	-	240,783	-	258	522,754	
Total Assets	345,966	1,174	-	1,170	273,513	535,294	783,283	1,534	1,941,934	

Notes to the Financial Statements

Note 2.1 - FUNCTIONS AND ACTIVITIES OF COUNCIL (Cont)

(c) Comparative figures for prior year (2019)

	GENERAL PUBLIC SERVICES \$000	PUBLIC ORDER & SAFETY \$000	HEALTH \$000	WELFARE \$000	HOUSING & COMMUNITY AMENITIES \$000	RECREATION & CULTURE \$000	ROADS & TRAFFIC \$000	OTHER \$000	TOTAL 2019 \$000	BUDGET (unaudited) \$000
REVENUES										
Rates and Charges	55,761	8,037	-	-	3,626	-	-	515	67,939	67,449
Fees	992	259	227	140	9,300	6,669	6,804	683	25,074	24,739
Financial Assistance Grants	1,415	-	-	-	-	-	3,037	-	4,452	4,231
Other Grants	467	100	-	16	681	1,500	161	2,400	5,325	3,078
Interest	1,977	11	-	-	5	49	-	-	2,042	1,970
Interest - Capital Funds	-	-	-	-	-	-	4	-	4	-
Investment Revenue	3,465	-	-	-	-	-	-	-	3,465	3,174
Other (including Bequests)	135	5	-	2	214	2,103	607	53	3,119	2,293
	64,212	8,412	227	158	13,826	10,321	10,613	3,651	111,420	106,934
EXPENSES										
Employee Costs (net of capitalised)	12,549	386	977	927	6,183	12,877	4,714	2,340	40,953	42,053
Materials and Services	2,358	595	57	429	13,558	12,509	3,826	2,755	36,087	36,282
Impairment of Debts	(4)	20	6	-	3	4	-	1	30	31
Interest on Loans and Leases	333	-	-	-	-	-	-	-	333	491
Provision for Rehabilitation	-	-	-	-	25	-	-	-	25	311
Change in Rehabilitation Provision	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	2,606	12	-	-	3,164	5,821	9,977	4	21,584	20,689
State Government Fire Service Levy	-	7,959	-	-	-	-	-	-	7,959	7,959
Remissions and Abatements	998	2	-	-	1	-	-	-	1,001	940
Loss on Fixed Assets	17	8	-	-	167	695	871	-	1,758	520
	18,857	8,982	1,040	1,356	23,101	31,906	19,388	5,100	109,730	109,276
Full Cost Attribution	(2,119)	83	146	71	(228)	1,075	717	255	-	-
Competitive Neutrality	(546)	-	-	-	75	326	145	-	-	-
	16,192	9,065	1,186	1,427	22,948	33,307	20,250	5,355	109,730	109,276
Surplus (Deficit) from Operations	48,020	(653)	(959)	(1,269)	(9,122)	(22,986)	(9,637)	(1,704)	1,690	(2,342)
Capital Grants and Infrastructure Adjustments										
Capital Grants and Contributions	7,816	-	-	-	3,835	3,785	2,703	-	18,139	14,450
Infrastructure Adjustments	(3,577)	-	-	-	970	572	2,512	-	477	-
Write Down of Assets Held For Sale	-	-	-	-	-	-	-	-	-	-
Net Surplus (Deficit) Before Other Comprehensive Income	52,259	(653)	(959)	(1,269)	(4,317)	(18,629)	(4,422)	(1,704)	20,306	12,108
Infrastructure Assets	40,301	1,148	-	1,144	273,607	280,554	728,779	-	1,325,533	
Work in Progress	435	-	-	-	3,059	9,272	3,453	-	16,219	
Other Assets	356,764	-	-	-	-	237,818	-	-	594,582	
Total Assets	397,500	1,148	-	1,144	276,666	527,644	732,232	-	1,936,334	

Notes to the Financial Statements

Note 3.1 - Rates and Charges

	2020 \$000	2019 \$000
Valuation and Rating		
Gross Assessed Annual Value of the City	700,150	637,659
Rates	Cents/\$AAV	Cents/\$AAV
General Rate - Residential	6.7654	7.4383
General Rate - Commercial	7.8384	7.7017
General Rate - CBD Variation	9.3823	9.2035
General Rate - Industrial	7.8436	7.8436
General Rate - Public Purpose	7.8384	7.7086
General Rate - Primary Production	7.5215	7.7017
General Rate - Sporting and Recreation	7.8384	7.3562
General Rate - Quarrying and Mining	6.1270	5.1139
General Rate - Vacant Land	6.8554	6.8146
Service Rates		
Fire Protection - Urban	1.3869	1.4580
Fire Protection - Rural	0.3378	0.3677
Fire Protection - Lilydale District	0.3781	0.3951
	\$	\$
General Charge (Fixed Amount)	290.60	282.70
Minimum Rates apply:-		
Fire Levy	41.00	40.00
SERVICE CHARGES	\$ Range	\$ Range
Waste Management - on bin size	105 - 249.75	105 - 221

The Assessed Annual Value of the City is as determined by the Valuer-General for the year ended 30 June, 2020.

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

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

Notes to the Financial Statements

Note 3.1 - Rates and Charges (Cont)

	2020 \$000	2019 \$000
Rating Revenue		
General Rates		
General Charge	10,343	10,152
General Rate - Residential	28,809	28,064
General Rate - Commercial	10,085	9,727
General Rate - CBD Variation	531	515
General Rate - Industrial	3,029	3,021
General Rate - Public Purpose	3,028	3,163
General Rate - Primary Production	961	893
General Rate - Quarrying and Mining	6	5
General Rate - Sporting and Recreation	253	230
General Rate - Vacant Land	572	506
Total General Rates	<u>57,617</u>	<u>56,276</u>
Fire Protection	8,400	8,037
Waste Management	4,594	3,626
Total Rates	<u><u>70,611</u></u>	<u><u>67,939</u></u>

Accounting Policy for Rates Revenue

Rates revenue is recognised when a right to receive payment arises. This occurs in the financial year that rates are levied.

Rates and charges revenue received for future rateable periods not yet levied are recognised as a liability.

Note 3.2 - Fees and Charges

	2020 \$000	2019 \$000
Trading Fees	14,321	14,788
Regulatory Fees	3,443	2,984
Fines	1,219	1,456
Sales	3,393	4,376
Services	1,084	1,465
Venue Hire	5	5
	<u><u>23,465</u></u>	<u><u>25,074</u></u>

Accounting Policy for Fees and Charges Revenue

Revenue is recognised when:

Fees and Charges Applicable for 2019-20

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.

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.

Fees and Charges Applicable for 2018-19

Fees and Fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Notes to the Financial Statements

Note 3.3 - Revenue Grants and Contributions

	2020 \$000	2019 \$000
Commonwealth Funded Financial Assistance Grants		
Grant Funds Received for Reporting Year	4,372	4,365
Grant Received in Prior Year	(2,261)	(2,174)
Grant Received for Next Year	2,235	2,261
	4,346	4,452
Commonwealth Funded Operating Grants		
Ongoing Grant Funding		
Training Subsidies	3	5
Diesel Rebate	255	160
	258	165
Other Grants	1,004	2,118
Total Commonwealth Funded Operating Grants	1,262	2,283
State Funded Operating Grants		
Ongoing Grant Funding		
Queen Victoria Museum and Art Gallery	1,484	1,451
Launceston Flood Authority	536	524
Launceston Visitor and Information Centre	120	120
Motor Tax	167	157
	2,307	2,252
Other Grants	603	617
Total State Funded Operating Grants	2,910	2,869
Private Sector Contributions	515	173
Total Other Operating Grants	4,687	5,325

Accounting Policy for Grant Revenue

For grant recognition accounting policy refer note 3.4

Note 3.4 - Capital Grants and Contributions

	2020 \$000	2019 \$000
State Funded Capital Grants and Contributions		
Museum	-	20
Parks and Recreation	-	726
Sports Grounds	-	1,118
Roads	25,221	241
Other	883	4,101
	26,104	6,206

Notes to the Financial Statements

Note 3.4 - Capital Grants and Contributions (Cont)

	2020 \$000	2019 \$000
Commonwealth Funded Capital Grants		
Parks and Recreation	-	200
Sports Grounds	420	-
Roads	1,207	3,488
Other	-	4,048
	1,627	7,736
Private Sector Funded Contributions		
Museum	3,249	174
Parks and Recreation	110	45
Sports Grounds	11	277
Roads	2,013	1,678
Stormwater	1,493	981
Other	370	1,042
	7,246	4,197
Total Capital Grants and Contributions	34,977	18,139

During the year Council engaged in an asset swap with the State Government, where \$11,260,869 Council owned roads and land under roads were transferred to the State Government and \$24,780,373 transferred from the State Government to Council.

Accounting Policy for Grant Revenue for 2019/20 reporting year

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have 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.

Accounting Policy for Grant Revenue for 2018/19 reporting year

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

Grants, contributions and donations are recognised as revenue when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt (or aquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Notes to the Financial Statements

Note 3.5 - Interest Revenue

	2020 \$000	2019 \$000
Interest		
Interest Untied Funds	1,174	1,758
Interest Rate Debts	333	284
	<u>1,507</u>	<u>2,042</u>
Interest Tied Funds (Capital Grants)	-	4
	<u>1,507</u>	<u>2,046</u>

Accounting Policy for Interest Revenue

Interest revenue is recognised on an accrual basis as it is earned.

Note 3.6 - Investment Revenue

	2020 \$000	2019 \$000
Investment Revenue		
TasWater		
Dividends	1,141	1,429
Tax Equivalents	221	927
Guarantee Fees	-	368
	<u>1,362</u>	<u>2,724</u>
Australia Pacific Airports (Launceston) Pty Ltd	746	741
	<u>2,108</u>	<u>3,465</u>

Accounting Policy for Investment Revenue

Investment Revenue is recognised as it is received or a right to receive payment can be reliably measured.

TasWater

Effective from the reporting period starting 1 July 2019 TasWater will no longer make payments under the National Tax Equivalent Regime or Loan Guarantee fees. All revenues will flow from dividends only.

Tax Equivalent Revenue shown for the current reporting year was received in the reporting year but represents tax equivalents for the TasWater reporting year ended 30 June 2019.

Note 3.7 - Bequests

	2020 \$000	2019 \$000
Bequests Revenue	134	157
	<u>134</u>	<u>157</u>

Accounting Policy for Bequest Revenue

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

For details of bequests held by Council refer Note 6.1.

Notes to the Financial Statements

Note 3.8 - Other Revenue

	2020 \$000	2019 \$000
Rent	942	1,077
Sponsorship	448	565
Donations	92	393
Asset Disposal	448	320
Recycling	106	107
Volunteers	91	-
Other	727	500
	<u>2,854</u>	<u>2,962</u>

Accounting Policies for Other Revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rent Revenue

Rent revenue is recognised when the payment is due.

Sponsorship Revenue

Sponsorship revenue is recognised when a right to receive payment arises.

Donations

Donations revenue is recognised when the asset is received.

Asset Disposal

Asset disposal revenue is recognised when the asset is disposed of and a right to receive payment arises.

Recycling

Recycling revenue is recognised when a right to receive payment arises.

Volunteers

AASB 1058 requires the recognition of volunteer services as revenue when the services would have been purchased had they not been provided. Council recognises these services at the full time equivalent wage cost including on costs.

Other

Other income revenue is recognised when a right to receive payment arises.

Note 3.9 - Infrastructure Adjustments

	2020 \$000	2019 \$000
Adjustments to Infrastructure Assets		
Assets Recognised (Derecognised):		
Gross Value	-	1,310
Accumulated Depreciation	-	(833)
	<u>-</u>	<u>477</u>

Notes to the Financial Statements

Note 3.9 - Infrastructure Adjustments (Cont)

Accounting Policy for Infrastructure Adjustments

Council continually monitors and reviews its infrastructure assets. As a result assets not previously recognised are identified or existing assets are reassessed into multiple assets. Any increase in asset values is recognised as an Infrastructure Take Up revenue.

Note 4.1 - Employee Benefits

	2020 \$000	2019 \$000
Labour Costs		
Wages and Salaries	30,093	28,598
Superannuation and Retiring Allowance	6,373	5,830
Employee Leave Entitlements	4,757	4,392
Payroll Tax	2,278	2,227
Workers Compensation Insurance	417	499
Other Costs	758	902
	<u>44,676</u>	<u>42,448</u>
Less Amounts Capitalised	<u>(1,559)</u>	<u>(1,495)</u>
	<u>43,117</u>	<u>40,953</u>

Accounting Policy for Employee Benefits

Wages and Salaries

Wages and salaries are expensed as the employee provides the service.

Superannuation and Retiring Allowance

Council makes contributions to the employees nominated funds. For employees in accumulation funds council makes contributions in the amounts required by the Enterprise Agreement

For employees in the Launceston City Council Defined Benefits Fund council contributes the amounts recommended by the actuary.

Superannuation amounts are expensed when the liability to pay salaries and wages creates a liability to contribute to the fund.

Council has a number of employees entitled to a retiring allowance under a legacy arrangement.

Retirement benefits are expenses when council has a liability for a future payment to the employee.

Employee Leave Entitlements

Long Service leave

For employees with greater than 7 years service an expense is recognised when the employee has a present entitlement to the leave benefit.

For employees with less than 7 years service an expense is recognised proportionally based on the probability of the employee completing 7 years service.

Notes to the Financial Statements

Note 4.1 - Employee Benefits (Cont)

Other leave

Other employee leave entitlements are expensed when the employee has a present entitlement to the leave benefit.

Reductions in employee leave entitlements are disclosed as a reduction to the liability.

Payroll Tax

Payroll tax is expensed as the employee provides the service and a liability to make a payment to the State arises.

Worker Compensation

Workers compensation is expensed when an obligation to pay the insurance provider arises.

Other Costs

Other employee expenses include, among others, Fringe Benefits Tax, Training, Personal Safety Equipment and uniforms.

Fringe Benefits expenses are recognised as the benefit is provided. Other expenses are recognised when purchased.

Note 4.2 - Materials and Services

	2020	2019
	\$000	\$000
Energy		
Street Lighting	1,084	1,039
Utilities - Gas	738	751
Utilities - Electricity	1,149	1,042
Kerbside Collection	5,374	4,339
Goods and Services	20,625	17,765
Combined Service Charge (TasWater)	1,327	1,500
Property Expenses		
Water Fixed Charges	652	647
Water Volumetric Charges	332	346
Rent External	-	62
Land Tax	482	349
Contributions		
LGAT	71	70
CBD Promotion	530	516
Regional Cooperation	659	523
Flood Authority (Internal)	182	182
Community Assistance Grants	1,095	459
Events Funding	611	596
Provision of Services	519	561
Volunteer Services	91	-

Notes to the Financial Statements

Note 4.2 - Materials and Services (Cont)

	2020 \$000	2019 \$000
Administrative		
Administration	835	810
Advertising and Promotion	209	190
Computers and Communication	393	366
Election Expenses	30	367
Expert Advice	1,027	769
Insurance (exc. Workers Compensation)	957	824
Maintenance	157	190
Payment and Debt Collection	446	450
Postage Printing and Stationery	303	332
Councillor and Mayoral Allowances	546	540
External Auditor's Remuneration:		
Auditing Financial Statements	56	56
Other Audit Services	13	16
Internal Auditor's Remuneration	49	37
Motor Vehicle Expense	393	393
	40,935	36,087

Accounting Policy for Materials and Services

Materials and Services costs are recognised as they are incurred and Council has an obligation to pay the provider.

Some expenses such as utilities are paid quarterly and expensed monthly using an estimate based on prior usage.

Note 4.3 - Impairment of Debts

	2020 \$000	2019 \$000
Sundry Debtors	12	30
Parking Infringement Debtors	-	-
	12	30

Accounting Policy for Impaired Debts

Sundry Debtors

General debtors are reviewed individually for impairment using an expected credit loss method.

Parking Infringement Debtors

Infringement debtors included in sundry debtors and parking infringements are reviewed for expected credit losses using a probability matrix.

Notes to the Financial Statements

Note 4.4 - Finance Costs

	2020 \$000	2019 \$000
Interest on Borrowings	315	333
Unwinding of Discount on Provision for Rehabilitation of Waste Centre	-	25
Interest - Lease Liabilities	8	-
	323	358

Accounting Policy for Finance Costs

Borrowings

Interest on borrowings is expensed on an accrual basis as it is incurred.

Unwinding of discount

Council operates a waste disposal facility for which it has a future liability to rehabilitate.

Under *AASB 137* the future liability is recognised as the discounted cash flow value of the future liability. The standard requires the unwinding of the discounted amount is disclosed as a borrowing cost.

Interest - Lease Liabilities

The introduction of *AASB 16 Leases* requires leases extending beyond 12 months to be recognised as a liability at net present value. The unwinding of the discount rate used is disclosed as a finance cost, Refer note 9.4.

Note 4.5 - Depreciation and Amortisation

	2020 \$000	2019 \$000
Property, Infrastructure and Plant and Equipment		
Buildings	3,539	3,418
Plant and Equipment	3,138	2,980
Roads and Bridges	11,083	10,658
Stormwater and Drainage	1,694	1,629
Flood Protection	499	483
Refuse Disposal	701	807
Parks and Recreation	1,313	936
	21,967	20,911
Intangibles	679	673
	22,646	21,584
Right of Use Assets		
Property	35	-
	35	-
Total Depreciation	22,681	21,584

Note 4.5 - Depreciation and Amortisation

Accounting Policy for Depreciation Expense

Property, Infrastructure and Plant and Equipment (Including Intangibles)

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

Right of Use Assets

Right of use assets are depreciated on a straight line basis over the life of the lease, including any extension options where there is a reasonable likelihood the option will be exercised.

Museum Collection

The museum collection is not depreciated - see Note 8.5.

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

BASIS OF DEPRECIATION

Intangible Assets

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

Property, Infrastructure and Plant and Equipment

Freehold Land	Not Depreciated	Unlimited
Leased Land	Not Depreciated	Lease term
Land Under Roads	Not Depreciated	Unlimited
Freehold Buildings	Straight Line	30 - 250 years
Leasehold Buildings	Straight Line/Lease	30 - 250 years
Structures	Straight Line	30 - 250 years
Buildings - Plant	Straight Line	5 - 40 years
Light Vehicles	Straight Line	4 - 5 years
Major Plant	Straight Line	5 - 30 years
Minor Plant	Straight Line	3 - 20 years
Computer Equipment	Straight Line	3 - 10 years
Furniture and Equipment	Straight Line	4 - 50 years
Stormwater and Drainage - Pump Stations	Straight Line	10 - 50 years

Infrastructure

Roads Compacted Sub Grade	Not Depreciated	Unlimited
Road Pavement Sub-Base	Straight Line	300 years
Arterial Road Pavement Base	Straight Line	100 years
Local Road Pavement Base	Straight Line	150 years
Road Sealed Surfaces	Straight Line	20 - 35 years
Road Unsealed Surfaces	Straight Line	10 years
Road Kerb and Channel	Straight Line	100 years
Road Footpaths	Straight Line	30 - 50 years

Notes to the Financial Statements

Note 4.5 - Depreciation and Amortisation (Cont)

Roads Infrastructure	Straight Line	30 - 100 years
Bridges	Straight Line	25 - 100 years
Parks and Recreation	Straight Line	10 - 150 years
Stormwater and Drainage	Straight Line	80 - 150 years
Flood Protection	Straight Line	100 - 200 years
Waste Centre	Straight Line	10 - 30 years
Waste Cell Clay Liner	Straight Line	60 - 100 years
Future Rehabilitation Costs	Straight Line	3 - 30 years

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

Note 4.6 - State Government Fire Service Levy

	2020	2019
	\$000	\$000
Levy paid to State Fire Service	<u>8,310</u>	<u>7,959</u>

Accounting Policy for State Fire Levy

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

Note 4.7 - Remissions and Abatements

	2020	2019
	\$000	\$000
Remissions	<u>2,580</u>	<u>1,001</u>

In response to the COVID 19 pandemic Council made significant remissions of Rates and Fees to individuals, businesses and community groups totalling \$2,337,303.

Accounting Policy for Remissions and Abatements.

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

Council by absolute majority may grant a remission of any fee or charge owed to council.

Council recognises the unremitted gross rates as revenue and the remitted portion as an expense.

Notes to the Financial Statements

Note 4.8 - Disposal of Fixed Assets

	Note	2020 \$000	2019 \$000
Proceeds from Disposal		1,274	1,332
Less Carrying Amounts		(13,895)	(2,770)
Gain (Loss)		<u>(12,621)</u>	<u>(1,438)</u>
Gains on Disposal	3.8	448	320
Scheduled Loss on Disposal		(990)	(1,145)
Unscheduled Loss on Disposal		(12,079)	(613)
		<u>(13,069)</u>	<u>(1,758)</u>
		<u>(12,621)</u>	<u>(1,438)</u>

During the year Council engaged in an asset swap with the State Government, where \$11,260,869 Council owned roads and land under roads were transferred to the State Government and \$24,780,373 transferred from the State Government to Council.

The assets received are disclosed as a capital contribution (Note 3.4) and the value of the roads transferred to the State as a disposal loss.

The value of assets swapped between Council and the State Government varies significantly, however due to the different effective asset lives and volumes of traffic, the costs of maintaining, upgrading and renewing these assets is similar over the lives of the assets. Another consideration was which entity, Council or the State Government, is best placed to manage the different road assets and the asset swap has resolved this.

Accounting Policy for Disposal of Fixed Assets

When council disposes of an asset the carrying value of the disposed asset is expensed and any income from the disposal is disclosed in Other Revenue.

Scheduled Losses

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

Unscheduled Losses

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

Notes to the Financial Statements

Note 5.1 - Management Indicators

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

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
a) Underlying Surplus or Deficit				
Recurrent Income less	109,606	111,172	108,073	103,100
Recurrent Expenditure	116,822	109,117	104,775	101,853
Underlying Surplus (Deficit)	<u>(7,216)</u>	<u>2,055</u>	<u>3,298</u>	<u>1,247</u>
Benchmark	0	0	0	0

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

Recurrent Expenditure excludes unscheduled loss on disposal of assets

Comment

The Covid-19 Pandemic Costs of \$3.581m do not include revenue losses as a result of the pandemic. The underlying result includes a decline in revenue from parking, venue hire, the Launceston Leisure & Aquatic Centre, University of Tasmania Stadium and the Queen Victoria Museum & Art Gallery. Total loss in revenue is in excess of \$2.5m for 2019/20 as a result of Covid-19, which is included in Council's Underlying Result.

A shortfall in revenue received from Council's ownership stake in TasWater of \$1.362m is included in the underlying result. Budgets for 2019/20 were prepared on advice received from TasWater in respect of the expected distribution, however the full amount was not received by Council.

The Change in Provision for Rehabilitation of the Launceston Waste Centre was adversely affected by a decline in bond rates, which is attributable to global economic conditions. This is included in the Underlying Result at an expense of \$2.835m.

Council engaged in an asset swap with the Department of State Growth. The value of the assets received (\$24.780m) is recognised as part of Capital Grants and Contributions, and the value of the assets transferred out (\$11.260m) is included in Unscheduled Loss on Disposal of Fixed Assets.

Council undertakes an annual actuarial review, performed by Rice Warner, for its Defined Benefits scheme which is administered by Tasplan Super. A reduction in the discount rate, caused by decrease in government bond yields, has led to an increased service cost expense. This has resulted in an additional \$1.534m in costs being included in Council's underlying result for the year.

Reconciliation of Underlying Surplus to Statement of Comprehensive Income

Underlying Surplus (Deficit)	(7,216)	2,055	3,298	1,247
Add				
Capital Grants and Contributions	34,976	18,139	16,124	7,784
Bequests	134	157	126	159
Capital Interest	-	4	81	113
Infrastructure Adjustments	-	477	(948)	124,326
Disaster Recovery Income	-	-	525	1,051

Notes to the Financial Statements

Note 5.1 - Management Indicators (Cont)

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Less				
FAG Grant in advance current year	2,235	2,261	2,174	-
FAG Grant in advance prior year	(2,261)	(2,174)	(2,104)	2,104
Assets Held for Sale	-	-	841	(3,036)
Unscheduled Loss on Disposal of Fixed Assets	(12,079)	(613)	(3,185)	(558)
Disaster Recovery Spending	-	-	(254)	(2,018)
Organisational Restructure Redundancies	(1,381)	-	-	-
Covid 19 Pandemic Costs	(3,581)	-	-	-
Surplus (Deficit)	<u>10,827</u>	<u>20,306</u>	<u>16,678</u>	<u>131,172</u>

(b) Underlying Surplus Ratio

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

<u>Underlying Surplus or (Deficit)</u>	<u>(7,216)</u>	<u>2,055</u>	<u>3,298</u>	<u>1,247</u>
Recurrent Income	109,606	111,172	108,073	103,100
Underlying Surplus Ratio %	-7%	2%	3%	1%
Benchmark	0%	0%	0%	0%

Note - positive percentage is favourable to benchmark

Comment

Council has a benchmark of greater than 0% in its Long Term Financial Plan. Several factors detailed in commentary under 5.1 (a) have led to this not being achieved in 2019/20.

(c) Net Financial Liabilities

Liquid Assets less	68,376	80,188	74,485	75,230
Total Liabilities	<u>48,917</u>	<u>39,277</u>	<u>36,984</u>	<u>45,140</u>
Net Financial Liabilities	<u>19,459</u>	<u>40,911</u>	<u>37,501</u>	<u>30,090</u>

Benchmark 0 0 0 0

Note - positive balance is favourable to benchmark

Comment

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

Notes to the Financial Statements

Note 5.1 - Management Indicators (Cont)

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
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(d) Net Financial Liabilities Ratio

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

<u>Net Financial Liabilities</u>	19,459	40,911	37,501	30,090
Recurrent Income	109,606	111,172	108,073	103,100
Net Financial Liabilities Ratio %	18%	37%	35%	29%
Benchmark	0% - (50%)	0% - (50%)	0% - (50%)	0% - (50%)

Comment

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

(e) Asset Consumption Ratio

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

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term Strategic Asset Management Plan of the Council.

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
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Transport Infrastructure

<u>Depreciated Replacement Cost</u>	643,499	618,318	590,498	578,368
Current Replacement Cost	983,298	938,070	891,976	866,236
Asset Consumption Ratio %	65%	66%	66%	67%
Benchmark	>60%	>60%	>60%	>60%

Buildings

<u>Depreciated Replacement Cost</u>	176,483	172,657	163,845	184,603
Current Replacement Cost	276,865	273,842	262,647	277,948
Asset Consumption Ratio %	64%	63%	62%	66%
Benchmark	>60%	>60%	>60%	>60%

Stormwater and Drainage

<u>Depreciated Replacement Cost</u>	173,986	165,686	163,019	160,362
Current Replacement Cost	253,634	237,904	232,177	226,484
Asset Consumption Ratio %	69%	70%	70%	71%
Benchmark	>60%	>60%	>60%	>60%

Notes to the Financial Statements

Note 5.1 - Management Indicators (Cont)

Comment

The asset consumption ratio outlines that Council is maintaining the service levels of its asset base, and is above the benchmark for all asset classes. Council is constantly reviewing asset data and ensuring levels of service are in line with the Strategic Asset Management Plan, as adopted by Council.

(f) Asset Renewal Funding Ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of the Council. The Projected Funding Outlay is for the next 10 years.

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
<i>Transport Infrastructure</i>				
<u>Projected Capital Funding Outlays</u>	89,212	68,887	60,641	93,612
Projected Capital Expenditure Funding	89,212	68,887	60,641	93,612
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%
<i>Buildings</i>				
<u>Projected Capital Funding Outlays</u>	16,035	12,865	7,257	12,697
Projected Capital Expenditure Funding	16,035	12,865	7,257	12,697
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%
<i>Stormwater and Drainage</i>				
<u>Projected Capital Funding Outlays</u>	4,550	4,415	1,935	9,465
Projected Capital Expenditure Funding	4,550	4,415	1,935	9,465
Asset Renewal Funding Ratio %	100%	100%	100%	100%
Benchmark	90 - 100%	90 - 100%	90 - 100%	90 - 100%

Comment

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

The Council's Long Term Financial Plan aligns with the Strategic Asset Management Plan providing for Council to achieve an ongoing operating surplus after including depreciation. This outcome ensures that the Council is able to fund the required asset renewal program over time.

Notes to the Financial Statements

Note 5.1 - Management Indicators (Cont)

(g) Asset Sustainability Ratio

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

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Capex on Replacement/Renewal of Existing Assets	17,059	15,375	15,020	13,913
Annual Depreciation Expense	22,681	21,584	20,090	20,007
Asset Sustainability Ratio %	75%	71%	75%	70%
Benchmark	100%	100%	100%	100%

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

	Capital Renewal Expenditure \$'000	Capital New/ Upgrade Expenditure \$'000	Total Capital Expenditure \$'000
Capex			
Transport Infrastructure	5,619	2,405	8,025
Buildings	1,081	9,062	10,143
Stormwater and Drainage	282	-	282
Land	242	1,903	2,144
Plant	3,258	-	3,258
Other	6,577	5,844	12,422
	17,059	19,214	36,274
Annual Depreciation Expense			22,681
Benchmark			100%

Comment

The Strategic Asset Management Plan identifies assets that need renewing and provides guidance in the formulation of the annual Capital Budget. This is reviewed and updated on an annual basis. Several high cost projects were completed in 2019/20, including Riverbend Park and property and land acquisitions, which has led to an unusually high proportion of New/Upgrade expenditure.

Notes to the Financial Statements

Note 6.1 - Movements in Equity Current Year

	Balance 1 July \$'000	Net Surplus \$'000	Comprehensive Income \$'000	Transfers \$'000	Balance 30 June \$'000
Capital Reserves					
Government Grants	192,395	2,989	-	-	195,384
Other Contributions	21,363	34	-	-	21,397
	213,758	3,023	-	-	216,781
Revenue Reserves					
General	991,271	2,478	-	702	994,451
CBD	16	(97)	-	-	(81)
Flood Authority	1	482	-	(483)	-
Investment Water Corporation	2,724	-	-	-	2,724
Public Open Space	343	90	-	(35)	398
Self Insurance	3,297	187	-	-	3,484
Special Committees	23	8	-	-	31
Waste Centre Rehabilitation	10,359	4,467	-	-	14,826
Employee Benefits	1,098	-	442	-	1,540
	1,009,132	7,615	442	184	1,017,373
Asset Revaluation Reserves					
General	652,707	-	47,950	-	700,657
Investment Reserves					
TasWater	19,085	-	(63,238)	-	(44,153)
Trusts And Bequests					
Parks	31	-	-	-	31
Museum	2,323	189	-	(184)	2,328
	2,354	189	-	(184)	2,359
	1,897,036	10,827	(14,846)	-	1,893,017

Notes to the Financial Statements

Note 6.1 - Movements in Equity (Cont) Comparative figures for prior year Prior Year 2019

Capital Reserves

Government Grants	178,452	13,943	-	-	192,395
Other Contributions	21,207	156	-	-	21,363
	199,659	14,099	-	-	213,758

Revenue Reserves

General	983,634	4,179	-	3,476	991,289
CBD	17	(1)	-	-	16
Flood Authority	(114)	-	-	115	1
Investment Water Corporation	-	2,724	-	-	2,724
Public Open Space	319	24	-	-	343
Self Insurance	3,105	192	-	-	3,297
Special Committees	40	(17)	-	-	23
Waste Centre	13,950	-	-	(3,591)	10,359
Employee Benefits	3,534	(1,053)	(1,383)	-	1,098
	1,004,485	6,048	(1,383)	-	1,009,150

Asset Revaluation Reserves

General	638,548	-	14,159	-	652,707
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Investment Reserves

TasWater	(15,479)	-	34,564	-	19,085
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Trusts And Bequests

Parks	31	-	-	-	31
Museum	2,163	160	-	-	2,323
	2,194	160	-	-	2,354
	1,829,407	20,307	47,340	-	1,897,054

Notes to the Financial Statements

Note 7.1 - Cash at Bank and On Hand

	2020 \$000	2019 \$000
Cash on Hand	29	24
Cash at Bank	819	1,978
Special Committees	31	28
	879	2,030

Accounting Policy for Cash at Bank and On Hand

For the purposes of the Statement of Cash Flows, Cash at Bank and On Hand includes cash floats and petty cash facilities, the balance of Council's main trading account and the balances of the special committee's accounts.

Note 7.2 - Rates and Sundry Receivables

	2020 \$000	2019 \$000
(a) Current Receivables		
Rate Debtors	2,472	1,358
Accrued Revenue	75	135
Sundry Debtors	4,989	6,417
Prepayments	177	84
Parking Infringement Debtors	1,618	1,743
	9,331	9,737
Expected Credit Loss of Debtors		
Sundry Debtors	(286)	(461)
Parking Infringement Debtors	(1,014)	(1,074)
	(1,300)	(1,535)
	8,031	8,202
Movement in Expected Credit Losses	235	58
(b) Collection Performance –		
Rate Receivables		
Rate Revenue	70,611	67,941
Interest on Rates	333	284
	70,944	68,225
Percentage Rate Debtors Outstanding	3.48%	1.99%

Notes to the Financial Statements

Note 7.2 - Rates and Sundry Receivables (Cont)

Accounting Policy for Receivables

Receivables due within the next twelve months are disclosed at fair value, including GST where applicable, and disclosed as current assets.

Receivables due later than the next twelve months are disclosed as Non Current Assets (see Note 8.1).

Impairment

Impairment is measured on an expected credit loss basis.

When determining whether the credit risk has increased significantly since initial recognition, and when estimating the expected credit loss, Council considers reasonable and supportable information that is relevant and available without undue cost or effort.

Expected credit losses

Rate debtors are secured against the property and are not impaired.

Sundry debtors are assessed for expected credit losses on an individual basis.

The infringement debtors disclosed are comprised of over 18,000 infringements spanning 19 years. To undertake a meaningful examination of the payment patterns of these would incur 'undue cost and effort'.

The impairment of Infringement debtors uses a provision matrix based on the infringement collectable category and age in accordance with para B5.5.35 of AASB 15.

Note 7.3 - Short Term Investments

	2020 \$000	2019 \$000
Current		
At Call Deposits and Deposits with Terms under 90 days	26,392	8,300
Deposits with terms 90 Days Plus	33,074	61,656
	<u>59,466</u>	<u>69,956</u>
In response to the COVID19 Pandemic Council is maturing deposits as they fall due and holding all cash funds at call		
Restricted Assets and Deposits		
Restricted assets		
a) Included in the above and invested on behalf of:-		
i) Trusts and Bequests	2,363	2,357
b) Provision for Retiring Allowance	175	171
c) Provision for Waste Centre Rehabilitation	14,827	10,452
Total Restricted Assets	<u>17,365</u>	<u>12,980</u>
Deposits	433	424
Total Restricted Assets and Deposits	<u>17,798</u>	<u>13,404</u>

Notes to the Financial Statements

Note 7.3 - Short Term Investments (Cont)

	2020 \$000	2019 \$000
Committed Funds		
Capital Expenditure	6,207	8,469
Net Capital Works (carried forward)	22,348	16,164
	<u>28,555</u>	<u>24,633</u>
Current Liabilities (excluding deposits)	14,545	16,799
	<u>43,100</u>	<u>41,432</u>

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

Accounting Policy for Short Term Investments

Cash Investments

Cash investments are disclosed at fair value. This includes the initial deposit and any interest accrued. All cash investments can be redeemed within the reporting period and as such are disclosed as current assets regardless of the maturity date.

Other Current Investments

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss.

At the reporting date Council does not hold any such investments.

Restricted Assets

Council does not hold investments for the primary purpose of earning interest income.

The organisation has both significant future obligations and funds held in trust.

The current accounting policy is to hold cash funds to meet these obligations.

Note 7.4 - Inventories

	2020 \$000	2019 \$000
Inventories		
Stores	499	513
Trading Stock	222	205
	<u>721</u>	<u>718</u>

Accounting Policy for Inventories

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

Trading Stock is valued at cost or net realisable value whichever is the lower.

Notes to the Financial Statements

Note 7.5 - Assets Held for Sale

	2020 \$000	2019 \$000
Assets Held For Sale		
Carrying Value	25,216	25,216
Less Fair Value Adjustment	(21,814)	(21,814)
Value Held for Sale	<u>3,402</u>	<u>3,402</u>

In 2017, Council has entered into a Memorandum of Understanding with the University of Tasmania for an exchange of property, to assist in facilitation the relocation of the northern campus. Under this proposal, the University will acquire land in the Inveresk Precinct and the Willis Street Car Park, including the National Automobile Museum of Tasmania. In exchange, Council will receive land and buildings comprised of a new purpose built National Automobile of Tasmania facility, including land to facilitate car parking on-site. The assets received are expected to be of a higher value than those held for sale. While the building works are complete title had not passed at the reporting date.

Accounting Policy for Assets Held for Sale

When a decision is made to offer a non current asset for sale it's written down value is transferred to current assets.

The asset is disclosed at the lower of it's written down value or expected sale price with any reduction in written down value expensed in the reporting period it is transferred.

Note 8.1 - Deferred Receivables

	2020 \$000	2019 \$000
Deferred Receivables		
Loans - Australia Pacific Airports (Launceston) Pty Ltd	258	258

Council owns a 10% stake in the Launceston Airport by way of a shareholder loan to Australian Pacific Airports (Launceston) Pty Ltd.

Revenues on this loan are recognised as Investment Revenue.

Accounting Policy for Deferred Receivables

Receivables due later than the next twelve months are disclosed at fair value as non current assets.

Notes to the Financial Statements

Note 8.2 - Investments

Investment TasWater

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

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

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

	2020	2019
	\$000	\$000
Water Corporation net equity	1,443,071	1,859,256
Year end report used for determining net assets	30-June-2020	30-June-2019
Launceston City Council ownership percentage	14.48%	14.64%
Fair value of the Council's share of TasWater	208,957	272,195
Previously assessed value	272,195	237,631
Net Increase (decrease) in fair value	(63,238)	34,564

Accounting Policy for Non Current Investments

Investments, other than cash, that will not mature in the next twelve months are held at fair value as non current assets.

Cash revenues from non current assets are recognised as revenue in the year they are earned.

Gains from movements in the fair value of non current assets are recognised in Other Comprehensive Income.

Losses from movements in non current assets are taken to equity as a reduction in the revaluation reserve.

If there is no revaluation reserve available, losses are taken directly to the Statement of Comprehensive Income.

Note 8.3 - Intangible Assets

Intangible Assets Year End 30 June 2020

	Data Systems	Plans and Strategies	Municipal Valuations	Total
Written Down Value 1 July	3,637	1,584	410	5,631
Less Opening Work in Progress	(222)	(152)	-	(374)
Additions	36	-	-	36
Disposals	-	-	-	-
Transfers	-	-	-	-
Amortisation	(470)	(106)	(103)	(679)
Written Down Value 30 June	2,981	1,326	307	4,614
At Cost	7,291	2,028	614	9,933
Accumulated Depreciation	(4,309)	(703)	(307)	(5,319)
Work in Progress	613	-	-	613
	3,595	1,325	307	5,227

Intangible Assets Year End 30 June 2019

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

Accounting Policy for Intangible Assets

Intangible assets costing over \$1,000 are capitalised and amortised on a straight line basis over their useful life.

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

For the useful lives of intangible assets refer Note 4.5

Intangible assets are not revalued over their useful life.

Note 8.4 - Property, Infrastructure and Plant and Equipment

Accounting Policy for Property, Infrastructure and Plant and Equipment.

Recognition of Non-Current Assets

Land is recognised at the Valuer General's valuation.

Land under roads are recognised by area at the Valuer General's valuation.

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

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

The Queen Victoria Museum and Art Gallery collection was revalued as at 30 June 2014 (Note 8.5).

Impairment

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

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

Found Assets

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

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

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

Valuation

Plant and Equipment and Intangible Assets are valued at cost.

Infrastructure Assets are measured at fair value.

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

The valuations are performed as per the following table.

Asset Class	Valuation Method	Valuer	Valuation Year
Plant and Equipment	Cost	-	
Intangible Assets	Cost	-	
Land	Fair Value	LG Valuation Services - On behalf of the Valuer General	2017/18 Indexed 2019/20
Land Under Roads	Fair Value	Valuer General	2019/20
Buildings	Fair Value	LG Valuation Services	2017/18
Roads and Bridges	Fair Value	Launceston Council Infrastructure Services	2019/20
Stormwater and Drainage	Fair Value	Launceston Council Infrastructure Services	2019/20
Flood Protection	Fair Value	Launceston Council Infrastructure Services	2014/15
Refuse Disposal	Fair Value	Launceston Council Infrastructure Services	2019/20
Parks and Recreation	Fair Value	Launceston Council Infrastructure Services	2019/20

Notes to the Financial Statements

Note 8.4 - Property, Infrastructure and Plant and Equipment

	2020 \$000	2019 \$000
Land		
At Fair Value	131,678	111,813
Land Under Roads		
At Fair Value	147,960	127,356
Buildings		
At Fair Value	276,865	273,842
Less Accumulated Depreciation	(100,382)	(101,185)
	<u>176,483</u>	<u>172,657</u>
Plant and Equipment		
At Cost	43,914	41,554
Less Accumulated Depreciation	(19,871)	(18,969)
	<u>24,043</u>	<u>22,585</u>
Roads and Bridges		
At Fair Value	983,298	938,070
Less Accumulated Depreciation	(339,799)	(319,752)
	<u>643,499</u>	<u>618,318</u>
Stormwater and Drainage		
At Fair Value	253,634	237,904
Less Accumulated Depreciation	(79,648)	(72,218)
	<u>173,986</u>	<u>165,686</u>
Flood Protection		
At Fair Value	52,311	51,593
Less Accumulated Depreciation	(8,692)	(8,038)
	<u>43,619</u>	<u>43,555</u>
Refuse Disposal		
At Fair Value	33,084	29,583
Less Accumulated Depreciation	(15,375)	(11,167)
	<u>17,709</u>	<u>18,416</u>
Parks and Recreation		
At Fair Value	60,230	52,725
Less Accumulated Depreciation	(12,850)	(13,292)
	<u>47,380</u>	<u>39,433</u>
Work in Progress		
At Cost	7,595	16,305
Total		
At Cost	51,509	57,859
At Fair Value	1,939,060	1,822,886
Less Accumulated Depreciation	(576,617)	(544,621)
	<u>1,413,952</u>	<u>1,336,124</u>

Notes to the Financial Statements

Note 8.4 - Property, Infrastructure and Plant and Equipment (Cont) Movements in Carrying Amounts

	Opening Balance	Acquisitions & Additions	Revaluations	Depreciation	Disposals	Impairments	Transfers	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Year to 30 June 2020								
Land	111,813	(345)	16,266	-	(726)	-	4,670	131,678
Land Under Roads	127,356	4,260	18,424	-	(2,772)	-	692	147,960
Buildings	172,657	-	-	(3,539)	(412)	-	7,777	176,483
Plant and Equipment	22,585	-	-	(3,138)	(595)	-	5,191	24,043
Roads and Bridges	618,318	22,882	13,721	(11,083)	(9,310)	-	8,971	643,499
Stormwater and Drainage	165,686	1,478	5,641	(1,694)	-	-	2,875	173,986
Flood Protection	43,555	332	-	(499)	-	-	231	43,619
Refuse Disposal	18,416	-	(108)	(701)	-	-	102	17,709
Parks and Recreation	39,433	-	(4,395)	(1,313)	(80)	-	13,735	47,380
Work in Progress	16,305	35,534	-	-	-	-	(44,244)	7,595
	1,336,124	64,141	49,549	(21,967)	(13,895)	-	-	1,413,952

Prior Year to 30 June 2019								
Land	116,726	572	(7,785)	-	(649)	-	2,949	111,813
Land Under Roads	127,079	277	-	-	-	-	-	127,356
Buildings	163,845	-	-	(3,418)	(286)	-	12,516	172,657
Plant and Equipment	21,903	-	-	(2,980)	(312)	-	3,974	22,585
Roads and Bridges	590,498	2,235	19,459	(10,660)	(1,450)	-	18,236	618,318
Stormwater and Drainage	163,019	971	2,564	(1,628)	(23)	-	783	165,686
Flood Protection	43,020	-	-	(483)	-	-	1,018	43,555
Refuse Disposal	19,083	-	140	(807)	-	-	-	18,416
Parks and Recreation	30,702	-	1,003	(936)	(49)	-	8,713	39,433
Work in Progress	29,826	33,780	-	-	-	-	(47,301)	16,305
	1,305,701	37,835	15,381	(20,912)	(2,769)	-	888	1,336,124

Notes to the Financial Statements

Note 8.5 - Queen Victoria Museum and Art Gallery

	2020 \$000	2019 \$000
Museum Collection		
Opening Balance	237,818	237,624
Additions	3,215	194
Disposals	(250)	
Collection Carrying Value	<u>240,783</u>	<u>237,818</u>

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

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

Accounting Policy for the 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.

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.

	2020 \$000	2019 \$000
Results from Operations		
Revenue		
Fees and Charges	452	572
State Government Operations Grant	1,484	1,451
Other Grants	1,073	28
Bequests and Donations	226	207
Interest	33	49
Other Income	219	43
	<u>3,487</u>	<u>2,350</u>
Expenses		
Provision of Services	7,702	5,786
Bequest Expenditure	27	-
Depreciation	977	957
Full Cost Attribution	366	357
	<u>9,072</u>	<u>7,100</u>

Notes to the Financial Statements

Note 8.5 - Queen Victoria Museum and Art Gallery (Cont)

	2020 \$000	2019 \$000
Operating Surplus / (Deficit)	(5,585)	(4,750)
Add Collection Contributions	3,215	-
Add Capital Grants and Contributions	34	194
Surplus / (Deficit)	(2,336)	(4,556)

Other Grant Revenue includes \$1,000,000 and Provision of Services includes \$1,250,000 for the Digital Cultural Experience collaboration with the Tasmanian Museum and Art Gallery.

Note 8.6 Right of Use Assets

	Property \$000	2020 Total \$000
Gross carrying amount		
Balance as at 1 July 2019	-	-
Adoption of AASB 16	293	293
Additions	-	-
Disposals	-	-
Balance as at 30 June 2020	<u>293</u>	<u>293</u>
Accumulated amortisation and impairment		
Balance as at 1 July 2019	-	-
Adoption of AASB 16	-	-
Disposals	-	-
Amortisation expense	(35)	(35)
Balance as at 30 June 2020	<u>(35)</u>	<u>(35)</u>
Net Book Value as at 30 June 2020	<u>258</u>	<u>258</u>

Accounting Policy for Right of Use Assets

At 1 July 2019 Council first time adopted *AASB 16 Leases*.

In contracts where council is a lessee, and has recognised a lease liability, council recognises a corresponding Right of Use Asset.

Right of Use Assets are measured on recognition at the present value of the lease liability plus any direct costs incurred in obtaining the lease, an estimate of any obligations to restore the underlying asset less any lease payments made.

Right of Use Assets are amortised on a straight line basis over the shorter of the useful life or the lease term.

At each balance date right of use assets are assessed for impairment in accordance with AASB 136.

For details on the liabilities recognised under *AASB 16* refer note 9.4

Comparative information is not required on first adoption.

Notes to the Financial Statements

Note 9.1 Deposits and Prepayments

	2020 \$000	2019 \$000
Deposits Held	162	223
Prepayments	204	132
Rates Paid in Advance	2,234	1,414
Conditional Museum Funding	67	69
	<u>2,667</u>	<u>1,838</u>

Accounting Policy for Deposits and Prepayments

Where Council is holding funds in trust with the return of these funds conditional on a performance obligation or decision outcome these funds are held as deposits.

Where Council has been paid in advance for a good or service, these funds are held as a Prepayment until such time that the good or service is provided.

Note 9.2 - Employee Provisions and Statistics

	2020	2019
Full Time Equivalent Employees at year end	426	445
	\$000	\$000
Current Provisions		
Accrued Time	97	90
Annual Leave	2,956	2,709
Long Service Leave	4,045	4,150
Retiring Allowance	175	171
	<u>7,273</u>	<u>7,120</u>
Non-Current Provisions		
Long Service Leave	943	791
	<u>943</u>	<u>791</u>

Annual and Long Service Leave

Provision is made in respect of the liability for annual leave and long service leave at 30 June, 2020. The remuneration rate expected to apply at the time of settlement has been used in calculation of the entitlements. In the case of long service leave the provision has been established at balance date having regard to the present value of estimated future cash outflows. Commonwealth bond rates are used for discounting future cash flows.

Personal Leave

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

Retiring Allowance

A small number of employees are entitled to a retiring allowance under a legacy provision. The increases in present entitlements is expensed each year as the entitlement increases.

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

Notes to the Financial Statements

Note 9.2 - Employee Provisions and Statistics (Cont)

	2020	2019
Weighted Average Increase in employee costs	2.25%	2.30%
Weighted Average Discount Rates	0.27%	1.23%

Note 9.3 - Interest Bearing Liabilities

	2020 \$000	2019 \$000
(a) Currency of loans		
Non-current	15,000	9,000
	15,000	9,000
(b) Summary Movement in Loans		
Balance - 1 July	9,000	9,769
Repayments	-	(769)
Borrowing	6,000	-
Balance - 30 June	15,000	9,000

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

All local government loans held with TASCORP, including Council's \$15,000,000, are guaranteed by the state government as a response to the COVID 19 pandemic.

Accounting Policy for Interest Bearing Liabilities

Borrowings are initially recognised at the amount borrowed and subsequently at amortised cost based on amounts repaid.

At the reporting date all council loans are interest only and carried at the borrowed amount.

Any amounts due within the next reporting period are disclosed as current liabilities.

Interest is expensed as it is accrued

Note 9.4 - Lease Liabilities

	2020 \$000
Current	27
Non Current	263
	290

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

Notes to the Financial Statements

Note 9.4 - Lease Liabilities (Cont)

As at 30 June 2020	Minimum lease payments due						Total \$ '000
	Within 1 Year \$ '000	1-2 Years \$ '000	2-3 Years \$ '000	3-4 Years \$ '000	4-5 Years \$ '000	After 5 Years \$ '000	
Lease payments	34	35	36	38	39	144	326
Finance charges	(7)	(6)	(6)	(5)	(4)	(8)	(36)
Net present value	27	29	30	33	35	136	290

Accounting Policy for Lease Liabilities

At 1 July 2019 Council first time adopted *AASB 16 Leases*. Comparative information is not required on adoption.

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

Where the remaining lease term is for 12 months or less at the balance date, or the value of the leased asset is below \$10,000, Council does not capitalise the leased asset or recognise a lease liability.

Concessionary Leases

The Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when the Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

Leasehold Improvement

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

At the reporting date the Council had no leasehold improvement assets.

Operating Leases as Lessor

Not for Profit

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

Commercial Arrangements

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

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

Notes to the Financial Statements

Note 9.5 - Sundry Payables and Accruals

	2020	2019
	\$000	\$000
Accrued Expenses	4,777	6,795
Unearned Income	234	318
Sundry Creditors	-	1,152
	5,011	8,265

Accounting Policy for Payables and Accruals

Sundry Creditors

Council recognises a liability for amounts due to be paid where an invoice has been received as a Sundry Creditor.

Accrued Expenses

Council recognises a liability for amounts council has an obligation to pay but no invoice has been received as an Accrued Expense.

Note 10.1 - Rehabilitation Provision

	2020	2019
	\$000	\$000
Provision for Rehabilitation		
Balance at Beginning of Year	10,452	9,205
Unwinding of discount - expensed as borrowing cost	-	25
Favourable Discount Other Revenue	(53)	
Repriced Liability Taken to Equity	1,593	1,222
Repriced Liability Expensed	2,835	-
Balance at End of Year	14,827	10,452

Accounting Policy for Rehabilitation Provision

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.

Any increases to the liability as a result of repricing can be taken to equity offsetting any Asset Revaluation Reserve applicable to the waste disposal asset class.

Council offset \$1,592,903 against equity in the reporting year exhausting the revaluation reserve for waste disposal. The balance of \$2,835,054 is expensed in the Statement of Comprehensive Income.

Notes to the Financial Statements

Note 10.1 - Rehabilitation Provision (Cont)

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

	2020	2019
Bond Rates 2 yr	0.39%	-
Bond Rates 3 yr	-	0.96%
Bond Rates 5 yr	0.50%	-
Bond Rates 6 yr	-	1.09%
Bond Rates 25 yr	0.89%	-
Bond Rates 26 yr	-	1.32%
Bond Rates 30 yr	-	1.32%
Inflation Rate	1.80%	1.60%

Note 10.2 - Superannuation

Accounting Policy for 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 (Administration) Act 1992*.

Accumulation Funds

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

Defined Benefit Funds

The Council contributes, in respect of its employees, to 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.

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

The details of the actuarial review are:

City of Launceston Defined Benefits - Sub Fund of Tasplan

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

	2020 \$000	2019 \$000
The Council has taken up an Asset /(Liability) of :	(2,906)	(1,814)

Notes to the Financial Statements

Note 10.2 - Superannuation (Cont)

In respect of the excess of benefit liabilities over assets in the Fund, the Council does not have any immediate requirement to fund the shortfall and continues to fund at the level of contributions assessed by the Scheme's actuary as being required to meet the long term requirements of the Fund.

The calculation of the liability is based on an actuarial review for the purpose of AASB 119 performed by Michael Berg FIAA on behalf of Rice Warner, as at 31 May 2020.

	2020 \$000	2019 \$000
The amount taken up as an employee benefit obligation is made up as follows:		
Balance Sheet Calculation		
Fair value of plan assets	51,340	56,090
Less present value of defined benefit obligation	53,810	57,632
Employee benefit asset (obligation)	(2,470)	(1,542)
Add Allowance for Contributions Tax	(436)	(272)
Asset / (Liability) Recognised	<u>(2,906)</u>	<u>(1,814)</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	57,632	53,159
Current service cost	2,678	2,476
Interest cost	771	1,402
Member contributions and transfers from other funds	1,212	1,254
Actuarial (gains)/ losses due to changes in financial assumptions	465	2,577
Actuarial (gains)/losses due to changes in experience	79	1,249
Benefits and tax paid	(9,027)	(4,485)
Present value of defined benefit obligation - 30 June	<u>53,810</u>	<u>57,632</u>

Assets

Reconciliation of Assets

Fair value of plan - 1 July	56,091	53,781
Adjustment to 2016 Asset	-	-
Expected return on plan assets	738	1,405
Actuarial gains/ (losses)	445	1,623
Employer contributions	1,144	1,423
Member contributions and transfers from other funds	1,949	2,344
Benefits and tax paid	(9,027)	(4,486)
Fair value of defined benefit obligation - 30 June	<u>51,340</u>	<u>56,090</u>

Notes to the Financial Statements

Note 10.2 - Superannuation (Cont)

	2020 \$000	2019 \$000
Expense recognised in Operating Surplus		
Current service cost	2,678	2,476
Interest cost	771	1,402
Expected return on plan assets	(738)	(1,405)
Superannuation expense	<u>2,711</u>	<u>2,473</u>
Expense recognised in Other Comprehensive Income		
Actuarial gains/(losses)	<u>442</u>	<u>(1,383)</u>

General Plan Information

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

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

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

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

	2020	2019
Rate of investment return:	7%	7%
Rate of inflationary salary increases:	4%	4%

Method of determining Expected Return on plan assets

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

	2020 \$000	2019 \$000
Actual Return on Plan Assets		
Present value of defined benefit obligation at end of year	53,810	57,632
Add Allowance for Contributions Tax	436	272
Fair value of Plan assets at end of year	51,340	56,090
(Surplus)/Deficit in Plan	<u>2,906</u>	<u>1,814</u>

Notes to the Financial Statements

Note 10.2 - Superannuation (Cont)

	2020 \$000	2019 \$000
Experience adjustments - Plan liabilities	(79)	(1,249)
Experience adjustments - Plan assets	445	1,623
Actual return on Fund assets	1,184	3,028
Principal Assumptions		
Discount Rate p.a.	0.89%	1.39%
Salary Increases	2.25% - 2.75%	2.3% - 3.0%

Expected Contributions

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

	2021 \$000	2020 \$000
Expected member contributions (for defined benefits only)	1,201	1,377
Expected member contributions (incl. deemed member contributions)	655	751

Sensitivity Analysis

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

Assumption	Change in Assumption	Movement in Net Liability \$'000
Discount Rate	Increase by: 1% p.a.	Decrease by: 2,073
Discount Rate	Decrease by: 1% p.a.	Increase by: 2,542
Salary Growth Rate	Increase by: 1% p.a.	Increase by: 2,293
Salary Growth Rate	Decrease by: 1% p.a.	Decrease by: 1,921

Note 11.1 - Commitments for Capital Expenditure

	2020 \$000	2019 \$000
At the reporting date, the Council had entered into contracts		
Plant and Equipment	702	1,804
Refuse Infrastructure	145	132
Roads Infrastructure	279	715
Parks and Recreation Infrastructure	112	5,505
Drainage Infrastructure	14	78
Flood Protection Infrastructure	25	63
Buildings	130	172
Other	4,800	-
	6,207	8,469

Notes to the Financial Statements

Note 11.1 - Commitments for Capital Expenditure

	2020 \$000	2019 \$000
These expenditures are due for payment: Not later than one year	6,207	8,469

Note 11.2 - Contingent Assets and Liabilities

Contingent Assets

There are no contingent assets as at the reporting date.

Contingent Liabilities

At the reporting date of 30 June 2020 the Council had no contingent liabilities that would materially affect any of the amounts or disclosures in these accounts.

Note 12.1 - Cash Flow

	2020 \$000	2019 \$000
(a) Reconciliation of Cash Used in Operating Activities to Surplus (Deficit)		
Surplus (Deficit)	10,827	20,306
Non-Cash Charges		
Depreciation	22,681	21,584
Employee Provisions	1,840	1,499
Provision for Rehabilitation Movements	2,835	-
Allowance for Impaired Debts	12	30
Loss (Profit) on Sale of Non-current Assets	13,069	1,438
Changes in Assets and Liabilities		
Rate and Sundry Receivables	1,070	(938)
Inventories	(3)	(33)
Sundry Creditors	(3,345)	(2,243)
Deposits	-	(84)
Non-Cash Income		
Asset and Infrastructure Contributions	(34,751)	(477)
Investing Activities		
Investment Revenue	(2,108)	(3,465)
Museum Take Up	-	
Grants and Contributions Capital	(148)	(18,139)
Net Cash from Operating Activities	<u>11,979</u>	<u>19,478</u>

Notes to the Financial Statements

Note 12.1 - Cash Flow (Cont)

	2020 \$000		2019 \$000
(b) Reconciliation of Liabilities Arising from Financing Activities			
	Interest Bearing Loans and Borrowings	Lease Liabilities	Total
Balance as at 1 July 2019 - Adjusted to adoption of AASB 16	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
Balance as at 1 July 2018	9,769	-	9,769
Changes from Financing Cash Flows	-	-	-
Cash Received	-	-	-
Cash Repayments	(769)	-	(769)
Balance as at 30 June 2019	9,000	-	9,000

c) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Council considers cash to include cash on hand and in banks and term deposits with maturity terms of less than 90 days. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows.

	Note	2020 \$000	2019 \$000
Cash	7.1	879	2,030
Deposits At Call and Term Deposits under 90 days	7.3	26,392	8,300
		27,271	10,330

Note 13.1 - Financial Instruments

Risk Management

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

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

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

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

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

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

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

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

Financial Assets and Liabilities

Rate Debtors

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

Other Debtors

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

Sundry Creditors

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

Deposits

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

Lease Liabilities

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases

	2020 \$000	2019 \$000
CARRYING VALUE		
Financial Assets		
Cash and Short Term Investments	60,344	71,985
Investments	208,957	272,195
Current Receivables	8,031	8,201
Deferred Receivables	258	258
Total Financial Assets	277,590	352,639
Financial Liabilities		
At Amortised Cost		
Payables and Prepayments	7,679	10,100
Leases	290	-
Loans	15,000	9,000
Total Financial Liabilities	22,969	19,100
NET TOTAL	254,621	333,539

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

	2020 \$000	2019 \$000
FAIR VALUE		
Financial Assets		
Cash and Short Term Investments	60,344	71,985
Investments	208,957	272,195
Current Receivables	8,031	8,201
Deferred Receivables	258	258
Total Financial Assets	277,590	352,639
Financial Liabilities		
At Fair Value		
Payables and Prepayments	7,679	10,100
Leases	290	-
Loans	15,460	9,434
Total Financial Liabilities	23,429	19,534
NET TOTAL	254,161	333,105

Fair Value is determined as follows.

Cash and Cash Equivalents, Short Term Investments, Receivables, Payables

Estimated to be the carrying value which approximates market value.

Held to Maturity Investments

Based upon their face value plus any accrued earnings.

Borrowings

Based upon their current discharge value.

Lease Liabilities

At the present value of the lease repayments

Financial Assets classified

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

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

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

The Council's Organisation Services Network manages its Cash and Investments portfolio.

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

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

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

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

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

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

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

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

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

	2020 \$000	2019 \$000
Increase of Values/Rates		
Profit		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	453	630
Equity		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	453	630
Decrease of Values/Rates		
Profit		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(453)	(630)
Equity		
Impact of a 10% movement in Market Values	-	-
Impact of a 1% movement in Interest Rates	(453)	(630)

(b) Receivables

The Council's major receivables comprise:

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

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

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

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

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

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

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

	2020 \$000	2019 \$000
A profile of the Council's receivables credit risk at balance date follows:		
Receivables Credit Risk		
(i) Ageing of Receivables		
Current		
Rate Debtors	-	-
Accrued Revenue	75	135
Sundry Debtors	4,248	5,416
Prepayments	177	84
Parking Infringement Debtors	108	166
	4,608	5,801
Overdue		
Rate Debtors	2,471	1,347
Accrued Revenue	-	-
Sundry Debtors	742	708
Prepayments	-	-
Parking Infringement Debtors	1,510	1,881
	4,723	3,936
Total Receivables	9,331	9,737
(ii) Movement in Provision for Expected Credit Losses of Receivables		
Balance at the beginning of the year	(1,535)	(1,593)
Movement in provision	13	12
Amounts already provided for and written back this year	222	46
Balance at the end of the year	(1,300)	(1,535)
Net Receivables	8,031	8,202

(c) Fair Value Hierarchy

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

Level 1

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

Level 2

directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3

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

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

	2020 \$000	2019 \$000
Level 3 - Investments	<u>208,957</u>	<u>272,195</u>

(d) Payables and Borrowings

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

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

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

	2020 \$000	2019 \$000
Liquidity Table		
Variable Interest		
Deposits	-	-
Sundry Creditors	-	-
Secured Loans	-	-
	<u>-</u>	<u>-</u>
Fixed Rate Maturity		
<u>Less than 1 Year</u>		
Deposits	-	-
Sundry Creditors	-	-
Lease Liabilities	27	-
Secured Loans	-	-
	<u>27</u>	<u>-</u>
<u>1 to 5 Years</u>		
Deposits	-	-
Sundry Creditors	-	-
Lease Liabilities	263	-
Secured Loans	15,000	9,000
	<u>15,263</u>	<u>9,000</u>
Non Interest		
Deposits	2,667	1,838
Sundry Creditors	5,012	8,265
Secured Loans	-	-
	<u>7,679</u>	<u>10,103</u>
Total Cash Outflows		
Deposits	2,667	1,838
Sundry Creditors	5,012	8,261
Lease Liabilities	290	-
Secured Loans	15,000	9,000
	<u>22,969</u>	<u>19,099</u>

Notes to the Financial Statements

Note 13.1 - Financial Instruments (Cont)

	2020 \$000	2019 \$000
Actual Carrying Amount		
Deposits	2,667	1,838
Sundry Creditors	5,012	8,261
Lease Liabilities	290	-
Secured Loans	15,000	9,000
	22,969	19,099

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

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

	2020 \$000	2019 \$000
Secured Loans and Lease Liabilities		
Secured Loans Carrying Value	15,000	9,000
Lease Liability Carrying Value	290	-
Average Interest Rate	2.66%	3.38%

Note 13.2 - Fair Value Measurements

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

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

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

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

Category

Land - Including Land Under Roads

All developed and undeveloped freehold and leasehold land owned or controlled by the Council.

Buildings

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

Roads and Bridges

All sealed and unsealed roads and all bridges within the municipality. Roads includes road pavement, sealed surfaces footpaths and kerb and channel.

Drainage

All stormwater and drainage infrastructure in the municipality.

Flood

All assets that provide protection from river floods.

Note 13.2 - Fair Value Measurements (Cont)

Category

Refuse

All assets associated with the Waste Centre and waste transfer stations.

Parks

All assets associated with parks and recreation facilities.

Investments

Investment in TasWater

a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset held at fair value by the Council. The table presents the Council's assets measured and recognised at fair value at 30 June 2020.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, other than Land, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

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

As at 30 June 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land - Including Land Under Roads	-	279,638	-	279,638
Buildings	-	-	176,483	176,483
Roads and Bridges	-	-	643,499	643,499
Drainage	-	-	173,986	173,986
Flood Protection	-	-	43,619	43,619
Refuse Disposal	-	-	17,709	17,709
Parks and Recreation	-	-	47,380	47,380
Investment in TasWater	-	-	208,957	208,957
	-	279,638	1,311,633	1,591,271
Non-recurring fair value measurements				
Assets held for sale	3,402	-	-	-
	3,402	-	-	-

Notes to the Financial Statements

Note 13.2 - Fair Value Measurements (Cont)

As at 30 June 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land - Including Land Under Roads	-	239,169	-	239,169
Buildings	-	-	172,657	172,657
Roads and Bridges	-	-	618,319	618,319
Drainage	-	-	165,685	165,685
Flood Protection	-	-	43,555	43,555
Refuse Disposal	-	-	18,416	18,416
Parks and Recreation	-	-	39,433	39,433
Investment in TasWater	-	-	272,195	272,195
	-	239,169	1,330,260	1,569,429
Non-recurring fair value measurements				
Assets held for sale	3,402	-	-	3,402
	3,402	-	-	3,402

Transfers between levels of the hierarchy

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

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

Hierarchy Transfers 2020

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	-	-	0	-
Other Transfers	-	-	-	-
	-	-	-	-

Hierarchy Transfers 2019

Asset	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land available for sale	(649)	649	-	-
Other Transfers	(243)	-	243	-
	(892)	649	243	-

b) Highest and Best Use

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

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

c) Valuation Techniques

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

Note 13.2 - Fair Value Measurements (Cont)

Level 1 Measurements (recurring and non-recurring)

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

Level 2 Measurements (recurring and non-recurring)

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

Level 3 Measurements (recurring and non-recurring)

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

Level 1 Assets

Assets held for sale

These assets are measured at market valuation or contract price.

Level 2 Assets

Land - Including Land Under Roads

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

Level 3 Assets

Buildings

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

Replacement costs are measured at the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

Roads and Bridges

Roads and Bridges are measured at their depreciated replacement cost.

Replacement costs are measured at the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

Drainage

Drainage infrastructure is measured at its depreciated replacement cost.

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.

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.

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.

d) Unobservable inputs and sensitivities

Replacement costs

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

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

Notes to the Financial Statements

Note 13.2 - Fair Value Measurements (Cont)

Useful Life

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

e) Changes in recurring level 3 fair value measurements

	2020 \$000	2019 \$000
Balance at beginning of reporting period	1,330,259	1,247,798
Additions	58,384	43,683
Gain/loss recognised in Operating Result	(18,847)	(17,387)
Gain/loss recognised in Other Comprehensive Income	(48,361)	57,730
Disposals	(9,802)	(1,808)
Transfers Into Level 3	-	-
Transfers out of level 3	-	243
Closing balance	1,311,633	1,330,259

f) Valuation processes

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

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

Asset Group	Basis of Valuation
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).

Notes to the Financial Statements

Note 13.2 - Fair Value Measurements (Cont)

Asset Group	Basis of Valuation
Roads	<ul style="list-style-type: none">- Bridge – type includes timber, concrete and steel – for vehicles and or pedestrians in m².- Culvert – includes box culverts in m² or reinforced concrete pipe in diameter size
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

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

The Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer Note 13.1)

The Council's borrowings are measured at amortised cost with interest recognised in comprehensive income when incurred. The fair value of borrowings disclosed in Note 13.1 is provided by Tascorp (Level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

Note 13.3 - Pending Accounting Standards

AASB 1059 Service Concession Arrangements: Grantors

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 and expects no material consequences upon adoption.

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

The Standard amends *AASB 3 Business Combinations* to clarify the definition of a business. At the reporting date Council had no business combinations as defined by the standard. The adoption of this standard will have no material effects on adoption.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This standard makes amendments to *AASB 2 Share based payments*, *AASB 101 Presentation of Financial Statements*, *AASB 105 Accounting Policies, Changes in Accounting Estimates and Errors*, *AASB 110 Events after the Reporting Period*, *AASB 134 Interim Financial Reporting*, *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*

The definition change emphasises materiality is dependant on its influence on decisions of the users of the financial information.

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

Note 13.3 - Pending Accounting Standards (Cont)

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

This Standard makes amendments to *AASB 16 Leases* and *AASB 1059 Service Concession Arrangements*: Grantors to amend transitional relief relating to service concession arrangements and incorporate editorial amendments.

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

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

This Standard makes amendments to *AASB 1054 Australian Additional Disclosures* by adding a disclosure requirement for an entity to disclose the information specified in paragraphs 30 and 31 of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* on the potential effect on an entity's financial statements of an IFRS Standard that has not yet been issued by the AASB.

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

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends *AASB 101* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

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

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020

This Standard makes amendments to, *AASB 1 First-time Adoption of Australian Accounting Standards*, *AASB 3 Business Combinations*, *AASB 9 Financial Instruments*, *AASB 116 Property, Plant and Equipment*, *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*, *AASB 141 Agriculture*.

The effects of this standard are: *AASB 1* to simplify the application of *AASB 1* by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences; *AASB 3* to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; *AASB 9* to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; *AASB 116* to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; *AASB 137* to specify the costs that an entity includes when assessing whether a contract will be loss-making; and *AASB 141* to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in *AASB 141* with those in other Australian Accounting Standards.

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

AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related 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 and, instead, to account for those rent concessions as if they were not lease modifications.

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

Note 13.4 - 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

Councillors

Short Term Benefits (Allowances)

Short Term Benefits (Expenses)

Long Term Benefits

	2020 \$000	2019 \$000
	546	540
	23	26
	569	566
	-	-
	569	566

Notes to the Financial Statements

Note 13.4 - Related Party Transactions (Cont)

	2020		2019	
	Number of Employees		Number of Employees	
	Actual	Annualised	Actual	Annualised
Senior Officers				
Remuneration				
\$40,001 - \$60,000	-	-	1	-
\$60,001 - \$80,000	1	-	1	-
\$120,001 - \$140,000	-	-	1	-
\$140,001 - \$160,000	-	1	1	-
\$160,001 - \$180,000	2	1	1	2
\$200,001 - \$220,000	1	1	4	5
\$220,001 - \$240,000	3	4	-	-
\$260,001 - \$280,000	-	-	1	1
\$280,001 - \$300,000	1	-	-	-
\$300,001 - \$320,000	-	1	-	-
	<u>8</u>	<u>8</u>	<u>10</u>	<u>8</u>

	2020	2019
	\$000	\$000
Senior Officers		
Short Term Benefits	1,265	1,424
Long Term Benefits	(23)	29
Post Employment Benefits	154	188
Termination Benefits	153	37
	<u>1,549</u>	<u>1,678</u>
Related Party Transactions		
Transactions		
Sales of Goods and Services	3	185
Purchase of Goods and Services	1,786	6,490
	<u>1,789</u>	<u>6,675</u>
Loans to Key Management Personnel	-	-
Outstanding Balances owed by Key Management	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 goods and services from, or made contributions to seven (ten) organisations that Key Management Personnel or their close associates have a significant influence over.

Contributions totalled \$119,550 (\$51,820) and purchases totalled \$1,665,963 (\$6,437,919). These transactions were at arms length and on normal commercial terms or through open tender.

Notes to the Financial Statements

Note 13.4 - Related Party Transactions (Cont)

Ordinary Citizen Transactions

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

These transaction are not included in these disclosures.

Note 13.5 - Events After Reporting Period

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

Note 14.1 - Authorities

Launceston Flood Authority

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

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

	2020 \$000	2019 \$000
Revenue and Expenses		
Revenue		
State Government Grants	536	524
Commonwealth Government Grants	-	-
Launceston City Council	182	182
Interest Income	7	5
Other Income	-	-
Total Revenue	725	711
Expenses		
Operations Costs	378	631
Depreciation	594	586
Total Expenses	972	1,217
Surplus / (Deficit)	(247)	(506)

Note 14.2 - Significant Business Activities

Competition Policy Compliance

Section 84(2)(da) of the *Local Government Act 1993* requires the Council's financial statements to contain a statement of the "operating, capital and competitive neutrality costs" in respect of each significant business activity. The Council has chosen to disclose these costs in respect of all functions. This disclosure has been included in Note 2.1.

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

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

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

- The relevant market

- The size of the local government activity compared to the whole market

- The competitive impact of the Council's activity in the market

Significant Business Activities

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

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

The following items have been disclosed:

Labour Costs

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

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

Full Cost Attribution

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

Competitive Neutrality Costs

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

Notional Income Tax

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

Capital Costs

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

Notes to the Financial Statements

Note 14.2 - Significant Business Activities (Cont)

	2020 Actual \$000	2020 Budget \$000	2019 Actual \$000
OFF STREET PARKING			
Revenue			
Operating Revenue	2,790	3,371	3,284
	2,790	3,371	3,284
Expenses			
Employee Benefits	295	322	296
Material and Services	798	743	631
Depreciation	403	354	285
	1,496	1,419	1,212
Full Cost Attribution	90	66	60
Competitive Neutrality	148	148	145
	1,734	1,633	1,417
Operating Surplus / (Deficit)	1,056	1,738	1,867
Less Notional Income Tax	317	522	560
Surplus / (Deficit)	739	1,216	1,307
Less Capital Costs			
Asset Disposal Loss/ (Gain)	-	-	19
Notional Cost of Capital	1,998	1,998	1,885
	1,998	1,998	1,904
Fully Attributed Surplus / (Deficit)	(1,259)	(782)	(597)
LAUNCESTON AQUATIC (Excludes LA Fit)			
Revenue			
Operating Revenue	2,247	3,171	3,111
	2,247	3,171	3,111
Expenses			
Employee Benefits	1,908	1,972	1,975
Material and Services	1,716	1,841	1,739
Depreciation	815	763	816
	4,439	4,576	4,530
Full Cost Attribution	76	76	74
Competitive Neutrality	86	86	83
	4,601	4,738	4,687
Operating Surplus / (Deficit)	(2,354)	(1,567)	(1,576)
Less Notional Income Tax	-	-	-
Surplus / (Deficit)	(2,354)	(1,567)	(1,576)
Less Capital Costs			
Asset Disposal Loss/ (Gain)	43	-	-
Notional Cost of Capital	1,512	1,512	1,532
	1,555	1,512	1,532
Fully Attributed Surplus / (Deficit)	(3,909)	(3,079)	(3,108)

Notes to the Financial Statements

Note 14.2 - Significant Business Activities (Cont)

	2020 Actual \$000	2020 Budget \$000	2019 Actual \$000
LAFit			
Revenue			
Operating Revenue	949	1,173	1,139
	949	1,173	1,139
Expenses			
Employee Benefits	354	388	359
Material and Services	123	137	126
Depreciation	78	35	53
	555	560	538
Full Cost Attribution	79	79	76
Competitive Neutrality	7	7	6
	641	646	620
Operating Surplus / (Deficit)	308	527	519
Less Notional Income Tax	92	158	155
Surplus / (Deficit)	216	369	364
Less Capital Costs			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	17	17	20
	17	17	20
Fully Attributed Surplus / (Deficit)	199	352	344
Building Surveying and Certification			
Revenue			
Operating Revenue	392	276	214
	392	276	214
Expenses			
Employee Benefits	185	175	172
Material and Services	12	15	10
Depreciation	3	3	3
	200	193	185
Full Cost Attribution	61	56	41
Competitive Neutrality	-	-	-
	261	249	226
Operating Surplus / (Deficit)	131	27	(12)
Less Notional Income Tax	39	8	-
Surplus / (Deficit)	92	19	(12)
Less Capital Costs			
Asset Disposal Loss/ (Gain)	-	-	-
Notional Cost of Capital	2	2	2
	2	2	2
Fully Attributed Surplus / (Deficit)	90	17	(14)

Notes to the Financial Statements

Note 14.3 - Special Committees

	2020 \$000	2019 \$000
Committee Name		
Dilston Hall	6	3
Lebrina Progress Association	9	7
Lilydale Memorial Hall Committee	10	10
North Esk Memorial Hall and Recreational Ground	7	8
Balance - 30 June	<u>32</u>	<u>28</u>
Summary of Special Committees		
Balance 1 July	28	34
Receipts	7	6
Expenses	(3)	(12)
Balance 30 June	<u>32</u>	<u>28</u>

Statement by the General Manager

The accompanying financial statements set out on pages 1 to 73, present fairly the financial position of the City of Launceston as at 30 June 2020, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.

1 October 2020

Date



Louise Foster
Acting General Manager

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 the Launceston City Council (Council) which comprises the statement of financial position as at 30 June 2020, the statements of comprehensive income, changes in equity, and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Acting General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 5.1, nor the Significant Business Activities disclosed in note 14.2 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Valuation of property and infrastructure <i>Refer notes 8.4 and 13.2</i></p> <p>Property and infrastructure at 30 June 2020 includes land, land under roads, buildings and material long-life infrastructure assets, such as roads, bridges, stormwater and drainage, flood protection, refuse disposal and parks totalling \$1.38bn. The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations.</p> <p>In 2019-20, Council revalued roads, bridges, stormwater and drainage, refuse disposal and park infrastructure assets based on current replacement cost valuations determined by internal experts. Land was indexed based on adjustment factors provided by the Valuer-General and Land under roads was revalued based on rates provided by the Valuer-General. These valuations 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 involved in the valuations. • Assessing the appropriateness of the valuation methodology and the key assumptions used. • Evaluating indexation applied to assets between formal valuations. • Testing, on a sample basis, the mathematical accuracy of the revaluation calculations. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the Acting General Manager for the Financial Report

The Acting 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 Acting 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 Acting General Manager.
- Conclude on the appropriateness of the Acting General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



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

Tasmanian Audit Office

7 October 2020
Hobart



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