

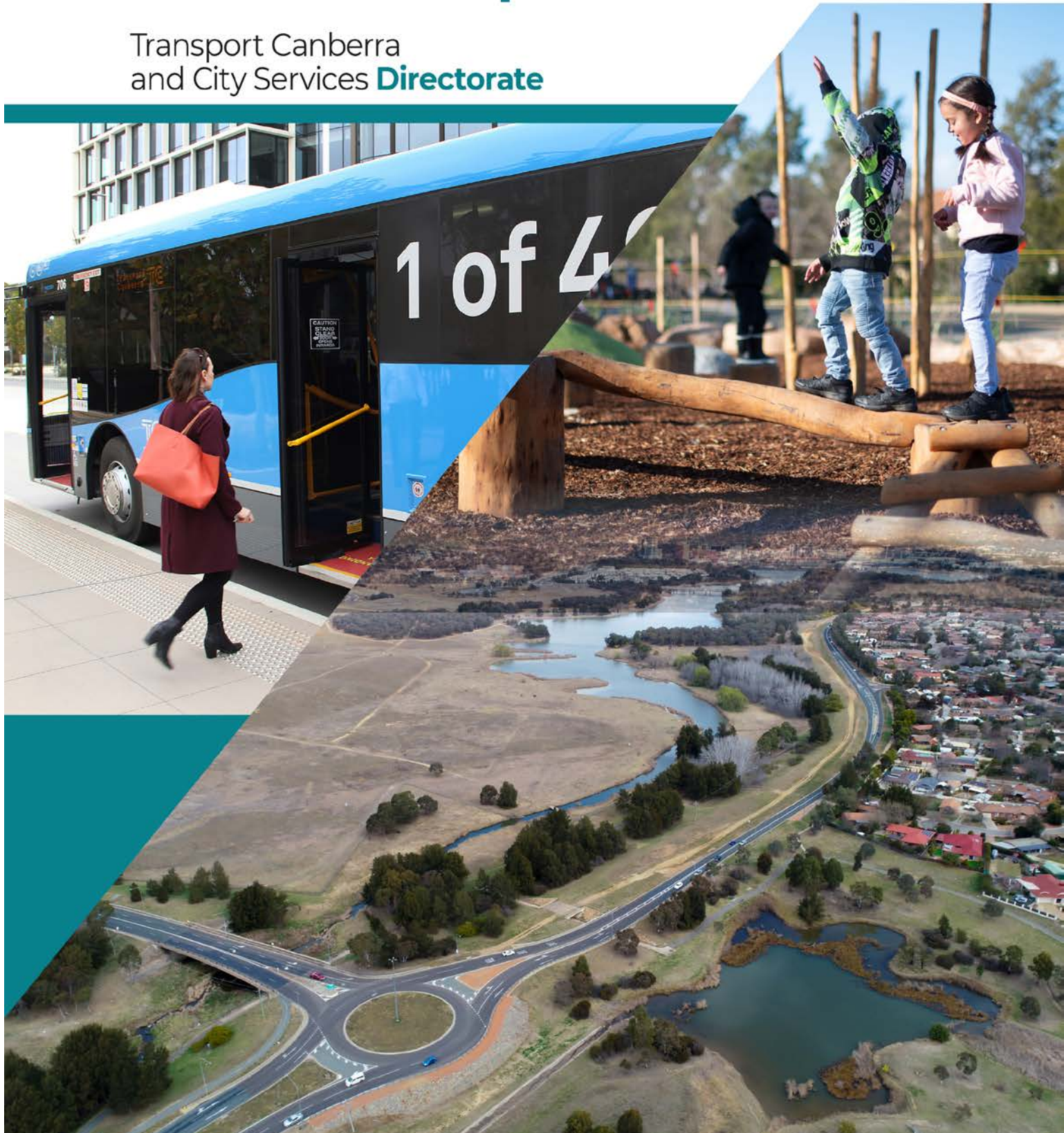


ACT
Government

Annual Report

Transport Canberra
and City Services **Directorate**

1 of 4



Acknowledgement of Country

We wish to acknowledge the Traditional Owners of these lands and waters that we live and thrive on today. We pay our respect to the Ngunnawal and surrounding nations, and extend that respect to all Elders past, present and emerging for they hold the memories, the traditions, the cultures and the hopes of all Aboriginal and Torres Strait Islander peoples across the nation. Through contributions of Aboriginal and Torres Strait Islander peoples, we have gained a better understanding and respect for their cultures which enrich our appreciation of Australia's cultural heritage that leads to reconciliation. This is essential to Australia's maturity as a nation, and fundamental to the development of Australia's united identity.

We also wish to acknowledge that this nation is and will always be Aboriginal and Torres Strait Islander land, recognising their living cultures, their strength, their resilience and their continued nurturing of these lands and waters for many thousands of years.

Accessibility

Transport Canberra and City Services is committed to making its information accessible to as many people as possible. This report is available as a printed document, an accessible PDF and in HTML on our website at

https://www.cityservices.act.gov.au/about-us/annual_report. If you have difficulty reading a standard print document and need alternative formats; if you are deaf or hearing impaired; or if English is not your first language; you can get help from the following services:

Canberra Blind Society: **T** (02) 6247 4580

National Relay Service: **T** 13 36 77

Translating and Interpreting Service: **T** 13 14 50

Further Information

For further information regarding the Transport Canberra and City Services Directorate Annual Report 2019-20 please contact the Governance and Ministerial Services Branch on (02) 6205 5187 or TCCS.GBSGovernance@act.gov.au.

Publication No 201052

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PART 1

COMPLIANCE STATEMENT

COMPLIANCE STATEMENT

The Transport Canberra and City Services Directorate (TCCS) Annual Report must comply with the 2019 Annual Report Directions (the Directions). The Directions are found on the ACT Legislation Register: [Annual Reports \(Government Agencies\) Act 2004](#)

The Compliance Statement indicates the subsections, under the five Parts of the Directions, which are applicable to TCCS, and the location of information that satisfies these requirements.

Part 1 - Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of Annual Reports. The TCCS Annual Report complies with all subsections of Part 1.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for TCCS are provided on page 2 of this Annual Report to give readers the opportunity to provide feedback.

Part 2 - Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all Directorates and TCCS complies with all subsections. The information that satisfies the requirements of Part 2 is found in the TCCS Annual Report as follows:

- Section A - Transmittal Certificate, see page 13;
- Section B - Organisational Overview and Performance, inclusive of all subsections, see page 16-86;
- Section C - Financial Management, inclusive of all subsections, see pages 88-306.

Part 3 - Reporting by Exception

In 2019-20, TCCS had no information to report by exception under Part 3 of the Directions.

Part 4 - Agency Specific Annual Report Requirements

There is one agency specific Annual Report requirement applicable to TCCS.

- Part 4 – Public Land Management Plans, see page 310.

Part 5 - Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to TCCS. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Sector (ACTPS) Directorates, as follows:

- Bushfire Risk Management, see the [Justice and Community Safety Annual report](#)
- Human Rights, see the [Justice and Community Safety Annual report](#)
- Public Sector Standards and Workforce Profile, see the annual [State of the Service Report](#); and
- Territory Records see the [Chief Minister, Treasury & Economic Development Directorate Annual Report](#)

ACT Public Service Directorate Annual Reports are found at the following web address:

https://www.cmtedd.act.gov.au/open_government/report/annual_reports

FOREWORD

I am pleased to present the 2019-20 Annual Report of the Transport Canberra and City Services Directorate. The Report outlines how we continue to deliver the vision of making Canberra attractive, safe, and easy to move around. In pursuing this vision, I would like to acknowledge the support of our Ministers during 2019-20, Mr Chris Steel MLA, Minister for City Services, Minister for Recycling and Waste Reduction, Minister for Roads and Active Travel and Minister for Transport and Ms Yvette Berry MLA, Minister for Sport and Recreation.

After my first full reporting year as Director-General it is remarkable to reflect on what we've achieved over the past 12 months.

We undertook a rebalancing exercise in September 2019 to ensure our structures were better aligned and to strengthen our commitment to values-based leadership. Ben McHugh also joined our senior leadership team as the acting Deputy Director-General of Transport Canberra and Business Services from February 2020.

We consolidated our integrated public transport network which saw a huge increase in services and excellent patronage growth in the first part of the reporting period. We were responsive in addressing initial issues with weekend bus reliability and towards the end of the 2019 calendar year we hosted a major international public transport conference where we showcased the first stage of light rail which is being run on 100% renewable electricity.

We also worked closely with other parts of Government to continue to deliver the important public services which make Canberra such a great place to live. We progressed major infrastructure projects like the Gundaroo Drive duplication. We undertook significant community engagement exercises in relation to how we best manage ACT trees on private land and how we can phase out single-use plastics from our city.

The year was of course also marked by events beyond our control, and in 2020 we have faced unprecedented challenges as we continue to deliver services for Government and the community.



Over the new year, with Canberra blanketed in smoke from record fires in surrounding NSW, and in January the Ororua Valley bushfire impacting the ACT, TCCS played a key role in the successful response to protect and support our people, property and our neighbours in NSW. We undertook extra bushfire protection work, provided transport for the firefighting effort, cared for animals relocated to the Dickson and Erindale relief centres, set up road closures and continued to provide essential services through our frontline staff. Following January's damaging hailstorm, we were responsive in clearing the debris left in inner Canberra and Belconnen, undertaking extra street sweeping and green waste collections for affected suburbs. A significant number of our fleet and a number of depots and work sites were damaged in that event.

In March 2020, the ACT community were confronted with the challenge of operating in the COVID-19 global pandemic. We responded to the challenge by adapting to keep our employees and the community safe. All areas of TCCS have been innovative and responsive in the face of the challenges presented by the COVID-19 pandemic.

Our corporate areas supported staff to work outside the traditional office environment, including providing additional information technology, human resources, and mental health support services. Transport Canberra now undertakes extra cleaning

and has suspended cash payments while continuing to deliver our essential public transport services.

Extra cleaning has also been a priority for our city presentation teams during COVID-19 and the safety of our workers has been at the forefront. Libraries ACT were shut for a period and have modified the way they support the community, they are continuing to deliver popular services such as Story Time using digital channels.

We have also fast-tracked tree planting and infrastructure and city services projects across our city to keep people employed, such as creating new paths and delivering upgrades to playgrounds, sporting facilities, shopping centres and bus depots. Through the Jobs for Canberrans initiative we've been able to employ Canberrans to deliver tasks ranging from tree propagation at Yarralumla Nursery to cleaning in our depots.

Throughout all of the challenges we have faced as a community, it is particularly pleasing that TCCS has been able to continue to provide our full range of services such as keeping our roads safe, rehoming lost dogs, collecting household waste, supporting our most vulnerable through our libraries and transport systems, looking after our sportsgrounds and urban areas and adapting how we undertake design review and inspections of new driveways and other works on public land.

In this period, we have also added to our services, including introduction of a new library management system and commencement of construction on the ACT's next crematorium. Advance planning was also undertaken for the roll-out of a bulky waste collection service, and delivery of a major update to our public transport network to respond to community feedback. We also worked to ensure our office-based staff were supported to successfully move to a new building, ready to embrace activity-based working when safe to do so.

I am very proud of our staff for the commitment, agility, and resilience they have shown to continue to deliver key services for Canberrans during a challenging year for our city.

Alison Playford
Director-General

PART 2A

TRANSMITTAL CERTIFICATE

TRANSMITTAL CERTIFICATE



Mr Chris Steel MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

2019-20 Transport Canberra and City Services Annual Report

This report has been prepared in accordance with section 6 of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2019*.

I certify that the information in the attached report and information provided for whole of government reporting is an honest and accurate account and that all material information on the operations of Transport Canberra and City Services has been included for the period 1 July 2019 to 30 June 2020.

I hereby certify that fraud and prevention has been managed in accordance with Part 2.3 of the *Public Sector Management Standards 2006*.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to 18 December 2020.

The annual report must be provided to the Speaker on 18 December 2020 for distribution to each Member of the Legislative Assembly. The annual report must then be tabled in the Legislative Assembly on the next sitting day.

Yours sincerely

Alison Playford
Director-General
4 December 2020

PART 2B

ORGANISATIONAL OVERVIEW AND PERFORMANCE

PART 2B ORGANISATIONAL OVERVIEW AND PERFORMANCE

Our Vision

Our vision captures the core purpose of delivering city and transport services with a focus on innovation, safety, and customer service. This has been captured with the following vision statement:

‘Making Canberra attractive, safe and easy to move around.’

Our Mission

The TCCS mission is to deliver:

‘Connected services for the people of Canberra.’

Our Role, Functions and Services

TCCS assists Canberrans to move around the city and provides high quality city services to the community. Delivery of these services is citizen-focused, with a goal of improving the liveability of our city through the provision of core services and an integrated transport network, ensuring Canberra remains a great place to live, work and relax.

The directorate delivers services to create an attractive cityscape and amenities, an effective road network, an integrated public transport system, and other city services which are necessary to support a growing community as well as attract tourism and business investment to the region. TCCS is responsible for the planning, building and maintenance of many of the ACT Government’s infrastructure assets such as roads, bridges, cycling and community paths, and the streetlight network. It also plays an important role in managing the city’s open space, parks, neighbourhood play areas and playground equipment, sportsgrounds, recreational facilities, and local shops. The range of community services delivered by TCCS includes libraries, waste and recycling services, safer walking and cycling around schools and city amenity.

TCCS strives to improve public transport outcomes, providing an integrated light rail and bus network

that is convenient, efficient, affordable, sustainable, and reliable.

Capital Linen Service, ACT NoWaste, Domestic Animal Services, Yarralumla Nursery and Birrigai are managed by TCCS. The directorate also has administrative oversight responsibility for the ACT Public Cemeteries Authority, which operates the Woden, Gungahlin, and Hall cemeteries.

Our Values

TCCS has adopted and promotes the ACT Public Service (ACTPS) values and signature behaviours of respect, innovation, integrity, and collaboration. TCCS has also adopted safety and excellence as additional values and behaviours that staff identified as reflecting the organisation TCCS wants to be. Each of our values plays an important role in making TCCS a great place to work.

Our Clients and Stakeholders

Establishing and maintaining relationships with a wide range of stakeholders is essential to realising the TCCS mission. Our stakeholders include:

- ACT residents and visitors;
- ACT Legislative Assembly and members;
- ACT and Commonwealth Government agencies;
- ACT businesses, community organisations, peak representative groups, professional bodies, and unions; and
- suppliers and contractors.

Organisational Structure

TCCS Executive Board is the executive body that sets the strategic direction of the organisation and makes decisions to ensure the strategic risks of the directorate are identified and actions are put in place to ensure we have capacity to address Government priorities. The Board has a cross-directorate focus that encompasses planning, strategy, risk, change and resources.

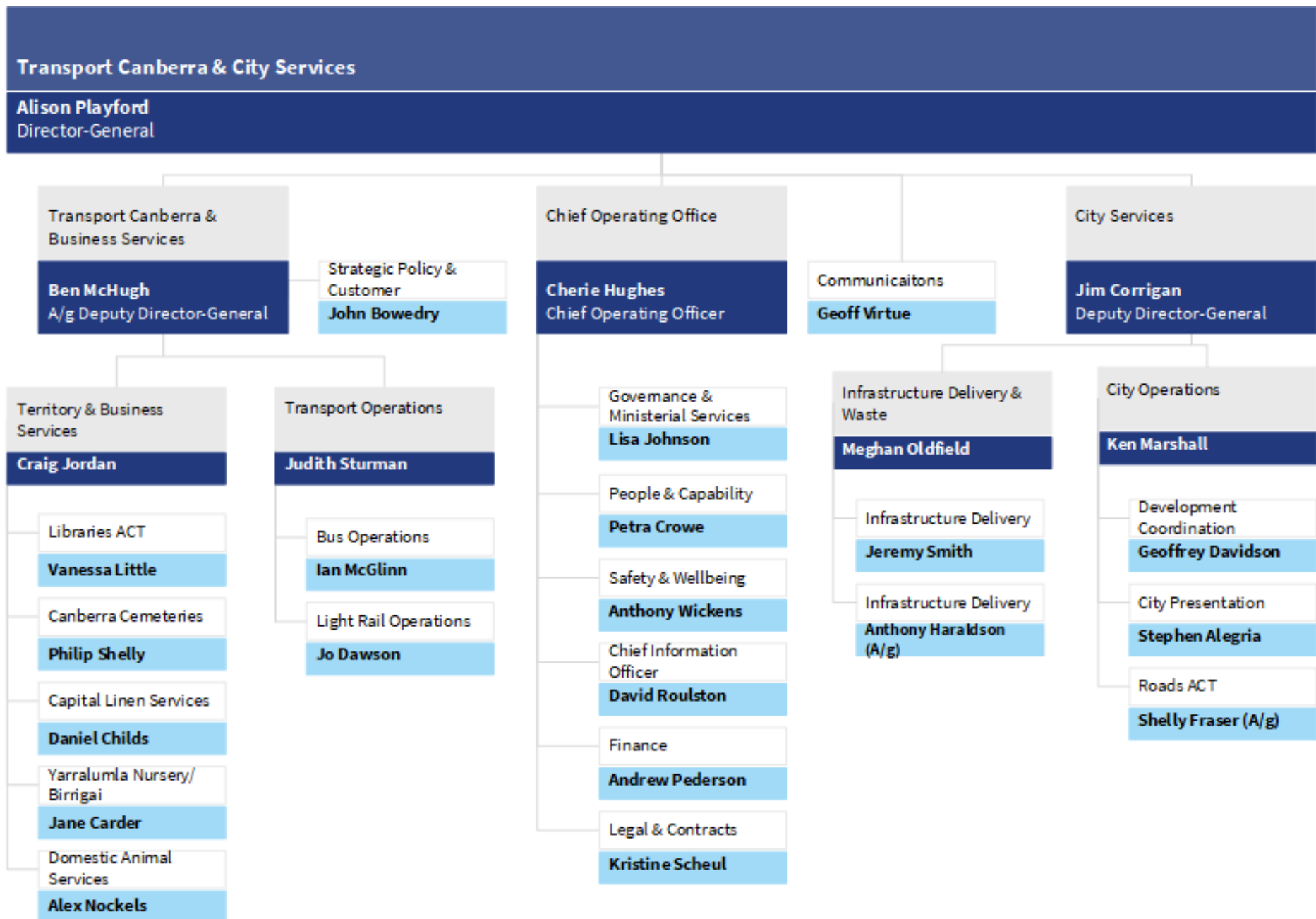


Figure 1. Transport Canberra and City Services Organisational Chart

Transport Canberra and City Services Directorate

As at 30 June 2020, the Senior Executive team is as follows:

Director-General – Alison Playford

The Director-General is responsible for leadership, management, strategic direction, efficient and effective financial management and good governance for the whole Directorate. The Director-General also provides advice and reporting to the Minister about the activity of the Directorate. As a member of the ACTPS Strategic Board, the Director-General provides Whole of Government leadership for the ACTPS and is responsible for the implementation of Whole of Government initiatives on behalf of the Directorate.

Transport Canberra and Business Services Division

Acting Deputy Director-General – Ben McHugh

The Deputy Director-General Transport Canberra and Business Services is responsible for the delivery of essential services to the Canberra community. These include Transport Canberra, Libraries ACT, Canberra Cemeteries, Domestic Animal Services, Capital Linen Service, Yarralumla Nursery and Birrigai. The Strategic Policy and Customer branch is also included within this portfolio and comprises teams focused on policy and legislative solutions, strategic transport, customer experience and the Active Travel Office.

City Services Division

Deputy Director-General– Jim Corrigan

The Deputy Director-General, City Services is responsible for the delivery of a wide range of services including the management and delivery of new urban infrastructure, maintenance of roads, stormwater, public open spaces, and city places. The role also manages urban rangers, infrastructure planning and development coordination. The Deputy Director-General is also responsible for waste and recycling services, policy, and regulation.

Chief Operating Officer Group

Chief Operating Officer – Cherie Hughes

The Chief Operating Officer (COO) is responsible for the delivery of corporate services across the Directorate including good governance, effective people and financial management, workplace safety, legal and procurement, technology and data, corporate communication, and engagement activities. As a member of Whole of Government and inter-directorate forums, the COO contributes to strategic Government policy and is responsible for delivering Whole of Government initiatives within TCCS.

Executive Remuneration

The ACT Remuneration Tribunal is an independent statutory body with responsibility for setting the remuneration, allowances, and entitlements for public officials in the ACT including the ACT Government. Further information can be found at the [ACT Remuneration Tribunal](#).

Governance

TCCS delivers a diverse range of services spanning policy, planning and operational functions across the organisation. In undertaking these business activities, the Directorate employs best practice governance principles to demonstrate transparency and accountability to our customers and staff, and to manage strategic and operational risks. The Directorate has an established governance framework that streamlines governance processes and ensures TCCS makes informed, transparent, and accountable decisions with a customer focus. Our Governance Manual provides staff with a resource to adopt strong governance principals, providing information on the TCCS governance structure and employee rights and obligations. In August 2019 Executive Board membership was expanded to include Executive Group Managers, joining the Director-General, Deputy Directors' General and Chief Operating Officer. This has improved Whole of Directorate understanding and cohesion at the senior level, allowing the team to actively engage in improving governance and risk management.

In 2019-20 a number of projects were undertaken to improve governance across the Directorate. These included:

- improving information sharing and compliance with the *Territory Records Act 2002* by implementing an Electronic Document Records Management System (EDRMS) across the Directorate, enabling employees to access records whilst working from home during the COVID-19 pandemic. Over 70 per cent of business units have migrated to the system and all business units are scheduled to migrate by late 2020;
- implemented and embedded improved risk monitoring through capturing all directorate operational risks in a dedicated risk management system. This included a risk validation process with all business units to ensure the operational risks are being actively monitored and managed effectively;
- enhancing and ensuring compliance with records management which saw approximately 400 record archive boxes sent to storage to support moving office-based staff to an activity-based work environment;
- undertook a pilot program to establish a quality management system within Domestic Animal Services, focussing on capturing and recording business processes through a business manual to improve service delivery. This pilot will serve as an example when establishing quality management systems in other business units in the directorate;
- established regular business managers forums, including with representatives from Governance and Finance, to drive greater collaboration across the Directorate;
- streamlined reporting processes through use of pre-populated templates to reduce reporting burden on operational areas; and
- reviewed and updated Audit Committee Charters to be consistent with whole of government framework, including to provide greater clarity of the role of independent members.

Policy and Legislation

The Directorate have progressed a program of work to improve on the ground outcomes for Canberrans, primarily in the policy and legislation space. This

included work on four significant pieces of legislation that were passed in the Legislative Assembly in 2019-20. In 2019-20 the team:

- progressed reform to the *Animal Welfare Act 1992* to prevent and respond to animal welfare abuses including introducing new minor duty of care offences, increasing maximum penalties, introducing an accreditation framework for assistance animals and a pet business licencing framework;
- progressed reform to the *Litter Act 2004* including introducing a new escalating enforcement framework to respond swiftly and proportionately to littering and illegal dumping and a framework to deal with extreme littering on private property that causes an amenity impact;
- introduced the *Cemeteries and Crematoria Act 2020* providing a robust legislative framework ensuring that the needs of everyone in the community are met in a dignified and respectful way; and
- finalised and released the ACT Waste to Energy Policy.

Planning Framework

Strategic Plan 2017-2020

The TCCS Strategic Plan 2017-2020 outlines TCCS' overarching strategic direction, including areas of focus and indicators of success. It is structured around three high level objectives:

- deliver customer centric outcomes;
- improvements in safety and delivery; and
- good governance and rewarding careers.

The Strategic Plan was developed in line with the ACT Planning Framework, ensuring that Directorate plans are consistent with Government vision and priorities such as the Canberra Statement of Ambition and ACT Budget. Performance against the plan is measured in line with the ACT Performance and Accountability Framework taking into account the following measures:

- strategic objectives;
- strategic indicators;
- strategic Key Performance Indicators (KPIs); and
- accountability indicators.

The TCCS Strategic Plan 2017-20, the Directorate's inaugural plan, has provided important grounding and direction. The plan informs the work of TCCS from high level policy development, to day to day operational tasks, and directly influences business planning and individual employee performance plans. It has focussed the energy, resources, and time of all of our people, as we worked toward our individual and shared goals. The directorate achieved much of what we set out to achieve in the 2017-2020 Strategic Plan.

In January 2020, work commenced on our next Strategic Plan. Due to the uncertainty created by COVID-19, it was decided to update and extend the current plan to 2020-21 as a short term measure to enable us to recalibrate our forward planning in a COVID-19 environment. During the next reporting period, we will engage with workers and develop our next, longer-term strategic plan, covering 2021-24.

Performance Framework

TCCS actively participates in the ACTPS Performance Framework which sets out the objectives for performance management and development of ACTPS employees. TCCS is committed to providing regular and effective performance feedback to employees to identify development needs and opportunities in line with broader business objectives. The Director-General is responsible for ensuring all employees have a performance plan in place that is linked to the achievements of their team business unit goals and TCCS objectives, and for these plans to be reviewed bi-annually. For executives, these agreements are formalised through their executive contracts.

Aboriginal and Torres Strait Islander Reporting

TCCS Reconciliation Action Plan

The ACT Government's commitment to reconciliation is outlined in the Aboriginal and Torres Strait Islander Agreement. To support the Agreement, TCCS focused on the first-year deliverables of our [Reconciliation Action Plan](#) 2019 -2022 (Stretch RAP).

The Stretch RAP outlines practical and measurable strategic actions to develop positive relationships with Canberra's Aboriginal and Torres Strait Islander

community and to our employment and retention of Aboriginal and Torres Strait Islander workers. Specific initiatives over the life of the Stretch RAP include:

- establishing a minimum of five, two-way partnerships across the Directorate with Indigenous businesses and community to co-design projects; and
- complying with the ACT Whole of Government Aboriginal and Torres Strait Islander Procurement Policy 2019 by reviewing annually our progress against its key measures, setting target obligations, and identifying improvements and new opportunities in relation to the Directorate's policy commitments.

A RAP Advisory Committee has been established to drive and monitor implementation of the Stretch RAP. Membership of the committee includes 12 Aboriginal and Torres Strait Islander TCCS employees and 15 non-Indigenous employees.

Of the 110 deliverables identified in the Stretch RAP, 18 have so far been delivered and a further 46 are currently in progress. A further 28 deliverables are scheduled to commence in 2020-21.

Stretch RAP priorities for 2020-21 include:

- developing a TCCS Aboriginal and Torres Strait Islander Cultural Proficiency Strategy;
- delivering Aboriginal and Torres Strait Islander online Cultural Competency training in addition to general awareness training to TCCS Executives and RAP Advisory Committee members;
- considering incorporation of the Aboriginal and Torres Strait Islander flags and/or Aboriginal and Torres Strait Islander art when transitioning to new directorate or business unit uniforms; and
- developing a whole of government policy proposal for new signage to be in both English and Ngannawal language, including working with relevant stakeholders to implement this initiative.

In October 2019, the TCCS Reconciliation Action Plan Advisory Committee worked with City Services in planting a permanent Indigenous garden on Drakeford Drive in Kambah.

The garden was designed by Khi Fulthorpe, a Kombumerri man from south east Queensland who undertook the project as part of a Certificate III in

horticulture. The garden bed is designed to depict the sun, land and sea and pays respect to the Ngunnawal people, symbolised by the Bogong moth. The design represents Australia's diverse and multicultural community, while acknowledging the Traditional Custodians of this land. The garden bed has been well received by the local Aboriginal and Torres Strait Islander community and the broader Tuggeranong community.



TCCS Diversity Employment Strategies for Aboriginal and Torres Strait Islander People

TCCS continues to implement a range of diversity and inclusion employment strategies to reach targets set by the Head of Service for the employment of Aboriginal and Torres Strait Islander peoples. The strategies focus on four key areas: leadership and planning; attracting and recruiting a diverse workforce; developing and retaining a diverse workforce; and shaping workplace culture to develop our cultural integrity. Some of these strategies were put forward by the RAP Committee, members of the Indigenous Peer to Peer Network and feedback from the TCCS Aboriginal and Torres Strait Islander Elected Body Representative.

Strategies include:

- delivering recruitment and selection training to interview panel members to raise awareness of unconscious bias in the recruitment and selection process;
- developing a City Services entry level program for young Aboriginal and Torres Strait Islander peoples with a disability;

- sponsorship of an Aboriginal or Torres Strait Islander employee with a disability to participate in the ACT Public Service - Public Service Manager Development Program; and
- growing the TCCS Indigenous Peer to Peer Network.

As at June 2020, there were 61 employees who self-identified as an Aboriginal or Torres Strait Islander. This exceeds the target by three and is a headcount increase of 7 over 2018-19.

Aboriginal and Torres Strait Islander Community Bus Service

The [Aboriginal and Torres Strait Islander community bus service](#) provides transport for those in the community who find themselves unable to access regular transport services. The service provides an opportunity for Aboriginal and Torres Strait Islander elders groups, juvenile and justice support groups, family groups and individuals to access medical appointments, significant cultural events such as funerals, and social and sporting events.

The program utilises two minibuses with one bus being wheelchair accessible. A community bus coordinator is available during office hours to assist with bookings, driving duties and servicing of the vehicles. A self-drive option is also available, both during and outside business hours, providing access to the vehicles for volunteers wanting to transport groups to sporting or cultural events. The Aboriginal and Torres Strait Islander community bus service provided 3,877 passenger movements in 2019-20.

Aboriginal and Torres Strait Islander Community Engagement Programs and Activities

In 2019-20 Libraries ACT continued to celebrate Aboriginal and Torres Strait Islander culture through a range of public programs and initiatives. These included:

- special Story Times presented by Ngunnawal and Wiradjuri storytellers;
- community outreach visits by an Aboriginal and Torres Strait Islander Coordinator to encourage greater connection to the library service; and
- displaying Aboriginal and Torres Strait Islander flags at all library branches and applying a sticker

to denote library materials with Aboriginal or Torres Strait Island content or authorship.

As part of Reconciliation Week, Libraries ACT hosted *Tracks to Reconciliation 2020*. This event is an annual celebration of Aboriginal and Torres Strait Islander culture and included several online videos featuring an Aboriginal song writer, a Wiradjuri story time, a smoking ceremony by a Ngunnawal elder and an activity book for children. The event was organised in collaboration with the Community Services Directorate, YMCA Holt, Capital Region Community Services, Child and Family Centres, Child Development Service, and Uniting Care Kippax.

In 2019-20 the ACT Heritage Library upgraded its bibliographic records for all Libraries ACT holdings containing Aboriginal or Torres Strait Islander language content with new AUSTLANG codes. This was completed as part of a National and State Libraries Australia catalogue-athon to improve access to library materials with Aboriginal or Torres Strait Islander language content.

Developed by the Child and Family Centres, a child friendly version of the Acknowledgement of Traditional Owners has now been deployed by Libraries ACT for use at public programs and events for children. All staff have been provided with a lanyard swing tag with the text of a child friendly and all ages Acknowledgement of Traditional Owners for use when introducing public programs and events.

Internal Accountability

Refer to pages 16-18 for the TCCS organisational chart and the responsibilities of the TCCS Senior Executive Team.

Significant TCCS Committees for 2019-20

TCCS has a range of internal boards and committees responsible for the strategic direction and governance of the directorate.

Table 1: TCCS Committees for 2019-20

Name of Committee	Role of Committee
TCCS Executive Board	The Executive Board is the directorate's principal decision-making forum. The Board has a cross-directorate focus that encompasses planning, strategy, risk, change and resources.
Audit Committee	The Committee is responsible for the management of the TCCS audit program and meets quarterly. Refer to part 2B – Internal Audit for more information.
Work Health and Safety Steering Committee	The Committee discusses issues and initiatives at a directorate level and meets quarterly. Refer to part 2B – Work Health and Safety for more information.
TCCS Consultative Committee	The Committee is a forum for consultation between TCCS employees and unions and meets quarterly.
TCCS Finance Committee	The Committee provides leadership and direction in financial strategy and financial management of the directorate, meeting monthly.

Highlights for 2019-20

The directorate had many significant achievements throughout the reporting period. This has included responding to the circumstances presented by the 2019-20 bushfires and COVID-19 pandemic, and the subsequent need for TCCS to adjust service delivery to keep employees and the wider community safe.

With Canberra blanketed in smoke and record fires in surrounding NSW, the Directorate played a key role in the successful response to protect and support our residents. TCCS undertook extra bushfire protection work, helped look after animals relocated to the Dickson and Erindale relief centres, set up road closures and continued to provide essential services with frontline staff equipped with masks to help protect them.

City Services also worked quickly to clear away debris and foliage following the severe hailstorm that hit a number of Canberra suburbs in January 2020. The storm damaged almost 80 TCCS fleet vehicles and left a trail of debris through inner Canberra and Belconnen. TCCS organised extra street sweeping and green waste collection for the affected suburbs.

In March 2020, TCCS commenced its response to the COVID-19 pandemic. City maintenance and cleaning services continued to provide a full range of services including additional cleaning and disinfecting of high use public areas such as bus interchanges, shopfronts, and playgrounds throughout the COVID-19 pandemic.

The pandemic also presented a significant challenge to our corporate areas who worked to support staff to work remotely, including Information Technology, Human Resources and Mental Health support.

During 2019-20, TCCS established a Workplace 2.0 Project Team to manage the relocation of TCCS staff to the new Dickson Office Block. This included supporting employees to transition to an Activity Based Working work environment with unassigned desk and 'paper lite' working. A working group met monthly to share updates and seek feedback on particular logistical and transition issues. Regular communication was undertaken with staff who were supported throughout the project.

During 2019-20 the directorate made significant achievements across its core business areas working towards better transport, strengthening our services, and building a sustainable future.

Better Transport to keep Canberra moving as we grow

- celebrated the first anniversary of light rail stage 1 with 4.5 million passenger boardings since operations commenced in April 2019;

The first anniversary of
Light Rail Stage 1
was celebrated in
April 2020 with
4.5 million passengers boarding
since operation commenced in **April 2019**



- recorded a 7.7 per cent increase in the number of passenger journeys undertaken by bus and light rail prior to the impact of COVID-19 in March 2020;
- maintained normal levels of service delivery and adopted measures to make essential travel a safe, clean environment for employees and passengers including the introduction of rear door entry, cashless travel and an extensive public transport communications campaign focussed on COVID-19;
- procured 40 new buses providing higher levels of customer comfort and compliance with disability access standards;
- progressed development of the ACT Transport Strategy to reflect the role of public transport in managing our transition beyond COVID-19;
- introduced an interim weekend bus timetable with improved reliability and recruited 66 part-time and 18 casual bus operators;
- supported the Aboriginal and Torres Strait Islander community bus program which serviced 3,877 passenger movements in 2019-20;
- completed stage two of the Gundaroo Drive duplication between Gungahlin Drive and the Barton Highway including new off-road paths for cyclists and pedestrians;
- added four new traffic signals to the road network with two of the new sites trialling the use of an extra low voltage system providing

increased safety for maintenance staff and the general public; and

- delivered the Age Friendly Suburbs program including upgrades to path networks and connectivity to six suburbs with a significant proportion of residents aged over 55;

Strengthening services for our city and suburbs

- worked collaboratively with sporting groups to manage the significant impacts of COVID-19 on community sport, facilitating a gradual return to play to meet the needs of all sporting codes and relevant health directions;
- delivered the Adopt a Park grants program with 32 groups provided with \$183,000 in grant funding to enable community-led enhancement and maintenance of urban open space;
- hosted the First Indigenous Cultural Tourism aligned event at Birrigai and developed a new Canoeing Program to enable continued operation of Birrigai during high summer temperatures;
- delivered more than 13.6 million items of linen weighing 6,383 tonnes with Capital Linen Services further expanding its linen and laundering services into southern New South Wales;
- launched the “Own a Dog, Own the Responsibility” educational campaign to assist the Domestic Animal Service to increase community awareness of owners’ obligations under the *Domestic Animals Act 2000* and the responsible dog ownership model;
- ceased charging fines for overdue library items to encourage Canberrans with unpaid fines to return to borrowing;
- celebrated the 50th anniversary of the opening of Dickson library;
- produced about 330,000 plants compared to approximately 300,000 in 2018-19 at the Yarralumla Nursery;
- completed refurbishment of the Higgins Neighbourhood Oval with the oval and associated pavilion opened for sporting groups;
- carried out work to upgrade Boomanulla Oval including lighting works, providing a revamped sports ground and community facility for local Aboriginal and Torres Strait Islanders and the broader community;
- completed a new playground to improve the look of Gungahlin Place making it a more welcoming environment for children and families;
- carried out improvements to Kambah Village including additional car parking, new public toilets, paths and play equipment including Canberra’s first splash pad with fountains bubbling up from the ground; and
- installed new Nature Play areas at Farrer, Eddison Park and Glebe Park with local children assisting in shaping the designs including different zones to explore, climbing structures, sand pits, tunnels, climbing cables and a nest swing.

Protecting our environment and leading transition to a zero emissions future

- planted over 4,700 trees in nature strips and parks across Canberra, including 2,500 trees planted during the autumn 2020 planting program as part of the ACT Government stimulus package to support Canberra businesses;
- consulted the community on a review of the *Tree Protection Act 2005*;
- considered options to phase-out unnecessary single use plastics and completed a community and business consultation with 3,300 respondents showing support for phasing out select single-use plastic items;
- procured a bulky waste collection service for ACT residents, scheduled to commence on 1 July 2020 for Tuggeranong and Gungahlin residents;
- recycled and diverted from general waste over 100 tonnes of green waste at the Yarralumla Nursery;
- celebrated the second anniversary of the ACT Container Deposit Scheme (CDS), recycling around 71.2 million containers in the first two years of operation;
- achieved an Infrastructure Sustainability Design Rating of ‘Excellent’ from the Infrastructure Sustainability Council of Australia for Light Rail Stage One;
- commenced trials of road surfaces made from recycled materials with each tonne of road base comprised of approximately 800 plastic bags, 300 glass bottles alongside 18 used printer toner cartridges and 250 kilograms of reclaimed asphalt;

- commenced planning for a Food Organics Garden Organics collection service to divert food waste from landfill and turn it into organic compost products;
- progressed a Zero-Emission Transition Plan for Transport Canberra;
- installed 18 fast chargers across City Services depots in support of the ACT Zero Emissions Vehicles Action Plan 2018-21;
- progressed development of a 12-month trial of a fully electric truck;
- installed solar PV installations across 11 TCCS sites;
- progressed a boiler upgrade and solar panel array at Tuggeranong Bus Depot; and
- successfully trialled recycled crushed glass from the MRF as a replacement for virgin river sand in pipe bedding within Icon Water's infrastructure network.

Our 2020-21 Priorities

TCCS priorities are focused around the themes of better transport; strengthening our services; and building a sustainable future.

Better Transport to keep Canberra moving as we grow

- commence implementation of the ACT Transport Strategy;
- commence implementation of the Zero Emission Transition Plan for the phasing out of legacy diesel and gas buses to enable a zero-emissions bus fleet by 2040;
- continue the procurement of new buses aligned to the Zero Emissions Transition Plan to replace buses beyond their useful life;
- progress procurement of a new integrated public transport ticketing system;
- start the first phase of improvements as part of the Monaro Highway upgrade project;
- upgrade roadside guardrails to improve road safety and compliance with new standards;
- following completion of site preparation works, commence construction of a new Woden Bus Depot to enable Transport Canberra to manage the additional buses being introduced into its fleet;

- complete the Traffic Management Centre to provide a new home for the traffic signals team, enabling a greater focus on the overall operation of the road network; and
- continue a rolling program of facility upgrades including making sporting pavilions female-friendly to encourage the increased participation of women and girls in organised sport.

Strengthening services for our city and suburbs

- delivery of large infrastructure projects to keep our city moving and better connected, including upgrades to the Monaro Highway and William Slim Drive;
- continued development of local infrastructure to support stronger communities and provide stimulus to aid in the economic recovery from COVID-19;
- implementation of the Urban Forest Strategy to take the city towards its 30% canopy target;
- commence upgrades to Woden Library branch to include the creation of new community spaces;
- finalise a Playspace Strategy to inform future directions and priorities for the management and upgrade of 512 playspaces across the city;
- increases in resource recovery through upgrades to recycling infrastructure in response to bans on waste exports, and designing a food and garden organics collection and recovery service;
- complete delivery of the More Bins initiative by developing a community litter education program;
- keeping our city looking good by responding to La Nina wet weather impacts on mowing and road surface maintenance;
- identify further opportunities for Aboriginal and Torres Strait Islander participation in community projects delivered by City Presentation branch including play spaces design and indigenous landscape plantings;
- plan for the delivery of the inaugural Street Art Festival for Canberra in 2020-21, to profile the maturity of the Graffiti Management Program;
- develop a publicly available Customer Charter for Domestic Animal Services to improve public understanding of the role of Domestic Animal Services and the services provided;

- continue delivery of the School Safety Program including the Active Streets for Schools, Ride or Walk to School and It's Your Move programs, School Crossing Supervisor Program, and other initiatives.
- develop opportunities to offer new course options at Birrigai designed for use during high summer temperatures; and
- support and facilitate sporting groups to return to community sport in accordance with COVID-19 restrictions.

Protecting our environment and leading transition to a zero emissions future

- grow 25,000 trees over the next four years to meet the ACT Government's commitment to the Urban Forest;
- deliver on government policy to enable the phasing out of certain single use plastics;
- complete the Material Recycling Facility storage capacity upgrades;
- complete the installation of solar photovoltaic cells across 11 TCCS sites and progress boiler upgrade and solar panel array at the Tuggeranong Bus Depot;
- commence a twelve-month lease for a trial of a fully electric truck in the TCCS fleet; and
- begin procurement of the first tranche of zero emissions buses for Transport Canberra.



PART 2B PERFORMANCE ANALYSIS

A customer perspective

TCCS is committed to improving customer experience, strengthening community engagement, and improving liveability and social inclusion through the delivery of high-quality services. The directorate strives to achieve high customer satisfaction, positive resident perceptions and increase community awareness of our services and responsibilities.

Transport Strategic Objective 1 - Improve customer experience with public transport and drive an increase in patronage

TCCS has a strategic objective to improve the customer experience of public transport and attract new customers through provision of high quality, friendly and reliable services. The directorate will pursue targeted investment and business reform to improve the overall performance of the business. This objective will form part of the Transport Canberra COVID-19 Recovery Plan and take into account the impacts of the pandemic on when and how to safely encourage customers back onto buses and light rail

Strategic Indicator 1.1: Customer satisfaction

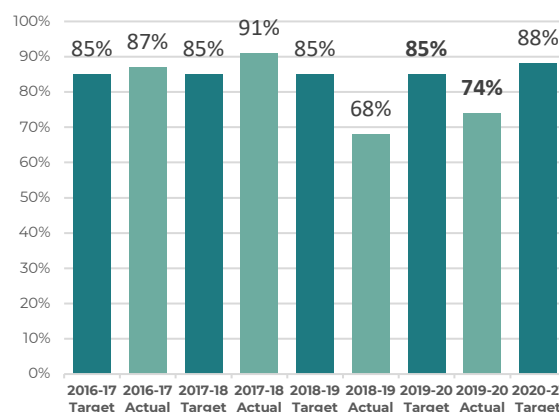
The directorate has an objective to create a customer-centric culture that allows it to become a leader in customer service by rewarding and encouraging positive customer-orientated behaviour. This is achieved through:

- delivering customer service training for frontline staff;
- developing and implementing a rewards and recognition program for staff; and
- establishing customer experience KPIs for introduction across all levels of Transport Canberra.

The [2019-20 TCCS Customer Survey](#) showed an increase in customer satisfaction from 68 per cent in

2018-19 to 74 per cent in 2019-20. Improved customer satisfaction levels follow the introduction of a new public transport network, [Network 19](#) in April 2019.

Figure 2: Customer satisfaction with the Transport Canberra bus network



Strategic Indicator 1.2: Patronage

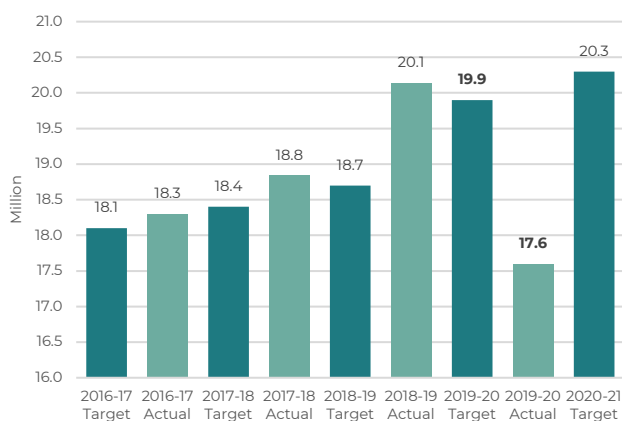
TCCS has an objective to increase patronage of public transport. This will be achieved as part of delivering the [Transport for Canberra – Transport for a sustainable city 2012-2031](#)

Following a significant reduction in public transport use from mid-March 2020, patronage fell with passenger boardings of 17.6 million, compared to 20.1 million in 2018-19. The reduction in public transport use followed public health advice to limit non-essential journeys in response to COVID-19.

The 2019-20 financial year is the first full year of reporting for Canberra's integrated public transport network, which was introduced in April 2019. Prior to the impact of COVID-19 in March 2020, a record number of passengers used Transport Canberra services. Between 1 July 2019 and 29 February 2020, Transport Canberra recorded a 7.7% increase in passenger journeys.

TCCS has identified a need to revise patronage targets, due to the introduction of light rail, significant increases to bus services and the impact of COVID-19. The current indicators were set as part of the 2018-19 ACT Budget and reflect the bus-only public transport network which was operating at the time.

Figure 3: Patronage results and targets¹



Strategic Indicator 1.3: Service reliability

TCCS has an objective to deliver a reliable public transport network. Public transport customers place a high importance on the reliability of public transport services. Customers need to be able to rely on services arriving on time. This is a key element of supporting customer satisfaction and providing a service that users of public transport will recommend to non-users.

Service reliability is measured through two accountability indicators:

1. services operated to completion – a measure of whether the public transport arrives and completes its scheduled service.
2. [on time running](#) – a measure of whether the public transport leaves between one minute early and four minutes late from the scheduled timetable.

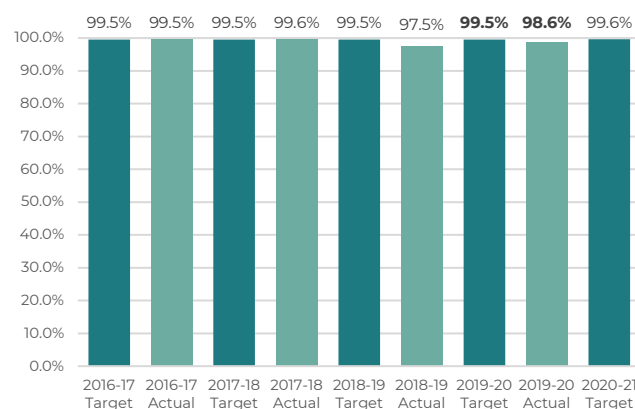
During the first few months of 2019-20, the reliability of the weekend bus service fell below ACT Government and community expectations. In response, the ACT Government released the [ACT Transport Strategy 2020](#), setting out a number of actions to restore the reliability of weekend bus services. This included recruitment of more bus drivers to deliver weekend bus services and the introduction of an interim weekend timetable from September 2019.

During the remainder of 2019-20, the Directorate implemented the action plan through recruitment and

¹ This indicator has been revised in the 2018-19 Budget. Previously it only represented 'bus boardings'. These figures reflect public transport boardings from buses and light rail.

training of drivers. The reliability of weekend bus services has been consistently at or above the target of 99.5% of services operated to completion since November 2019.

Figure 4: Bus services operated to completion



Strategic Indicator 1.4: Provide high quality services to meet social needs

TCCS has an objective to deliver a high-quality public transport network that meets the needs of disadvantaged members of our community. TCCS provides transport services such as Special Needs Transport (SNT) and the Flexibus initiative. The directorate also continues to update its bus fleet to provide access to passengers with a disability. Other areas of focus include customer satisfaction with services.

The Flexible Transport Office manages specialised transport services including the operation of Special Needs Transport (SNT), the Aboriginal and Torres Strait Islander Community Bus and the Flexible Bus Service. The SNT network provides transport to and from ACT public schools for 368 students with disabilities and 39 Introductory English Class students using 42 buses and 16 taxis each school day. The service delivers to 50 specialised and mainstream schools Canberra-wide. The Flexible Bus Service (using the SNT fleet in the middle of the day) provided 14,759 passenger movements in 2019-20.

City Services Strategic Objective 1 - Deliver high quality city services

TCCS has a strategic objective of ensuring that city services are consistently of high quality, timely, effective and cost efficient and meet the needs of the community. TCCS is committed to ensuring that the city is well maintained, and its assets protected, and that members of the community have the opportunity to participate in the decision-making processes.

Strategic Indicator 1.5: Customer satisfaction continues to demonstrate improvement

TCCS has a strategic objective of ensuring that city services are consistently of high quality, timely, effective and cost efficient and meet the needs of the community. TCCS is committed to ensuring that the city is well maintained, and its assets protected, and that members of the community have the opportunity to participate in the decision-making processes.

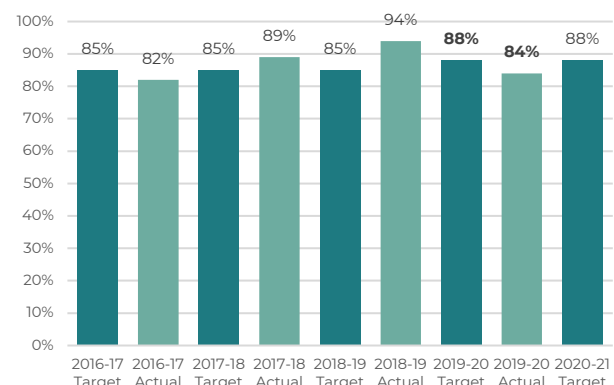
TCCS has an objective to increase customer satisfaction with the delivery of municipal services. The [2019-20 TCCS Satisfaction Survey](#) of 1000 Canberra residents showed a change in overall customer satisfaction from 94 per cent in 2018-19 to 84 per cent in 2019-20. The survey, which was undertaken by a new provider in 2020, measures customer satisfaction related to the directorate's core service delivery responsibilities, including library services, infrastructure services (such as roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces.

The 2019-20 result of 84 per cent is just short of the 88 per cent target. The year-to-year change may reflect the use of a new provider as well as the timing of the survey in March 2020 following drought and bushfires (and associated smoke) which may have reduced access to services – especially sportsgrounds, libraries and other public

spaces. Previous years' overall satisfaction results were based on an average of scores against specific questions for each city service, whereas the 2020 survey had a standalone question on satisfaction with City Services overall.

TCCS is constantly working to improve customer satisfaction and has three years remaining of the five year target 88 per cent satisfaction rate by 2020-21 set in the 2016-17 Budget.

Figure 5: Customer satisfaction with services²



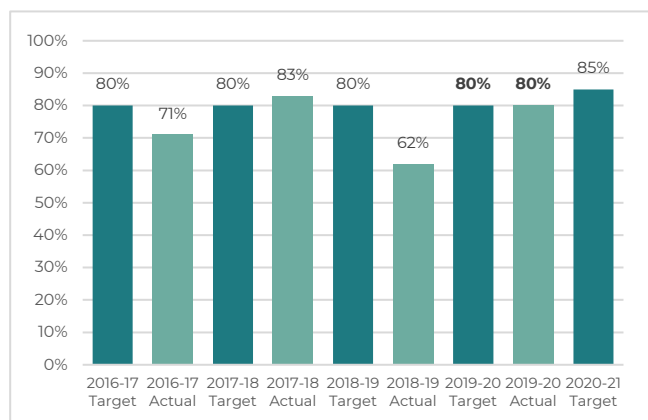
Strategic Indicator 1.6: Satisfaction with community engagement continues to demonstrate improvement

TCCS has an objective to ensure the community is engaged in the delivery of city services and regularly undertake a range of community engagements to obtain community feedback.

[2019-20 TCCS Customer Survey](#) showed a significant improvement in satisfaction with community engagement, with the result of 81 per cent compared to 62 per cent achieved in 2018-19. The 2018-19 result was impacted by community concern about the new integrated public transport network however, the community now has more certainty about bus routes. There was also strong community support for the phase out of single-use plastics which was a major community engagement during 2019-20. Other community engagements during 2019-20 included consultations on the *Tree Protection Act 2005* and the Woden Library co-design.

² Results in 2018-19 reflect customer satisfaction with city services only, results in 2017-18 reflected customer satisfaction with both city services and transport services.

Figure 6: Customer satisfaction with community engagement



Transport Strategic Objective 2 – Improve the efficiency of public transport

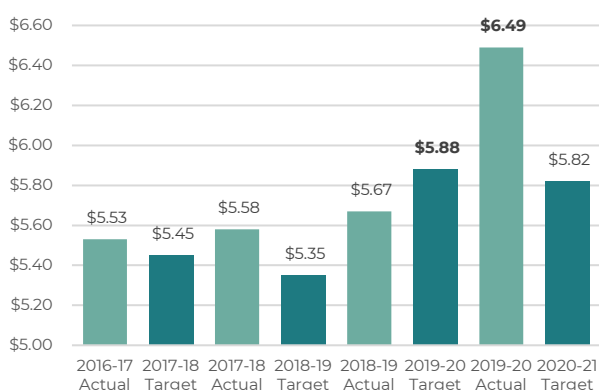
TCCS has a strategic objective to improve the efficiency of public transport to ensure that the community receives value from the investment required to run bus and light rail services.

Strategic Indicator 2.1: Operating efficiency

TCCS has an objective to provide a bus service that operates efficiently. The key accountability indicator for this is the bus network operating cost per network kilometre.

The operating efficiency result for 2019-20 was \$6.49 which was higher than the target of \$5.88. The increased costs were due to additional driver training conducted during the period to support the expanded network, and new network launch costs.

Figure 7: Bus network operating costs per network kilometre



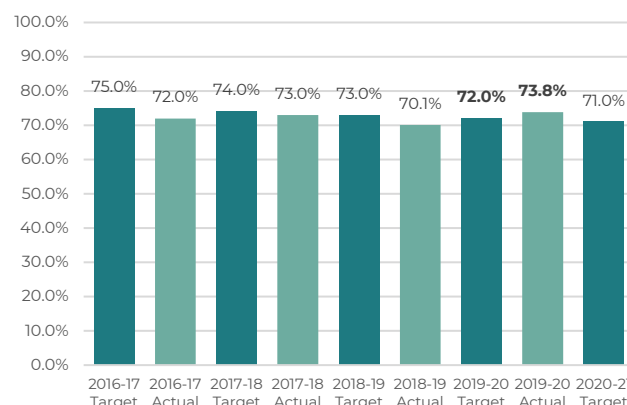
Strategic Indicator 2.2: Business performance

TCCS has an objective to improve business performance, which is a comparison between the amount of revenue generated by the business and the cost of running the business. The Directorate will introduce a long-term business strategy for public transport that will progress organisational reform and provide a pathway for further service improvement.

The strategic indicator for business performance is the Government subsidy per passenger boarding, a measure that captures the overall financial performance of public transport.

The result of 73.8 per cent for 2019-20 reflects a reduction in fare revenue following the impact of COVID 19 and significantly reduced patronage from March 2020 onwards.

Figure 8: Government subsidy per bus passenger boarding



City Services Strategic Objective 2 - Improved delivery of city services

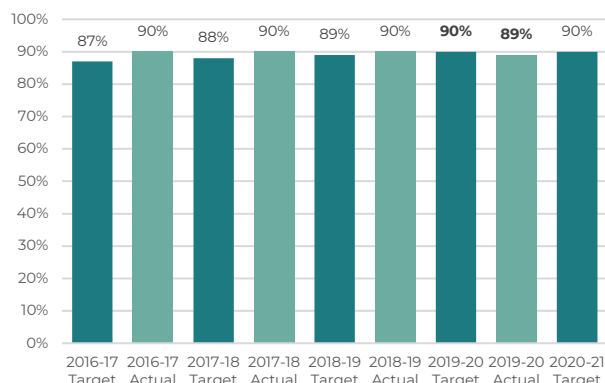
Strategic Indicator 2.3: Percentage of territorial roads in good condition

TCCS has an objective to keep the majority of territorial roads in good condition.

This indicator is measured using an industry standard survey that assesses one third of the territorial road network annually.

In 2019-20 the directorate achieved 89 per cent of roads in good condition against the target of 90 per cent.

Figure 9: Percentage of territorial roads in good condition



Transport Strategic Objective 3 - Drive innovation and a sense of excitement about public transport

The directorate has a core goal of running an effective public transport network.

Delivery of light rail in 2018-19 was an important milestone for the Territory, bringing with it a fully integrated public transport network. TCCS will continue with procurement activities for a modern ticketing system across buses and light rail.

The use of public transport provides significant environmental benefits. The directorate will support the environment through two key deliverables over the coming years: powering light rail by 100 per cent renewable electricity, and further pursuit of alternative fuel buses.

Public transport also plays an important social role by providing mobility to disadvantaged members of the community. The directorate will work to ensure that its community transport services are fully explored.

Strategic Indicator 3.1: Deliver light rail and integrate light rail with buses

TCCS delivered an integrated public transport system including buses and light rail in 2018-19.

Strategic Indicator 3.2: Reduce public transport related greenhouse gas emissions

Public transport plays an important role in helping meet the ACT's legislated greenhouse gas emissions targets.

Light rail efficiently moves large numbers of commuters along the Gungahlin to City corridor. In line with the Government's target, light rail will be powered by 100 per cent renewable electricity.

In September 2020, the ACT Government expects to release the *Zero Emission Transition Plan for Transport Canberra*.

The Plan outlines the pathway to achieve the ACT Government's ambition of a zero-emission public transport system by 2040. With this Plan the ACT Government is taking nation-leading action to transition our city's bus fleet to zero emissions, including the infrastructure, investment and skills needed to make the transition operationally successful.



City Services Strategic Objective 3 - A reduction in waste to landfill

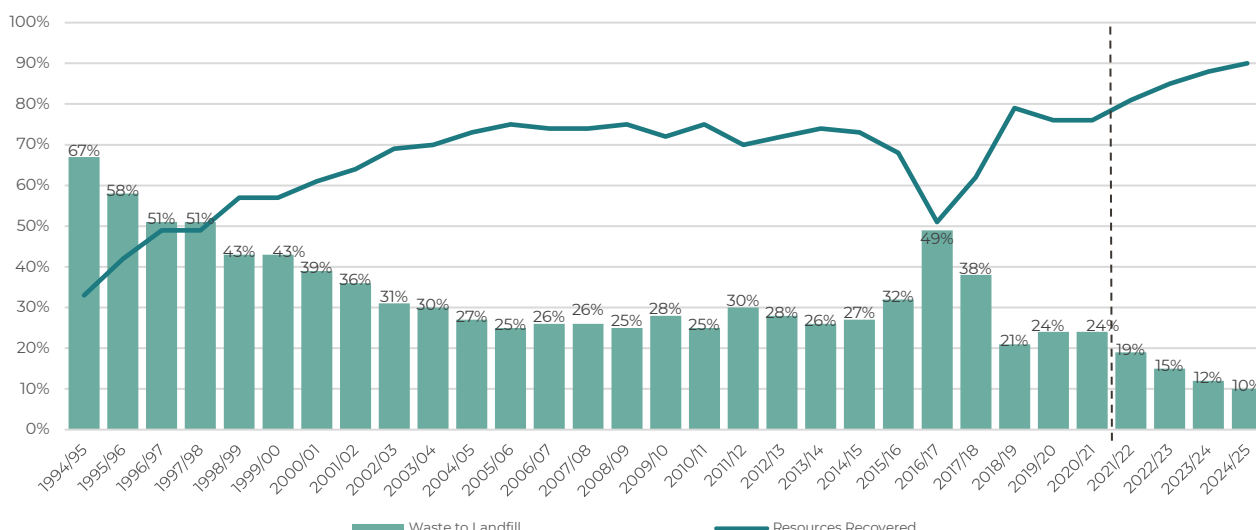
TCCS is committed to ensuring that Canberra becomes a fully sustainable city and region and that future development is environmentally sensitive, both to maintain and protect natural assets and to respond to the challenges of climate change. A reduction in the amount of waste going to landfill is one of the strategic progress indicators towards achieving this objective.

Strategic Indicator 3.3: Reduction in waste to landfill as a proportion of the total waste stream

The resource recovery rate is the rate at which waste is diverted from landfill for an alternative purpose. The rate is calculated using the reporting regime required under the [Waste Management and Resource Recovery Act 2016](#) (the Act). The waste to landfill result is calculated from landfill weighbridge data records and the reporting regime required under the Act.

While the resource recovery rate declined from 79% in 2018-19 to 76% in 2019-20 the result is still in line with the longer-term trend of 75%. The fluctuation is due to the availability of more accurate data from improved reporting mechanisms and a reduction in construction and demolition material in the ACT, which has typically high recovery rates and can impact overall figures.

Figure 10: Waste to landfill as a proportion



Output Class 1: Transport Canberra

Transport Canberra has responsibility for the operation of an integrated public transport network, administration of the Government subsidy paid to Transport Canberra buses, and the strategic oversight of the public transport network and asset management.

During 2019-20, light rail celebrated its first anniversary with over 4.5 million boardings since the service commenced in April 2019. In June 2020 a further landmark was reached with passenger light rail having travelled one-million kilometres.

Prior to the impact of COVID-19 in March 2020, a record number of passengers used Transport Canberra's integrated bus and light rail network. Between 1 July 2019 and 29 February 2020, Transport Canberra recorded a 7.7% increase in passenger journeys. Patronage was especially strong in areas such as Molonglo where new Rapid bus services were introduced in April 2019.

Transport Canberra was the first of many jurisdictions to provide a customer focused response to the COVID-19 pandemic. This included introducing rear door entry and cashless travel in addition to an increase in daily cleaning and an extensive communications campaign focussed on key COVID-19 safe travel messages.

In September 2019, the Government released the [Transport Action Plan](#) aimed at improving reliability of weekend bus services. The plan included introduction of an interim weekend bus timetable to

deliver improved reliability of weekend services. Since the beginning of November 2019, Transport Canberra delivered 99.9% of all scheduled weekend bus services and met its target of 99.5% every weekend.

A key action of the Transport Action Plan has included the continuous recruitment of bus drivers. Transport Canberra commenced a 12-month recruitment round in October 2019. A four-week driver training course commences every three weeks to achieve the number of drivers required to support the Network19 changes and a return to higher levels of weekend services. Between September 2019 and June 2020, Transport Canberra recruited 84 new drivers (66 part-time and 18 casual employees). During the same period 41 drivers left Transport Canberra, resulting in a net gain of 43 drivers (41 part-time and 2 casual employees).

Due to the COVID-19 pandemic, the driver recruitment and training program activities have been reduced to ensure physical distancing measures can be upheld. Training re-commenced in June 2020, with lower numbers to enable physical distancing to be adhered to.

A further measure of the Transport Action Plan included the incremental increase of weekend bus services to meet the Network 19 plan. The first increase to weekend services was planned in the updated timetable due to commence in April 2020. Due to the public health emergency, these network changes were postponed and are now planned to commence in October 2020.

Other key achievements in 2019-20 include:

40 new buses were procured and an interim weekend bus timetable was introduced



- procurement of 40 new buses providing higher levels of customer comfort and compliance with the *Disability Discrimination Act 1992*;
- continued planning for the construction of a new Woden Bus Depot;
- commenced design work on a new ticketing system to provide public transport users with

flexible payment options and real time travel information;

- implemented various health and safety initiatives focused on the wellbeing of employees including providing fitness and nutrition sessions as part of Safety Week 2019;
- commenced work to develop a Zero Emissions Transition Plan to enable a zero-emissions bus fleet by 2040; and
- employed 36 additional employees as part of the Jobs for Canberrans scheme to work in fueller and cleaner roles.

Priorities for 2020-21:

- commence the building of a new Woden Bus Depot to enable Transport Canberra to manage additional buses being introduced to the fleet to meet demand for higher frequency services;
- complete work on the Zero Emissions Transition Plan to provide a pathway to a zero-emissions bus fleet by 2040 with no new diesel buses being purchased; and
- continue to implement the Bus Fleet Replacement Strategy by replacing aging vehicles with the procurement of new buses aligned to the [Zero Emissions Transition Plan](#).

Future Light Rail Network Investigations

95% of respondents said they would recommend the light rail to friends and family in a **February 2020** customer feedback survey



In 2015 the Government released the [Transport Canberra Light Rail Network Plan](#). The plan outlines the future light rail network for Canberra.

In 2019-20, \$250,000 was allocated for future light rail network investigations over 2019-20 and 2020-21. These investigations will examine the objectives and opportunities for future corridors, with a view to further defining the strategic alignment and staging options for the east west link between Belconnen and the City and east toward Canberra Airport as well the further extension of the north south spine to Tuggeranong.

The Light Rail Network is centred around a north-south spine connecting Gungahlin and Tuggeranong, and an east-west link connecting Belconnen to the City and east toward NSW via both Fyshwick/Kingston and the Airport. The network will complement the city's broader planning, climate, and transport objectives in driving a more compact and inclusive urban form.

Light rail will underpin our modern public transport system as it connects major population areas, employment centre, social and cultural hubs across Canberra.

Light Rail Board

During 2019-20 governance and secretariat arrangements for the Light Rail Project Board were transferred to Major Projects Canberra. The board continues to provide advice to the Government in relation to the planning, procurement, and delivery of the light rail project. The Directorate is represented on the board by the Director-General.

In Focus - Celebrating Light Rail's First Year

April 2020 marked the first-year anniversary of an operational light rail. A look back on 12 months has established that, in Canberra, we have a reliable and popular light rail system that is on track to deliver the benefits that were outlined in the business case.

During the year CMET continued to deliver a highly reliable and on-time service, recording just over 4.2 million light rail boardings by the end of April 2020. In February 2020, prior to the COVID-19 pandemic, patronage reached its highest levels since the free month of operation in May 2019. Overall, patronage has exceeded the 2021 targets prompting the Government to extend the end of day peaks and increase peak services to five-minute intervals. This change is set to be introduced in July 2020 following an earlier delay due to the impact of COVID-19.

The popularity of light rail has been reflected in customer feedback. In February 2020, 95 per cent of respondents said they would recommend light rail to their friends and family. For customer comfort during peak travel periods, hanging straps have been installed in all light rail vehicles offering more holding points.



Light Rail Operations Team from left to right: Jon Dragos, Tahni Littlejohn, Andrew Fawcett and Jo Dawson.

Active Travel

The Active Travel Office coordinates the delivery of active travel across the ACT Government and supports a collaborative approach to cycling and walking initiatives. In 2019, the schools program was removed from the Active Travel Office reflecting their respective operational and strategic roles.

Some key active travel achievements during 2019-20 include:

- finalising a land-use policy for dockless micromobility which will expand the existing dockless bike share scheme to include e-scooters;
- conducting community engagement activities to promote cycling and walking including Canberra Walk and Ride Week and Spoke Up! for Women's Health: a week of activity to encourage more women to cycle and walk, run in partnership with Jean Hailes Women's Health Week;
- commencing construction on the Belconnen Bikeway;
- rolling out of CBR Cycle Routes network signage on four routes and installation of priority crossings at five locations;
- completing design work for the Woden Cycle Loop, Anketell Street to Lake Tuggeranong active travel improvements and Heysen Street Link Stage 1;
- investing \$6m in path upgrades through the Fast Track stimulus program;
- starting the Slower Streets initiative during the COVID-19 pandemic, working with communities

to encourage cars to slow down to make local streets safer for walking and cycling; and

- providing technical and policy advice on cycling and walking across the government and wider community in areas such as infrastructure planning and assisting the Climate Change Division in establishing its community leadership and behaviour change functions.

Priorities for 2020-21

Projects to be undertaken by the Active Travel Office in 2020-21 include the following objectives of the ACT Transport Strategy:

- development of an active travel implementation plan including a review of the Active Travel Framework; update the strategic active travel network plan; reflect integrated transport options and a project and prioritisation framework;
- coordinate ongoing public education with other directorates about the practical measures people can take to adopt new walking and cycling habits for local trips, or in combination with public transport; and
- develop best practice guidance on active travel infrastructure design to inform a future update of Municipal Infrastructure Standards and finalise an end of trip facilities guide and workplace travel planning guidance.



Output Class 2: City Services

Output 2.1: Roads and Infrastructure

Road maintenance and safety – road resealing

At 30 June 2020, Roads ACT was responsible for the maintenance of 7,242 lane kilometres of surfaced roads. A total of 1.1 million square metres of resurfacing (440,000 square metres of territorial, 680,000 square metres of municipal road network) was carried out in 2019-20.

2019-20 funding resulted in 5.4 per cent of the Territorial road network (target 5.0 per cent) and 4.1 per cent of Municipal road network (target 4.0 per cent) being resurfaced.

Where large sections of the road surface have degraded beyond the service level of regular preventative maintenance, heavy patching is used to fix the road.

Areas that often require this treatment include those frequented by regular heavy vehicles such as freight and bus routes. During 2019-20, 51 sites around the ACT were treated with heavy patching as part of the planned maintenance program.



Innovation and eco-friendly road resurfacing treatments

During 2019-20, the Directorate continued to adopt innovative treatments to provide a sustainable road network. Glass bottles and plastic bags collected through the Container Deposit Scheme contributed to the development of trials using ecologically sustainable road base made from recycled materials. Commencing with use in Gungahlin, each tonne of road base was comprised of approximately 800 plastic bags, 300 glass bottles, 18 used printer toner cartridges and 250 kilograms of reclaimed asphalt.

Stormwater infrastructure

The public stormwater network includes surface channels and storages such as ponds and retarding basins as well as underground stormwater pits and pipes. The stormwater system serves the community during floods by moving flows away from private property, public places, and infrastructure. The stormwater system also maximises the environmental, economic, and social benefits that this resource can provide.

During 2019-20:

- new ponds, wetlands, bioretention systems and restored creek channels were successfully operated and maintained at 20 locations as part of the management of healthy waterways assets;
- desilting of ponds was undertaken in Giralang; Kangaroo Close, Nicholls; and the Gungaderra channel in Harrison/Franklin; and
- reed clearing was undertaken in the dam section on Ginninderra Creek, Nicholls.

Bridges

During 2019-20, Roads ACT carried out its bridge maintenance program. At a cost of around \$2 million, maintenance work was carried out at 16 different bridge sites. Work completed included the replacement of bridge expansion joints and deck resurfacing.

Some sites at which maintenance work has been carried out are busy, critical locations on the road network and included Tuggeranong Parkway, Parkes Way, Isabella Drive, Monaro Highway and Copland Drive. At these locations traffic diversions were put in place to safeguard worker and public safety. Parkes Way was the largest job site and was delivered through smoke haze during the bushfire emergency.

In addition to maintenance activities, two new pedestrian timber bridges were reconstructed in Gordon.

Traffic signals

In 2019-20, four new traffic signals were added to the road network. At two sites the use of an extra low voltage system has been trialled to increase safety for maintenance staff and the public. The adaptive control system used to optimise traffic flow at traffic signals has also updated to the latest version.

A total of eight new portable Variable Message Signs were deployed on the road network providing real-time travel information to motorists. These signs were redeployed to support both the bush fires and COVID-19 response efforts.

In Focus - ACT Road Safety

The “Smiley Face” sign trial is an initiative of the ACT Road Safety Action Plan 2016-2020. It aims to promote road safety in residential areas through driver awareness of travelling speeds.

A key component of the program is the rotation of portable signs on identified residential streets across the road network. The signs detect approaching motorists’ speeds and respond with a “Smiley Face” if they are under the speed limit, and a ‘SLOW DOWN’ message if they are detected speeding. The signs are not enforcement devices, they are a reminder to motorists to watch their speed, slow down and drive safely.

An evaluation of the trial highlighted some positive results, including:

- a reduction in travelling speeds by up to 12 km/h;
- an increase in the percentage of motorists travelling at or below the legal speed limit of the road; and
- the majority of motorists continued to observe the signs’ messaging over the entire period of their installation, despite the signs being non-enforceable.

The signs will continue to be used to promote road safety in residential areas through driver awareness of travelling speeds, and an expansion of the project is being planned for 2020-21.





The second year of the Energy Performance Contract for streetlights was completed with **35,971 streetlights** converted to **LED luminaires** and **23,905 smart cells** installed in the streetlight network since its commencement.

Public lighting

The ACT Government owns over 80,000 lights on streets, footpaths, arterial roads and in various public parks and other open spaces around the ACT.

During 2019-20, the second year of a seven-year streetlight Energy Performance Contract was completed. The contract provides for the ongoing operation and maintenance of the Territory's streetlights and includes a capital upgrade program replacing lights to energy efficient LED luminaires. Smart cell technology is also being fitted onto streetlights which will improve data acquisitions with defects being detected through the technology.

Since commencement of the Energy Performance Contract 35,971 streetlights have been upgraded to LED luminaires with 23,905 smart cells installed on the streetlight network.

Infrastructure Delivery

Gundaroo Drive completion

In 2019-20 the second stage of the duplication of Gundaroo Drive, which commenced in mid-2018, was completed on time and on budget. This included four lanes between Gungahlin Drive and the Barton Highway including off road paths for the safety of cyclists and pedestrians.

Kambah Village

Improvements to the Kambah Village shopping centre have been completed with the provision of additional car parking spaces, the installation of new play equipment including Canberra's first ever splash pad with fountains bubbling up from the ground, better path connections, toilets and a BBQ area.

Nature Play Areas and Playgrounds

Nature Play construction was completed at Farrer, Eddison Park and Glebe Park utilising local children to assist in shaping the earliest concept designs. Play space features include timber climbing structures,

sand pits, tunnels and climbing cables and nest swing as well as a mountain bike circuit at Farrer. The play spaces also include a range of different zones for children to explore, including a climb zone, a scramble zone, a hide zone, a loose parts zone, and a rest zone.

A new playground has also been completed on the central median on Gungahlin Place which has improved the look of Gungahlin Place and made it a more friendly environment for children and families.

Age Friendly Suburbs

The Age Friendly Suburbs program has continued in suburbs with a large proportion of residents aged over 55. Further upgrades to path networks and connectivity were undertaken in Aranda, Campbell, Stirling, Isabella Plains, Narrabundah, and Holt.

Priorities for 2020-21

- increase focus on achieving a higher percentage of spend against the capital program following a challenging year in 2019-20 with a particular focus on large projects such as the Monaro Highway and better connecting Belconnen and Gungahlin;
- continue to apply project controls and good governance to ensure the appropriate management of quality, safety and budget are achieved across the capital program; and

focus on workforce planning to ensure workforce stability and workforce contingency planning within the Infrastructure Delivery team to assist in the timely delivery of large scale capital programs that are likely across the medium to long term.

Processing of applications for land development works

During 2020-19, TCCS received 5,157 land development submissions, 1.4 per cent less than the previous year of 5,230, as per Table 2 below. The total number of submissions includes land access and activity notices (LAANs).

The total number of land development submissions processed in the reporting period was 5,216, with 4,240 (81.3 per cent) of these processed within the target timeframes.

Development applications (DA), building applications (BA) and LAANs have a statutory turnaround time of 15 days. 3,497 were received with 3,575 processed

and 3,016 (84.4 per cent) processed within the required timeframe.

Post DA submissions have a 20-day, turnaround time agreed with industry. In 2019-20 1,660 were received, with 1,660 processed and 1,641 (98.9 per cent) processed within the target timeframe.

Table 2: Development review submission

Submission types	2018-19	2019-20	% + / -
Submissions			
Estate development plans and planning submissions	414	286	-30.9
Design acceptance	561	484	-13.7
Operational acceptance	536	540	0.7
Final acceptance	148	350	136.5
Sub-total	1,659	1,660	0.1
Applications			
Development applications	1,366	1,262	-7.6
Building applications	1,342	1,419	5.7
Land access and activity notice	863	816	-5.4
Sub-total	3,571	3,497	-2.1
Total	5,230	5,157	-1.4

Output 2.2: Library Services

Libraries ACT provides information, recreation activities and knowledge services via nine public libraries located across Canberra, the Home Library Service, and the ACT Heritage Library, as well as a range of digital resources known as eResources. Approximately 41 per cent of the ACT population are registered members of Libraries ACT, a decrease from 68 per cent reported in 2018-19. The decrease is attributed to the introduction of a new computer system in which borrower data was not migrated if library users had not used their library card in the preceding seven years.

Libraries ACT provides access to information, supports reading and lifelong learning, and contributes to literacy and language development in our city, offering access to a collection of 1,607,100 items in various formats.

During 2019-20, Libraries ACT loaned 1,352,806 physical items, plus 612,340 eResources. Digital resources increased by 27% over this period due to the impact of COVID-19. Libraries ACT also coordinated monthly deliveries of library items to 290 people who, for reasons including disability, illness, or limited mobility, were unable to access a public library in person.

In October 2019, the ACT Government abolished fines on overdue library items. The initiative seeks to address social, equity and access issues by encouraging people to return overdue items without being fined, and establish, or re-start library use.

A pilot Home Delivery service for individuals impacted by COVID-19 has been initiated and will be ready for implementation in 2020-21. This service has 10 full-time employees who have been recruited via the Jobs for Canberra initiative.

During summer 2019-20, Libraries ACT branches provided heat refuges during the bushfire period for members of the community without access to clean air and cooling.

Lifelong learning and outreach activities

Libraries ACT actively supports lifelong learning, connecting people across Canberra with information, ideas, and practical skills. Various formats are used supporting learning outside formal education pathways. Access to resources and programs on topics including health and wellbeing, sustainability and the environment, music, art, writing, science, and life skills, were delivered through:

- 2,291 public programs attended by 64,488 people, including 29,563 participants at Giggle & Wiggle and Story Time;
- 100 online programs, created in response to COVID-19, with 13,340 viewing the online content;
- 378 technology training sessions delivered to the community, giving participants opportunities to develop digital skills, learn to solve basic computer technology issues, and to be smart, safe, and responsible digital world citizens; and
- continued partnership with other organisations, including the *Smith Family Saver Plus* and *Department of Human Services* for the financial education program, the *Story Dogs* program for reluctant or struggling readers, *Leftlane Outreach Theatre* focusing on early childhood literacy performances, and *Nutrition Australia* for a series of healthy-eating story times with hands-on food activities.

 **378** technology training sessions were delivered to the community

100 online library programs were created in response to COVID-19 with **13,340** people accessing them 

 **ACT Libraries** supported **179** book clubs, including loaning out **302** book sets

While public programs in 2019-20 were impacted by the bushfires and COVID-19, Libraries ACT:

- hosted visits from 27 authors including Nikki Savva, Chris Hammer, Samantha Tidy, Petronella McGoven, Angela Ball, Rachel Givney, and Genevieve Gannon;
- supported 179 book clubs, loaning 302 book sets to book clubs in Canberra;
- participated in a range of community events including Floriade, the National Multicultural Festival, the ACT Seniors Expo, ACT Playgroups' Playest, and Impact Comic Festival; and
- linked the library and its resources with programs aligned with national celebrations including Australian Reading Hour, NAIDOC by the Lake, International Mother Language Day, Reconciliation Week, Refugee Week, and Harmony Day.

Libraries ACT celebrated Aboriginal and Torres Strait Islander culture through a range of public programs including Story Times in the Ngunnawal and Wiradjuri languages. Libraries ACT also hosted the 2020 online *Tracks to Reconciliation* content for Reconciliation Week; organised in collaboration with the Community Services Directorate, YMCA Holt, Capital Region Community Services, Child and Family Centres, and Uniting Care Kippax.

To support Canberra's diverse community, Libraries ACT offers material in 23 languages other than English. In 2019-20, 112 bilingual Story Times programs were provided to Canberra families, in 13 languages other than English. In response to COVID-19 restrictions, 24 of these Story Time programs, in 10 languages, were offered online.

As part of Libraries ACT's response to COVID-19, approximately 3,228 books were gifted to vulnerable families with children aged up to five years old. Each pack contained two to four books selected specifically for the age group. The packs also included information about how to access the Libraries ACT Online Story Time and Giggle and Wiggle.

Digital Services

Libraries ACT provides access to computers, the internet and Wi-Fi, and maintains a social media presence. Libraries ACT has 6,591 Facebook followers and 3,474 Twitter followers: sharing news,

information, and ideas with the public. Our library website received 1,234,128 views, and the catalogue website had 2,218,362 views.

A major project for 2019-20 was implementation of the new Integrated Library Management System which now provides a new and more searchable catalogue, and improved customer experience.

In response to COVID-19 the library established a telephone helpline to assist members of the public to join up online and to learn how to use the Library's electronic resources.

Recording ACT's heritage

This year the ACT Heritage Library continued to add to its collections of publications, archival collections, images, maps, and plans. Acquisition of original materials was suspended during the COVID-19 shutdown. More than 3,380 items were added to the ACT Heritage Library's collection in 2019-20.

Libraries ACT, through the ACT Heritage Library, is a founding member of The National eDeposit Scheme. The scheme is an online service for depositing, archiving, management, discovering and delivering published electronic material across Australia. The scheme is a collaboration between Australia's national, state and territory libraries, and seeks to create a digital documentary history of Australia for the future. In the current year, 1,431 ACT published items have been added, 803 of which are ACT Government publications.

The library hosted monthly family history programs conducted by the Heraldry and Genealogical Society and practical preservation programs with local business, Endangered Heritage. The library also provided research and collection support to the ACT Government and community researchers. During the COVID-19 shutdown, researchers were provided with a digitisation on demand service.

The ACT Heritage Library utilised the period of the COVID-19 shutdown to concentrate on the digitisation of rare and unique items of ACT heritage including oral histories and archival collections. The ACT region's experiences of the bushfires and COVID-19 have also been recorded via the collection of ephemera, as well as digital content uploaded by members of the Canberra public.

Priorities for 2020-21:

- commence upgrades to the Woden Library branch including creation of new community spaces;
- develop a new Library Strategic Plan; and
- conduct a pilot of a Mystery Box home delivery service.

Output 2.3: Waste and Recycling

Waste and recycling includes the provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, delivery of education and engagement programs, development of waste policy, waste regulation, and implementation and evaluation of waste management programs.

Managing the impacts of COVID-19

In 2019-20, ACT NoWaste worked with service providers to prepare for possible impacts to waste and recycling services as a result of COVID-19. The impact of COVID-19 has included a 14 per cent increase in residential waste, and 24 per cent reduction in commercial waste, and an overall 7 per cent reduction in waste generation from March to June 2020.

The impact of COVID-19 on NoWaste activities was minimal, with no service disruptions experienced. The following contingency measures were introduced:

- household recycling and waste collections commenced household waste pickups earlier by two hours, with a 5:00am start allowing staggered shifts and better physical distancing between drivers;
- all ACT Government waste facilities moved to electronic transactions;
- education programs at the Recycling Discovery Hub and community outreach activities were suspended in line with health and safety advice; and
- the drop-off facilities at the Soft-Landing mattress recycling facility was temporarily closed.

Service delivery

ACT NoWaste continues to deliver high quality waste managements for residents. In 2019-20 this included:

- 7,041 million household rubbish and 3,615 million recycling collections;
- 76,490 tonnes of kerbside waste sent to landfill;
- 31,954 tonnes of kerbside material recovered at the Materials Recycling Facility at Hume; and
- 5,046 tonnes of recycling collected through the ACT NoWaste Recycling Drop Off Centres.

Green waste bin collections remain a popular service, with over 81,738 signing up for the service, a take-up rate of 48%. The contamination rate to date is under 0.03%. This low rate reflects the commitment by Canberra residents to using their green bins correctly.

In 2019-20 ACT NoWaste supported the community in recycling:



42,985 mattresses



76,776 items matched through the GIVIT virtual warehouse



230,958 litres of paint through the National Paintback scheme



483 tonnes of material through the National Television and Computer Recycling Scheme

Bulky waste service

The procurement of a bulky waste collection service for ACT residents was a key focus in 2019-20, with bookings for the service commencing on 1 July 2020. Service provider Suez has partnered with the Salvation Army and Vinnies to reuse and resell bulky waste items wherever possible and minimise the amount of material going to landfill. It is expected that 14 new jobs will be created in 2020-21, and this is set to increase as the service expands.

The service will continue to be provided to concession card holders across the ACT, with 3,327 collections undertaken in 2019-20.

As part of the new bulky waste collection service, ACT NoWaste designed a residential booking system, requiring a significant modernisation project to upgrade databases and improve the customer interface. The project also saw an upgrade of the system for managing requests for additional and

upgraded bins and reporting broken or stolen bins, as well as the integration of the green waste bin registration system.

GIVIT

Funding for GIVIT continued during 2019-20. GIVIT is a virtual warehouse, matching donations from people who have items to give to individuals who need them. In 2019-20 GIVIT received 55,325 requests for items and facilitated 76,776 matches.

ACT NoWaste facilitates a range of additional services to support residents in their recycling including:

- 42,985 mattresses were recycled in 2019-20 with steel springs turned into scrap metal, foam sold as carpet underlay and felt and fabric used to make boxing bags;
- 230,958 litres of paint was recycled through the National Paintback scheme; and
- 483 tonnes of material through the National Television and Computer Recycling Scheme.

Infrastructure development

The 2018 ACT Waste Feasibility Study provided recommendations and a roadmap on actions needed to divert 170,000 tonnes from landfill and drive resource recovery towards 87% by 2025.

A recommendation of the report was to examine options to implement a household Food Organics and Garden Organics (FOGO) collection service. With approximately 31,000 tonnes from households and 20,000 tonnes of FOGO material from businesses going to landfill each year, a FOGO collection is a significant opportunity to divert organic waste from landfill.

Work continues to examine options to implement a FOGO collection service, including collection models, the processing location, viable technologies, and the marketability of the processed products.

In 2019-20 work commenced to determine the long term waste infrastructure needs of the ACT. The Strategic Waste Infrastructure Planning consultancy is underway and will analysis the infrastructure capacity and capability required to service future needs. This Plan will include the requirements costs to deliver modern facilities and operations with maximised resources recovery at all NoWaste sites.

In September 2019 a new 15-year contract was signed to upgrade gas infrastructure services at landfill sites. Landfill gas is extracted, used to generate electricity, and reduce greenhouse gas emissions at the Mugga Lane Landfill. The new infrastructure was completed in June 2020 and will provide enough power for 5,700 homes.

Landfill capacity expansion through the construction of additional landfill cells at the Mugga Lane Resource Management Centre was completed in June 2020. This is expected to provide additional capacity through to 2030 based on current levels of demand.

A new landfill site 'Mugga 2' is now operational at the former Mugga 2 bluestone quarry site. It provides 20-30 years of capacity to dispose of waste soil and contaminated inert construction and demolition waste.

Progress towards the Materials Recycling Facility storage capacity upgrades noted in 2018-19 continues, with work expected to be completed by early 2021.

Policy

The ACT is actively engaged in the resource recovery and a circular economy agenda via representation at the Meeting of Environment Ministers (MEM), established under the former Council of Australian Governments (COAG) and other related forums.

Through the MEM, the ACT joins all other Australian jurisdictions in committing to the National Waste Policy and associated Action Plan, working towards targets such as:

- banning the export of waste plastic, paper, glass and tyres;
- reducing the total waste generated by each person by 10% by 2030;
- significantly increasing the use of recycled content;
- phasing out problematic and unnecessary plastics by 2025;
- halving the amount of organic waste sent to landfill by 2030; and
- making comprehensive, economy-wide and timely data publicly available.

Phasing out single-use plastic

Plastic reduction remains a key priority. In April 2019, the Government became one of the first jurisdictions to consider options to phase-out certain problematic and unnecessary single-use plastics. Consultation was undertaken with the community and business via the *Phasing out single-use plastics discussion paper*. This received more than 3,300 interactions and showed clear support for phasing out select single-use plastic items.

In December 2019, the Government announced the intended introduction of the *Plastic Reduction Bill 2020*. The Bill would phase out single-use plastic stirrers, cutlery and polystyrene food and beverage containers, followed by further items in subsequent tranches. Introduction of the Bill was due to occur in 2020, however this will be delayed in response to the COVID-19 pandemic.



Waste export ban

In March 2020, COAG agreed to ban certain types of waste from being exported. This includes:

- unprocessed glass in a whole or broken state will be banned from export from 1 January 2021;
- mixed plastics that are not of a single resin/polymer type will be banned from export from 1 July 2021.
- used tyres will be banned from export from 1 December 2021;
- single resin/polymer plastics that have not been reprocessed will be banned from export from 1 July 2022; and
- mixed and unsorted paper and cardboard will be banned from export from 1 July 2024.

The export ban will require the production of cleaner, better separated, and higher quality recycled materials that can be more easily sold onto the domestic market.

Waste-to-Energy

The Waste-to-Energy Policy was released in March 2020. The Policy bans the introduction of new facilities proposing thermal treatment of waste by any means. This means that all proposals for a Waste-to-Energy facility proposing treatment by incineration, gasification or pyrolysis will not be permitted in the ACT. The policy framework allows for NoWaste to meet 87% resource recovery without the need to consider thermal treatments as an option.

Waste levy

Waste levies have the potential to send a market signal to encourage resource recovery as a preferred option to landfill. Work continues to design a system in the ACT that is aligned with NSW regional levy models and encourages resource recovery under both ACT and NSW strategic frameworks. ACT NoWaste is currently finalising the most appropriate model for the ACT and will continue working with NSW on the design model.

Education and engagement

During 2019-20 ACT NoWaste delivered a program of waste education and community outreach activities. Delivery of education face-to-face programs were temporarily suspended from mid-March due to COVID-19 restrictions.

Key achievements of the ACT NoWaste Education and Engagement team in 2019-20 included the:

- 2019 Interpretation Australia Award in the best project over \$150,000 category for the development of the Recycling Discovery Hub as a 'showcase' recycling education centre;
- an award-winning 2019 Garage Sale Trail, winning the best metropolitan campaign award. The 2019 Garage Sale weekend included 843 events, with 500 kilograms saved from landfill;
- a successful 2019 National Recycling Week with the theme 'Design out Waste' focussing on design options to reduce waste;
- engaged over 5,500 residents through community outreach and Recycling Discovery Hub sessions;
- responded to over 3,200 community enquiries; and
- approximately 31,000 views each month on ACT NoWaste webpages.

Priorities for 2020-21:

- continue to develop a response to the COAG waste export ban and Materials Recovery Facility upgrade program;
- further develop a food waste avoidance campaign and FOGO implementation program;
- further roll out delivery of the new bulky waste service;
- deliver legislation to phase out certain single use plastics; and
- investigate options for the potential relocation of the Mitchell Resource Management Centre.



Output 2.4: City Maintenance and Services

This output encompasses the planning and management of parks and urban open space systems, including associated community infrastructure; maintaining the look and feel of the city; managing the urban forest; and managing sportsground facilities. The output also covers the provision of advice, education, and compliance services in relation to municipal ranger functions, domestic animal management, and animal licensing and significant tree protection. This output also includes Yarralumla Nursery.

Urban Land Management

During the 2019-20 reporting period, the directorate undertook the following activities to maintain the look and feel of the city:

- continued to deliver city maintenance and cleaning services throughout the bushfire crisis and COVID-19 pandemic with additional cleaning and disinfecting undertaken at bus interchanges, shopping centres and playgrounds;
- mowed public open spaces every four weeks and arterial roads every five weeks during the warmer months;
- cleaned 117 BBQs across Canberra twice weekly over the warmer months and weekly over the winter period;
- managed 512 playgrounds across Canberra with each inspected at least fortnightly for safety and repairs;

- delivered the Adopt a Park grants program with 32 groups provided with \$183,000 in grant funding to enable community-led enhancement and maintenance of urban open space;
- inspected and litter picked at town and district parks at least weekly with major arterial roads and open space litter picked monthly;
- maintained 127 separate oval sites across Canberra with 884 individual hireable sporting fields accounting for 74,245 hours of use for organised sport;
- completed the refurbishment of Higgins Neighbourhood oval;
- provided domestic animal welfare and management services to support a pet-friendly city with approximately 990 dogs processed through Domestic Animal Services;
- issued 1,536 public land use permits for a range of purposes including events and construction permits and responded to 6,585 complaints; and
- carried out further upgrade work at Boomanulla Oval including the installation of new lighting.

January 2020 hailstorm

At lunchtime on 20 January 2020, a brief but damaging hailstorm swept across Canberra from the north-west. Wind gusts of up to 116 kilometres per hour were recorded at Canberra airport with reports of 4-5cm hailstones. Extensive damage to cars and property occurred across a narrow activity ban (see map) including significant damage to work and personal vehicles at three City Presentation depots.

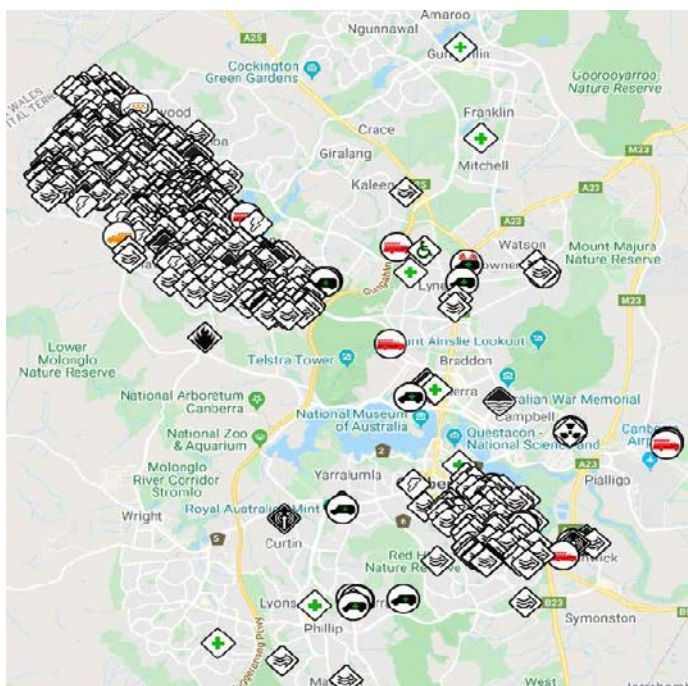


All Place Management field depots were activated with staff undertaking immediate clean-up work including the removal of fallen trees, foliage, and broken glass from public spaces in order to make the city safe and make open spaces available for public use as soon as possible.

With a depleted supply of trucks due to hail damage, the field teams still managed to work double shifts, both in the morning and at night to complete the clean-up. Within 24 hours of the storm major shopping centres, district parks, sportsgrounds, pathways, and drains were all cleared of debris.

Priorities for 2020-21:

- finalise the Playspace Strategy to inform the future directions and priorities for the management and upgrade of 512 playspaces across the city;
- complete delivery of the More Bins initiative, with the development of a littering education program to complement the 174 additional recycling and waste bins placed across the city in 2019-20;
- identify opportunities for Aboriginal and Torres Strait Islander participation in community projects delivered by City Presentation branch including play space design and indigenous landscape plantings; and
- continue planning for the inaugural Street Art Festival for Canberra in 2020-21, to profile the maturity of the Graffiti Management Program.



Managing the urban forest

TCCS manages Canberra's renowned urban forest of over 766,000 trees on public land. Maintenance work included watering young trees using reclaimed water, pruning and tree replacement. More than 25,000 young trees were watered during the warmer months from October 2019 to May 2020.

A draft Urban Forest Strategy has been developed and will be released for community consultation in early 2020-21. The Strategy will provide a guide to the ongoing implementation of the commitment to plant 25,000 trees by 2023.

In 2019-20, 4,727 street and open space trees were planted as part of the TCCS tree planting program with a focus on planting in residential areas identified as being vulnerable to heat. An interactive map on the Your Say website enabled people to identify potential tree planting sites.

TCCS received 2,158 requests relevant to the *Tree Protection Act 2005*. This included 1,793 tree damaging activity applications and 365 development applications requiring public tree-related advice.

The Directorate continued to maintain a register of trees considered important to the community and of exceptional value within our urban forest. There are currently 179 single tree registrations and 36 group registrations. In 2019-20, 18 additional nominations were received. A total of 8,164 tree related enquiries were received through Fix My Street during 2019-20.

Urban wood waste was extensively recycled to provide mulch for reuse in open space across the ACT. Approximately 14 logs were salvaged for a variety of uses including coarse woody debris in nature reserves and green spaces, and to supply mulch and logs to create Indigenous yarning circles in schools and several nature playspaces. Salvaged logs were also milled for school and CIT woodwork projects.

In 2019, TCCS trialled new methods to create bird hollows in a standing dead tree to increase the habitat value of dead or dying native trees. This initiative responds to the "Loss of mature native trees and lack of recruitment" listed as a Key Threatening Process under the *Nature Conservation Act 2014*.

Following consultation with ACT Heritage, the National Capital Authority and City Renewal Authority the treescape of City Hill was renewed as remaining pine trees had reached their end of life and required removal. A replanting program of the original tree pattern was undertaken.

TCCS responded to several significant storm events across the ACT including the January 2020 hailstorm. Crews also continued to work as essential frontline teams during the January bushfire smoke and TCCS arborists assisted EPSDD in assessing fire damaged trees in Namadgi National Park.

Priorities for 2020-21:

- undertake design and planning work for the Water Sensitive Urban Design Tree Pit Pilot Project at Jamison Shopping Centre, Macquarie;
- continue to deliver the tree planting program to enable the planting of 17,000 trees by 2023;
- complete work to finalise the Urban Forest Strategy; and
- incorporate 10 Jobs for Canberran's positions to be part of the frontline team auditing contractor planting, undertaking tree removals and potential planting sites and manage online requests from Fix My Street or work in the urban tree planting and maintenance team.

In Focus - Rescuing the Urban Forest

Dry and warm conditions in 2019 and early 2020 significantly impacted the health of non-irrigated trees. The Urban Forest Rescue package was implemented in response to support the health of stressed urban trees through targeted watering and mulching. The program focussed on remnant native trees, stressed mature trees and semi-established trees that have reached an age where they are no longer routinely watered. The program also allowed young trees currently on the watering program to be watered more regularly.

Mulching beneath trees provided immediate long-term benefits by improving soil conditions, preventing run off and retaining water onsite. Mulching also added organic matter to the soil and helped prevent compaction by discouraging parking beneath trees. Members of the community were also encouraged to participate by watering street trees and avoid parking vehicles under trees.

This rescue package increased employment in the ACT through procurement of local suppliers that included a social enterprise and Indigenous business. Nine people were employed for a period of 71 days, with over 26,000 trees receiving additional watering and over 1,650 trees mulched.



In Focus - Higgins Oval Renewal Project

In response to growing demands for additional sportsground facilities and residential growth in West Belconnen, the Government committed \$1.25 million to a renewal project at Higgins Oval.

The project restored a dryland oval at Higgins and provided a turf playing surface and irrigation system, a pavilion and sportsground lighting. The project was completed in April 2020 and provides two fields and a synthetic cricket wicket to cater for winter and summer sport.

The restored oval is also available for casual recreational use and supports the Government's objectives to encourage physical activity and social connection.



Sportsgrounds facilities

The directorate is responsible for the ongoing management and maintenance of the Territory's community sportsgrounds and associated facilities and the planning and delivery of new sporting infrastructure.

During 2019-20, TCCS:

- assisted sporting groups to meet challenges related to COVID-19, from cessation of all community sport in autumn 2020 through to a gradual easing of restrictions and return to play in mid-2020;
- commenced operations and maintenance of the new Taylor Oval, the first in a pipeline of additional sportsground facilities planned in future years for the growing Gungahlin region;
- maintained playing surfaces, irrigation systems, pavilions, and other facilities such as floodlights across a range of ovals and facilities to ensure sporting facilities are safe and fit for purpose;
- maintained 127 separate oval sites across Canberra with 884 individual hireable sporting fields covering 444 hectares of public land, including 284 hectares of irrigated grass and 160 hectares of dry land grass;
- provided 74,245 hired hours with 22,274 hours under lights over the 66 sites that have floodlights;
- managed of three Community Recreational Irrigated Parks at Crace, Franklin and Moncrieff;
- conducted an annual survey of visitors to sportsgrounds with 85 per cent of respondents satisfied with the overall management of these sportsgrounds. The sampling was undertaken during late March at the time of the initial

lockdown of the COVID-19 in the ACT. Reasons for the downturn in satisfaction were not outlined in the survey results however the drought and bushfire-related conditions experienced in 2019 and early 2020 may have also contributed to the result;

- completed refurbishment of Higgins Neighbourhood oval and associated pavilion; and
- installed new lighting and completed upgrade works at Boomanulla Oval, providing a revamped sports ground and community facility for the Aboriginal and Torres Strait Islander community and the broader community.

Priorities for 2020-21

- support and facilitate sporting groups to return to community sport in accordance with COVID-19 restrictions;
- continue a rolling program of facility upgrades including making sporting pavilions female-friendly to encourage women and girls to participate in organised sport; and
- complete further restoration works to enhance the facilities at Boomanulla Oval.

Licensing and Compliance

The Licensing and Compliance unit is responsible for regulating and licensing public land and municipal services in the ACT. The unit is committed to delivering a municipal compliance framework and customer centric service that is fair, consistent, transparent, and non-prejudicial in its advice, decisions and actions. A key element of this approach is a publicly available Accountability Commitment that takes a 'risk-of-harm' regulatory approach, targeting resources to where the risks of harm, unsafe practices or misconduct are the greatest.

In 2019-20, 6,585 complaints were responded to. These complaints relate to a range of issues including abandoned motor vehicles, illegal dumping matters, and nature strip complaints. A total of 3,138 proactive engagements were conducted with the public to provide information and education aimed at encouraging behavioural change before commencement of formal enforcement action. Ninety-one municipal compliance surveillance camera operations were carried out, 343 infringement notices were issued along with 475 warning notices. The unit issued 1,536 public land use

permits consisting of 1,214 event permits, 235 construction permits, 87 nature strip permits and 7 public land licenses.

Case Study

COVID-19 presented an opportunity to fast-track the full implementation of operational reforms and technology solutions that commenced in 2016. In early 2020, Licensing and Compliance were well advanced in providing an activity-based work environment with mobile, field-based technology solutions to help support its work. This formed the basis to incorporate new ways of doing business to meet COVID-19 health directions, including physical distancing, and working remotely for rangers.

A move to home garaging was a key means to enable the adoption of new ways of working, especially for field-based officers such as City Rangers. With the already implemented field-based technology solutions, home garaging enabled officers to commence work without needing to commute to collect a work vehicle. Starting from home, officers can now electronically receive their cases and be on their first response within minutes. In addition, other TCCS facilities, such as libraries and depots were made accessible to Licensing and Compliance Officers. This enabled them to undertake office-based work such as printing without needing to attend a specific office. These adaptations to the way we work have resulted in an increase in case responses and efficiency, as well as overcoming overnight garaging capacity pressures.

Priorities for 2020-21:

- embedding lasting behavioural change in the community through a fair, consistent, transparent, defensible and non-prejudicial response to non-compliant activities;
- strengthen regulatory capacity to meet emerging municipal regulatory and licensing priorities in a manner that aligns with the Accountability Commitment and community expectations; and
- modernise systems and processes including a new Land Use Booking System enabling

applicants to make public land bookings online and a compliance case handling system promoting workplace safety and assisting officers to make informed evidence based regulatory decisions.

Birrigai Outdoor School and Accommodation Centre

Birrigai is a residential outdoor education centre that is located in a natural environment next to the Tidbinbilla Nature Reserve and offers a range of programmed activities that cater for local, regional, interstate, and international schools from preschool to Year 12.

Birrigai also opens its doors to a wide range of community and corporate groups for specialist team building and leadership programs, including workshops, seminars, and special events. Visitors at Birrigai engage in outdoor, environmental, science, and Australian and Indigenous history focused education programs that aim to support schools in the delivery of the Australian curriculum.

During 2019-20, an Indigenous Grounds and Facilities manager was recruited and Birrigai hosted the first Indigenous Cultural Tourism aligned event featuring 'Bush Tucker' with Adam Shipp. A new canoeing program was also developed to enable continued program operation during high temperatures.

In 2019–20, Birrigai has been significantly impacted by disruptions to its operations brought on by extreme heat and smoke haze in December 2019, the Orroral Valley bushfire in February 2020, and the COVID-19 pandemic from March onwards. Prior to these events, Birrigai had been experiencing one of its most successful years.

At the end of 2019, Birrigai revenue from school and community bookings was 8 per cent above budget. Customer bookings had sustained the record levels from the last half of 2018-19 with clients on site for 93 per cent of bookable days with an average of 95 clients per day.

Additionally, the Education Team commenced the trial implementation of a range of new indigenous histories and culture focused programs. The quality of these programs was recognised nationally through the CSIRO Indigenous STEM School Awards.

The combined business disruptions resulted in the cancellation of 48 bookings from mid-December to the end of the financial year.

Priorities for 2020-21:

- continue to maintain a safe operating environment for Birrigai school students and staff during COVID-19; and
- further develop and embed Cultural Tourism events at Birrigai with a specific aim of fostering emerging Aboriginal and Torres Strait Islander businesses.



Yarralumla Nursery

Yarralumla Nursery is an ACT Government owned wholesale nursery specialising in growing high-quality cool climate plants sourced locally that are suitable for Canberra and the surrounding region. The plants are sold to the landscape, wholesale and retail sectors, Landcare and to local and state government agencies and councils. The Yarralumla Nursery is also the horticultural advisor for plant biosecurity events.

During 2019-20, 330,000 trees, shrubs and groundcovers were grown for government projects, local and regional retail industries, an increase of 30,000 on the number grown in 2018-19. Production included 2,163 exotic advanced trees grown from bare root potting and 5,674 Eucalyptus species grown for urban plantings. 726 trees were dispatched for the spring planting program and over 4,000 trees were grown for the autumn 2020 planting program. Over 130,000 bulbs and 153,000 annuals were dispatched to community groups, national attractions, and Floriade partners as part of the Floriade Community Grants Program.

Yarralumla Nursery's customer base grew by 157 new customers with the nursery's market expanding into the Southern Highlands, Goulburn, Bowral, and Mittagong.

Yarralumla Nursery continues to manage the ACT Government's Plant Issue Scheme. The scheme, first introduced in 1930 to preserve the garden city concept of Walter Burley Griffin, provides owners of new residential blocks with an allocation of free plants and horticultural advice to help establish new suburbs. Information pamphlets and advertising on the Plant Issue Scheme is included in the Suburban Land Agency newsletter and welcome pack for all owners of new residential blocks in greenfield developments. The scheme allocated 751 plants up to February 2020. This was a reduction compared to previous years due to the drought, bushfire, and smoke hazards. The scheme was placed on hold from mid-March due to the COVID-19 shutdown.

Yarralumla Nursery continued to maintain Australia's oldest operating government nursery, which comprises the heritage buildings and trees within its grounds. Five nursery tours promoting the heritage values of the nursery were provided for the public

including two Canberra Institute of Technology student tours.

Yarralumla Nursery continued to provide employment and vocational training to people with a disability through the Koomarri contract for the provision of horticultural services and Black Mountain School's vocational training program. Work experience opportunities were also provided to school students and volunteers as well as return to work rehabilitation for injured ACT Government employees.

Priorities for 2020-21:

- grow 25,000 trees over four years to meet the ACT Government's commitment to the Urban Forest;
- commence water treatment plant works to reduce pathogens and improve plant quality to facilitate accreditation under the Nursery Industry Accreditation Scheme; and
- progress safety improvements to aged and storm damaged infrastructure to enable the ongoing operation of the Nursery maintain heritage values.



In Focus-After the Storm

The severe hailstorm that impacted Canberra on 20 January 2020 caused about \$200,000 worth of damage to Yarralumla Nursery's greenhouses, shade structures and buildings; as well as damaging containerised trees and shrubs growing in open areas within the Nursery site.

The damaged structures included the large double glasshouse, the polycarbonate double greenhouse, the double polytunnel, the large bird net structure and shade structures; as well as skylights on the machinery shed and minor damage to multiple greenhouses. Many containerised trees were defoliated and shrubs and ground cover plants growing in the open areas suffered broken stems requiring trimming/pruning to restore their health and quality. While most plants recovered, some species suffered significant damage resulting in disposal.

The majority of hail damage was covered under insurance and ACT Property Group project managed the structural repairs. Due to the specialised nature of the works a local contractor was appointed with appropriately skilled trades people. Safety measures were implemented across the Nursery site to manage staff and public safety while works were undertaken.

Repairs to the double polytunnel were scheduled for late spring 2020 when the polytunnel is empty of plants. The Nursery staff repaired and stitched damaged sections of the large shade area to enable staff to safely access the plants for ongoing maintenance and sale. The damaged bird net structure was decommissioned as it was no longer fit-for-purpose to protect Canberra's future trees. The net was subsequently identified for replacement with a more durable and suitable structure in 2020-21 under the ACT Government's Better Infrastructure Fund.

Domestic Animal Services

Domestic Animal Services (DAS) provide animal control services to the Canberra community. These services include dog registration, nuisance and attack investigations, collection of stray and roaming dogs, community education about responsible pet ownership and management of the dog shelter.

During 2019-20, DAS:

- launched the "Own a dog, Own the Responsibility" educational campaign to increase community awareness of obligations under the Domestic Animals Act and the responsible dog ownership model;

- processed approximately 990 dogs through its facility, a slightly reduced figure on previous years that could be attributed to the positive effects of the responsible dog ownership campaign;
- re-homed 90.6 per cent of saleable stray and abandoned dogs exceeding the target of 90 per cent; and
- implemented a new data collection system to improve reporting and reliability of data collected relating to dog ownership in the ACT.

Priorities for 2020-21:

- rolling out annual dog registration renewals and the registration of assistance animals in the ACT;
- increasing the hours DAS has a vet on site to improve welfare outcomes and facilitate the timely neutering of saleable dogs;
- developing a publicly available Customer Charter for DAS to improve public understanding of the role of the service and the services provided; and
- creating a separate dangerous dog kennel wing.



Output 2.5 Capital Linen Service

Capital Linen Service provides a managed linen service to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions, and emergency services.

In 2019-20 Capital Linen Service laundered and delivered more than 13.6 million items of linen weighing 6,383 tonnes. Capital Linen Service achieved a record sales increase of 11% in the first half of 2019-20. This followed record sales in the accommodation and public health sectors. However, the impact of bushfires and COVID-19 resulted in a year end 3% decline in sales compared to 2018-19 with many customers remaining closed or in the midst of COVID-19 recovery.

Capital Linen Services also delivered 99.3% of orders on-time and in-full compared to its target of 98.6% and achieved 100% of the key performance indicators included in its Service Level Agreement with ACT Health.

Capital Linen Service continue to measure customer satisfaction using the Net Promoter Score management tool. The 2019-20 annual customer survey returned a net promoter score of 37. An organisation with a Net Promoter Score over zero is considered 'Good'.

Work has continued to upgrade the boilers and steam systems as outlined in the Eco Reduction Plan. This work is expected to be completed in November 2020. Further initiatives will be explored in line with Carbon Neutral Fund requirements. The Eco Reduction Plan estimates that Capital Linen Service could reduce its

energy consumption by around 27 per cent over the next three years.

Capital Linen Service Response to COVID-19

Managing the impact of COVID-19 has been a significant focus for Capital Linen Service. Strategies have been implemented to minimise the risks associated with the collection and processing of potentially COVID-19 soiled linen, whilst incrementally building on workforce safety practices and procedures.

As an essential service provider of linen and laundry services, COVID-19 strategies were introduced to ensure staff availability in order to meet demand and support the public health system and aged care sector.

Phase 1 Safe, Contactless Collection and

Processing of COVID-19 Linen: Canberra Linen Service procured and provided to the Canberra Hospital, dissolvable, environmentally friendly plastic bags which were placed inside soiled linen bags collected from designated COVID-19 hospital wards. The dissolvable nature of the plastic bags enabled operators to safely place sealed infectious linen bags directly into washing machines without opening the bags. This eliminated unnecessary contact with potentially infected COVID-19 linen.

Phase 2 Minimise Risk of Workforce Transmission:

Small static team-based rosters were introduced to manage the risk to the supply of linen to the public health system following any potential workforce transmission or high levels of staff self-isolation. This measure assisted in reducing potential risk and required the extension of operating hours and increased processing costs.

Phase 3 Engineering Controls:

Perspex screens were internally designed and manufactured to create a physical barrier between operators on ironing lines where social distancing could not be achieved. The barriers facilitated the reintroduction of additional staff over a single shift. This enabled the efficient processing of linen whilst improving staff safety and providing continuity of linen and laundering services.

Phase 4 Reusable Face Masks:

Discussions have commenced with linen suppliers regarding the provision of reusable face masks with the intent to,

 **100%** of the
Key Performance
Indicators were achieved

 **13.6 million** items of linen weighing
6,383 tonnes laundered and delivered

99.3% orders delivered
on time, exceeding the
target of **98.6%** 

where possible, reduce reliance on disposable masks by issuing reusable masks to employees.

Priorities for 2020-21:

- finalise, track and review workforce metrics to enable a timely adjustment to staffing levels in line with customer demand levels;
- deliver a Capital Linen Services business system replacement; and
- develop and implement financial sustainability initiatives in response COVID-19.

Community Engagement And Support

Single Use Plastics

The discussion paper *Phasing out single-use plastics in the ACT* was released in April 2019. Stakeholder and community views were sought through the YourSay website and community information sessions were held.

Engagement closed in July 2019, with more than 2,813 surveys completed and 432 submissions received from community, business, and industry. Information sessions were attended by 80 people. Feedback demonstrated strong support to phase out unnecessary and problematic single-use plastic products, particularly where readily available alternatives exist.

A next steps policy document was released in December 2019 outlining the ACT Government's approach to phasing out single-use plastic via a Plastic Reduction Bill, starting with single-use plastic cutlery, stirrers and expanded polystyrene takeaway food and beverage containers.

Development of the Bill was supported by the ACT Plastic Reduction Taskforce, comprising key representatives from local and national peak bodies and advocacy groups for industry, business, environment, and people with disability.

The Bill was to be introduced in the Legislative Assembly in the second quarter of 2020. However, this has been delayed due to the impact of the COVID-19 pandemic.



Tree Protection Act

A review of the *Tree Protection Act 2005* commenced in October 2019, with the community invited to help design a fairer system for maintaining trees on private leased land. More than 270 people provided feedback from a wide cross section of the community.

Email and written submissions were received from 45 groups and individuals including community councils and resident associations, local architecture and tree businesses, environmental and conservation groups, research and education institutions and general community groups and interested individuals. Surveys were completed by 227 respondents.

Feedback identified support for the Act to give lessee's greater flexibility in managing trees on leased land as well as additional criteria for the removal of protected trees. Key criteria that were proposed related to solar access and tree suitability to its location in terms of its size and species. Support was also identified for making decisions under the Act



more transparent, consistent and outcomes focused and for the process to involve better engagement with the applicant.

All comments will be considered in finalising a review of the Act. The COVID-19 pandemic has delayed finalisation of this project. Feedback received as part of the upcoming Urban Forest Strategy engagement will also be considered as part of the reviews.

Planting more trees

Across the ACT over 20,000 trees will be planted by 2023 to enhance our urban forest. In November 2019 the community was invited to identify where this planting should go. Planting locations will focus on areas where there is low canopy cover or where existing trees are ageing or dying.

Using the YourSay website, residents were invited to drop a pin on an interactive map to suggest where a tree could be planted. As at 30 June 2020 residents had identified a total of 2,168 locations across the ACT.

Over 4,000 trees were planted as part of the Autumn 2020 planting program. Some of this planting used the suggested locations provided on YourSay. The sites that were not planted will be rolled over to the Spring 2020 and other future planting programs.

Woden Library co-design

Following relocation of the ACT Heritage Library in 2019, space became available on the top floor of the Woden Library to provide an upgraded community area. The community was invited to share ideas for the space to inform an architectural brief for the upgrade.

Over five weeks, people were engaged at the Woden Library, the Woden bus interchange and as part of the Woden Community Services youth outreach program

and the Woden Community Council. An online survey was also available for people to complete.

Three workshops were held at the Woden Library in November 2019. These workshops provided an opportunity for people to discuss the look and feel of the upgraded space.

Some of the key themes in the community's feedback were the need for:

- community life skills and learning exchanges;
- separate relaxing areas, personal spaces and quiet places;
- technology-enabled, computer training, creative and digital hubs; and
- performance, exhibition and cultural arts environments.

This feedback has been incorporated in the final designs for the Woden Library refurbishment.

Network 19

Transport Canberra has continued to engage with communities throughout the year and specifically through community groups and Transport Canberra's Schools Transport Liaison Committee. In late 2019, a community engagement was undertaken leading up to the proposed implementation of a Network 19 timetable update. Transport Canberra sought community feedback to understand views about the Network 19 timetable which was implemented in April 2019.

The engagement process focused on the changes implemented as well as seeking feedback identifying areas where the network could be improved, alongside capacity or routing concerns.

Transport Canberra met with a total of 11 key community groups to seek their views. Feedback from this engagement process, along with customer feedback, school feedback and MyWay data was used to inform an updated Network 19 timetable scheduled to commence in April 2020. Due to COVID-19 this was deferred to come into effect in July 2020.

Community Support Initiatives: Grants and Sponsorship

The programs supported by TCCS during 2019-20 are set out in the below table:



Table 3: Community Supported Initiatives

Recipient	Project Purpose/Summary	Amount (\$)
Casting for Recovery	Charter bus services to transport women recovering from breast cancer who were participating in a retreat.	\$426.80
Bus Industry Confederation	Provision of conference sponsorship and charter bus services between event sites.	\$17,910.81
Mix106 Special Children's Christmas Party 2019	Donation to support the 2019 Special Children's Christmas Party in association with the Make-A-Wish Foundation.	\$1,000
Celebration of the millionth light rail passenger	Transport Canberra MyWay cards were provided to the public with a value of \$20 each.	\$4,220
NAIDOC Week	Charter bus services to support NAIDOC week celebrations.	\$1,478.82
Brindabella Christian College	Free travel for students and teachers attending the Careers Expo.	\$71.40
Australian Federal Police	Charter bus services for delegates attending the Australian Council of Women and Policing Conference.	\$1,347.30
West Belconnen Child and Family Centre	Charter bus services for children to and from Floriade and the Koori Playgroup at the Kippax Child and Family Centre.	\$387.45
Northside Community Service	Free travel for people experiencing homelessness in the ACT region to attend the Homeless Connect Expo.	\$1,920
Canberra Japanese Supplementary School	Free travel for the Canberra Japanese Supplementary School attending an excursion at the Canberra Metro light rail depot.	\$127.50
People with Disability ACT	Bus advertising to promote the People with Disability ACT community group.	\$4,500
Australian Transport Research Forum	Charter bus services to and from the conference dinner.	\$710.80
Canberra FM radio	Free travel to the biggest ever barn dance in support of Rural Aid drought relief.	\$1,206
COTA ACT	Retirement familiarisation tours.	\$1,736.90
Australian War Memorial	Charter bus services for Remembrance Day.	\$571.00
SouthFest	Free travel for southside residents attending the Festival.	\$1,400
Buoyed Up Programme	Charter bus services for disadvantaged children from various schools to Canberra Yacht Club.	\$2,000
COTA ACT Seniors Expo	Transport services to and from the Expo.	\$1,403.60
Cancer Convoy 2019	Charter bus services and registration fee.	\$461.62
Garage Sale Trail Foundation	To support the national Garage Sale Trail event which encourages Canberrans to repurpose and reuse items, rather than dispose of them.	\$15,000
Ronald McDonald House Canberra (RMHC)	Capital Linen Service donates to RMHC by providing a linen service of sheeting and towelling products for use in the RMHC rooms.	\$13,247.06
Adopt-a-Park program	Grants for community groups to care for their local urban spaces.	\$160,000

Fraud Prevention

The [ACTPS Integrity Policy](#) sets the Whole of Government direction on the promotion of integrity in the ACTPS. The [Public Sector Management Standards 2016](#) detail the formal responsibilities of agencies to promote integrity and to control fraud and corruption.

Fraud control arrangements during 2019-20 were overseen by the Senior Executive Responsible for Business Integrity Risk (SEBRIR) and monitored by TCCS' Internal Audit Committee. The SEBRIR was supported by an advisory panel consisting of the Executive Branch Manager, People and Capability, the Executive Branch Manager, Legal and Contracts and the Agency Security Advisor. The advisory panel met regularly and examined mechanisms for prevention, detection, and reporting. Suspected fraud and corruption cases were monitored and actioned by the advisory panel.

The [TCCS Fraud and Corruption Prevention Plan](#) was updated in June 2020. The ACT Integrity Commission and the TCCS Internal Audit Committee were consulted during the review and their respective recommendations incorporated into the final plan. The plan provides a framework aimed at enhancing integrity, reducing the risk of fraud and corruption, and assisting our staff to make decisions in the reporting of fraud, corruption, and other ethical matters.

Prevention and detection measures included:

- raising the general awareness of staff by participation in TCCS' induction program and targeted training;
- promoting ethical and proper conduct through all staff e-mails and on the TCCS intranet;
- conducting a comprehensive internal audit program to address issues of business integrity risk;
- use of interactive eLearning; and
- risk assessments based on formal and informal information sources.

Fraud and Ethics Awareness training has been incorporated into the TCCS Induction, Transport Canberra Bus Driver Induction and Transport Canberra Driver Continuity training programs. A total of 410 staff participated in the training which focuses on identifying and reporting suspected fraud and corruption. Of these, 235 staff completed the training via an interactive eLearning Fraud and Ethics Awareness Training module. This was developed and rolled out in May 2019 and enabled facilitated training sessions focused on operational areas across the Directorate.

During 2019-20 there were three new cases of suspected fraudulent activity reported through to the SEBRIR.

All cases were reviewed and resulted in the following outcomes:

Table 4: Outcomes of fraudulent activity allegations reported through to the SEBRIR during 2019-20

No.	Allegation	Outcome
1.	Staff member misused time	No finding of misconduct or fraud was substantiated
2.	Theft of a mobile phone	Allegation was substantiated, staff member received a reduction in pay increment and written warning
3.	Unapproved disposal of scrap metal to third party	No finding of misconduct, disposal procedures updated, and staff educated on the new process and their respective obligations

Freedom of Information

Freedom of Information Act 2016

The *Freedom of Information Act 2016* (FOI Act) provides a right of access to government information unless that information is, on balance, contrary to the public interest. The FOI Act ensures that government information is available to everyone, to the fullest extent possible.

Refer to the [Freedom of Information Guidance](#) on making an access application for more information.

TCCS maintains a [Freedom of Information Disclosure log](#) of decisions on access applications, with the exclusion of applications for personal information. Applicant's personal information is removed from documents prior to publication.

Open Access

TCCS continues to comply with the Open Access Information requirements of Part 4 of the FOI Act by ensuring that the following information is proactively published online:

- [functional information about TCCS including its structure](#);
- [how to make an FOI request for information to TCCS](#);
- [Freedom of Information Disclosure log](#);
- information about boards and other bodies established by the agency; and
- [policy documents](#) under the FOI Act definition.

As TCCS is an operations agency with service delivery as its primary function, policy documents as defined under the FOI Act are proactively published where such documents exist. Publication is integrated into the information management system and in this regard no specific assessment of publication is made except where there is a reason identified not to publish.

In relation to other information covered under section 23 of the FOI Act the following applies:

- information about TCCS contained in documents tabled in the Legislative Assembly are published by the Assembly;
- budgetary papers are published on the [ACT Treasury website](#); and

- information about grants administered by TCCS is available on the [City and Territory Services Grants](#) webpage.

Amendment to personal information

No applications for amendment of personal information under the FOI Act were received during 2019-20.

Access Applications

Table 5: FOI access applications

Application status	Number of applications
Applications processed in 2019-20	134
Applications carried over from 2018-19	17
Applications received in 2019-20	117
Applications resolved 2019-20	122
Applications to be resolved 2020-21	12

Table 6: FOI access application outcomes

Access application outcome	Number of applications
Full Access	19
Partial access	63
Information not held	11
Refused	2
Transferred	12
Withdrawn	7
Resolved outside FOI	8
Total decision	122

The Directorate processed 134 applications in 2019-20; 17 of these applications were carried over as unresolved in the 2018-19 financial year and 12 will be decided in the 2020-21 financial year.

Of the 134 applications processed, 71 were made by members of the public, 10 by journalists, 25 by members of the ACT Legislative Assembly and 27 were made by other parties (community groups, solicitors, etc).

In deciding on an access application an Information Officer must determine, on balance, where the public interest lies in the disclosure of the information. After applying this test:

- 19 applicants were provided with full access to the government information;
- 63 applicants were provided with partial access to the government information; and
- 2 applicants were refused access as the information was contrary to the public interest to disclose (see schedule 1.6 of the FOI Act).

In 11 instances it was determined that TCCS did not hold the requested information.

Of the remaining applications resolved this financial year:

- 12 applications were transferred to another ACT Government Directorate;
- 7 applications were withdrawn; and
- 8 applications were withdrawn but resolved outside of the FOI process.

Timeliness

Thirty-five of these access applications were decided within the 20 working days provided under section 40 of the FOI Act (without extensions). In addition, 59 access applications were decided within a timeframe agreed to by the applicant. A further four³ were not decided within statutory timeframes. TCCS had an average of 32 working days in reaching a decision on 94 access applications in the 2019-20 financial year.

Of the 59 applications decided within a period extended by the applicant's agreement:

- 36 were decided in less than thirty-five working days
- 19 were decided in less than sixty working days; and
- four were decided in more than 60 days.

The following table provides a breakdown of the number of working days taken in addition to the twenty working days provided under section 40 of the FOI Act, per application.

Table 7: FOI processing timeframes

Access application decided within the time to decide (section 40)	35 ⁴
Access application extended by applicant's agreement (section 41)	59
Additional number of days taken to decide per application	26, 31, 14, 20, 61, 1, 27, 30, 6, 11, 3, 3, 19, 33, 7, 1, 6, 16, 2, 37, 6, 6, 23, 7, 37, 19, 24, 1, 15, 65, 6, 26, 7, 103, 30, 18, 19, 1, 14, 11, 15, 10, 2, 12, 39, 14, 6, 10, 5, 10, 29, 10, 65, 9, 2, 24, 14, 8, 4.

The ACT Ombudsman has been notified of four applications which were not made within the statutory timeframe. Three of the applications have been finalised and the relevant notices were tabled at the ACT Legislative Assembly on 26 November 2019. A decision will be made on the fourth application in 2020-21.

Fees

There were no fees charged for the processing of access applications.

Reviews

Eight applications were made to the ACT Ombudsman in relation to decisions made on access applications by TCCS in the 2019-20 financial year.

Of these applications, seven related to decisions made in the 2019-20 financial year and one made in the 2018-19 financial year.

No applications were made to the ACT Civil and Administrative Tribunal (ACAT) in relation to decisions made on reviews by the ACT Ombudsman.

³ One access application will be decided outside of time in the 2020-2021 financial year.

⁴ This table does not include the access application TCCS did not deal with as the information was already available to the applicant.

Table 8: Review of decisions on access applications

ACT Ombudsman Reference	TCCS Reference	Outcome
AFOI-RR/19/10032	19-011	TCCS decision set aside and substituted
AFOI-RR/19/10026	19-056	TCCS decision set aside and substituted
AFO-RR/19/10025	19-065	TCCS decision set aside and substituted
AFOI-RR/19/10028	19-068	TCCS decision confirmed
AFOI-RR/19/10037	19-095	TCCS decision confirmed
AFOI-RR/19/10038	19-102	TCCS decision confirmed
AFOI-RR/20/10001	19-109	TCCS decision confirmed
AFOI-RR/20/10006	19-130	TCCS decision confirmed

Internal Audit

The TCCS internal audit function is overseen by a Chief Audit Executive and administered by a designated TCCS Audit Manager. The Audit Committee is an integral part of the internal audit function and reports to the Director-General on the governance, risk, and internal control environment. Activities are conducted in accordance with the [TCCS Internal Audit Charter](#) and the [TCCS Audit Committee Charter](#).

The Strategic Internal Audit Plan includes management-initiated audits, revised, and executed according to emerging priorities and strategic and operational risk. The plan ensures a program of

continuous improvement and consideration of lessons learnt. The plan is also informed by an independent assurance map, validating and prioritising internal audits based on risk and governance models.

To deliver internal audit activities, TCCS used a primary internal audit provider identified through the Whole of Government internal audit services panel. This supported the efficient delivery of audit services, while ensuring consistency in approach and a broader understanding of the TCCS operating environment. Eight internal audits, and one independent gateway review were presented to the Audit Committee for consideration in 2019-20.

The Committee also monitored performance audits conducted by the ACT Auditor-General. One report was specific to the management of household waste collection, identifying areas for improvement in strategic planning and risk management governance. Two additional reports also considered TCCS operations, being computer information systems, and workplace health and safety identifying areas for improvement in change management and safety management systems respectively.

During 2019-20 several Audit Committee membership changes occurred. The Audit Committee consists of an Independent Chair, two Independent external members, one ACT Government executive member and one TCCS executive member and is assisted by three advisors, the TCCS Chief Audit Executive, the Chief Financial Officer, and the Auditor-General's representative.

The Audit Committee met five times during the year to discuss performance and compliance audits and once to discuss financial statements. The external members on the Audit Committee are engaged under contract and paid a fee based on five meetings per annum in line with the ACT Government board fees structure.

Table 9: TCCS Audit Committee membership

Name of Member	Position	Meetings attended
Ms Carol Lilley	Independent External Member until 30 September 2019. Independent Chair from 1 October 2019	5

Name of Member	Position	Meetings attended
Mr Will Laurie	Independent Chair Appointment ceased 30 September 2019	2
Mr Ken Moore	Independent External Member	5
Ms Maria Storti	Independent External Member Appointment from 22 November 2019	4
Ms Moira Crowhurst	ACT Government Executive Member	5
Mr Ian McGlinn	TCCS Executive Staff Member Appointment commenced 1 September 2019	4
Mr Daniel Childs	TCCS Executive Staff Member Appointment ceased August 2019	0

Risk Management

The primary objective of sound risk management practice is to support the achievement of TCCS's strategic and operational objectives and to safeguard our resources, people, property, finances, knowledge, and reputation. The directorate's approach to risk management is based on the Australian and New Zealand Risk Management Guidelines AS/NZS ISO 31000:2018 and ACT Government Risk Management Policy 2019.

The [TCCS Risk Management Framework](#) provides employees with the foundation and principles of risk management processes to ensure a consistent, effective, and efficient approach to the identification, treatment, and management of risk at all levels of the organisation.

A risk-based business planning process has been implemented. This ensures that proper controls and treatments are put in place and reliability analysis is used to ensure continuous improvement.

The TCCS Executive Board is responsible for identifying and managing strategic risks related to organisational outcomes and impacts. The Board is also responsible for identifying and evaluating strategic risks as a part of the strategic planning process. The Executive Board develops, owns, and manages the TCCS strategic risk profile, defining organisational tolerance to risk and identifying strategic risks which could impact on the delivery of strategic and organisational objectives.

The identification of emerging risk is undertaken through an ongoing risk monitoring cycle. Several methods are used to identify risks. Business units can identify risks through formal risk meetings or add risk as a standing agenda item to branch meetings or conduct informal reviews. All actions and reviews are recorded on the Riskware management program. The timing of risk reviews are dependent on the level of risk and the adequacy of the controls.

During the reporting period, 29 employees participated in ACTIA's risk management training. Three training packages were offered including: Introduction to Risk Management; Managing Risk in Projects, and Business Continuity Management. Training options were made available through TCCS MyLearning and the divisional business managers' network. Face to face and virtual risk management workshops were also provided by the TCCS Governance section to assist in branch level risk reviews and development of operational risk profiles.

Scrutiny

TCCS was responsible for implementing a range of undertakings made in reports that are produced by reporting entities charged with responsibility for scrutiny, including the Auditor-General, ACT Ombudsman and Legislative Assembly Committees. Relevant recommendations and the associated response and status are set out in the following tables.

Estimates Recommendations

Report: 2019-2020 - Select Committee on Estimates

Recommendation	Government Response
Recommendation 4 <p>The Committee recommends that the ACT Government work with traders at the Kingston shops to improve overall lighting and facilitate the installation of feature lighting in appropriate areas, including trees.</p>	Noted <p>Traders or property owners in Kingston interested in the installation of feature lighting in this area should contact the TCCS Public Land Use team to discuss options.</p>
Recommendation 7 <p>The Committee recommends that the ACT Government ensures, to the greatest extent possible, that the Territory's footpath network is accessible.</p>	Agreed <p>TCCS cleans shared paths, including paths in public areas such as shopping centres and bus stops on a regular basis. TCCS also responds to community requests to remove flood debris on paths. Adjacent lessees also have a role in maintain footpath access in residential areas. For example, in situations where there may be encroachment of vegetation onto public footpaths from residential areas, TCCS works with these residents to ensure the footpath network remains accessible. TCCS has recently updated its Municipal Infrastructure Design Standards (MIS) which are aligned with the Disability Discrimination Act 1992. New footpaths are in accordance with MIS 05 – Active Travel Facilities Design, which provides guidance for the design of facilities for accessible pedestrian routes. Existing footpaths are repaired or upgraded with safety as the key driver for prioritisation.</p>
Recommendation 8 <p>The Committee recommends that the ACT Government installs suitable ramps and edge markings (raised dots) on ACT footpaths in new and existing town and group centres.</p>	Noted <p>TCCS has recently updated its Municipal Infrastructure Design Standards (MIS), which are aligned with the Disability Discrimination Act 1992. General design criteria for MIS 17 – Shopping Centres and Commercial Areas for new shopping centres includes accessibility considerations to ensure appropriate facilities and tactile warnings are provided along the route of any identified Accessible Pedestrian Route. Existing town and group centres are upgraded to align with the MIS on a priority basis with safety considerations being the key driver of prioritisation.</p>
Recommendation 13 <p>The Committee recommends that the ACT Government provide additional Park and Ride facilities in locations away from town centres.</p>	Agreed in principle <p>The Government intends to progressively invest in Park and Ride facilities as part of supporting uptake of public transport across Canberra. For example, the 2019-20 ACT Budget provided funding for a new Park and Ride facility on Well Station Drive in Gungahlin.</p>
Recommendation 24 <p>The Committee recommends that the ACT Government expand the age-friendly suburbs program to cover a greater number of suburbs each year.</p>	Agreed in principle <p>The age-friendly suburbs program has expanded to the suburbs of Stirling, Isabella Plains, Narrabundah, Campbell, Aranda, and Holt. Infrastructure improvements are also delivered as part of capital works programs to benefit people of all ages. The Active Streets for Schools program is an example of a program that is providing infrastructure improvements to benefit all ages.</p>

Recommendation	Government Response
Recommendation 32 The Committee recommends that the ACT Government ensures Access Canberra take steps to 'close the loop' on Fix My Street service requests, so that customers are advised whether action will be taken to rectify their complaint.	Agreed in principle TCCS is developing solutions to enable better connections with customers.
Recommendation 140 The Committee recommends that the ACT Government ensure that public transport is provided to all new estates and significant recreational facilities, such as Stromlo Park.	Agreed TCCS will continue to work across Government to plan and coordinate the provision of bus services to new estates.
Recommendation 142 The Committee recommends that the ACT Government provide a timeline for the construction of the bridge along John Gorton Drive, crossing the Molonglo River, and ensure it is built before there is significantly more population growth in Molonglo.	Noted The Government will continue to plan for a future bridge along John Gorton Drive, crossing the Molonglo River to support future population growth.
Recommendation 175 The Committee recommends that the ACT Government expand the roll-out of age friendly suburbs under the Age Friendly Cities program.	Agreed in principle The Age Friendly City Plan will be developed through consultation with stakeholders and a whole of government working group. Currently, the Age Friendly Suburbs Program is being delivered by TCCS and will be considered in consultation on the Age-Friendly City Plan. The age-friendly suburbs program will be expanded to the suburbs of Stirling, Isabella Plains, Narrabundah, Campbell, Aranda, and Holt. Infrastructure improvements are also delivered as part of capital works programs to benefit people of all ages.
Recommendation 189 The Committee recommends that the ACT Government within 12 months, undertake a review of the new bus network with the specific intention of improving journey times.	Agreed TCCS is constantly reviewing data from the new network in order to continue to improve services.
Recommendation 190 The Committee recommends that the ACT Government trial other on-demand services that can assist people with mobility issues.	Agreed TCCS is reviewing options for on-demand services.
Recommendation 191 The Committee recommends that the ACT Government develop a new web form for customers to lodge complaints to Transport Canberra relating to network services.	Noted The community is already able to contact Transport Canberra through a number of mechanisms including by visiting www.transport.act.gov.au .

Recommendation	Government Response
Recommendation 192 The Committee recommends that the ACT Government investigates the feasibility to introducing a reporting mechanism to capture the feedback received through the everyday interactions between public transport system users and Transport Officers and Customer Service Agents.	Agreed Transport Officers and Customer Service Agents regularly interact with the community and provide feedback when required.
Recommendation 193 The Committee recommends that the ACT Government when undertaking a review consider reducing the number of changeovers for young school children.	Agreed TCCS continually reviews the bus network. A number of changes have been implemented to reduce the number of changeovers. In the first 10 weeks of the new bus network, less than 2.6 per cent of school student journeys involved two or more transfers.
Recommendation 194 The Committee recommends that the ACT Government provide ongoing funding to the Flexible Bus Service and expand it to allow for same-day service requests that can be made online or over the phone.	Agreed TCCS is currently investigating a new booking system.
Recommendation 195 The Committee recommends that the ACT Government acts immediately to address failures in weekend services due to driver shortage.	Agreed TCCS is currently reviewing a number of options to address weekend services.
Recommendation 196 The Committee recommends that the ACT Government acts immediately to improve the real-time reporting system for commuters.	Agreed The Government is currently investigating options to improve real time reporting for commuters.
Recommendation 197 The Committee recommends that the ACT Government introduce a separate benchmark for weekend service reliability as a strategic objective in the Transport Canberra and City Services Directorate Annual Report.	Noted This issue will be considered in the annual review of TCCS strategic indicators.
Recommendation 198 The Committee recommends that the ACT Government make easily accessible light rail timetables available for commuters.	Noted Travel times for light rail are readily accessible by visiting Transport Canberra website . Light rail services have been designed with a level of frequency that supports passengers to 'turn up and go'.
Recommendation 199 The Committee recommends that the ACT Government develop initiatives to better enforce the proper use of Park and Ride permits so that the lowering of travel credits does not result in an increase of permit misuse.	Agreed TCCS will continue to improve Park and Ride services.

Recommendation	Government Response
Recommendation 200 The Committee recommends that the ACT Government consider making alterations to bus destination text so that commuters can better identify route numbers.	Agreed TCCS continuously reviews bus destination information and will engage with customers to review suitable alternatives.
Recommendation 201 The Committee recommends that the ACT Government investigate the feasibility of expanding the number of bikes able to be racked on new buses, and at bus stops, so as to increase the accessibility of public transport for active commuters.	Noted There is a physical constraint to how many bikes are able to be carried on buses. Bike racks at bus stop are regularly reviewed.
Recommendation 202 The Committee recommends that the ACT Government invest more resources into footpath and shared path repair and maintenance.	Agreed The Government continues to invest resources into path maintenance. Since the 2017-18 Budget the Government has invested \$15.8 million in footpath infrastructure.
Recommendation 203 The Committee recommends that the ACT Government remove the number of ACT publications or collections added to the Heritage Library as an accountability indicator for Library Services and replaces this with a more appropriate indicator.	Agreed A new indicator will be recorded to measure the number of hours assisting client research in the ACT Heritage Library.
Recommendation 204 The Committee recommends that the ACT Government change the information displayed on the green bins part of the Transport Canberra and City Services website so that it is no longer possible to identify ACT Housing properties.	Agreed TCCS will investigate the matter and determine what can be done given the need for address validation.
Recommendation 205 The Committee recommends that the ACT Government improve the application process to allow ACT Housing tenants to easily request green waste bins for the address at which they reside.	Agreed Housing ACT tenants can access green bins through ACT No Waste the same as other Canberrans. A one-off registration fee of \$50 is required to order the bin, payable by the tenant unless they have a concession card in which case the service is free. There may be instances where a green bin is not required, such as Housing ACT owned complexes where tenants do not have their own yards. Common area gardens are maintained as part of the total facilities management contract. In complexes where tenants have their own yards, for example a townhouse, tenants can leave their green waste in an area of the complex which will be collected as part of the maintenance of the complex under the total facilities management contract. ACT NoWaste is also currently identifying measures to improve the process for ACT housing tenants to register. A technology solution is currently being investigated to improve the overall customer experience for all household waste services provided by the Territory.

Recommendation

Government Response

Recommendation 207

The Committee recommends that the ACT Government ensure that all broken or ageing park facilities across the city are replaced in a timely manner.

Agreed

Ageing or broken park facilities will be replaced on a priority basis with safety as the key driver for the ordering of projects.

Standing Committee Recommendations

Report: Standing Committee on Public Accounts - Inquiry into Appropriation Bill 2019-20 (No2)

Recommendation	Government Response														
Recommendation 1 <p>The Committee recommends that the ACT Government should report to the Legislative Assembly on the increase in charges to the Government as a result of more frequent light rail services by the last day of sittings in August 2020.</p>	Agreed <p>The 2019-20 mid-year budget provided the following funding to deliver more frequent light rail services:</p> <table border="1"> <tr> <th>Financial Year</th><th>\$,000</th></tr> <tr> <td>2019-20</td><td>330</td></tr> <tr> <td>2020-21</td><td>1,278</td></tr> <tr> <td>2021-22</td><td>1,312</td></tr> <tr> <td>2022-23</td><td>1,349</td></tr> <tr> <td>2023-24</td><td>1,385</td></tr> <tr> <td>Total</td><td>5,324</td></tr> </table>	Financial Year	\$,000	2019-20	330	2020-21	1,278	2021-22	1,312	2022-23	1,349	2023-24	1,385	Total	5,324
Financial Year	\$,000														
2019-20	330														
2020-21	1,278														
2021-22	1,312														
2022-23	1,349														
2023-24	1,385														
Total	5,324														
Recommendation 2 <p>Some members of the Committee recommend that the Minister for Transport and City Services provide a full description of the single-select tender for the network ticketing system to the Assembly before it passes the Appropriation Bill 2019-2020 (No 2).</p>	Noted <p>The Minister for Transport wrote to the Chair of the Committee, Mrs Vicki Dunne MLA, in relation to this matter on 18 March 2020.</p>														
Recommendation 3 <p>The Committee recommends that the ACT Government explore introducing family and/or household discounts as part of a new public transport ticketing system.</p>	Agreed in principle <p>Alongside the introduction of a new public transport ticketing system, the Government will consider options for changes to the current fare structure, including discounts and concessions, including those for families. It should be noted that there are a range of concessions already available to families on public transport.</p>														
Recommendation 4 <p>The Committee recommends that Fix My Street should be given priority in work done under the appropriation item 'Improving and expanding online services'.</p>	Agreed in principle <p>TCCS and Access Canberra have established a Partnership Group to improve collaboration including projects currently underway to improve Fix My Street.</p>														
Recommendation 5 <p>The Committee recommends that the ACT Government ensure that the bulky waste booking system provides pictorial examples of what constitutes 2 square metres of bulky waste.</p>	Agreed <p>The booking system being implemented by the Territory includes a visual colour-coded 'widget' which adjusts the volume to be picked up by the contractor. The resident can therefore determine the approximate volume of items placed on the kerb. In addition, the supporting bulky waste education website will include various examples of two cubic metres using easily relatable images and pictorials.</p>														

Recommendation	Government Response
<p>Recommendation 6</p> <p>The Committee recommends that the ACT Government allow for some flexibility in the rollout of the Kerbside Bulky Waste Collection program in new suburbs if residents exceed the 2 square metres of waste allowable under the program.</p>	<p>Agreed</p> <p>The booking system being implemented by the Territory will not prevent the resident from submitting a request should the selected items exceed two cubic metres (2m3) as the system provides only an estimate. However, the system will prompt the resident to confirm they are aware of the terms and conditions of the program, including the 2m3 limit. The Contractor will make an assessment at the time of collection as to whether the items booked for collection exceed the allowable limits. Some flexibility will be allowed during the rollout phase in each region, at the Contractor's discretion. Where the Government Response – 2019-20 Standing Committee on Public Accounts Page 4 Contractor determines that the item(s) exceed the allowable limits (e.g. is greater than 2m in length), the Contractor will use educational material to communicate with the resident about why the items were not collected, reiterate the service terms and conditions and suggest alternate ways in which the resident can dispose of those items.</p>

Annual Report Recommendations

Report: Standing Committee on Environment, Transport and City Services – Inquiry into Annual Reports 2018-19

Recommendation	Government Response
Recommendation 3 <p>The Committee recommends that the ACT Government considers installing temporary signage in areas where there is a high number of collisions between vehicles and kangaroos to warn motorists of the increased wildlife presence within the city during times of drought.</p>	Noted <p>TCCS no longer installs ‘wildlife on road’ warning signs. Research undertaken by Parks and Conservation has shown that installing signs has no benefit in protecting the wildlife. Wildlife, particularly kangaroos, are not predictable in their behaviours and can roam over a large area. TCCS will review the need for more signs informing road users how to contact wildlife services in the event that they do find injured animals on the road.</p>
Recommendation 7 <p>The Committee recommends the ACT Government considers further opportunities for the cost-effective enhancement of ovals, such as planting more drought-resistant plants or re-wilding the area.</p>	Agreed <p>Planting sites are being identified on oval surrounds across the ACT. Species are selected from the Municipal Infrastructure Standards 25: Plant Species for Urban Landscape Projects list which has been assessed for suitability in a report by the ANU and EPSDD, Urban Forest Tree Species Research for the ACT.</p>
Recommendation 8 <p>The Committee recommends that the ACT Government undertakes regular enforcement of organisations and businesses parking mobile advertising trucks on public unleased land without approval to send a deterrence message.</p>	Agreed <p>TCCS has utilised the Compliance Targeting Team to proactively identify and enforce compliance with unauthorised public land use including movable signage. In 2019-20 to March 2020, TCCS officers have issued 5 infringement notices to corporations and 8 infringement notices to individual businesses relating to mobile billboards (i.e. vehicles, trucks, and trailers). Additionally, 33 infringement notices have been issued to corporations and individual businesses for breach of “movable signs Code of Practice”. Further targeted enforcement of both movable signage and mobile billboards is ongoing.</p>
Recommendation 10 <p>The Committee recommends the ACT Government investigates a swap-and-go system of vessels to collect containers at all the Container Deposit Scheme locations.</p>	Noted <p>The ACT Container Deposit Scheme network of collection points is operated by Return-It, not the ACT Government. Return-It has expressed that this option is not feasible and that the costs of implementing such a system would be significant. The current COVID 19 situation further reduces the feasibility as the risk of cross contamination could potentially increase community transmissions.</p>

Recommendation	Government Response
<p>Recommendation 11</p> <p>The Committee recommends the ACT Government updates the recycling webpage where advice has changed on recommended recycling habits and explain why this advice has changed, and do this on an ongoing basis</p>	<p>Agreed</p> <p>The Recyclopaedia website is updated regularly to maintain the currency of advice provided to the community on recycling and disposal options. In addition to ongoing maintenance, the Recyclopaedia will highlight any significant changes to recycling practices and outline the reasons for this change. The Recycle Right Campaign is supported by a Frequently Asked Questions page outlining why recycling rules have changed. The Recyclopaedia web page has a new section titled 'Canberra's recycling story' which provides an update on the challenges faced by the sector and what is being done by the various levels of government to address these issues.</p>
<p>Recommendation 12</p> <p>The Committee recommends the ACT Government continues to investigate the feasibility of pedestrian countdown timers in the ACT and how this technology may interact with the ACT's existing adaptive signal technology.</p>	<p>Agreed</p> <p>TCCS has a pedestrian countdown timer currently installed at the Federal Highway/Barton Hwy intersection and is monitoring the performance. TCCS has undertaken initial investigation for the installation of countdown timers at the Northbourne Avenue/Alinga Street intersection on a trial basis. Works to install the additional signalling and adjust the controllers will be undertaken once all traffic signals are returned to Roads ACT control following completion of the light rail stage one works.</p>
<p>Recommendation 13</p> <p>The Committee recommends that the ACT Government makes publicly available the updated 'list of tweaks' made to Network 19.</p>	<p>Agreed</p> <p>The 'list of tweaks' has been published on the Transport Canberra website.</p>
<p>Recommendation 15</p> <p>The Committee recommends that the ACT Government further explores options for the procurement of electric buses made and designed in Australia.</p>	<p>Agreed</p> <p>A Zero Emissions Steering Committee has been established to further explore options for the procurement of electric buses made and designed in Australia.</p>
<p>Recommendation 16</p> <p>The Committee recommends that the ACT Government explains the delay of the delivery of a new integrated ticketing system and releases an indicative timeline for the delivery of this ticketing system.</p>	<p>Agreed</p> <p>The Minister for Transport wrote to the Chair of the Committee, Mrs Vicki Dunne MLA, in relation to this matter on 18 March 2020.</p>

Recommendation	Government Response
<p>Recommendation 17</p> <p>The Committee recommends that the ACT Government holds more frequent recruiting rounds for bus drivers and publishes the results of the recruitment rounds every month.</p>	<p>Agreed in principle</p> <p>Transport Canberra already has in place a 12-month rolling recruitment round for bus drivers with new applications received every fortnight. The process can take a number of months as applicants are required to undertake a number of internal and external assessments. Offers of employment are not made until all assessments are successfully completed and the applicant has then successfully completed basic driver training. Additionally, recruitment and training has been redesigned to ensure social distancing requirements are met, resulting in the process slowing down. Given this, it is recommended that reporting be produced every six months.</p>
<p>Recommendation 18</p> <p>The Committee recommends that the ACT Government increases targeted driver recruitment for women to reduce attrition rates and ensure an adequate supply of drivers to meet original weekend reliability targets.</p>	<p>Agreed in principle</p> <p>Targeting the recruitment of more women is likely to increase the participation of women in the workforce and broaden the pool from which TC can recruit. While this will help, it does not follow that this will necessarily reduce attrition or meet original weekend reliability rates.</p>
<p>Recommendation 19</p> <p>The Committee recommends that the ACT Government considers introducing a feedback mechanism for any ACTION recruitment activities to provide more context about the conversion rate of initial responses to formal applications or new recruits.</p>	<p>Agreed in principle</p> <p>There are many reasons why applicants do not progress to becoming a new recruit, including being ineligible to apply, driving history, not passing the medical requirements, criminal history, not passing the training. It is recommended that these reasons be anonymously incorporated into the six-monthly reporting identified in Recommendation 17.</p>
<p>Recommendation 20</p> <p>The Committee recommends that the ACT Government makes publicly available a definitive date as to when weekend service reliability will begin to be incrementally restored to its original frequency.</p>	<p>Agreed in principle</p> <p>The ACT Government announced an update to Network 19 which included an incremental increase to weekend services. Due to COVID-19 the network update has been delayed ensuring that the focus is on maintaining services and safety, and not creating confusion for passengers. Transport Canberra will continue to operate the current bus and light rail timetable for the time being, with planning underway to support a safe recovery plan for passengers. The weekend service incremental increase will be undertaken at an appropriate time in the future.</p>
<p>Recommendation 21</p> <p>The Committee recommends that the ACT Government continues advocating for the installation of a MyWay ticket vending machine at Westfield Belconnen and considers introducing a time limit for negotiations with Westfield and, if unsuccessful within this time period; considers installing a ticket vending machine at an alternative location, such as the Belconnen Community Station.</p>	<p>Agreed</p> <p>A MyWay Ticket vending machine has been installed at Belconnen Westfield.</p>

Recommendation	Government Response
<p>Recommendation 22</p> <p>The Committee recommends that the ACT Government procures and expands the available stock of MyWay vending machines that can be purchased by small businesses and reduces the red tape for businesses applying to purchase these machines, given the extension of the MyWay contract to 2022.</p>	<p>Noted</p> <p>The MyWay system was purchased as a commercially available off-the-shelf product in 2009. In 2016-17 the manufacturer ceased the manufacture of this product. The terminals are no longer available for purchase. Currently some parts are still available to support existing operational terminals.</p>
<p>Recommendation 23</p> <p>The Committee recommends that the ACT Government reviews outbound bus services from the city to Belconnen (specifically buses 2, 3 and 4), which currently leave from platform one (stop 3419), and considers relocating at least one service to a more central part of the City Interchange as to assist commuters with mobility issues.</p>	<p>Noted</p> <p>Platform changes will be undertaken as part of the Network 19 update – however, grouping of Belconnen bound services together is important for the service levels to the Belconnen interchange. Services can also be taken from the Legislative Assembly stops on London Circuit, which are accessible from the Canberra Centre.</p>
<p>Recommendation 24</p> <p>The Committee recommends that the ACT Government considers further information and education opportunities to help make commuters more aware of their bus travel options, including instances of multiple services to individual locations and alternative bus stops along a single route.</p>	<p>Agreed</p> <p>Transport Canberra will continue to improve signage and wayfinding across the network, make continual improvements to journey planning options for customers and introduce route changes as part of the Network 19 update (currently postponed due to COVID 19).</p>
<p>Recommendation 25</p> <p>The Committee recommends that the ACT Government considers providing more detailed information in its Transport Canberra and City Services Directorate Annual Report Volume Two: ACT Public Cemeteries Authority about the cost and revenue of various products and services (including allotment, maintenance, burial, sale of plaques and memorials) to include a breakdown of the number of each service or product category.</p>	<p>Agreed</p> <p>This issue has been discussed at the ACT Public Cemeteries Authority Finance Subcommittee and Board Meetings. Future reports will include a breakdown of the numbers of each product/service contributing to the total amount in the cost of sales note in the financial statements.</p>

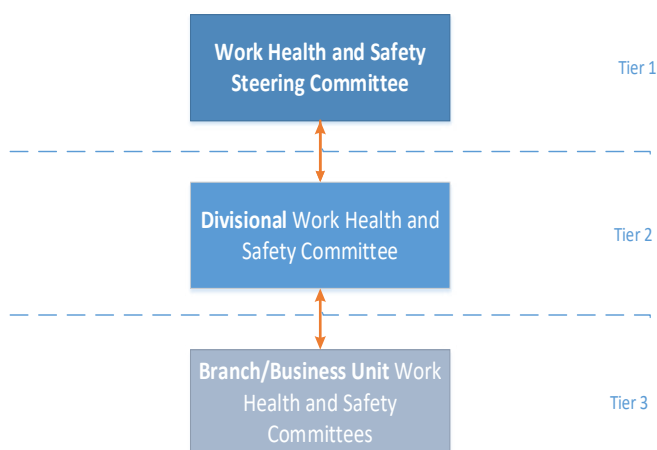
Work Health and Safety

The safety and wellbeing of staff within TCCS continues to be a priority and a core value of the directorate and is managed in accordance with statutory provisions of the *Work Health and Safety Act 2011*. Our primary focus has been on developing a dedicated TCCS Work Health and Safety Management System to support our diverse working environment and to build a workforce that is mindful and committed to health and safety. The Safety and Wellbeing branch provide guidance and support to business units in implementing the requirements of the Work Health and Safety Act and Safety Management System.

TCCS operates under a tiered Health and Safety Committee structure consisting of the Work Health and Safety Steering Committee, Divisional WHS Peak Committees and Branch/Business unit WHS Committees. The WHS Steering Committee meets quarterly and is represented by the Director-General, Deputy Director-Generals, Chief Operating Officer, Executive Group Managers, Executive Branch Managers, Directors, Health and Safety Representatives and Safety and Wellbeing Advisors embedded across the organisation.

The Committees monitor the Work Health and Safety Management System (SafetyNet), consider injury prevention initiatives and programs, and promote the achievement of improved health and safety outcomes. The Safety and Wellbeing branch attend meetings to provide safety advice.

Figure 11: TCCS Work, health, and safety consultative structure



During the reporting period the directorate:

- implemented the Take 5 program within the City Presentation branch to assist staff to identify and manage risks prior to undertaking work;
- actioned findings in response to the Comcare self-insurance audit
- launched the 2020-21 Safety Community of Practice with a focus on Mental Health and Wellbeing;
- developed and implemented a dedicated Safety and Wellbeing intranet presence in response to COVID-19;
- developed operational transition plans in response to COVID-19 and new working arrangements;
- delivered over 30 sessions with employees focused on the implementation of SafetyNet;
- undertook a noise exposure survey for Domestic Animals Services and the City Presentation branch;
- implemented an air quality reporting program to support staff undertaking external work in response to the bush fires crisis; and
- refined WHS reporting across the Directorate to inform the Executive Board and WHS Committees with clear, consistent, and concise WHS information.

Safety initiatives included:

- implemented class one to three incident categories to enhance reporting by indicating the severity of each incident;
- promoted National Safe Work Month with activities held to assist in the promotion of mental health and wellbeing and safety at work;
- developed WHS guidelines, procedures, and factsheets as part of the continuous improvement of SafetyNet;
- continued to promote the Whole of Government accident and incident reporting tool to staff across the Directorate;
- developed and reported on WHS operational KPIs and targets; and
- developed and reported on the WHS Steering Committee KPIs and workplan to improve and embed communication and consultation throughout the Directorate.

Health and Wellbeing initiatives included:

- rolled out the annual Flu vaccination program, redesigned in response to the COVID-19 pandemic;
- delivered five mindfulness sessions through an external service provider;
- drafted a Wellbeing Strategy to align with the ACT Government, Healthy Minds-Thriving Workplaces Strategy 2019-2022.
- provided employees with access to a mindfulness online application targeting mental health and wellbeing;
- promoted a Mental Health Guru App and online training program; and
- delivered four mental health and wellbeing information sessions to employees during Safe Work Month.

Accident incident reporting

During 2019-20 there were 939 workplace accidents or incidents reported across the Directorate. Of those, 30 required notification to WorkSafe ACT in accordance with Part 3, Section 38 of the *Work Health and Safety Act 2011*. TCCS performance against the Australian Work Health and Safety Strategy 2012-22 targets are reported in the following tables.

Table 10: Target 1 - Reduce the incidence rate of claims resulting in one or more weeks off work by at least 30 percent.

Financial year	TCCS # new 5-day claims	Rate per 1,000 employees	TCCS Target	ACTPS # new 5-day claims	ACTPS Rate per 1,000 employees	ACTPS Target
2013 - 14	48	26.80	25.61	257	12.20	11.70
2014 - 15	41	23.19	24.79	229	10.49	11.33
2015 - 16	26	14.42	23.97	205	9.36	10.96
2016 - 17	40	24.35	23.16	243	10.91	10.58
2017 - 18	33	19.82	22.34	202	8.93	10.21
2018 - 19	33	17.68	21.52	201	8.50	9.84
2019 - 20	33	17.98	21.12	231	9.32	9.46

The Directorate continues to focus on reducing the incidence rate of claims resulting in one or more weeks off work. Data in the above table demonstrates a consistent number of claims reaching five days off work. The result continues to be better than the Directorate target.

The Directorate continues to focus on reducing the incident rate of claims for MDS resulting in one or more weeks off work. The table below demonstrates a sound result in relation to musculoskeletal claims. It is substantially better than the Directorate target. TCCS is a physical and operational workplace, and the risk of musculoskeletal injury is an area of continuing focus for the Safety and Wellbeing Branch

Improvement Notices

No formal enforcement action such as prosecution or statutory enforcement action was taken by WorkSafe ACT in relation to the incidents notified.

Table 11: Target 2 - Reduce the incidence rate of claims musculoskeletal disorders (MSD) resulting in one or more weeks off work by at least 30 percent.

Financial year	TCCS # new 5-day MSD claims	Rate per 1,000 employees	TCCS Target	ACTPS # new 5-day MSD claims	Rate per 1000 employees	ACTPS Target
2013 - 14	31	17.31	18.49	175	8.31	8.03
2014 – 15	32	18.10	17.90	144	6.63	7.78
2015 – 16	21	11.65	17.31	146	6.67	7.52
2016 – 17	22	13.39	16.72	150	6.72	7.26
2017 – 18	23	13.81	16.13	128	5.66	7.01
2018 – 19	18	9.64	15.54	102	4.31	6.75
2019 – 20	18	9.81	15.25	126	5.09	6.49

Human Resource Management

TCCS employment programs are strategically designed to attract, build, and retain a competent, resilient, and diverse workforce to deliver a wide range of services. To enable this, the Directorate is focused on building a positive, safe, and inclusive workplace culture aligned with the TCCS values. To deliver and embed a values-based culture, TCCS has continued to implement its [People Strategy 2019-2023](#). The Directorate strives to build capacity and capability across the whole workforce and be recognised as an employer of choice.

The Directorate responded to the COVID-19 situation by quickly adjusting staff working arrangements to minimise the risk of spreading the virus through the workplace. Whilst also having to plan for a building move of staff located at 490 and 496 Northbourne Avenue, the changes were adopted with minimal difficulty and loss of productivity. The Directorate internal communications and engagement function moved under the People and Capability umbrella to support key human resource messaging to staff.

Just under 400 employees registered to work remotely. These employees have been able to take essential equipment such as laptops, monitors, docking stations and chairs home to ensure they can set up safe and comfortable workspaces. Technical support for homeworking staff continued to be available through Shared Services.

Staff caring for children during the school closures were also able to adjust their work routine to meet caring responsibilities and maintain work commitments by working flexibly outside of school hours. This continues to be a flexible option for those with younger children requiring care. People and Capability and the Safety and Wellbeing teams have supported all areas of the Directorate to manage remote working arrangements and remain connected with employees through daily digital team meetings.

The People and Capability team also facilitated a number of temporary redeployment opportunities as part of TCCS' response to the COVID-19 pandemic. These included relocating a chef and two kitchen staff from Birrigai Outdoor School to the Alexander Maconochie Centre (AMC) during the school's temporary closure, redeployment of three Libraries ACT employees and two City Services employees to corporate areas of the business, where they assisted with the Directorate's COVID-19 hotline, safety and wellbeing initiatives and the Jobs for Canberrans program respectively.

People Strategy

The [People Strategy 2019-2023](#) sets the direction for people related activities in TCCS. The goal is to shape TCCS as an organisation of skilled and committed employees who understand their contribution in achieving the TCCS vision and mission. This vision cannot be achieved without the commitment and engagement of TCCS' employees and workers.

The People Strategy identifies five priorities:

- purposeful leadership;
- attracting the right people;
- a great employee experience;
- creating pathways to grow; and
- shaping a diverse and inclusive workforce.

The ongoing implementation of the People Strategy is guided by a roadmap outlining key initiatives and spans the length of the Strategy.

Purposeful leadership

TCCS values set the ground rules for how people behave at work, regardless of their role. This common set of embedded values and clear expectations about working together help to define TCCS as a great place to work and provide connected services to the Canberra community.

TCCS values include the four ACT Public Service values plus two TCCS specific values. They are:

- respect;
- innovation;
- integrity;
- collaboration;
- excellence; and
- safety.

The quarterly Leaders Forum has continued to assist with equipping, skilling and empowering managers and supervisors to lead high performing teams, embed a culture that respects and values physical and psychological safety, proactively prepares our next generation of leaders and establishes collaborative internal partnerships. The Leaders Forums provide managers with opportunities to hear directly from the Executive Board and external speakers about TCCS priorities and assist to clarify participants understanding about their leadership

role and feel supported to continuously develop their skills and capabilities.

The target audience for forums is all Senior Officer Grade A, B and C and equivalent employees. In 2019-20 three Leadership Forums took place. They focussed on building the capacity of managers through the leadership experiences of expert presenters. The forums focused on:

- September 2019 - Leading Flexible Teams;
- December 2019 - Mental Wellbeing and Resilience with guest speakers Georgina Whelan, Commissioner of the ACT Emergency Services Agency and Carrie Leeson, CEO of Lifeline Canberra; and
- March 2020 - The Year Ahead with guest speakers Minister Chris Steel MLA and Head of Service Kathy Leigh.

Further forums had to be postponed due to physical distancing requirements.

In June 2020, 16 participants commenced the Leadership Development Program. The program is targeted at established and substantive senior staff members and has been specifically designed for leaders within the unique and diverse landscapes of TCCS. The program aims to equip participants with relevant skills, tools, and support to lead high performing teams within a values-based organisation. Through completion of this course, participants will have an opportunity to strengthen and expand their professional networks and increase their technical credibility by aligning current projects to the TCCS vision, mission, objectives, and leadership priorities.

Attracting the right people

TCCS strives to attract the right people to the right job at the right time.

As part of its recruitment strategy the Directorate has developed an [Employee Value Proposition](#). This includes an outline of what makes the organisation unique and a message to prospective candidates and current employees highlighting why they should choose to work for TCCS.

In August 2019, TCCS partnered with Skills Canberra to participate in the Career Expo and the Disability Employment Expo. Each division within TCCS



contributed to the promotional material discussed with interested adults.

Entry level programs are an important workforce planning and development strategy as they support mentoring opportunities, build skills and capability, and support successful planning for the future. During 2019-20 our entry level programs employed two apprentices in horticulture and three apprentices in auto electrical and heavy vehicle maintenance. There are currently 19 apprentices in total at TCCS, with this number continuing to grow.

The Australian School Based Apprenticeships (ASBA) scheme provide year 11 and year 12 students with an opportunity to gain industry experience and work towards or complete a nationally recognised qualification. In 2019-20, the Directorate hosted four ASBAs in the Transport Operations branch.

TCCS also provided four ANU internship placements within the Chief Information Office during 2019-20.

Five graduates engaged within Light Rail Operations, Transport Canberra Commercial, Roads ACT, Canberra Cemeteries and the Chief Information Office successfully completed the ACTPS Graduate Program and were permanently appointed.

A great employee experience

TCCS seeks to provide a great employee experience. This commences with the targeted and deliberate onboarding and induction of new and returning employees. The mandatory whole of Directorate induction occurs each month and provides a consistent and effective process which sets expectations of behaviour, performance, compliance,

and an understanding of TCCS structure and functions.

Many business units across the Directorate have embedded a recognition framework in their team, toolbox, and branch meeting agendas. This provides an opportunity to acknowledge and celebrate the achievements of individuals and teams in categories aligned to the vision and values of the Directorate.

During 2019-20, the Directorate sought to minimise the use of temporary employment contracts. Within the City Presentation branch, 31 employees previously employed on a non-ongoing basis have been permanently appointed to ACTPS positions.

The TCCS Director-General Awards are founded on the TCCS values. In December 2019 the Director-General Awards were announced for the preceding year. Seven awards were made to employees or teams in the following categories: Innovation, Customer Services, Safety, Collaboration, Respect, Diversity and Inclusion and an Excellence Award.

Creating pathways to grow

The development of employees, with a focus on building capacity and supporting growth to meet future demands, has continued to be a focus area for the Directorate.

The TCCS reward and recognition register has been utilised during 2019-20 to identify talent across the Directorate. The register has been used to provide these employees with growth opportunities by nominating individuals for various programs, awards, and employment opportunities. A talent identification and mentoring program, linked to



Figure 12: The Birrigai Recruitment Team at Yarralumla Nursery accept the DG Award for Innovation, alongside the TCCS Director-General (Alison Playford) and the Senior Director, Birrigai Outdoor School (Jane Carder).

Whole of Government initiatives, will be further developed in late 2020. Executive Board planning days have continued to discuss succession planning and talent identification as a key issue.

The Training and Development team continue to maintain a training calendar offering courses to suit all work groups across the Directorate. Social distancing requirements have curtailed some face to face training. However, in the early stages of COVID-19 an e-learning calendar was developed so that staff could still seek and participate in online training and development opportunities.

Scoping work commenced in 2019-20 for the design of a pilot frontline managers program. Delivery of the program will see successful participants gain a Certificate IV in Government. This program has been deferred due to COVID-19 and is now planned to be delivered in 2020-21.

Shaping a diverse and inclusive workforce

Under the ACT Government's Respect, Equity and Diversity Framework (RED), the Directorate continues to provide training, education, and resources to help all employees build and maintain a positive workplace culture. RED Contact Officers continue to be available to employees who experience difficulties at work.

In 2020 TCCS drafted Diversity and Inclusion Strategy for 2020-2023. The strategy has a focus on four key areas including leadership and planning, attracting, and recruiting a diverse workforce, developing, and retaining a diverse workforce and shaping workplace culture to develop our cultural integrity.

As part of the draft TCCS Diversity and Inclusion Strategy, a Talented Inclusion and Diversity Employees (TIDE) training program will be established. TIDE is a suite of face to face and e-learning training that will be offered to all TCCS employees and be compulsory for Executive Sponsors, nominated recruitment panel members and diversity and inclusion network members.

The following training will be offered:

- Aboriginal and Torres Strait Islander Cultural Awareness;
- On-Country Program;

- Aboriginal and Torres Strait Islander Cultural Competency;
- Let's Talk Disability;
- 101 Reasonable Adjustment and Flexible Arrangements;
- LGBTQ+ Awareness; and
- Best Practice Recruitment and Selection

Through these training initiatives, participants will have greater awareness of diversity groups and the potential barriers they face. The training will also enable participants to create and foster an inclusive workplace culture, advocating for those around them and supporting applicants and employees to bring their whole selves to an interview and work.

TCCS continues to implement a range of diversity and inclusion employment strategies to reach targets set by the Head of Service for the employment of Aboriginal and Torres Strait Islander peoples and people with disability and to proactively and strategically support women and people who identify as LGBTQ.

In August 2019 the Directorate participated in the Disability Employment Expo. At the Expo, TCCS employees and employees with a disability ran a stall, promoting the Directorate as an employer of choice and a great place to work for people with disability.

TCCS has increased the headcount for people with disability and Aboriginal and Torres Strait Islander employees. As at June 2020 the headcount for people with disability is 83, exceeding the target by two and for employees who have self-identified as Aboriginal and Torres Strait Islander peoples the headcount is 61, exceeding the target by three.

The Directorate has established a Reconciliation Action Plan Advisory Committee. The Committee has 27 members, of which 12 identify as Aboriginal and Torres Strait Islander. The committee meetings invite business units to discuss or deliver a presentation related to their RAP deliverables. The Committee can ask questions, provide suggestions and ideas for improvements and support for linkages to others and resources, both internal and external to TCCS. The Committee reports to the Executive Board and the TCCS Aboriginal and Torres Strait Islander Elected Body representative.

In Focus – Jobs for Canberrans

During 2019-20, the People and Capability team played an important part in supporting the Directorate's wider response to the COVID-19 pandemic. This included the dissemination of information, redeployment of impacted staff, coordination of the Jobs for Canberrans initiative, providing advice on flexible work arrangements and access to leave to support individual circumstances.

Building on employment strategies, TCCS responded to the COVID-19 pandemic by facilitating a number of positions across the Directorate linked to the Jobs for Canberrans Fund initiative. This ACT Government initiative provides temporary work opportunities for people significantly impacted by COVID-19, with a focus on assisting people who were not eligible for Commonwealth Government benefits such as JobSeeker or JobKeeper.

The People and Capability branch received all TCCS applications and, in consultation with the workplace, shortlisted and interviewed for the positions. The City Presentation team engaged 19 new employees through the initiative during 2019-20. The new employees took part in a tailored induction program that included information on the Directorate, TCCS Values, the Code of Conduct and Workplace Health and Safety.

The employment opportunities provided by this initiative has been well received by the successful applicants. Additional roles have been approved and will be recruited to in 2020-21.



Attraction and retention incentive (ARin)

As at 30 June 2019 TCCS had no employees in receipt of ARIN payments. One ARin was terminated during the reporting period.

Table 12: Attraction and Retention Incentives (ARin)

Description	Number of individual ARins	Number of group ARins	Total employees covered by group ARins	Total
Number of paid ARin at 30 June 2020	0	0	0	0
Number of ARin transferred from Special Employment Arrangements (SEAs) in the period	0	0	0	0
Number of ARin entered into during period (excluding pre-existing)	0	0	0	0
Number of ARin terminated during period	1	0	0	1
The number of ARin providing for privately plated vehicles as at 30 June 2020	0	0	0	0
The number of ARin or employees who have transferred from AWAs during the period	0	0	0	0

Workforce profile

Table 13: Full-time equivalent and headcount by division

Division	FTE	Headcount
Chief Operating Officer	118.8	121
City Services	568.2	579
Null ⁵	4.5	5
Office of the Director-General	15.1	16
Transport Canberra	1195.2	1409
Total	1901.8	2130

Table 14: Full-time equivalent and headcount by gender

Full-time equivalent (FTE)/headcount	Female	Male	Total
FTE by gender	465.9	1435.3	1901.2
Headcount by gender	529	1600	2129
Per centage of workforce	25%	75%	100%

⁵ Null is a vacancy pool related to the Jobs for Canberrans Fund initiative.

Table 15: Headcount by classification and gender

Classification group	Female	Male	Total
Administrative Officers	198	107	305
Bus Operator	85	724	809
Capital Linen Service Officers	26	28	54
Executive Officers	10	16	26
General Service Officers and Equivalent	51	438	489
Professional Officers	21	39	60
Rangers	0	4	4
Senior Officers	116	143	259
Technical Officers	11	46	57
Trainees and Apprentices	5	15	20
Transport Officers	6	40	46
TOTAL	529	1600	2129

Table 16: Headcount employment category by gender

Employment category	Female	Male	Total
Casual	32	75	107
Permanent Full-time	318	1089	1407
Permanent Part-time	113	297	410
Temporary Full-time	47	127	174
Temporary Part-time	19	12	31
TOTAL	529	1600	2129

Table 17: Headcount by diversity group

Diversity group	Headcount	Per centage of staff
Aboriginal or Torres Strait Islander	61	2.9%
Culturally and linguistically diverse	414	18.4%
People with disability	83	3.9%

Table 18: Headcount by age group and gender

Age group	Female	Male	Total
Under 25	24	55	79
25-34	103	224	327
35-44	125	370	495
45-54	163	454	617
55 and over	114	497	611

Table 19: Average length of service by gender

Gender	Female	Male	Total
Average years of service	7.8	9.5	9.1

Table 20: Recruitment and separation rates

Classification group	Recruitment rate	Separation rate
Total	12.2%	5.7%

Ecologically sustainable development

Moving to zero emissions

During 2019-20, the Directorate delivered many services to the Canberra community that contributed to the environmental footprint of the ACT Government. The [ACT Climate Change Strategy 2019-2025](#) was released in September 2019 and outlines the next steps for Canberra to reduce emissions by 50 to 60 per cent by 2025 and establish a pathway for achieving net zero emissions by 2045. In order to demonstrate leadership in emission reductions, the strategy includes a Zero Emissions Government (ZEG) Framework. Under the [Zero Emissions Government Framework](#) 2019-2025, all directorates are required to work towards reducing emissions from their operations in a cost-effective manner with a focus on natural gas and transport emissions.

As the largest contributor to ACT Government emissions, TCCS has an opportunity to lead by example through delivering our services in the most efficient way. During 2019-20 TCCS held representation on the ACT Government Zero Emission Government Implementation Committee, contributing to a whole of government approach in delivering on the ZEG Framework.

The TCCS Sustainability Program and TCCS Sustainability Working Group continued to integrate economic, social, and environmental considerations in decision-making processes across the Directorate in accordance with the ZEG Framework and the *Climate Change and Greenhouse Gas Reduction Act 2010*. In 2019-20, TCCS undertook energy conservation measures including installation of solar PV across 11 TCCS sites and the design of a boiler

upgrade and solar panel array at Tuggeranong Bus Depot through the Zero Emission Government Loan Fund.

Fleet services

The TCCS carbon budget sets out 2019-20 targets for the Directorate's fleet vehicles. This includes 54 per cent of the fleet being low emission vehicles, of which 31 per cent must be zero emission vehicles. Due to COVID-19 and hailstorm damages, a higher number of TCCS passenger fleet vehicles were retained during 2019-20. This resulted in the passenger fleet consisting of 47 per cent low emission vehicles with 25 per cent being zero emission.

To support the [Zero Emissions Vehicles Action Plan 2018-21](#) TCCS Fleet Services installed eighteen fast chargers at 12 City Services depots. This will facilitate the introduction of more electric vehicles in the future. The Directorate also progressed the development of a 12-month trial of a fully electric truck with the trial planned to commence in late 2020.

Streetlighting

Roads ACT have completed the second year of a seven-year Energy Performance contract for the provision of ongoing operations and maintenance of the Territory's streetlights. Expected outcomes include energy efficiency replacements to LED luminaires, improving maintenance efficiency and improved data acquisition and control systems with potential for smart city applications.

In terms of consumption over 2019-20, 13,607 MWh, 40.5 per cent has been saved compared to the baseline.

Table 21: Electricity consumption of Energy Performance contract for Territory streetlights for the July 19-June 20 financial year

Consumption	MWh
Electricity consumption (no replacement program)	42,735,638
Detailed Facility Study est. electricity consumption (include replacement program)	30,281,398
Actual electricity consumption	29,128,030
Savings in percent	40.5%

Waste Recovery

The ACT Container Deposit Scheme (CDS) celebrated its second anniversary on 30 June 2020. In its first two years 71.2 million containers have been collected.

The CDS aims to reduce the number of beverage containers in the litter stream or that end up in landfill. Canberrans receive a 10-cent refund on each eligible container returned to a drop-off point. In 2019-20, glass bottles collected through the CDS contributed to ecologically sustainable development through use in ACT trials of roads made from recycled materials. Each tonne of road base comprised of approximately 800 plastic bags and 300 glass bottles alongside 18 used printer toner cartridges and 250 kilograms of reclaimed asphalt.

ACT NoWaste has engaged an external company to increase the amount of methane harvested from the Mugga Lane landfill. New generators will be able to power 5,700 homes (increased from 4,600 in the previous system) and generate 37,000 megawatt hours per year. This project delivers a renewable energy source by capturing methane gas produced by 140,000 tonnes of decomposing organic waste which is then used to generate electricity. This helps to significantly reduce greenhouse gas emissions.

Around one third of material in ACT household rubbish bins is food waste. This presents a valuable opportunity to recover these resources and produce beneficial organic compost products. Planning commenced for a Food Organics Garden Organics collection service to divert food waste from landfill and turn it into valuable organic compost products. This work will be supported by the roll out of Love Food Hate Waste, a food waste avoidance program

supporting households to reduce avoidable food waste.

Waste Export Ban

In March 2020, a significant step forward was taken in national waste management and resource recovery with agreement of the COAG Waste Export Ban. The ACT is working with the Commonwealth Government to co-fund essential upgrades to the Territory's Material Recovery Facility to action the Ban, alongside other work to progress further commitments in the National Waste Policy Action Plan. These upgrades will support the ACT to implement the Export Ban and the Action Plan, improving our ability to keep valuable resources in circulation locally through improved recycling and processing infrastructure.

ACT NoWaste has also engaged with the ACT's Office of the Commissioner for Sustainability and the Environment and the CSIRO on transitioning the Territory to a more circular economy. This was captured in a June 2020 report to the Legislative Assembly on work to support a thriving local waste reduction and recycling industry that will contribute to ecologically sustainable development in the ACT through use of recycled content in local projects.

In 2019-20 ACT NoWaste worked with the ACT MRF operator, the Environment Protection Authority, and Icon Water to conduct trials on the feasibility of using recycled crushed glass from the MRF as a replacement for virgin river sand in pipe bedding within Icon Water's infrastructure network. Trials were successful, with use of this recycled material expected to commence in 2020-21. This will keep valuable resources in circulation locally and avoid both the sourcing and transport of virgin river sand from outside of the ACT. TCCS is investigating the feasibility of using recycled materials in Government projects in 2020-21, including those identified as 'shovel ready' under the Jobs for Canberrans Program.

Throughout 2019-20, the ACT Government continued work to phase out problematic and unnecessary single-use plastic items. The phase out is focussed on reducing plastic consumption from and subsequently reducing the impact that plastic has on the ACT environment.

In 2019-20 TCCS had 29 sites signed up to the ACTSmart Business Recycling Program to reduce waste to landfill. The Directorate also developed and implemented a detailed Repurpose, Recycle and Disposal Plan as part of the relocation of many office-based workers to 480 Northbourne Avenue. By reaching out to local charities, TCCS rehomed and repurposed kitchen appliances, toasters, and stationery, avoiding waste to landfill.

Capital works projects have continued to apply ecologically sustainable development principles where possible. This has included increasing green infrastructure such as trees and plantings to help reduce urban heat effect; greater areas of permeable paving allowing for absorption of stormwater on site; and new or upgraded lighting installations to lower energy use luminaires.

Projects also sought to retain, reuse, or recycle items where feasible and to find suppliers of furniture or other landscape materials as close to site as possible to reduce transport emissions. Some capital works projects have also resulted in the creation of the Franklin Grasslands Nature Reserve as an environmental offset site. Conservation values on the site have been managed and improved by Parks and Conservation, EPSDD in perpetuity with the assistance of Friends of the Grasslands. TCCS also worked with the Friends of The Pinnacle volunteer group when undertaking construction and the associated rehabilitation of works at The Pinnacle Nature Reserve.

Following installation of Navigation Satellite Systems on all mowers, data is now informing changes to mowing programs to increase efficiency and operator safety. Geo-fencing continues to be trialled so that mowers are kept clear of ecologically sensitive areas.

The weed control units continued to achieve efficiencies in delivering the kerb and gutter weed control program. The vehicle mounted units use an optical sensor-controlled applicator that targets the green pigment in plants and is used to control weeds in kerbs and gutters. The units improve public and operator safety and reduce risk to the environment

by accurately applying calibrated herbicide, preventing product wastage and overspray.

Following from the trial of two electric and one hybrid bus completed, Transport Canberra has continued its move toward zero-emissions with the development of a Zero-Emission Transition Plan for Transport Canberra. The Zero-Emission Transition Plan, due for completion in 2020, will identify the optimal transition pathway to achieving a 100% zero-emission fleet by 2040 and is being overseen by a Steering Committee of industry experts.

The first stage of Canberra's Light Rail Network commenced public operation in April 2019 between the City and Gungahlin. The light rail network continues to provide electrically powered light rail, the first 100% zero-emission public transport mode.

TCCS has continued planning and design for future stages of Canberra's Light Rail Network including extending the north-south spine with Stage 2 between City and Woden. This will significantly improve transport accessibility in the region and expand low-emission transport options. Significant innovation and environmental outcomes implemented for light rail are being explored for future stages and will seek to take advantage of innovations in power storage technology.

TCCS encouraged staff to use active travel to and from work meetings, with MyWay cards, two fleet e-bikes and regular inductions held for staff. An additional cargo e-bike was introduced to the e-bike fleet in 2019-20 to allow staff to carry bulky items to and from work sites and special events.

State of the Environment Report

TCCS provided an update to the Office of the Commissioner for Sustainability and the Environment for their Annual Report on status of actions against recommendations from the State of the Environment Report 2015; update on Directorate actions against the 2013-14 audit undertaken by the Commissioner; and update on recommendations for completed complaint investigations.

Table 22: Sustainable development performance: current and previous financial year

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Stationary energy usage				
Electricity use ⁶	Kilowatt hours	38,588,485	49,105,054	-21.4%
Natural gas use (non-transport) ¹	Megajoules	52,372,005	49,815,868	5.1%
Diesel use (non-transport)	Kilolitres	n/a	n/a	n/a
Transport fuel usage – TCCS Fleet				
Electric vehicles	Number	8	8	0.0%
Hybrid vehicles	Number	11	11	0.0%
Hydrogen vehicles	Number	0	0	0.0%
Total number of vehicles	Number	406	378	7.4%
Fuel use – Petrol	Kilolitres	45	49	-8.2%
Fuel use – Diesel	Kilolitres	1026	1061	-3.3%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	n/a	n/a	n/a
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	n/a	n/a	n/a
Transport fuel usage – Transport Canberra Bus Fleet/ACTION				
Electric vehicles	Number	1	0	100%
Hybrid vehicles	Number	0	0	0.0%
Hydrogen vehicles	Number	0	0	0.0%
Total number of vehicles	Number	457	452	1.1%
Fuel use – Petrol	Kilolitres	n/a	n/a	n/a
Fuel use – Diesel	Kilolitres	10,485	10,595	-1.0%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	n/a	n/a	n/a
Fuel use – Compressed Natural Gas (CNG)	Gigajoules	74,480	80,585	-7.6%
Water usage				
Water use	Kilolitres	1,713,749	1,747,077	-1.9%
Resource efficiency and waste				
Reams of paper purchased	Reams	2,772	7,426	-62.7%
Recycled content of paper purchased	Percentage	21	38	-44.7%
Waste to landfill	Litres	16,355,577	16,312,602	0.3%
Co-mingled material recycled	Litres	511,025	556,323	-8.1%
Paper & Cardboard recycled (incl. secure paper)	Litres	627,978	826,359	-24.0%
Organic material recycled	Litres	37,200	36,631	1.6%

⁶ Figures provided for electricity and gas usage do not include base building data for 496 Northbourne Avenue due to data unavailability.

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	2,699	15,089	-82.1%
Emissions from transport	Tonnes CO ₂ -e	35,467	36,204	-2.0%
Total emissions	Tonnes CO ₂ -e	38,166	51,293	-25.6%

Some data reported for 2018-19 in the table above may differ slightly from figures previously reported in the 2018-19 Annual Report. These are due to updates to agency occupancy and historical consumption data, and annual adjustments to ACT specific electricity emissions factors. Where actual data is not available estimations are calculated using an accruals function. Accruals are calculated from the average annual daily consumption of the most current 12-month period applied for the number of days of missing data.

Emissions reported for stationary energy and transport fuels include Scope 1 and Scope 2 emissions only. Scope 1 are direct emissions from sources owned and operated by the government including: emissions from transport fuel and natural gas use. Scope 2 are indirect emissions from mains electricity.

Emission factors used to calculate natural gas and fleet fuel are based on the latest National Greenhouse Accounts factors. Greenhouse gas emissions for electricity consumption have been calculated using the following emissions factors based on the latest ACT Electricity Emissions Factor Report released in 2020:

- a factor of 0.255-kilogram (kg) CO₂-e/kilowatt hour (kWh) or 0.255 tonne (t) CO₂-e/megawatt hour (MWh) has been used to calculate electricity emissions (Scope 2) for the 2018-19 period. It is based on actual historical data and is a retrospective adjustment of the original 0.507 factor (Scope 2) used for 2017-18 annual reporting.

Fuel figures for TCCS fleet include all vehicles active through 2019-20 regardless of duration, while total number of vehicles is as at June 2020.

Treatment of plug-in hybrids

For the purposes of annual reporting plug-in hybrids have been treated as electric vehicles. A plug-in hybrid electric vehicle is fuelled by electricity as well as having either a petrol or diesel tank to extend the range of the vehicle for longer trips. These vehicles can be run either on electricity or fuel. However, they are considered to be zero emissions vehicles as it is most likely that the vehicle will be run on electricity for most trips (due to lower cost for charging than re-fuelling).

PART 2C

FINANCIAL MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

Transport Canberra and City Services Directorate

For the Year Ended 30 June 2020

DIRECTORATE FINANCIAL PERFORMANCE

The following assessment of the Directorate's financial performance is based on the net cost of services framework. Net cost of services facilitates an assessment of performance by showing the full cost and composition of resources consumed in conducting the operations of the Directorate. It shows the extent to which these costs were recovered through independent sources and the net cost of operations to the Territory.

The Directorate has not experienced any significant financial impacts as a result of the COVID-19 pandemic and bushfires. Estimates presented below for 2020-21 through to 2022-23 are based on the 2019-20 Revised Budget. The Legislative Assembly resolved on 18 June 2020 to delay the introduction of the Appropriation Bill 2020-21 and Appropriation (Office of the Legislative Assembly) Bill 2020-21 and 2020-21 Budget until after the election has been held and the formation of a government.

The following financial information is based on audited financial statements for 2019-20 and 2018-19, 2019-20 Revised Budget and the forward estimates contained in the 2019-20 Supplementary Budget Statements.

Total Net Cost of Services

TABLE A: NET COST OF SERVICES

	Actual 2018-19	Revised Budget 2019-20	Actual 2019-20	Forward Estimate 2020-21	Forward Estimate 2021-22	Forward Estimate 2022-23
	\$m	\$m	\$m	\$m	\$m	\$m
Total Expenses	696.3	625.0	658.3	662.7	686.5	693.7
Total Own Source Revenue	101.7	124.9	133.6	148.3	161.8	237.5
Net Cost of Services	594.6	500.1	524.7	514.4	524.7	456.2

1. Comparison to Revised Budget

The Directorate's Net Cost of Services for 2019-20 of \$524.7 million was \$24.6 million higher than the revised budgeted cost of \$500.1 million. These variances are explained in the Total Expenses and Total Own Source Revenue sections.

2. Comparison to Prior Year

Total Net Cost of Services for 2019-20 was \$69.9 million or 11.8% lower than the prior year. These variances are explained in the Total Expenses and Total Own Source Revenue sections.

3. Future Trends

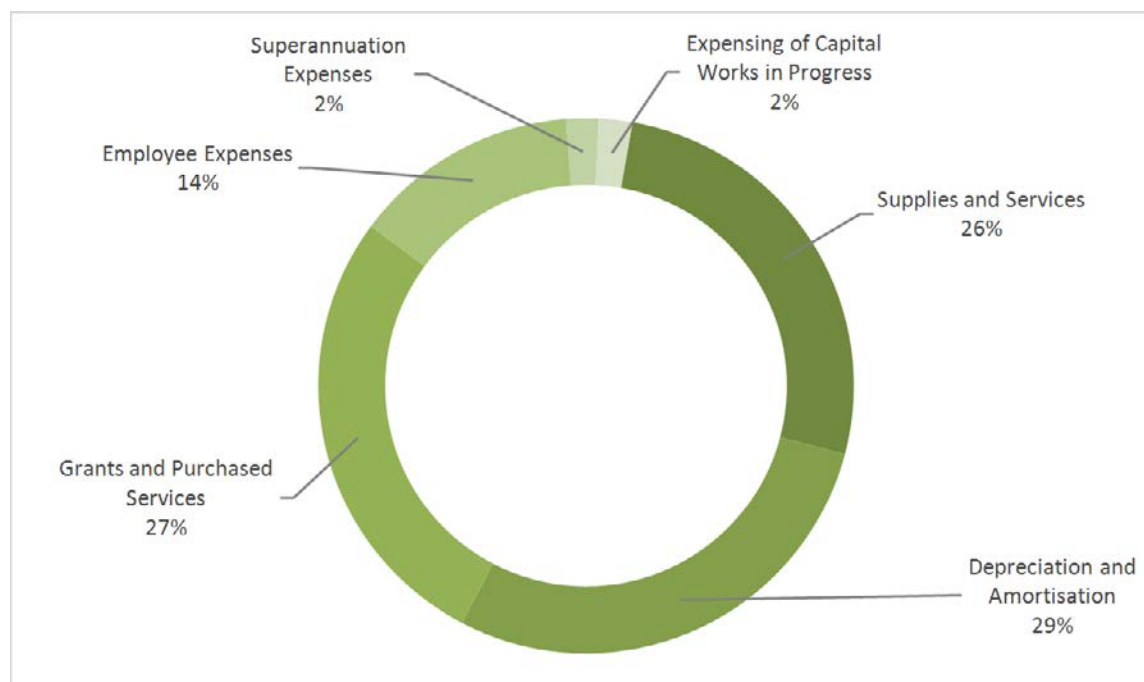
The Directorate's Net Cost of Services is estimated to decrease by \$10.3 million in 2020-21 primarily due to higher expenses in 2019-20. These variances are explained in the Total Expenses section.

Total Expenses

1. Components of Expenses

Figure 1 identifies the components of the Directorate's expenses for the year ended 30 June 2020.

Figure 1 Components of Expenses



2. Comparison to Revised Budget

Total expenses of \$658.3 million were \$33.3 million or 5.3% higher than the 2019-20 Revised Budget of \$625.0 million. The higher than budgeted expenses were the result of:

- unbudgeted expensing of Capital Works in Progress costs (\$13.3 million) mainly relating to some costs associated with the Horse Park drive duplication projects (\$2.4 million), Lake Tuggeranong Water Quality Improvements Stage 2 (\$2.9 million), Molonglo Infrastructure upgrade (\$2.0 million) and Gungahlin Town Centre Road Network Improvements (\$1.7 million). The Directorate expenses these costs, as they do not meet the asset recognition criteria under the Australian Accounting Standards;
- higher than budgeted Employee costs including Superannuation (\$8.2 million) due mainly to the change in the rate used to estimate the present value of long service leave liabilities and lower leave taken due to the COVID-19 pandemic;
- higher than budgeted Depreciation and Amortisation (\$4.1 million) due mainly to higher than anticipated depreciation expense relating to motor vehicles; and

- higher than budgeted Grants and Purchased Services (\$4.1 million) due mainly to the Treasurer's Advance being required for Transport Canberra Operations (TCO) due to the reduction in fare revenue caused by the COVID-19 pandemic.

3. Comparison to Prior Year

Total expenses were \$38.0 million or 5.5% lower than the previous year amount of \$696.3 million. This was mainly due to lower:

- Expensing of Capital Works in Progress (\$86.6 million) mainly relating to lower capital project costs requiring expensing in 2019-20. 2018-19 included (\$77.9 million) for the Light Rail Stage 1 project; and
- Supplies and Services (\$28.3 million) mainly due to the transfer of light rail operations to TCO and transfer of Light Rail Stage 2 project to Major Projects Canberra on 1 July 2019.

This was partially offset by higher:

- Grants and Purchased Services (68.3 million) mainly due to transfer of light rail operations functions to Transport Canberra Operations (TCO) on 1 July 2019 (\$51.8 million) which included light rail funding related to Public Private Partnership payments (\$44.4 million) and Treasurers Advance (\$5.2 million) to cover the reduction in fare revenue caused by the COVID-19 pandemic; and
- Depreciation and Amortisation (\$10.6 million) mainly due to:
 - an increase in the value of infrastructure (stormwater) assets resulting from revaluation that occurred in the previous year (\$7.7 million); and
 - Right-of-Use Plant and Equipment (\$5.6 million) depreciation relating to motor vehicles being recorded as a result of implementation of the Australian Accounting Standard AASB16.

Total Own Source Revenue

1. Components of Own Source Revenue

Figure 2 identifies the components of the Directorate's Own Source Revenue for the year ended 30 June 2020.

Figure 2 Components of Own Source Revenue



2. Comparison to Revised Budget

Own Source Revenue of \$133.6 million was \$8.7 million or 7.0% higher than the 2019-20 Revised Budget of \$124.9 million. The higher than budgeted own source revenue was primarily the result of:

- Grants and Contributions (\$2.4 million) mainly due to unbudgeted Waste Education Fund Contribution (\$1.5 million) and resources received free of charge from the Education Directorate (\$0.8 million); and
- Other Revenue (\$6.8 million) mainly due to unbudgeted revenue from waste programs (\$1.7 million) and cost recoveries from the other ACT Government Entities (\$3.3 million).

3. Comparison to Prior Year

Own Source Revenue of \$133.6 million was \$31.9 million or 31.4% higher than previous year amount of \$101.7 million. The increase is largely due to higher Grants and Contributions (\$33.0 million) mainly resulting from assets received from the other ACT Government Entities partially offset by a reduction in assets received from Private Developers.

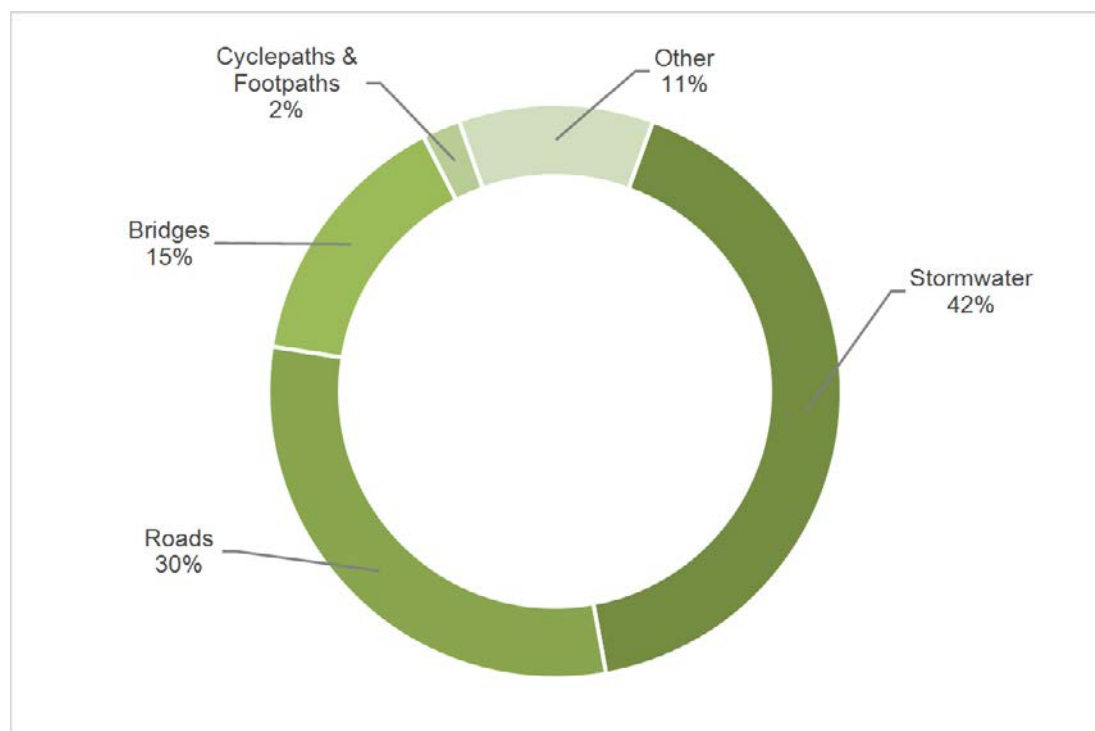
DIRECTORATE FINANCIAL POSITION - TOTAL ASSETS

1. Components of Total Assets

At 30 June 2020, the Directorate had Total Assets of \$10.3 billion. 98.1% of its Total Assets related to Property, Plant and Equipment (\$10.2 billion).

The major component of Property, Plant and Equipment is Infrastructure Assets (\$7.3 billion). Figure 3 shows the major categories of Infrastructure Assets.

Figure 3 Infrastructure Assets at 30 June 2020



2. Comparison to Revised Budget

Total Assets at 30 June 2020 was consistent with 2019-20 Revised Budget of \$10.3 billion.

3. Comparison to Prior Year

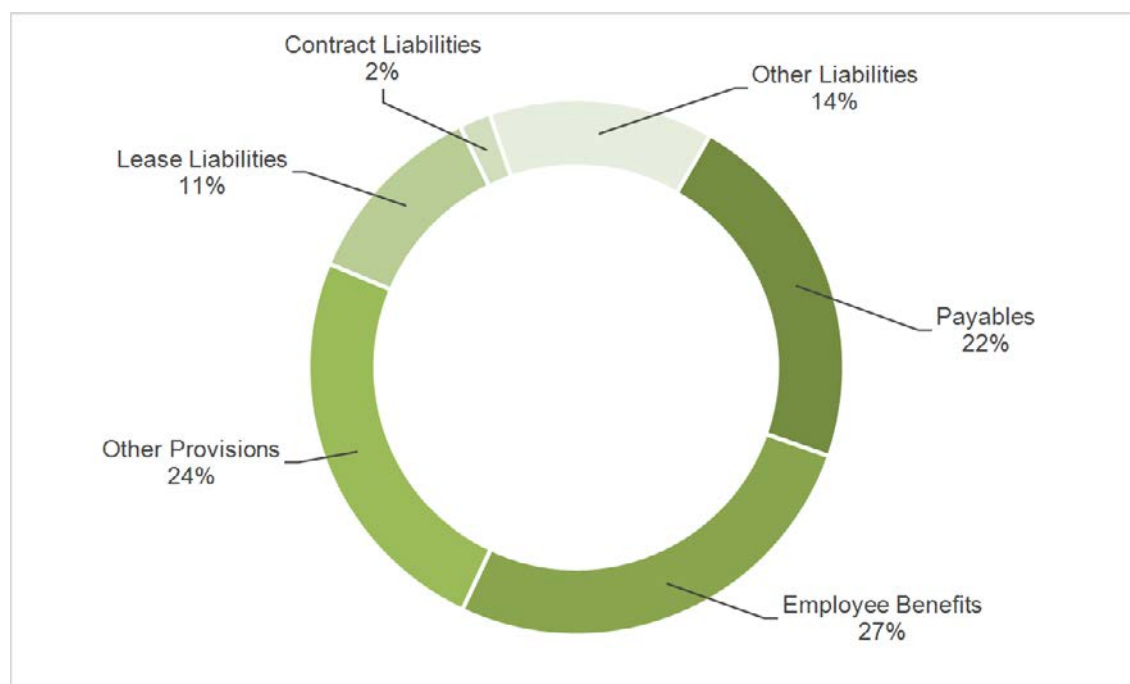
The Directorate's Total Assets were \$0.7 billion (6.0%) lower than the previous year's total of \$11.0 billion. This was due to a decrease in Property, Plant and Equipment of \$0.7 billion resulting from the transfer of light rail operations function including its assets to TCO on 1 July 2019.

DIRECTORATE FINANCIAL POSITION - TOTAL LIABILITIES

1. Components of Total Liabilities

At 30 June 2020, the Directorate had Total Liabilities of \$123.5 million. Figure 4 indicates that the major categories of the Directorate's liabilities.

Figure 4 Total Liabilities at 30 June 2020



2. Comparison to Revised Budget

Total Liabilities of \$123.5 million was slightly less than the Revised Budget of \$124.2 million due mainly to:

- Payables (\$25.4 million) due to additional supplier payments in 2019-20 and change in payment terms by the ACT Government from 30 days to 14 days to support the Territory's economy during the COVID-19 pandemic;

This was partially offset by higher:

- Contract Liabilities (\$8.7 million) mainly due to higher amounts owed to Electrix Pty Ltd for the upgrade of streetlights across the Territory under the contractual requirements;
- Lease Liabilities (\$8.6 million) mainly due to higher than anticipated motor vehicle leases;
- Other Provisions (\$4.4 million) mainly due to higher remediation costs for the Mugga Lane and West Belconnen landfill sites; and
- Employee Benefits (\$2.4 million) mainly due to the change in the rate used to estimate the present value of long service leave liabilities and lower leave taken due to the COVID-19 pandemic.

3. Comparison to Prior Year

Total Liabilities were \$315.8 million lower than the previous year amount of \$439.3 million due mainly to decreases in:

- Lease Liabilities (\$310.4 million) resulting from the transfer of amounts owed to Canberra Metro for the leased light rail assets to TCO on 1 July 2019;
- Payables (\$22.8 million) due to:
 - the ACT Government changing the supplier payment terms from 30 days to 14 days to support the Territory's economy during the COVID-19 pandemic;
 - transfer of the light rail operations function to TCO which resulted in lower payables; and
 - additional supplier payments made towards the end of the financial year.

This was partially offset by increases in:

- Other Liabilities (\$8.6 million) mainly due to higher amounts owed to Electrix Pty Ltd for the upgrade of streetlights across the Territory under the contractual requirements;
- Other Provisions (\$4.4 million) mainly due to higher remediation costs for the Mugga Lane and West Belconnen landfill sites; and
- Employee Benefits (\$3.7 million) mainly due to the change in rate used to estimate the present value of long service leave liabilities, higher salary rates under the enterprise agreements and lower leave taken due to the COVID-19 pandemic.

TERRITORIAL STATEMENT OF INCOME AND EXPENSES

Total Income and Expenses

The major categories of Territorial Income are commercial and industrial Waste Acceptance Fees and Dog Registration Fees. Total Expenses represents the transfers of income collected to the ACT Government.

Comparison to the Revised Budget

Total Territorial Income and Expenses of \$17.3 million was \$3.8 million (18.0%) lower than the Revised Budget of \$21.1 million. This was mainly due to lower than anticipated Sale of Services from Contracts with Customers mainly resulting from the disposal of commercial and industrial waste collected and transferred to the ACT Government due to lower customer demand.

Comparison to Prior Year

Total Income and Expenses were consistent with the previous year amount of \$17.4 million.

Future trends

Sale of Services from Contracts with Customers and Fees and Fines for 2020-21 are budgeted at \$25.1 million. Both expenses and income are expected to increase gradually across the forward estimates largely in line with forecast indexation.

MANAGEMENT DISCUSSION AND ANALYSIS

TRANSPORT CANBERRA OPERATIONS

For the Year Ended 30 June 2020

TRANSPORT CANBERRA OPERATIONS FINANCIAL PERFORMANCE

The following financial information is based on audited Financial Statements for the 2018-19 and 2019-20 financial years, 2019-20 Revised Budget and the forward estimates contained in the 2019-20 Supplementary Budget Statements.

TCO has not experienced any significant financial impacts apart from reduction in public transport fare revenue as a result of the COVID-19 pandemic and bushfires. Estimates presented below for 2020-21 through to 2022-23 are based on the 2019-20 Budget Review papers. The Legislative Assembly resolved on 18 June 2020 to delay the introduction of the Appropriation Bill 2020-2021 and Appropriation (Office of the Legislative Assembly) Bill 2020-2021 and 2020-21 Budget until after the election has been held and the formation of a government.

Risk Management

The development of annual Strategic Risk Management Register identifies risks that could impact on TCO's operations and objectives. Further information is included in Part 2B Risk Management of the Annual Report.

Operating Result

TABLE A: OPERATING RESULT

	Actual 2018-19 \$m	Revised Budget 2019-20 \$m	Actual 2019-20 \$m	Forward Estimate 2020-21 \$m	Forward Estimate 2021-22 \$m	Forward Estimate 2022-23 \$m
Total Expenses	166.1	253.3	248.2	258.5	263.5	267.0
Total Income	151.4	214.6	214.3	223.8	227.6	230.5
Income Tax Equivalents Income	-	-	10.2	-	-	-
Operating (Deficit)	(14.7)	(38.7)	(23.7)	(34.7)	(35.9)	(36.5)

Operating Result Compared to Revised Budget

The Operating Result for Transport Canberra Operations (TCO) was a deficit of \$23.7 million, which is \$15.0 million lower than the revised budgeted deficit of \$38.7 million.

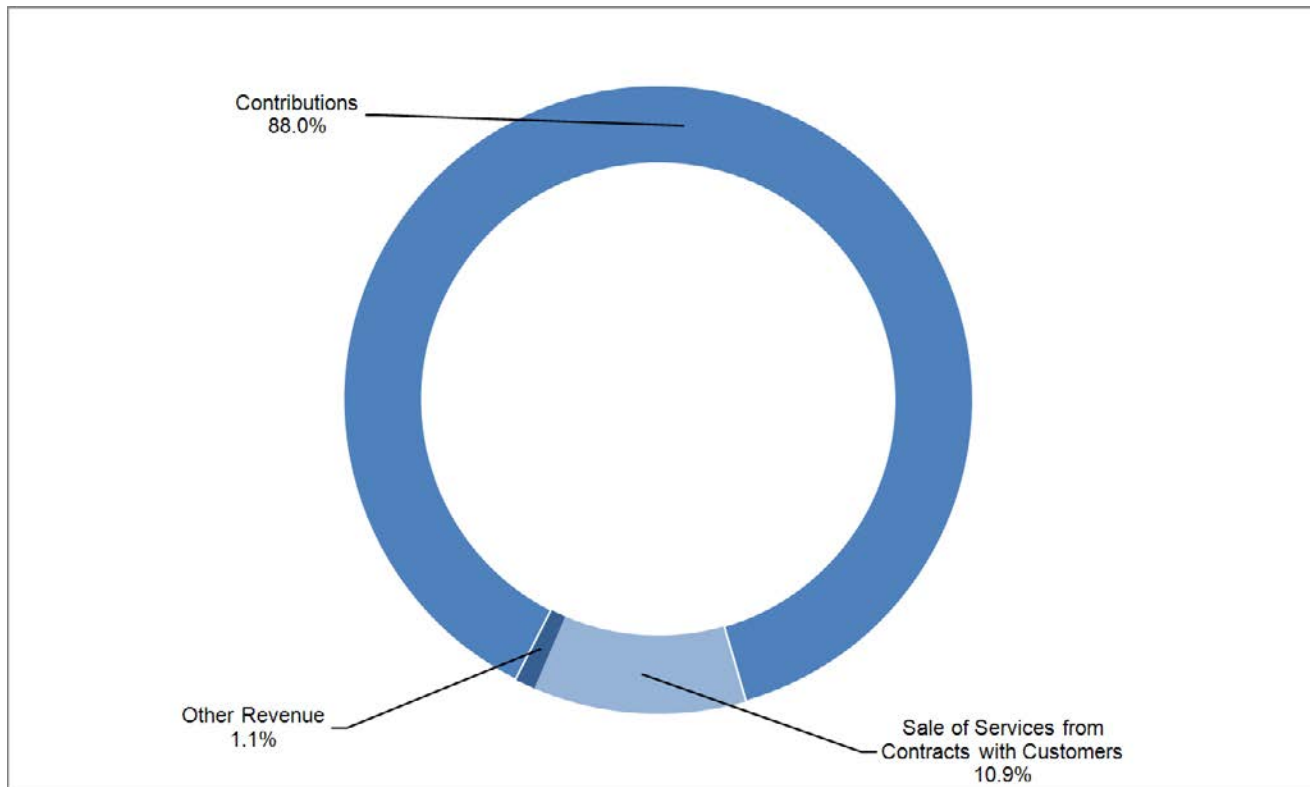
Total Revenue was \$214.3 million, which is consistent with the revised budgeted revenue of \$214.6 million. Total expenses were \$248.2 million, which is \$5.1 million lower than the revised budgeted expenses of \$253.3 million.

Total Income

Components of Total Income

Figure 1 illustrates the components of Total Income for the year ended 30 June 2020.

Figure 1 – Components of Income for 2019-20



Comparison to Revised Budget

Income for the year ended 30 June 2020 was \$214.3 million, which was consistent with the revised budget of \$214.6 million.

Within income, Sale of Services from Contracts with Customers was \$4.4 million lower than revised budget of \$27.9 million due mainly to lower number of passengers using public transport due to the COVID-19 pandemic. This was partially offset by higher Contributions from TCCS resulting from the Treasurer's Advance received due to the reduction in fare revenue.

Comparison to Prior Year

Income in 2019-20 was \$62.9 million higher than the 2018-19 amount. This was mainly due to an increase in Contributions resulting from the transfer of light rail operations function to TCO on 1 July 2019.

Future Trends

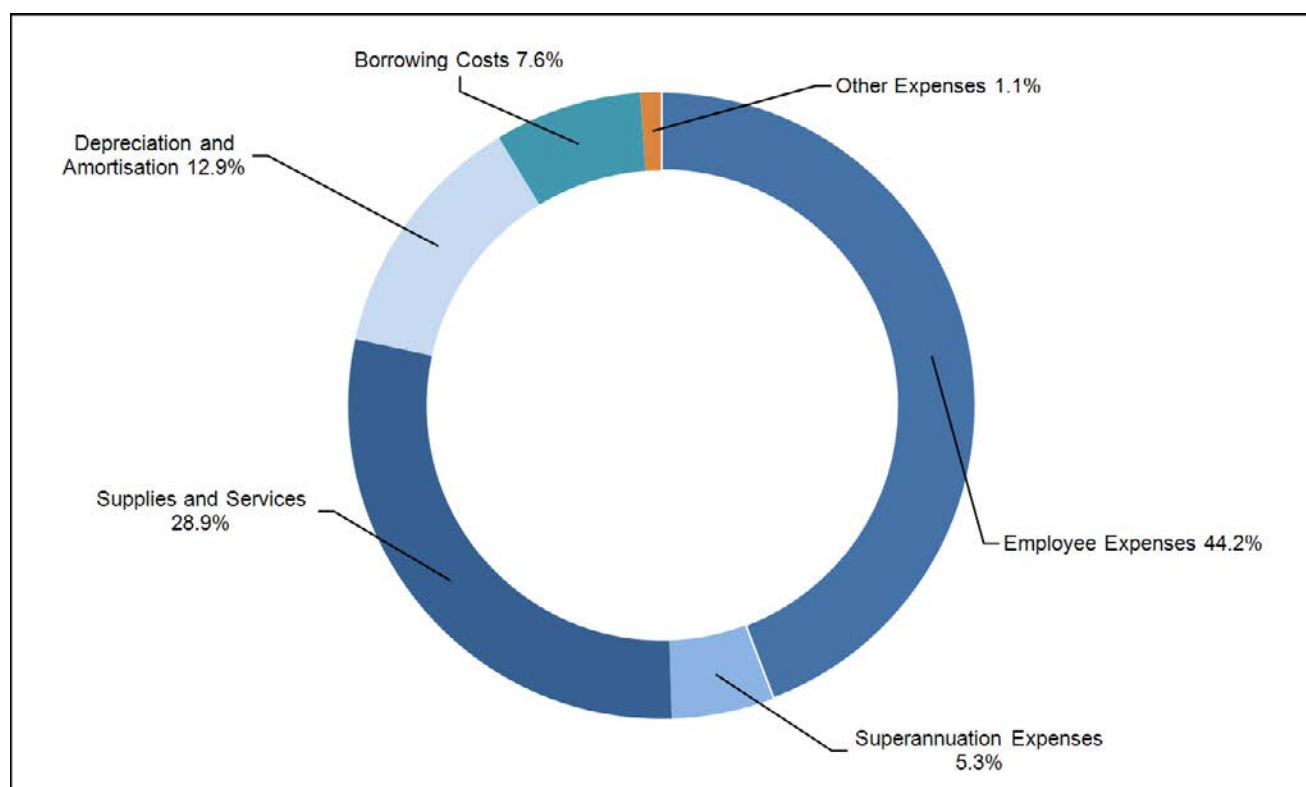
Income in the forward years is expected to steadily increase in line with forecast indexation.

Total Expenses

Components of Expenditure

Figure 2 illustrates the components of Total Expenses for the year ended 30 June 2020.

Figure 2 – Components of Expenditure for 2019-20



Comparison to Revised Budget

Total expenditure of \$248.2 million was \$5.1 million lower than the revised budget of \$253.3 million. This was largely the result of lower than revised budget:

- Supplies and Services of \$5.5 million due mainly to lower fuel expenditure resulting from lower fuel prices and consumption due to COVID-19 pandemic and lower insurance expenses for the light rail; and
- Depreciation and Amortisation expenses of \$3.3 million largely due to overestimation of expenses in the revised budget.

These were partially offset by higher Employee and Superannuation expenses (\$2.2 million) due mainly to higher number of staff employed for the new bus network and additional weekend bus services.

Comparison to Prior Year

Total expenditure was \$82.1 million higher than the 2018-19 amount. This was mainly due to higher Supplies and Services of \$28.0 million, Depreciation and Amortisation of \$20.2 million and Borrowing Costs of \$18.5 million due mainly to the transfer of light rail operations function to TCO on 1 July 2019.

Future Trends

Expenses in the forward years are expected to steadily increase in line with forecast indexation.

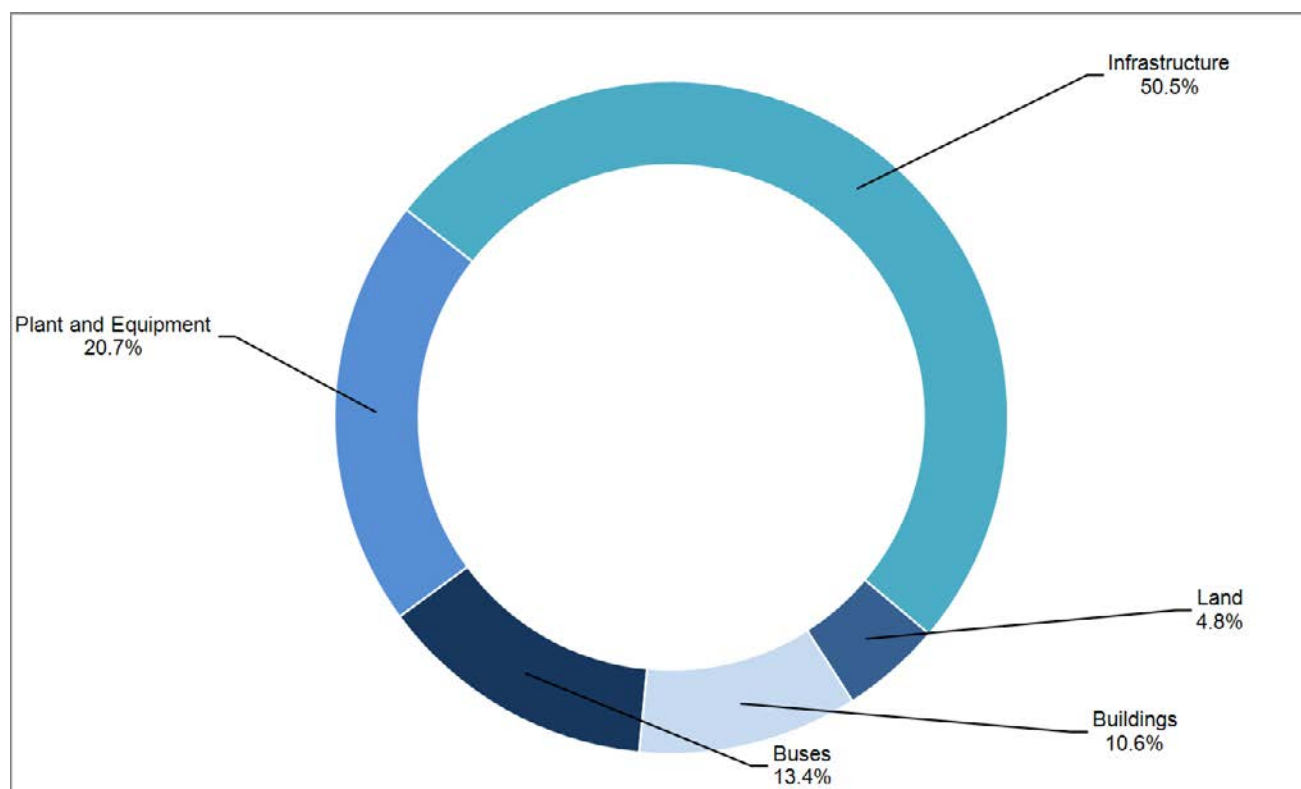
Transport Canberra Operations Financial Position – Total Assets

Components of Total Assets

At 30 June 2020, TCO had Total Assets of \$969.6 million. 97.2 percent of its Total Assets related to Property, Plant and Equipment.

The components of Property, Plant and Equipment are summarised in Figure 3.

Figure 3 – Components of Property, Plant and Equipment at 30 June 2020



Comparison to Revised Budget

Assets at 30 June 2020 totalled \$969.6 million, \$41.0 million lower than the 2019-20 revised budget of \$1,010.6 million.

This was largely due to lower than revised budgeted Property, Plant and Equipment (\$45.2 million) largely resulting from delayed completion of capital infrastructure projects relating to the:

- Woden bus depot (\$18.4 million);
- Integrated public transport ticketing system (\$7.5 million); and
- Expansion of the rapid bus network (\$6.4 million).

The remaining variance (\$8.7 million) largely related to lower than revised budget asset transferred from the Transport Canberra and City Services Directorate.

These were partially offset by higher than revised budget Cash and Cash Equivalents (\$7.5 million) due mainly to the Treasurer's Advance (\$5.2 million) received to settle outstanding payables in early July.

Comparison to Prior Year

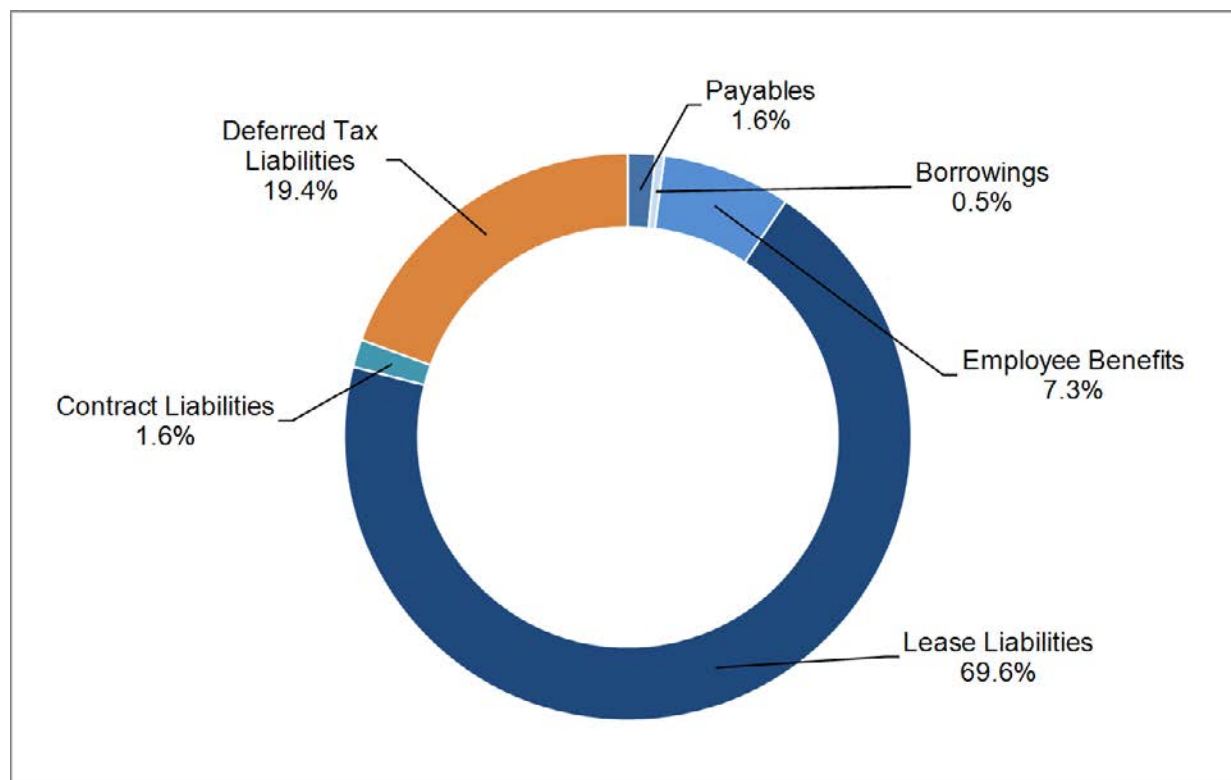
Total assets in 2019-20 increased by \$772.0 million from the prior year largely due to the transfer of light rail operations function to TCO on 1 July 2019.

Transport Canberra Operations Financial Position - Total Liabilities

Components of Total Liabilities

Figure 4 illustrates the major components of Total Liabilities for the year ended 30 June 2020.

Figure 4 – Components of Total Liabilities at 30 June 2020



Comparison to Revised Budget

TCO's liabilities for the year ended 30 June 2020 of \$453.0 million are \$91.5 million higher than the revised budget of \$361.5 million mainly due to the initial recognition of Deferred Tax Liabilities resulting from the transfer of light rail operations function from TCCS on 1 July 2019.

Comparison to Prior Year

Total liabilities of \$453.0 million is \$416.1 million higher than the 2018-19 result of \$37.0 million. This was mainly due to the transfer of light rail operations function to TCO and initial recognition of the Deferred Tax Liabilities, as discussed previously.

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Transport Canberra and City Services Directorate (Directorate) for the year ended 30 June 2020 which comprise the:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, statement of cash flows and controlled statement of appropriation;
- Territorial financial statements – statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory and statement of cash flows on behalf of the Territory; and
- Notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Directorate's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with the Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Directorate 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)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directorate for the financial statements

The Director-General is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and the relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Directorate to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, I am responsible for issuing an auditor's report that includes an independent opinion on the financial statements of the Directorate.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Directorate's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directorate;
- conclude on the appropriateness of the Directorate's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Directorate's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Directorate to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Director-General 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.



Michael Harris
Auditor-General
29 September 2020

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2020**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Transport Canberra and City Services Directorate's (the Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2020 and the financial position of the Directorate on that date.



Alison Playford

Director-General

Transport Canberra and City Services Directorate

28 September 2020

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2020**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards and agree with the Transport Canberra and City Services Directorate's (the Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2020 and the financial position of the Directorate on that date.

Andrew Pedersen

Andrew Pedersen

Chief Financial Officer

Transport Canberra and City Services Directorate

28 September 2020

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

Transport Canberra and City Services Directorate
Operating Statement
For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	4	412 082	406 466	357 694
Sales of Goods and Services from Contracts with Customers	5	28 178	40 112	30 782
Fees and Fines		9 145	8 974	7 347
Grants and Contributions	6	88 601	91 616	55 567
Other Revenue		7 679	914	7 981
Total Revenue		545 685	548 082	459 371
Gains from Disposal of Assets		323	-	887
Total Gains		323	-	887
Total Income		546 008	548 082	460 258
Expenses				
Employee Expenses	7	89 514	80 330	85 500
Superannuation Expenses	8	12 761	15 096	11 475
Supplies and Services	9	172 664	186 631	200 987
Depreciation and Amortisation	10	187 274	185 667	176 699
Grants and Purchased Services	11	180 212	172 428	111 931
Borrowing Costs		298	455	3 873
Expensing of Capital Works in Progress	12	13 262	-	99 872
Other Expenses		2 344	475	5 954
Total Expenses		658 329	641 082	696 291
Operating (Deficit)		(112 321)	(93 000)	(236 033)
Other Comprehensive Income/(Deficit)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase/(decrease) in the Asset Revaluation Surplus	23	51 214	(6 195)	415 936
Total Other Comprehensive Income/(Deficit)		51 214	(6 195)	415 936
Total Comprehensive (Deficit)/Income		(61 107)	(99 195)	179 903

The above Operating Statement should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate

Balance Sheet

At 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Current Assets				
Cash and Cash Equivalents	14	17 316	23 882	25 325
Receivables	15	12 366	7 717	9 350
Inventories		1 443	1 958	1 014
Other Assets		845	369	460
Total Current Assets		31 970	33 926	36 149
Non-Current Assets				
Property, Plant and Equipment	16	10 181 172	9 932 321	10 836 076
Capital Works in Progress	17	159 211	190 413	155 537
Intangible Assets		1 538	7 631	2 167
Other Assets		-	935	385
Total Non-Current Assets		10 341 921	10 131 300	10 994 165
Total Assets		10 373 891	10 165 226	11 030 314
Current Liabilities				
Payables	18	27 214	35 339	49 234
Lease Liabilities	19	5 804	2 506	10 130
Employee Benefits	20	30 993	28 678	27 696
Other Provisions	21	20 029	8 124	13 652
Contract Liabilities		2 342	2 694	1 743
Other Liabilities	22	123	35	41
Total Current Liabilities		86 505	77 376	102 496
Non-Current Liabilities				
Payables	18	-	-	750
Lease Liabilities	19	8 459	3 212	314 515
Employee Benefits	20	1 906	1 699	1 537
Other Provisions	21	10 000	17 836	11 937
Other Liabilities	22	16 657	235	8 110
Total Non-Current Liabilities		37 022	22 982	336 849
Total Liabilities		123 527	100 358	439 345
Net Assets		10 250 364	10 064 868	10 590 969
Equity				
Accumulated Funds		5 875 675	6 120 884	6 267 494
Asset Revaluation Surplus	23	4 374 689	3 943 984	4 323 475
Total Equity		10 250 364	10 064 868	10 590 969

The above Balance Sheet should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Changes in Equity
For the Year Ended 30 June 2020

		Accumulated Funds Actual 2020 \$'000	Asset Revaluation Surplus Actual 2020 \$'000	Total Equity Actual 2020 \$'000	Original Budget 2020 \$'000
	Note No.				
Balance at 1 July 2019		6 267 494	4 323 475	10 590 969	10 416 129
Comprehensive Income					
Operating (Deficit)		(112 321)	-	(112 321)	(93 000)
Increase in the Asset Revaluation Surplus	23	-	51 214	51 214	(6 195)
Total Comprehensive (Deficit)/Income		(112 321)	51 214	(61 107)	(99 195)
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections ^a		157 234	-	157 234	190 021
Capital Payments to Transport Canberra Operations (TCO)		(32 899)	-	(32 899)	-
Net Assets Transferred out due to Administrative Arrangement	24	(2 997)	-	(2 997)	-
Net Assets Transferred from Major Projects Canberra		2 976	-	2 976	-
Net Assets Transferred to TCO ^b	23	(403 812)	-	(403 812)	(442 087)
Total Transactions Involving Owners Affecting Accumulated Funds		(279 498)	-	(279 498)	(252 066)
Balance at 30 June 2020		5 875 675	4 374 689	10 250 364	10 064 868

a) Capital Injections include capital payments of \$17.4 million for expansion of the Rapid Bus Network, \$15.6 million for Essential Waste Management Infrastructure, \$12.1 million for Gundaroo Drive Duplication Stage 2, \$8.2 million for Molongo Valley and \$5.0 million for Active Travel in Belconnen Town Centre.

b) Net Assets Transferred to TCO relates to the transfer of light rail operations function to TCO on 1 July 2019.

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2020

		Accumulated Funds Actual 2019 \$'000	Asset Revaluation Surplus Actual 2019 \$'000	Total Equity Actual 2019 \$'000
	Note No.			
Balance at 1 July 2018		5 817 109	3 907 539	9 724 648
Change in accounting policy		775	-	775
Restated Balance at 1 July 2018		5 817 884	3 907 539	9 725 423
Comprehensive Income				
Operating (Deficit)		(236 033)	-	(236 033)
Increase in the Asset Revaluation Surplus	23	-	415 936	415 936
Total Comprehensive (Deficit)/Income		(236 033)	415 936	179 903
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections ^a		599 112	-	599 112
Capital Payments to ACTION		(16 576)	-	(16 576)
Net Assets Transferred from CMTEDD ^b		103 107	-	103 107
Total Transactions Involving Owners Affecting Accumulated Funds		685 643	-	685 643
Balance at 30 June 2019		6 267 494	4 323 475	10 590 969

- a) Capital Injections include capital payments of \$449.1 million associated with Light Rail Stage 1.
- b) Net Assets Transferred from Chief Minister, Treasury and Economic Development Directorate (CMTEDD) relates to the transfer of infrastructure delivery function from 1 July 2018. Infrastructure Assets of \$10.1 million and Capital Works in Progress of \$93.0 million was transferred to the Directorate.

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Cash Flows
For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		412 082	406 466	357 694
Sales of Goods and Services from Contracts with Customers		26 110	40 141	31 912
Fees and Fines		8 799	9 295	7 350
Grants and Contributions		1 543	-	217
Goods and Services Input Tax Credits from the Australian Taxation Office		31 353	20 558	76 299
Goods and Services Tax Collected from Customers		4 448	3 330	4 591
Other		6 279	916	8 173
Total Receipts from Operating Activities		490 614	480 706	486 236
Payments				
Employees		83 566	78 532	83 168
Superannuation		12 644	15 092	11 467
Supplies and Services		170 970	184 250	182 882
Grants and Purchased Services		180 193	172 428	111 931
Borrowing Costs		55	455	3 873
Goods and Services Tax Input Tax Paid to the Australian Taxation Office		4 370	3 453	4 547
Goods and Services Tax Paid to Suppliers		31 706	20 405	76 716
Other		60	-	2 921
Total Payments from Operating Activities		483 564	474 615	477 505
Net Cash Inflows from Operating Activities	28	7 050	6 091	8 731
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		456	-	905
Total Receipts from Investing Activities		456	-	905
Payments				
Payments for Property, Plant and Equipment		6 072	14 444	3 809
Payments for Capital Works in Progress		120 627	176 874	210 137
Payments for Intangibles		46	-	47
Total Payments from Investing Activities		126 745	191 318	213 993
Net Cash (Outflows) from Investing Activities		(126 289)	(191 318)	(213 088)

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Cash Flows – Continued
For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Injections		157 234	275 558	599 112
Carbon Neutral Fund Loan from the Environment, Planning and Sustainable Development Directorate (EPSDD)		217	-	10
Total Receipts from Financing Activities		157 451	275 558	599 122
Payments				
Repayment of Borrowings		70	30	-
Repayment of Lease Liabilities - Principal		5 804	4 355	2 094
Capital Payments to TCO		32 899	85 537	16 576
Payment of Transferred Cash Balances (Administrative Arrangements)		1 319	-	-
Payment of Transferred Cash Balances to TCO		6 129	-	-
Public Private Partnership - Construction Payment Contribution		-		375 000
Total Payments from Financing Activities		46 221	89 922	393 670
Net Cash Inflows from Financing Activities		111 230	185 636	205 452
Net (Decrease)/increase in Cash and Cash Equivalents		(8 009)	409	1 095
Cash and Cash Equivalents at the Beginning of the Reporting Period		25 325	23 473	24 230
Cash and Cash Equivalents at the End of the Reporting Period	28	17 316	23 882	25 325

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2020

	Output Class 1 Transport Canberra \$'000	Output Class 2 City Services \$'000	Intra- Directorate Eliminations \$'000	Total \$'000
2020				
Total Income	192 572	361 492	(8 056)	546 008
Total Expenses	192 046	474 339	(8 056)	658 329
Operating Surplus/(Deficit)	526	(112 847)	-	(112 321)
2019				
Total Income	156 886	306 199	(2 827)	460 258
Total Expenses	249 201	449 917	(2 827)	696 291
Operating (Deficit)	(92 315)	(143 718)	-	(236 033)

Transport Canberra and City Services Directorate

Operating Statement for Output Class 1 – Transport Canberra

For the Year Ended 30 June 2020

Description

Output Class 1: 'Transport Canberra' includes the Government subsidy received and paid to TCO for the operations of light rail and buses, and the strategic oversight of the public transport network and policy, public transport asset management and the Active Travel Office.

	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	191 142	193 298	154 627
Sales of Goods and Services from Contracts with Customers	295	140	38
Fees and Fines	-	60	-
Grants and Contributions	925	459	1 766
Other Revenue	210	-	446
<i>Total Revenue</i>	192 572	193 957	156 877
Gains from Disposal of Assets	-	-	9
<i>Total Gains</i>	-	-	9
Total Income	192 572	193 957	156 886
Expenses			
Employee Expenses	6 744	12 454	13 402
Superannuation Expenses	1 017	2 253	2 358
Supplies and Services	4 820	9 007	31 390
Depreciation and Amortisation	-	3 757	5 200
Grants and Purchased Services	179 445	171 737	111 182
Borrowing Costs	-	-	3 813
Expensing of Capital Works in Progress	-	-	81 114
Other Expenses	20	-	742
Total Expenses	192 046	199 208	249 201
Operating Surplus/(Deficit)	526	(5 251)	(92 315)

Transport Canberra and City Services Directorate

Operating Statement for Output Class 2 – City Services

For the Year Ended 30 June 2020

Description

Output Class 2: 'City Services' includes:

- **2.1: Roads and Infrastructure** – management of the territory's roads and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This Output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.
- **2.2: Library Services** – provision of library services to the community through Libraries ACT branches, home library service, the ACT Virtual Library and the Heritage Library.
- **2.3: Waste and Recycling** – provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs.
- **2.4: City Maintenance and Services** – planning and management of the territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sports ground facilities. This Output also includes advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing, significant tree protection and the Yarralumla Nursery.
- **2.5: Capital Linen Service** – provides linen services to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.

	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Income			
<i>Revenue</i>			
Controlled Recurrent Payments	220 940	213 168	203 067
Sales of Goods and Services from Contracts with Customers	34 916	39 972	32 351
Fees and Fines	9 145	8 914	7 347
Grants and Contributions	87 676	91 157	53 802
Other Revenue	8 492	914	8 754
Total Revenue	361 169	354 125	305 321
Gains from Disposal of Assets	323	-	878
<i>Total Gains</i>	323	-	878
Total Income	361 492	354 125	306 199
Expenses			
Employee Expenses	82 705	67 876	71 967
Superannuation Expenses	11 744	12 843	9 117
Supplies and Services	175 235	177 623	172 151
Depreciation and Amortisation	187 274	181 910	171 500
Grants and Purchased Services	769	691	748
Borrowing Costs	298	455	60
Expensing of Capital Works in Progress	13 262	-	18 759
Other Expenses	3 052	475	5 615
Total Expenses	474 339	441 873	449 917
Operating (Deficit)	(112 847)	(87 748)	(143 718)

Transport Canberra and City Services Directorate

Disaggregated Disclosure of Assets and Liabilities

At 30 June 2020

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

At 30 June 2020

	Output Class 1 Transport Canberra \$'000	Output Class 2 City Services \$'000	Total \$'000
Current Assets			
Cash and Cash Equivalents	-	17 316	17 316
Receivables	74	12 292	12 366
Inventories	-	1 443	1 443
Other Assets	-	845	845
Total Current Assets	74	31 896	31 970
Non-Current Assets			
Property, Plant and Equipment	-	10 181 172	10 181 172
Capital Works in Progress	-	159 211	159 211
Intangible Assets	-	1 538	1 538
Total Non-Current Assets	-	10 341 921	10 341 921
Total Assets	74	10 373 817	10 373 891
Current Liabilities			
Payables	-	27 214	27 214
Lease Liabilities	-	5 804	5 804
Employee Benefits	-	30 993	30 993
Other Provisions	-	20 029	20 029
Contract Liabilities	-	2 342	2 342
Other Liabilities	-	123	123
Total Current Liabilities	-	86 505	86 505
Non-Current Liabilities			
Lease Liabilities	-	8 459	8 459
Employee Benefits	-	1 906	1 906
Other Provisions	-	10 000	10 000
Other Liabilities	-	16 657	16 657
Total Non-Current Liabilities	-	37 022	37 022
Total Liabilities	-	123 527	123 527
Net Assets	74	10 250 290	10 250 364

Transport Canberra and City Services Directorate
Disaggregated Disclosure of Assets and Liabilities
At 30 June 2020

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - CONTINUED

At 30 June 2019

	Output Class 1 Transport Canberra \$'000	Output Class 2 City Services \$'000	Total \$'000
Current Assets			
Cash and Cash Equivalents	6 207	19 118	25 325
Receivables	1 210	8 140	9 350
Inventories	149	865	1 014
Other Assets	409	51	460
Total Current Assets	7 975	28 174	36 149
Non-Current Assets			
Property, Plant and Equipment	732 297	10 103 779	10 836 076
Capital Works in Progress	6 196	149 341	155 537
Intangible Assets	1 223	944	2 167
Other Assets	385	-	385
Total Non-Current Assets	740 101	10 254 064	10 994 165
Total Assets	748 076	10 282 238	11 030 314
Current Liabilities			
Payables	16 634	32 600	49 234
Finance Leases	10 031	99	10 130
Employee Benefits	3 510	24 186	27 696
Other Provisions	-	13 652	13 652
Other Liabilities	-	1 784	1 784
Total Current Liabilities	30 175	72 321	102 496
Non-Current Liabilities			
Payables	750	-	750
Finance Leases	313 538	977	314 515
Employee Benefits	257	1 280	1 537
Other Provisions	-	11 937	11 937
Other Liabilities	-	8 110	8 110
Total Non-Current Liabilities	314 545	22 304	336 849
Total Liabilities	344 720	94 625	439 345
Net Assets	403 356	10 187 613	10 590 969

Transport Canberra and City Services Directorate Controlled Statement of Appropriation For the Year Ended 30 June 2020

	Original Budget 2020 \$'000	Total Appropriated 2020 \$'000	Appropriation Drawn 2020 \$'000	Appropriation Drawn 2019 \$'000
Controlled				
Controlled Recurrent Payments	406 466	412 082	412 082	357 694
Capital Injections	275 558	273 814	157 234	599 112
Total Controlled Appropriation	682 024	685 896	569 316	956 806

The above Controlled Statement of Appropriation should be read in conjunction with the accompanying Notes.

Column Heading Explanations

The Original Budget column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers.

The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.

The Appropriation Drawn is the total amount of appropriation received by the Directorate during the year. This amount appears in the Statement of Cash Flows.

Reconciliation of Appropriation for 2019-20

	Controlled Recurrent Payments 2020 \$'000	Capital Injections 2020 \$'000
Original Appropriation for 2019-20	406 466	275 558
Supplementary Appropriation (FMA s13)	3 199	12 423
Rollover of Undispersed Appropriation ^a	1 552	34 022
Administrative Arrangements Transfer ^b	(7 568)	(48 309)
Variation of Appropriations for Commonwealth Grants	33	120
Treasurer's Advance	8 400	-
Total Appropriated	412 082	273 814
Undrawn Funds ^c	-	(116 580)
Total Appropriation Drawn	412 082	157 234

- a) The rollover of undispersed Capital Injections from 2018-19 (\$34.0 million) is mainly the result of projects which were not complete due largely to delays or being in the defect liability stage. These projects largely related to roads and infrastructure projects.

**Transport Canberra and City Services Directorate
Controlled Statement of Appropriation – Continued
For the Year Ended 30 June 2020**

CONTROLLED STATEMENT OF APPROPRIATION – CONTINUED

b) Administrative Arrangements Transfer relates to the transfer of funding for Light Rail Stage 1 including retained risk and Light Rail Stage 2 to Major Projects Canberra (MPC) on 1 July 2019. Major funding included:

- Controlled Recurrent Payments for Light Rail Stage 2 (\$7.4 million) and Mitchell Light Rail Stop (\$0.2 million);
- Capital Injections for the construction of Light Rail Stage 1 (\$28.4 million); and
- Capital Injections for Light Rail Stage 2 (\$18.4 million) and Mitchell Light Rail Stop (\$1.5 million).

c) The Capital Injections of \$116.6 million was undrawn mainly due to the deferral and delays of capital infrastructure projects which also resulted in undrawn Commonwealth grants funding (\$16.3 million). Significant undrawn projects included:

- Woden bus depot (\$18.4 million);
- Better infrastructure for Active Travel (\$10.1 million);
- Rehabilitating landfill sites (\$7.6 million);
- Integrated public transport ticketing system (\$7.5 million);
- Expansion of the rapid bus network (\$6.4 million);
- Canberra Brickworks road upgrades (\$5.2 million); and
- Parkwood estate rehabilitation (\$4.4 million).

The remaining balance largely related to capital infrastructure projects that are lower in value.

Transport Canberra and City Services Directorate

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Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 1 OBJECTIVES OF THE DIRECTORATE

Operations and Principal Activities

Transport Canberra and City Services Directorate (the Directorate) helps Canberrans to be well connected to their community and lifestyle opportunities. The Directorate's transport plan makes it easier for people to travel around Canberra while the Directorate also provides enhanced public parks and places with a focus on urban renewal. Delivery of these services is citizen-focused and innovative and contributes to the improved liveability of the city.

Contributing to the long-term growth of Canberra, the Directorate delivers an attractive cityscape and amenity, an effective road network and an integrated public transport system, and services that are necessary to support a flourishing community and attract business investment.

In particular, the Directorate has a long term focus of delivering a fully integrated public transport system incorporating light rail, bus services and active travel to deliver upon a vision that is safe, efficient, reliable, affordable and a convenient public transport network for Canberra.

The Directorate also delivers a range of innovative services to the community including libraries, waste and recycling services, safer walking and cycling around schools, city amenity, infrastructure maintenance, animal welfare, and management and maintenance of the Territory's assets including recreational and sportsgrounds facilities, local shops amenity, playground equipment and upkeep of the city. In designing and delivering these services, the Directorate strives to make them accessible for all members of the community.

The Directorate is responsible for the planning, building and maintenance of many of the Government's infrastructure assets such as stormwater assets, roads, bridges, cycling and community paths and the streetlight network. It plays an important role in managing the city's open space, parks and neighbourhood play areas, domestic animal services, animal welfare, licensing and compliance services and permits for public land use.

Capital Linen Service, ACT NoWaste and Yarralumla Nursery are also managed by the Directorate. The Directorate has administrative oversight responsibility for the ACT Public Cemeteries Authority (the Cemeteries Authority) which operates the Woden, Gungahlin and Hall cemeteries. The Cemeteries Authority prepares separate financial statements which are annexed to the Directorate's Annual Report.

Transport Canberra Operations, Canberra's public transport provider, is also part of the Directorate but reports as a separate entity within the Directorate's Annual Report.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government Directorates.

The FMA, and the *Financial Management Guidelines* issued under the FMA require the Directorate's financial statements to include:

- (i) an Operating Statement for the reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Statement of Cash Flows for the reporting period;
- (v) a Statement of Appropriation for the reporting period;
- (vi) an Operating Statement for each class of output for the reporting period;
- (vii) the significant accounting policies adopted for the reporting period; and
- (viii) other statements as necessary to fairly reflect the financial operations of the Directorate during the year and its financial position as at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The Financial Statements have been prepared using the accrual basis of accounting. The Financial Statements are prepared according to the historical cost convention, except for Property, Plant and Equipment, and Financial Instruments that are valued at fair value in accordance with the valuation policies applicable to the Directorate during the reporting period.

GOING CONCERN

The 2019-20 Financial Statements have been prepared on a going concern basis as the Directorate provides essential services to ACT residents and is expected to be funded in the 2020-21 Budget. The 2020-21 Budget will be presented to the Legislative Assembly subsequent to the signing of the Directorate's 2019-20 Financial Statements.

At 30 June 2020, the Directorate's Current Liabilities (\$86.5 million) exceeded its Current Assets (\$32.0 million) by (\$54.5 million). This is not considered a liquidity risk as the Directorate's cash needs are funded through an appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole of Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS — CONTINUED

IMPACT OF COVID-19

The Directorate assessed the impact of the COVID-19 pandemic on the balances included in its financial statements. The recoverability of Receivables and values of its Property, Plant and Equipment are the two areas that may potentially be impacted by the COVID-19 pandemic. The Directorate has concluded that COVID-19 has not had a material impact on either of these balances. Significant variances associated with change in operation compared to budget and prior year resulting from COVID-19 are explained within the relevant notes.

IMPACT OF WEATHER EVENTS

The Directorate assessed the impact of future severe weather events such as bushfires and its impact on the values of its Property, Plant and Equipment. The Directorate has insurance that provides sufficient coverage to repair or replace damaged assets in the event of a severe weather event. Therefore, the impact of weather events on the value of its assets is considered to be immaterial.

CURRENCY

These financial statements are presented in Australian dollars.

INDIVIDUAL REPORTING ENTITY

The Directorate is an individual financial reporting entity.

CONTROLLED AND TERRITORIAL ITEMS

The Directorate produces Controlled and Territorial financial statements. The Controlled Financial Statements include income, expenses, assets and liabilities over which the Directorate has control. The Territorial Financial Statements include income, expenses, assets and liabilities that the Directorate administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Directorate's performance against the decisions it has made in relation to the resources it controls while maintaining accountability for all resources under its responsibility.

The basis of preparation described applies to both Controlled and Territorial Financial Statements except where specified otherwise.

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information included in the Original Budget Papers for 2019-20 has been presented in the Financial Statements.

ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 3 CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases.

Initial Application of AASB 15 and AASB 1058

The Directorate adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information has been restated under this approach however comparative numbers were reclassified to facilitate a comparison. No adjustments were made to the opening balance of Equity at the date of initial application (1 July 2019), as the cumulative effect of initially applying these standards is nil.

Revenue Recognition under AASB 15 and AASB 1058

The Directorate assessed revenue using the 5 step model under AASB 15:

1. identifying contracts with customers;
2. identifying separate performance obligations;
3. determining the transaction price of the contract;
4. allocating the transaction price to each of the performance obligations; and
5. recognising revenue as each performance obligation is satisfied.

The Directorate receives appropriations which are recognised as Contributions under AASB 1058. AASB 1058 is applied to Not-for-Profit agencies recognising income that either does not arise from an enforceable contract with customers or which do not have sufficiently specific performance obligations. The timing of income recognition under AASB 1058 depends upon whether such a transaction gives rise to a liability or a contribution by owners, related to an asset.

There were no changes to revenue recognition on adoption of these standards. The main impact of adoption of AASB 1058 resulted in Resources Received Free of Charge, Commonwealth Government Grants, Waste Education Fund and Contributions being reclassified as Grants and Contributions and Rent from Tenants classified as Other Revenue. The adoption of AASB 15 resulted in User Charges revenue being category renamed as Sales of Goods and Services from Contracts with Customers and included Acceptance Fees for Contaminated Waste with the existing revenue sources classified under this revenue category.

Contract Liabilities

The Directorate previously recorded Revenue Received in Advance and Streetlights Upgrades liability under Other Liabilities. These liabilities are now being recorded under Contract Liabilities due to the adoption of AASB 15. A contract liability is recognised if a customer pays consideration before the Directorate transfers a good or service to the customer. There were no changes to current and prior year balances resulting from this new accounting standard.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 3 CHANGE IN ACCOUNTING POLICY – CONTINUED

Implementation of AASB 16

The Directorate adopted AASB 16 from 1 July 2019. The adoption of this standard resulted in motor vehicle leases being recorded in the Balance Sheet as a right-of-use asset and lease liability.

The Directorate applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the rates implicit in the contracts (except for the initial recognition which was based on incremental borrowing rate).

The table below provides a reconciliation between amounts recorded as a Lease Liability at 1 July 2019 and Operating lease commitments at 30 June 2019.

Measurement of Lease Liabilities	\$'000
Operating Lease Commitments disclosed at 30 June 2019	12 896
Discounted using incremental borrowing rate at the date of initial application	(235)
(Less): Short term leases not recognised as a liability	(405)
Lease Liability recognised at 1 July 2019	<u>12 256</u>

The effect of adopting AASB 16 at 1 July 2019 is as follows:

	Note No.	Adjustment 1 July 2019 \$'000
Assets		
Right-of-Use Assets	16	<u>12 256</u>
Total Assets		<u>12 256</u>
Liabilities		
Lease Liabilities	19	<u>12 256</u>
Total Liabilities		<u>12 256</u>
Total Adjustments on Equity		<u>-</u>

With these changes, there were no adjustments made to accumulated funds at 1 July 2019.

The weighted average incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.31%.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

INCOME NOTES

Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of Not-for-Profit Entities.

NOTE 4 CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are received from the ACT Government to fund the costs of delivering outputs. Controlled Recurrent Payments are recognised upon the receipt of cash.

Community Service Obligations revenue is received for the TCO's public transport operations and the Yarralumla Nursery free plant scheme.

	2020 \$'000	2019 \$'000
Controlled Recurrent Payments ^a	232 331	246 213
Community Service Obligations - TCO ^b	179 445	111 182
Community Service Obligations - Yarralumla Nursery	306	299
Total Controlled Recurrent Payments	412 082	357 694

- a) In 2019, funding relating to light rail was recorded as Controlled Recurrent Payments. The decrease is mainly due to the transfer of light rail operations function (\$10.3 million) to TCO on 1 July 2019.
- b) The increase is mainly due to the previously discussed transfer of light rail operations function to TCO (\$51.8 million) and the Treasurer's Advance passed through to TCO (\$5.2 million) due to the reduction in fare revenue caused by the COVID-19 pandemic.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 5 SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue recognised in this note is that within the scope of AASB 15. Revenue is based on the transfer of promised goods or services to customers at an amount that reflects the consideration in exchange for those goods or services. Revenue is recognised by applying a five step model under AASB 15.

The timing of the payment for sale of goods and rendering of services largely corresponds with the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Rendering of Services predominantly relates to the Capital Linen Service, hiring of sports ground facilities, hiring of facilities to community groups, library services, and Birrigai outdoor school. The performance obligation is the rendering of service being provided or delivered to the customer. Revenue is recognised on the provision of the service.

Acceptance Fees for Contaminated Waste is for the disposal of waste relating to asbestos, animal carcasses, and other waste requiring special burial arrangements. The performance obligation is the provision of landfill site access to a customer. Revenue is recognised at the time of disposal of contaminated waste at the landfill sites.

Sale of Goods largely relates to plant sales at the Yarralumla Nursery and green bin sales to ACT residents. The performance obligation is the supply of plants and green bins to a customer. Revenue is recognised on the transfer of physical possession to a customer.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 5 SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS – CONTINUED

	2020 \$'000	2019 \$'000
ACT Government Customers		
Acceptance Fees for Contaminated Waste ^a	5 295	3 392
Rendering of Services	7 813	8 055
Sale of Goods	27	11
Total Sales of Goods and Services to ACT Government Customers	13 135	11 458
Non-ACT Government Customers		
Acceptance Fees For Contaminated Waste ^a	490	3 117
Rendering of Services	12 334	12 068
Sale of Goods ^b	2 219	4 139
Total Sales of Goods and Services to Non-ACT Government Customers	15 043	19 324
Total Sales of Goods and Services from Contracts with Customers	28 178	30 782

a) The increase in revenue from ACT Government Customers (\$1.9 million) is mainly due to higher amount of asbestos waste from the Loose-fill Asbestos Insulation Eradication Scheme (Mr Fluffy) blocks being disposed at the West Belconnen landfill site. This was partially offset by a reduction in revenue from Non-ACT Government Customers (\$2.6 million) largely due to closure of the West Belconnen landfill site.

b) The decrease is mainly due to lower:

- sales of plants at the Yarralumla Nursery (\$0.7 million) resulting from the impact of bushfires and the COVID-19 pandemic. Furthermore, there was a one-off revenue in 2018-19 from the sale of plants to Canberra Metro for plants along the light rail corridor; and
- revenue from green bin sales (\$0.9 million) as there was a significant uptake of bins in 2018-19 due to the initial rollout of the green waste services in the Territory.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 6 GRANTS AND CONTRIBUTIONS

Revenue recognised in this note is that within the scope of AASB 1058 and based on the asset received (generally cash or other financial asset) at fair value.

When the Directorate receives an asset or services for significantly less than fair value, revenue is recognised on receipt of the asset / services. Where services are received, the expense is recognised in the line item to which it relates.

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as donations or contributions.

Services that are received free of charge are only recognised in the Operating Statement if they can be reliably measured and would have been purchased if not provided free of charge.

Assets received from ACT Government entities and private developers represent infrastructure assets transferred to the Directorate. These assets include roads, bridges, storm water assets, footpaths, car parks, streetlights and paving. Timing of asset transfers is dependent on private sector developments.

The Waste Education Fund Contribution is a community program run by the Directorate providing education on waste recycling opportunities. The fund receives contributions from private sector waste recycling entities.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 6 GRANTS AND CONTRIBUTIONS – CONTINUED

	2020	2019
	\$'000	\$'000
Resources Received Free of Charge		
Legal Services	1 191	1 181
Shared Services Finance - Fixed Costs	1 414	-
Shared Services Human Resources - Fixed Costs	868	-
Shared Services Records Services - Fixed Costs	122	-
Other Services	1 189	901
Total Resources Received Free of Charge ^a	4 784	2 082
Other Grants and Contributions		
Assets Received from ACT Government Entities ^b	69 137	26 756
Assets Received from Private Developers ^c	13 137	23 698
Waste Education Fund Contribution	1 522	1 430
Commonwealth Government Grants	-	217
Contributions ^d	21	1 384
Total Other Grants and Contributions	83 817	53 485
Total Grants and Contributions	88 601	55 567

- a) The increase in resources received free of charge is largely due to the changes in the funding arrangements within the ACT Government for services received from Shared Services. The ACT Government agencies received these services free of charge from 1 July 2019.
- b) The increase is mainly due to assets received relating to the suburb of Taylor (\$68.0 million) from the Suburban Land Agency and Haig park upgrades (\$1.0 million) from the City Renewal Authority.
- c) The decrease is mainly due to lower value of infrastructure assets transferred from private developers. The projects completed by the private developers vary each year and in 2019-20 they relate to developments in Braddon (\$4.1 million), Strathnairn (\$2.0 million) and Denman Prospect (\$1.2 million).
- d) The decrease is largely related to one-off contributions received from Cricket ACT and ACT AFL for upgrades of the Phillip Oval sporting grounds in 2018-19.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

EXPENSE NOTES

NOTE 7 EMPLOYEE EXPENSES

	2020	2019
	\$'000	\$'000
Wages and Salaries	76 044	71 942
Annual Leave Expense	6 442	5 876
Workers' Compensation Insurance Premium	2 268	3 058
Long Service Leave Expense	4 327	4 289
Termination Expense	97	64
Payroll Tax	201	163
Other Employee Benefits and On-Costs	135	108
Total Employee Expenses ^a	89 514	85 500

- a) The increase is mainly due to higher salary rates under the enterprise agreements and less leave taken by employees due to bushfires and the COVID-19 pandemic.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 8 SUPERANNUATION EXPENSES

Employees of the Directorate have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), the Directorate makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The Directorate also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), the Directorate makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Superannuation liability recognition

For employees who are members of the defined benefit CSS or PSS, the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the Financial Statements of the Superannuation Provision Account.

	2020 \$'000	2019 \$'000
Superannuation to External Providers	6 688	6 200
Superannuation Contributions to the Territory Banking Account	5 463	4 600
Productivity Benefit	610	675
Total Superannuation Expenses ^a	12 761	11 475

- a) The increase is mainly due to salary rates under the enterprise agreements with the majority being members of superannuation schemes managed by external providers. There was also a 0.5% increase to employer superannuation contribution under the enterprise agreements for staff who are members of external superannuation providers.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 9 SUPPLIES AND SERVICES

	2020	2019
	\$'000	\$'000
Contractors and Consultants ^a	54 839	59 827
Repairs and Maintenance	54 521	57 767
Buildings and Facilities Operating Costs	24 604	25 957
Information Technology and Telecommunications	12 066	13 061
Light Rail Service Payments ^b	-	8 388
Consumables	7 752	7 946
Lease Costs ^c	2 658	6 862
Insurance	5 386	5 433
Finance, Human Resources and Procurement	3 011	4 030
Legal Costs	1 434	1 884
Communication, Printing and Publication ^d	826	2 414
Other Human Resource Costs	1 406	1 016
Cost of Goods Sold	910	1 133
Staff Development and Training	1 299	1 223
Audit Fees ^e	279	303
Other Supplies and Services ^f	1 673	3 743
Total Supplies and Services	172 664	200 987

- a) The decrease is mainly due to lower expenditure (\$7.2 million) relating to the Light Rail Stage 2 project as it was transferred to MPC as part of Administrative Arrangements 2019 (No 2) on 1 July 2019. This was partially offset by higher expenditure (\$1.0 million) relating to traffic survey and design works.
- b) The decrease is mainly due to the transfer of light rail operations function to TCO on 1 July 2019.
- c) The decrease is largely due to the implementation of Australian Accounting Standard AASB 16 which resulted in leases being recorded in the balance sheet of the Directorate. The amounts recorded in 2020 largely represents short term or low value leases which are outside the scope of AASB 16.
- d) The decrease is largely due to the communication costs associated with the commencement of light rail operations in 2018-19. The light rail operations function has since been transferred to TCO on 1 July 2019.
- e) Audit Fees are fees paid to the ACT Audit Office for:
- the audits of the financial statements and Commonwealth grant acquittals; and
 - performing a limited assurance engagement on the statement of performance.
- No other services were provided by the ACT Audit Office.
- f) The decrease is mainly due to the expenses associated with light rail operations which was transferred to TCO on 1 July 2019, as discussed previously.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 10 DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets such as computer software and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Land, road earthworks (which are a component of roads assets included within the Infrastructure Asset class) and some community and heritage assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements and plant and equipment under lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

The useful lives of assets held by the Directorate are reassessed on an annual basis.

All depreciation is calculated after first deducting any residual values which remain for each asset.

The useful lives applied for the depreciation and amortisation of non-current assets are:

Class of Asset	Depreciation/Amortisation	Useful Life (Years)
Land and Buildings ^a	Straight Line	6-50
Leasehold Improvements	Straight Line	2-40
Plant and Equipment	Straight Line	3-123
Infrastructure	Straight Line	10-138
Intangibles	Straight Line	3-5
Community and Heritage Assets	Straight Line	3-100

a) Land Restoration Assets (waste landfill) are part of the Land and Buildings Asset class.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 10 DEPRECIATION AND AMORTISATION – CONTINUED

	2020	2019
	\$'000	\$'000
Depreciation		
Infrastructure Assets ^a	165 729	158 059
Plant and Equipment	7 311	8 880
Right-of-Use Plant and Equipment ^b	5 559	-
Community and Heritage Assets	2 710	2 709
Buildings	3 182	3 417
Land Restoration	1 298	1 298
Leasehold Improvements	1 152	813
Total Depreciation	186 941	175 176
Amortisation		
Intangible Assets - Internally Generated Software ^c	333	1 523
Total Amortisation	333	1 523
Total Depreciation and Amortisation	187 274	176 699

- a) The increase (\$7.7 million) is mainly due to the increase in the value of infrastructure (stormwater) assets resulting from revaluations that occurred in the previous year.
- b) Depreciation for Right-of-Use Plant and Equipment largely relates to motor vehicles. From 1 July 2019, the Directorate implemented AASB 16 which resulted in motor vehicles being recorded as assets in the balance sheet and depreciation expense being incurred for these assets.
- c) The decrease is largely due to the transfer of the Real Time Passenger Information System to TCO on 1 July 2019, which resulted in lower amortisation expense compared to the previous year.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 11 GRANTS AND PURCHASED SERVICES

	2020 \$'000	2019 \$'000
Payments to TCO ^a	179 445	111 182
Grants to Community Organisations	749	749
Other	18	-
Total Grants and Purchased Services	180 212	111 931

a) The increase is mainly due to the:

- transfer of light rail operations function (\$51.8 million) to TCO on 1 July 2019, which included light rail funding related to Public Private Partnership payments (\$44.6 million) and ongoing light rail operational funding (\$7.2 million); and
- Treasurer's Advance (\$5.2 million) being required due to the reduction in fare revenue caused by the COVID-19 pandemic.

NOTE 12 EXPENSING OF CAPITAL WORKS IN PROGRESS

Expensing of Capital Works in Progress relates to the expensing of costs from capital projects that did not meet the asset recognition criteria under the Australian Accounting Standards.

Expensing of Capital Works in Progress ^a	13 262	99 872
Total Expensing of Capital Works in Progress	13 262	99 872

a) The decrease is mainly due to higher costs for utilities diversion and demolition in 2018-19 relating to Light Rail Stage 1 (\$77.9 million), Gundaroo Drive Stage 2 (\$3.4 million) and Woden bus depot project (\$3.1 million). The current year projects largely related to:

- Horse Park Drive Duplication (\$2.4 million);
- Lake Tuggeranong Water Quality Improvements Stage 2 (\$2.9 million);
- Gungahlin Town Centre Road Network Improvements (\$1.7 million); and
- Molonglo Infrastructure Upgrade (\$2.0 million).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 13 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996*, the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory.

	2020 \$'000	2019 \$'000
Waivers ^a	245	-
Total Waivers	245	-
Impairment Losses from Receivables		
Expected Credit Loss Expense ^b	712	149
Total Impairment Losses	712	149
Write-Offs		
Irrecoverable Debts	106	5
Inventory Write-Downs and Stock Losses	140	146
Total Write-Offs	246	151
Total Waivers, Impairment Losses and Write-Offs	1 203	300

- a) The waiver in 2019-20 relates to the waiver of sports ground hire fees for the 2020 winter season as part of the ACT Government's economic survival package to support the Territory's economy during the COVID-19 pandemic.
- b) The increase is largely due to expected credit loss expense recognised for the outstanding receivables relating to sports ground hire fees from sporting organisations.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

ASSETS NOTES

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

NOTE 14 CASH AND CASH EQUIVALENTS

The Directorate holds a number of bank accounts with the Westpac Banking Corporation as part of the whole-of-government banking arrangements. As part of these arrangements, the Directorate does not receive any interest on these accounts except for the Inner North Reticulation Network bank account.

	2020 \$'000	2019 \$'000
Cash at Bank ^a	17 306	25 315
Cash on Hand	10	10
Total Cash and Cash Equivalents	17 316	25 325

- a) The decrease is mainly due to the transfer of light rail operations function and the associated cash balances to TCO on 1 July 2019.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 15 RECEIVABLES

Accounts Receivable (including trade and other receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Accrued Revenue is revenue that is owed to the Directorate but has not been invoiced at the reporting date.

Impairment Loss - Receivables

The expected credit loss represents the value of Trade Receivables and Other Receivables the Directorate estimates will not be paid. The Directorate applied the simplified approach under AASB 9 'Financial Instruments', which uses a lifetime expected loss for all trade receivables.

The amount of the expected credit loss is recognised in the Operating Statement for Controlled Receivables and the Statement of Income and Expenses on behalf of the Territory for Territorial receivables. When the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth, impairment losses are written-off and receivables are reduced.

Significant Judgements and Estimates

The Directorate has made a significant estimate in the calculation of the allowance expected credit losses for receivables in the Financial Statements. This significant estimate is based on grouping of receivables and the use of a provision matrix. The Directorate has determined there are four material groups for measuring expected credit losses based on the sale of goods and services. Furthermore, a provision matrix has been established based on its historical credit loss experience over the past 4 years, adjusted for forward looking factors specific to its debtors and economic environment.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 15 RECEIVABLES – CONTINUED

	2020 \$'000	2019 \$'000
Current Receivables		
Trade Receivables ^a	9 238	5 020
Less: Expected Credit Loss Allowance ^b	(740)	(94)
	8 498	4 926
Other Receivables	17	248
Receivables	8 515	5 174
Accrued Revenue	1 625	1 963
Net Goods and Services Tax Receivable	2 226	2 213
Total Current Receivables	12 366	9 350
Total Receivables	12 366	9 350

a) The increase is mainly due to outstanding amounts:

- from the Environment, Planning and Sustainable Development Directorate relating to the disposal of contaminated waste (\$2.7 million) under the Loose-fill Asbestos Insulation Eradication Scheme (Mr Fluffy); and
- relating to the Container Deposit Scheme (CDS) share of the revenue (\$2.0 million). The Directorate receives a 50% share of the revenue generated from recycling waste processed by the operators under the CDS.

b) The increase is largely due to expected credit loss expense recognised for the outstanding receivables relating to sports ground hire fees from sporting organisations.

Ageing of Receivables	Days Past Due					
	Total	Not Overdue	1-30 Days	31-60 Days	61-90 Days	>91 Days
30 June 2020						
Expected credit loss rate		0.05%	2.13%	16.75%	0.13%	22.40%
Estimated total gross carrying amount at default (\$'000)	7 045	3 606	524	56	383	2 476
Expected credit losses (\$'000)	740	2	12	11	-	715
1 July 2019						
Expected credit loss rate		0.11%	2.14%	2.17%	1.61%	6.26%
Estimated total gross carrying amount at default (\$'000)	5 533	3 333	680	104	328	1 088
Expected credit losses (\$'000)	94	4	15	2	5	68

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 15 RECEIVABLES – CONTINUED

	2020	2019
	\$'000	\$'000
Reconciliation of the Allowance for Impairment Losses		
Beginning of the Reporting Period	(94)	(24)
Recognised During the Reporting Period	(759)	(149)
Reduction due to Amounts Recovered During the Reporting Period	10	3
Write-off's During the Reporting Period	103	76
Allowance for Impairment Losses at the End of the Reporting Period	(740)	(94)
Classification of Receivables		
Receivables from ACT Government Entities		
Accrued Revenue	104	439
Net Trade Receivables	3 727	1 225
Other Receivables	4	34
Total Receivables from ACT Government Entities	3 835	1 698
Receivables from Non-ACT Government Entities		
Accrued Revenue	1 521	1 524
Net Trade Receivables	4 771	3 701
Net Goods and Services Tax Receivable	2 226	2 213
Net Other Receivables	13	214
Total Receivables from Non-ACT Government Entities	8 531	7 652
Total Receivables	12 366	9 350

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment includes the following classes of assets. Right-of-Use (ROU) assets recognised under AASB 16 Leases are disclosed under the relevant class of Property, Plant and Equipment.

- **Land:** includes leasehold land held by the Directorate but excludes land under infrastructure, urban open spaces, nature reserves, and land associated with community and heritage buildings.
- **Land restoration:** is valued by Directorate officers based on estimates of future remediation costs.
- **Buildings:** includes sporting facility pavilions, amenity blocks, bus interchanges, public toilets, sheds, warehouses, office buildings and light rail depots.
- **Leasehold Improvements:** represent fit-outs in leased buildings.
- **Plant and Equipment:** includes park furniture, playgrounds, leased plant and equipment, mobile plant, office and computer equipment, furniture and fittings, light rail vehicles for 2018-19 only (rolling stock) and other mechanical and electronic equipment.
- **Infrastructure Assets:** comprise public utilities that provide essential services and enhance the productive capacity of the economy. Infrastructure assets held by the Directorate include stormwater assets, roads, bridges, community paths, community sporting facilities, streetlights, car parks, driveways, signs, barriers and light rail infrastructure assets for 2018-19 only.
- **Heritage Assets:** include non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held by the Directorate include artworks, historical buildings, memorials and the heritage library collection.
- **Community Assets:** are assets that are provided essentially for general community use or services. Community assets held by the Directorate include public parks and gardens, public sporting reserves, library materials and land under roads.

Acquisition and Recognition of Property, Plant and Equipment

Property, Plant and Equipment are initially recorded at cost.

Where Property, Plant and Equipment assets are acquired at no cost or minimal cost, cost is its fair value as at the date of acquisition. However, Property, Plant and Equipment assets acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

Property, Plant and Equipment with a value of \$5,000 or greater, including groupings of like assets, are capitalised.

Measurement of Property, Plant and Equipment After Initial Recognition

Property, Plant and Equipment are valued using the cost or revaluation model of valuation. Land, Buildings, Plant and Equipment, Infrastructure assets, Leasehold Improvements, and Community and Heritage assets are measured at fair value.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Measurement of Property, Plant and Equipment After Initial Recognition – Continued

Assets at fair value are revalued every three years. However, if at any time, the Directorate considers that the carrying amount of an asset materially differs from its fair value, then the asset will be re-valued regardless of when the last valuation took place. Any accumulated depreciation relating to Buildings, Plant and Equipment, Infrastructure, Leasehold Improvements, and Community and Heritage assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any accumulated depreciation relating to Land Restoration assets is restated proportionally with the change in the gross carrying amount so that the net carrying amount of those assets after revaluation equals its revalued amount. In the current year, revaluations were undertaken by AON and internal officers of the Directorate.

Significant Judgements and Estimates

- 1) **Assets received from other ACT Government Entities:** the Directorate has made a significant judgement in relation to the fair value of assets received from other ACT Government entities e.g. from the Suburban Land Agency. Assets Received from ACT Government Entities are disclosed in Note 6 Grants and Contributions and predominantly relate to completed infrastructure assets transferred to the Directorate for management and maintenance. However, as formal asset acceptance, which usually includes verification of physical assets to technical project documentation, can take more than 12 months, the inclusion of these assets into a revaluation process can be delayed. Given this delay, the assets are valued and recorded in the financial statements for the intervening period based on advice from the transferring entities.
- 2) **Infrastructure, Plant and Equipment, Leasehold Improvements, and Community and Heritage Assets:** the Directorate has made significant judgements and estimates in calculating depreciated replacement cost of Infrastructure, Plant and Equipment, Leasehold Improvements, and Community and Heritage assets. These assets are predominately valued based on depreciated replacement cost by writing-down gross replacement values to take into account the age of assets.

When valuing assets using depreciated replacement cost, the Directorate estimates the cost of components based on a variety of external inputs, which include engineering advice, industry indexes and recent internal capital works projects and assumes all assets within each class are constructed in an identical manner.

The age of the assets is predominantly based on the age of the suburb in which they are located. Where available asset age data relating to recent upgrades and replacements is used.

- 3) **Land and Buildings:** The fair value of Land and Buildings are determined by a qualified independent valuer. Land is valued using market-based evidence by appraisal. Buildings are valued using the depreciated replacement cost method.

Land restoration is valued by Directorate officers based on estimates of future remediation costs.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Significant Judgements and Estimates – Continued

The Directorate has made significant estimates in calculating provisions for restoration of waste landfill sites. The provisions are calculated by determining expected future cash flows associated with the restoration works. The expected restoration and remediation dates for the Mugga Lane Landfill and the decommissioned West Belconnen Landfill is late 2020-21, and 2024 for Parkwood Road Recycling Estate.

- 4) **Land Under Roads:** the Directorate has made a significant judgement in determining the fair value of land under roads (Community and Heritage assets). The Valuer-General has issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads.

In applying this Statutory Land Value Method, the fair value for land under roads is measured on an unimproved rateable land valuation basis. Under this method, a value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory.

- 5) **Useful lives of Property Plant and Equipment:** the Directorate has made a significant estimate in determining the useful lives of Property, Plant and Equipment. The estimate has been based on the historical experience of similar assets and in some cases has been based on valuations provided by the qualified independent valuer or estimates from Directorate officers. The useful lives are reviewed on an annual basis and any adjustments are made when considered necessary.

- 6) **Impairment of Assets:** the Directorate assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets are assessed for impairment having regard to a number of factors including obsolescence, future continuing use and physical damage based on management assessment.

Any resulting impairment losses for Plant and Equipment, Land, Buildings, Leasehold Improvements, Infrastructure, Community and Heritage assets are recognised as a decrease in the available Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement.

Impairment losses for Intangible Assets are recognised in the Operating Statement, as these assets are carried at cost.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020**

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Significant Judgements and Estimates – Continued

- 7) **Light rail assets:** At the time of preparation of the 2018-19 Financial Statements, the Directorate made a significant judgement in relation to the categorisation of light rail assets constructed through the Private Public Partnership with Canberra Metro (CM). The Directorate had not yet received a detailed asset register showing the breakdown of assets constructed by CM. In the absence of a detailed asset register, the categorisation of assets into Buildings, Plant and Equipment and Infrastructure asset classes was made based on CM's insurance valuation report. In addition, the Directorate made a significant judgement in estimating the useful lives of light rail assets. In the absence of the detailed asset register at the time of preparation of the 2018-19 Financial Statements, useful lives of assets had been estimated based on the asset details included in the project agreement.

Light rail operations function was transferred to TCO on 1 July 2019, therefore all light rail assets were transferred to TCO at that date.

Valuation uncertainty

The Directorate's external independent valuer (AON) indicated that the market conditions are being impacted by uncertainty caused by the COVID-19 pandemic and changing daily. As such, they have concluded that there is a valuation uncertainty at the date of the valuation. Given the nature of assets (mainly specialised assets of a not-for-profit government authority) and the valuation approach adopted, AON has concluded that there is a low valuation uncertainty.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2020 \$'000	2019 \$'000
LAND		
Land at Fair Value	40 776	42 643
Land Restoration at Fair Value (Waste Landfill Sites)	39 240	32 138
Less Accumulated Depreciation - Land Restoration (Waste Landfill Sites)	(34 818)	(27 622)
TOTAL LAND ^a	45 198	47 159
BUILDINGS		
Buildings at Fair Value	87 050	88 121
Less: Accumulated Depreciation	-	(4 415)
Leased Buildings at Fair Value	-	82 803
Less: Accumulated Depreciation	-	(390)
Less: Accumulated Impairment Losses	(2 144)	(2 040)
TOTAL BUILDINGS ^a	84 906	164 079
LEASEHOLD IMPROVEMENTS		
Leasehold Improvements at Fair Value	4 132	3 989
Less: Accumulated Depreciation	(1 964)	(813)
TOTAL LEASEHOLD IMPROVEMENTS	2 168	3 176
PLANT AND EQUIPMENT		
Plant and Equipment at Fair Value	59 320	64 026
Less: Accumulated Depreciation	(7 590)	(19 788)
Right-of-Use (ROU) Plant and Equipment ^b	18 746	-
Less: Accumulated Depreciation ROU Plant and Equipment	(5 559)	-
Less: Accumulated Impairment Losses	(2)	(2)
Leased Plant and Equipment at Fair Value	-	176 012
Less: Accumulated Depreciation	-	(1 099)
TOTAL PLANT AND EQUIPMENT ^a	64 915	219 149

- a) The decrease is mainly due to the transfer of light rail operations function to TCO on 1 July 2019, which resulted in the transfer of Land and Building assets (\$83.8 million) and Plant and Equipment (\$176.5 million).
- b) Right-of-Use Plant and Equipment largely relates to motor vehicles. From 1 July 2019, the Directorate implemented AASB 16 which resulted in motor vehicles being recorded as assets in the balance sheet.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2020 \$'000	2019 \$'000
INFRASTRUCTURE ASSETS		
Roads		
Roads at Fair Value	2 306 969	2 224 259
Less: Accumulated Depreciation	(92 010)	(45 400)
Total Roads	2 214 959	2 178 859
Bridges		
Bridges at Fair Value	1 118 236	1 095 733
Less: Accumulated Depreciation	(31 007)	(15 215)
Total Bridges	1 087 229	1 080 518
Stormwater Assets		
Stormwater Assets at Fair Value	3 086 769	3 056 824
Less: Accumulated Depreciation	(50 669)	(518)
Less: Accumulated Impairment Losses	(1 500)	(1 500)
Total Stormwater Assets	3 034 600	3 054 806
Cycle Paths and Footpaths		
Cycle Paths and Footpaths at Fair Value	166 199	145 182
Less: Accumulated Depreciation	(8 703)	(1)
Total Cycle Paths and Footpaths	157 496	145 181
Leased Light Rail Infrastructure Assets		
Leased Light Rail Infrastructure at Fair Value	-	468 807
Less: Accumulated Depreciation	-	(1 901)
Total Leased Light Rail Infrastructure Assets ^c	-	466 906
Other Infrastructure Assets		
Other Infrastructure Assets at Fair Value	837 822	903 989
Less: Accumulated Depreciation	(30 844)	(77 522)
Less: Accumulated Impairment Losses	(4 496)	(4 464)
Total Other Infrastructure Assets	802 482	822 003
TOTAL INFRASTRUCTURE ASSETS	7 296 766	7 748 273

- c) The decrease is due to the transfer of light rail operations function to TCO on 1 July 2019, which resulted in light rail infrastructure assets (\$466.9 million) being transferred on that date.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2020	2019
	\$'000	\$'000
COMMUNITY AND HERITAGE ASSETS		
Community and Heritage Assets		
Land Under Roads at Fair Value	1 739 484	1 706 056
Land (Community and Heritage Assets) at Fair Value	906 456	909 723
Total Community and Heritage Assets	2 645 940	2 615 779
Library Materials		
Library Materials at Fair Value	4 592	4 071
Less: Accumulated Depreciation	(6)	(8)
Total Library Materials	4 586	4 063
Other Community and Heritage Assets		
Other Community and Heritage Assets at Fair Value	36 693	35 386
Less: Accumulated Depreciation	-	(988)
Total Other Community and Heritage Assets	36 693	34 398
TOTAL COMMUNITY AND HERITAGE ASSETS	2 687 219	2 654 240
TOTAL PROPERTY, PLANT AND EQUIPMENT	10 181 172	10 836 076

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment – 2019-20

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community & Heritage Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	47 159	164 079	3 176	219 149	7 748 273	2 654 240	10 836 076
Initial recognition ROU assets	-	-	-	12 256	-	-	12 256
Additions	-	1 692	144	7 912	94 635	-	104 383
Completed and Transferred from Capital Works in Progress	-	120	-	3 639	84 389	2 892	91 040
Revaluation Increment Recognised in Other Comprehensive Income	1 204	4 900	-	16 513	2 581	32 878	58 076
Impairment (Losses) Recognised in Other Comprehensive Income	-	(105)	-	-	(32)	-	(137)
Depreciation	(1 298)	(3 182)	(1 152)	(12 870)	(165 729)	(2 710)	(186 941)
Assets Transferred to TCO	(1 358)	(82 413)	-	(181 620)	(466 906)	-	(732 297)
Other Movements	(509)	(185)	-	(64)	(445)	(81)	(1 284)
Carrying Amount at the End of the Reporting Period	45 198	84 906	2 168	64 915	7 296 766	2 687 219	10 181 172

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment – 2018-19

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community & Heritage Assets \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	45 825	74 390	1 566	41 340	6 832 889	2 599 803	9 595 813
Additions	2 672	70 862	-	152 858	458 733	61	685 186
Completed and Transferred from Capital Works in Progress	-	25 042	2 573	33 953	242 506	1 452	305 526
Revaluation Increment Recognised in Other Comprehensive Income	-	-	-	-	363 235	57 205	420 440
Impairment (Losses) / Gains Recognised in Other Comprehensive Income	-	(2 040)	-	12	(1 046)	(1 430)	(4 504)
Depreciation	(1 298)	(3 417)	(813)	(8 880)	(158 059)	(2 709)	(175 176)
Assets Transferred from CMTEDD	-	-	-	-	10 101	-	10 101
Impairment Recognised in the Operating (Deficit)	-	-	-	(3)	-	-	(3)
Other Movements	(40)	(758)	(150)	(131)	(86)	(142)	(1 307)
Carrying Amount at the End of the Reporting Period	47 159	164 079	3 176	219 149	7 748 273	2 654 240	10 836 076

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value.

The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Directorate can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of the Directorate's Property, Plant and Equipment at Fair Value and information about the Fair Value Hierarchy at 30 June 2020 and 30 June 2019 are as follows:

Classification According to the Fair Value Hierarchy 2020				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	40 776	4 422	45 198
Buildings	-	-	84 906	84 906
Leasehold Improvements	-	-	2 168	2 168
Plant and Equipment	-	13 623	51 292	64 915
Infrastructure Assets	-	-	7 296 766	7 296 766
Community and Heritage Assets	-	766 171	1 921 048	2 687 219
Total Fair Value	-	820 570	9 360 602	10 181 172

Classification According to the Fair Value Hierarchy 2019				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	42 643	4 516	47 159
Buildings	-	-	164 079	164 079
Leasehold Improvements	-	-	3 176	3 176
Plant and Equipment	-	444	218 705	219 149
Infrastructure Assets	-	-	7 748 273	7 748 273
Community and Heritage Assets	-	768 040	1 886 200	2 654 240
Total Fair Value	-	811 127	10 024 949	10 836 076

There have been no transfers between Levels 1, 2 and 3 during the current and previous period.

**Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020**

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value Land and Community and Heritage Land is the market approach that reflects recent transaction prices for similar properties (comparable in location and size).

Inputs: prices and other relevant information generated by market transactions involving comparable land were considered. Regard was taken of the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

Land Restoration assets are valued using the depreciated replacement cost method based on an assessment of future remediation estimates.

Significant Unobservable Inputs: in determining the value of Land Restoration assets an estimate as to the future remediation costs at the landfill sites was made by Directorate officers. An estimate as to time remaining until these works will be complete was also made.

Valuation Technique: Buildings, Leasehold Improvements, Infrastructure assets, Plant and Equipment assets, and Community and Heritage assets were considered specialised assets by the Valuer and Directorate officers and were measured using the cost approach.

Significant Unobservable Inputs: estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was used in measuring fair value. For Infrastructure Assets the historical cost per cubic/square metre was also used in measuring fair value. In determining the value of Buildings, Leasehold Improvements, Plant and Equipment, Infrastructure Assets, and Community and Heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Directorate. In determining the value of Urban Open Space land estimates relating to canopy sizes, average age and cost of trees were also used.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community & Heritage Assets \$'000	Total \$'000
2020							
Fair Value at the Beginning of the Reporting Period	4 516	164 079	3 176	218 705	7 748 273	1 886 200	10 024 949
Additions	-	1 692	144	1 417	94 635	-	97 888
Completed and Transferred from Capital Works in Progress	-	120	-	3 639	84 389	2 892	91 040
Revaluation Increment Recognised in Other Comprehensive Income	1 204	4 900	-	16 464	2 581	34 747	59 896
Impairment (Losses) Recognised in Other Comprehensive Income	-	(105)	-	-	(32)	-	(137)
Depreciation	(1 298)	(3 182)	(1 152)	(7 250)	(165 729)	(2 710)	(181 321)
Assets transfer to TCO	-	(82 413)	-	(181 620)	(466 906)	-	(730 939)
Other Movements	-	(185)	-	(63)	(445)	(81)	(774)
Fair Value at the End of the Reporting Period	4 422	84 906	2 168	51 292	7 296 766	1 921 048	9 360 602
Total Gains for the Period included in 'Grants and Contributions'	-	-	-	137	82 079	-	82 216
Total Losses for the Period included in 'Other Expenses'	-	(185)	-	(243)	-	(80)	(508)

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 16 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Community & Heritage Assets \$'000	Total \$'000
2019							
Fair Value at the Beginning of the Reporting Period	5 814	74 390	1 566	40 878	6 832 889	1 830 299	8 785 836
Additions	-	70 862	2 573	152 822	458 733	61	685 051
Completed and Transferred from Capital Works in Progress	-	25 042	-	33 953	242 506	1 452	302 953
Revaluation Increment Recognised in Other Comprehensive Income	-	-	-	-	363 235	57 205	420 440
Impairment (Losses) / Gains Recognised in Other Comprehensive Income	-	(2 040)	-	12	(1 046)	-	(3 074)
Depreciation	(1 298)	(3 417)	(813)	(8 800)	(158 059)	(2 709)	(175 096)
Assets transfer from CMTEDD	-	-	-	-	10 101	-	10 101
Impairment Losses Recognised in the Operating (Deficit)	-	-	-	(3)	-	-	(3)
Other Movements	-	(758)	(150)	(157)	(86)	(108)	(1 259)
Fair Value at the End of the Reporting Period	4 516	164 079	3 176	218 705	7 748 273	1 886 200	10 024 949
Total Gains for the Period included in 'Grants and Contributions'	-	-	-	340	48 739	-	49 079
Total Losses for the Period included in 'Other Expenses'	-	(796)	(111)	(136)	(84)	(106)	(1 233)

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 17 CAPITAL WORKS IN PROGRESS

The Directorate receives significant funding to undertake capital infrastructure projects. Capital Works in Progress relate to duplication of major roads, roadworks at intersections, new bus depot, bus interchange, Light Rail Stage 1 project costs (2019 only), and other infrastructure works.

	2020	2019
	\$'000	\$'000
Infrastructure ^a	144 643	139 458
Light Rail Stage 1 Project ^b	-	6 196
Buildings ^c	5 320	1 982
Software	4 994	3 720
Plant and Equipment	428	383
Community and Heritage	3 744	3 798
Leasehold Improvements	82	-
Total Capital Works in Progress	159 211	155 537

- a) The increase is mainly due to waste management infrastructure works at the Mugga Lane landfill site.
- b) The decrease is mainly due to the Light Rail Stage 1 construction works being transferred to Major Projects Canberra as a result of an administrative arrangements on 1 July 2019.
- c) The increase is mainly due to works undertaken for the new Woden Bus Depot.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 17 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress – 2019-20

	Community & Heritage \$'000	Plant and Equipment \$'000	Infrastructure \$'000	Buildings \$'000	Leasehold Improvement \$'000	Software \$'000	Light Rail Project \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	3 798	383	139 458	1 982	-	3 720	6 196	155 537
Additions	3 505	3 761	104 327	3 563	82	2 681	-	117 919
Completed and Transferred to Property, Plant and Equipment	(3 238)	(3 639)	(84 043)	(120)	-	-	-	(91 040)
Completed and Expensed	(321)	(77)	(12 750)	(105)	-	-	-	(13 253)
Completed and Transferred to Provision for Restoration of Waste Landfill Sites at Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate)	-	-	(2 285)	-	-	-	-	(2 285)
Administrative Arrangements Transfers	-	-	-	-	-	-	(6 196)	(6 196)
Assets Transferred to TCO	-	-	(64)	-	-	(1 407)	-	(1 471)
Carrying Amount at the End of the Reporting Period	3 744	428	144 643	5 320	82	4 994	-	159 211

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 17 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress – 2018-19

	Community & Heritage \$'000	Plant and Equipment \$'000	Infrastructure \$'000	Buildings \$'000	Leasehold Improvement \$'000	Software \$'000	Light Rail Project \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	327	423	133 392	6 656	139	3 611	35 853	180 401
Additions	5 315	4 627	113 477	7 989	1 434	3 585	76 920	213 347
Completed and Transferred to Property, Plant and Equipment	(1 513)	(4 345)	(178 814)	(9 393)	(1 556)	(3 360)	(106 545)	(305 526)
Completed and Expensed	(331)	(322)	(19 802)	(3 270)	(17)	(116)	(32)	(23 890)
Completed and Transferred to Provision for Restoration of Waste Landfill Sites at Mugga Lane and West (including Parkwood Road Recycling Estate)	-	-	(1 762)	-	-	-	-	(1 762)
Capital Works Transferred from CMTEDD	-	-	93 056	-	-	-	-	93 056
Completed and Transferred to ACTION	-	-	(89)	-	-	-	-	(89)
Carrying Amount at the End of the Reporting Period	3 798	383	139 458	1 982	-	3 720	6 196	155 537

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

LIABILITIES NOTES

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

NOTE 18 PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequently at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days of the invoice date, within 30 days of the receipt of goods and services, or within agreed payment terms. (refer to note a below for changes implemented during 2020).

	2020 \$'000	2019 \$'000
Current Payables		
Accrued Expenses	17 705	43 202
Trade Payables	9 509	5 993
Other Payables	-	39
Total Current Payables ^a	27 214	49 234
Non-Current Payables		
Option Premium Payable - Light Rail Stage 1	-	750
Total Non-Current Payables	-	750
Total Payables	27 214	49 984

a) The decrease is mainly due to the:

- ACT Government changing the supplier payment terms from 30 days to 14 days as part of economic survival package to support the Territory's economy during the COVID-19 pandemic;
- transfer of the light rail operations function to TCO on 1 July 2019 which resulted in lower payables; and
- additional supplier payments made towards the end of the financial year.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 18 PAYABLES – CONTINUED

	2020	2019
	\$'000	\$'000
Payables are aged as follows:		
Not Overdue	26 596	48 566
Overdue for Less than 30 Days	574	1 326
Overdue for 30 to 60 Days	44	58
Overdue for More than 60 Days	-	34
Total Payables	27 214	49 984
Classification of Payables		
Payables with ACT Government Entities		
Accrued Expenses	967	9 777
Trade Payables	528	414
Other Payables	-	30
Total Payables with ACT Government Entities	1 495	10 221
Payables with Non-ACT Government Entities		
Accrued Expenses	16 738	33 425
Trade Payables	8 981	5 579
Other Payables	-	759
Total Payables with Non-ACT Government Entities	25 719	39 763
Total Payables	27 214	49 984

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 19 LEASE LIABILITIES

The Directorate adopted AASB 16 Leases from 1 July 2019. The prior year leases were accounted under AASB 117 Leases and referred to as Finance Leases. For leases which were previously classified as Finance Leases under AASB 117, the carrying amount of the Right-of-Use asset and the Lease Liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

At the lease commencement date, the Directorate recognises a Right-of-Use asset and associated Lease Liability for the lease term. The lease term includes extension periods where the Directorate is reasonably certain that the option will be exercised.

The Right-of-Use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, and estimated cost of removal and restoration less any lease incentives received.

The Right-of-Use asset is depreciated over the lease term on a straight-line basis and assessed for impairment annually.

The Lease Liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease or the incremental borrowing rate published by ACT Treasury when rates cannot be readily determined. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method.

The Directorate's leases largely relate to motor vehicles and a linen folding machine.

EXCEPTIONS TO LEASE ACCOUNTING

The Directorate has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). The Directorate has also elected not to separate non-lease components, except for those leases where the information is readily available.

Where the non-lease components have been separated, they are recognised as an expense as incurred in the Operating Statement.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 19 LEASE LIABILITIES – CONTINUED

	2020 \$'000	2019 \$'000
Current Lease Liabilities		
Lease Liabilities	5 804	99
Light Rail Stage 1 Liabilities ^a	-	10 031
Total Current Lease Liabilities	5 804	10 130
Non-Current Lease Liabilities		
Lease Liabilities	8 459	977
Light Rail Stage 1 Liabilities ^a	-	313 538
Total Non-Current Lease Liabilities	8 459	314 515
Total Lease Liabilities	14 263	324 645

a) The decrease is mainly due to the transfer of amounts owed to Canberra Metro (\$323.6 million) for the construction of light rail assets to TCO on 1 July 2019.

	AASB 16 2020 \$'000	AASB 117 2019 \$'000
Leases		
Commitments are payable as follows:		
Within one year	6 078	28 701
Later than one year but not later than five years	8 377	114 804
Later than five years	490	385 853
Minimum Lease Payments	14 945	529 358
Less: Future Lease Charges	(682)	(204 713)
Amount Recognised as a Liability	14 263	324 645
Total Present Value of Minimum Lease Payments	14 263	324 645
The Present Value of Minimum Lease Payments are as follows:		
Within one year	5 804	10 130
Later than one year but not later than five years	8 001	47 087
Later than five years	458	267 428
Total Present Value of Minimum Lease Payments	14 263	324 645

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 20 EMPLOYEE BENEFITS

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and Long Service Leave, including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption they will be wholly settled within three years. At 30 June 2020, the rate used to estimate the present value of future annual leave payments is 100.9% (101.6% at 30 June 2019).

The Long Service Leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

At 30 June 2020, the rate used to estimate the present value of future payments for Long Service Leave is 113.6% (110.1% at 30 June 2019).

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual Leave and Long Service Leave liabilities are classified as Current Liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Otherwise it is classified as non-current because the Directorate has an unconditional right to defer the settlement of the liability until the employee has completed the required service.

Significant judgements and Estimates

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for Annual and Long Service Leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 20 EMPLOYEE BENEFITS – CONTINUED

Significant judgements and Estimates – Continued

The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for Long Service Leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. This assessment is performed every 3 years. However, it may be performed more frequently if there is a significant change in the parameters underlying this assessment. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

	2020	2019
	\$'000	\$'000
Current Employee Benefits		
Long Service Leave ^a	18 095	16 915
Annual Leave ^b	10 100	8 809
Accrued Wages and Salaries	1 383	742
Other Benefits	1 415	1 230
Total Current Employee Benefits	30 993	27 696
Non-Current Employee Benefits		
Long Service Leave	1 906	1 537
Total Non-Current Employee Benefits	1 906	1 537
Total Employee Benefits	32 899	29 233
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	5 815	5 544
Accrued Wages and Salaries	1 383	742
Long Service Leave	1 541	1 899
Other Benefits	1 415	1 230
Total Employee Benefits Payable within 12 Months	10 154	9 415
Estimated Amount Payable later than 12 Months		
Long Service Leave	18 460	16 553
Annual Leave	4 285	3 265
Total Employee Benefits Payable later than 12 Months	22 745	19 818
Total Employee Benefits	32 899	29 233

At 30 June 2020, the Directorate employed 941 FTE (957 FTE at 30 June 2019).

- a) The increase is mainly due to an increase in the rate used to estimate the present value of Long Service Leave liabilities from 110.1% to 113.6% and higher salary rates under the enterprise agreements.
- b) The increase is mainly due to less leave taken during the COVID-19 pandemic.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 21 OTHER PROVISIONS

	2020 \$'000	2019 \$'000
Current Other Provisions		
Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) ^a	18 487	11 733
Provisions for Waiver	1 393	1 393
Provision for Make Good	149	526
Total Current Other Provisions	20 029	13 652
Non-Current Other Provisions		
Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) ^a	10 000	11 937
Total Non-Current Other Provision	10 000	11 937
Total Other Provisions	30 029	25 589
Reconciliation of the Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate)		
Provision for Restoration of Waste Landfill Sites at the Beginning of the Reporting Period	23 670	25 434
Additional Provision Recognised	7 102	-
Reduction in Provision from Site-Works Undertaken	(2 285)	(1 764)
Provision for Restoration at the End of the Reporting Period	28 487	23 670

- a) The increase is mainly due to higher remediation costs of the Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) landfill sites which is expected to occur in 2020-21. The movement from non-current to current is mainly due to accelerated remediation of the Mugga Lane landfill site planned for completion in 2020-21.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 22 OTHER LIABILITIES

	2020 \$'000	2019 \$'000
Current Other Liabilities		
Carbon Neutral Fund Loan from EPSDD	123	41
Total Current Other Liabilities	123	41
Non-Current Other Liabilities		
Streetlights Upgrades Liability ^a	16 282	7 791
Carbon Neutral Fund Loan from EPSDD	375	319
Total Non-Current Other Liabilities	16 657	8 110
Total Other Liabilities	16 780	8 151

- a) The increase is mainly due to higher amounts owed to Electrix Pty Ltd for the upgrade of streetlights during 2019-20 across the Territory under the contractual requirements. The value of assets received during the year were higher than the monthly payments made under the contract. As such, the Directorate has recognised a liability for amounts owing to Electrix.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 23 EQUITY

	2020 \$'000	2019 \$'000
Movements In the Asset Revaluation Surplus during the Reporting Period		
Asset Revaluation Surplus		
The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.		
Land Revaluation Surplus		
Balance at the Beginning of the Reporting Period	20 098	20 098
Increment on Revaluation	1 204	-
Land Restoration Provision	(7 102)	-
Balance at the End of the Reporting Period	14 200	20 098
Infrastructure Revaluation Surplus		
Balance at the Beginning of the Reporting Period	2 788 644	2 426 455
Increment on Revaluation	2 581	363 235
Impairment Adjustment	(32)	(1 046)
Asset Reclassification Transfers	(36)	-
Balance at the End of the Reporting Period	2 791 157	2 788 644
Leasehold Improvements		
Make good Provision	377	-
Balance at the End of the Reporting Period	377	-
Building Revaluation Surplus		
Balance at the Beginning of the Reporting Period	21 233	23 273
Increment on Revaluation	4 900	-
Impairment Adjustment	(105)	(2 040)
Balance at the End of the Reporting Period	26 028	21 233
Community and Heritage Assets Revaluation Surplus		
Balance at the Beginning of the Reporting Period	1 478 282	1 422 507
Increment on Revaluation	32 878	57 205
Impairment Adjustment	-	(1 430)
Balance at the End of the Reporting Period	1 511 160	1 478 282
Plant and Equipment Revaluation Surplus		
Balance at the Beginning of the Reporting Period	15 218	15 206
Increment on Revaluation	16 513	-
Asset Reclassification Transfers	36	12
Balance at the End of the Reporting Period	31 767	15 218
Total Asset Revaluation Surplus	4 374 689	4 323 475

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 23 EQUITY – CONTINUED

	2020 \$'000	2019 \$'000
Movements In the Asset Revaluation Surplus during the Reporting Period		
Net Revaluation Increment	58 076	420 440
Impairment Adjustment	(137)	(4 504)
Land Restoration Provision	(7 102)	-
Make Good Provision	377	-
Total Revaluation Increment	51 214	415 936

Net Revaluation Increments are dependent on categories of assets revalued each year and the movements in asset values. The significant movements to the Asset Revaluations Surplus are as follows:

- an increase to the Heritage & Community Assets Surplus of \$32.9 million mainly due to a higher value of Land Under Roads (\$33.4 million) resulting from a 2.13% increase in the value per square metre; and
- an increase to the Plant and Equipment Asset Revaluation Surplus of (\$16.5 million) mainly due to a higher value of playground assets resulting from an increase in the replacement cost of these assets.

Net Assets Transferred to TCO

The operation of Light Rail Stage 1 function was transferred to Transport Canberra Operations on 1 July 2019 and the total value of the net assets transferred was \$403.8 million.

	Transferred Amounts
	2020 \$'000
Assets	
Cash and Cash Equivalents	6 129
Receivables	98
Inventories	149
Other Assets	794
Property, Plant and Equipment	732 297
Intangible Assets	1 224
Capital Works in Progress	1 407
Total Assets Transferred	742 098
Liabilities	
Payables	13 430
Lease Liabilities	323 568
Employee Benefits	1 288
Total Liabilities Transferred	338 286
Total Net Assets Transferred	403 812

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

OTHER NOTES

NOTE 24 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2019-20

Administrative Arrangements 2019 (No.2) notifiable instrument NI2019-549 came into effect on 1 July 2019. The Light Rail Stage 2 project delivery and some Stage 1 related construction to be completed were transferred to the Major Projects Canberra. The total value of the net assets transferred was \$3.0 million.

Assets and Liabilities

Increases or decreases in net assets and net liabilities resulting from Administrative Arrangements are recognised in the Statement of Changes in Equity. The Assets and Liabilities transferred as part of the Administrative Arrangements at the dates of transfer were as follows:

	Transferred Amounts 2020 \$'000
Assets	
Capital Works in Progress	6 196
Cash and Cash Equivalents	1 319
Receivables	372
Total Assets Transferred	7 887
Liabilities	
Employee Benefits	978
Payables	3 912
Total Liabilities Transferred	4 890
Total Net Assets Transferred	2 997

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 25 FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost on the basis of both:

- (a) the business model for managing the financial assets being held to collect; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's credit risk is limited to the amount of the financial assets it holds net of any provision for impairment. The Directorate expects to collect all financial assets that are not past due or impaired.

At the end of the reporting period, the Directorate held cash on deposit with the Westpac Bank. The Directorate considers the credit risk associated with these deposits as low as the Westpac Banking Corporation is rated AA (long-term) and A-1 (short-term) by the international ratings agency Standard & Poor's.

The Directorate manages the credit risk of receivables by the regular review of the individual receivables and referral to debt collection agencies where appropriate. The results are reported to senior management on a monthly basis. There have been no significant changes in credit risk exposure since last reporting period.

Trade receivables are measured at lifetime expected credit losses.

Liquidity Risk

Liquidity risk is the risk that the Directorate will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To limit its exposure to liquidity risk the Directorate ensures that it has a sufficient amount of current financial assets to meet its current financial liabilities. The main source of cash to pay these obligations is appropriation from the ACT Government which is drawn down on a fortnightly basis during the year. The Directorate manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations.

The Directorate is also able to drawdown additional Controlled Recurrent Payments in the next reporting period to cover its financial liabilities when they fall due. This ensures the Directorate has enough liquidity to meet its emerging financial liabilities.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 25 FINANCIAL INSTRUMENTS – CONTINUED

Carrying amount and Fair Value of Financial Assets and Liabilities

	Note No.	Carrying Amount 2020 \$'000	Carrying Amount 2019 \$'000
Financial Assets			
Cash and Cash Equivalents	14	17 316	25 325
Receivables	15	8 515	5 174
Embedded Derivative - Light Rail Stage 1		-	385
Total Financial Assets		25 831	30 884
Financial Liabilities			
Payables	18	9 509	6 032
Lease Liabilities	19	14 263	324 645
Option Premium Payable - Light Rail Stage 1	18	-	750
Other Liabilities	22	16 780	8 151
Total Financial Liabilities		40 552	339 578

The carrying amount of financial assets and liabilities approximates its fair value.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 25 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Directorate's maturity analysis for Financial Assets and Financial Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2020. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	14	1.51%	804	-	-	-	16 512	17 316
Receivables	15	-	-	-	-	-	8 515	8 515
Total Financial Assets			804	-	-	-	25 027	25 831
Financial Liabilities								
Payables	18	-	-	-	-	-	9 509	9 509
Lease Liabilities	19	2.36%	-	5 804	8 001	458	-	14 263
Other Liabilities	22		-				16 780	16 780
Total Financial Liabilities			-	5 804	8 001	458	26 289	40 552
Net Financial Assets/(Liabilities)			804	(5 804)	(8 001)	(458)	(1 262)	(14 721)

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 25 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Directorate's maturity analysis for Financial Assets and Financial Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2019. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	14	2.33%	615	-	-	-	24 710	25 325
Receivables	15	-	-	-	-	-	5 174	5 174
Embedded Derivative in the Light Rail Stage 1 Contract			-	-	-	-	385	385
Total Financial Assets			615	-	-	-	30 269	30 884
Financial Liabilities								
Payables	18	-	-	-	-	-	6 032	6 032
Lease Liabilities	19	5.30%	-	28 701	114 804	385 853	-	529 358
Option Premium Payable	18		-	-	-	-	750	750
Other Liabilities	22		-	-	-	-	8 151	8 151
Total Financial Liabilities			-	28 701	114 804	385 853	14 933	544 291
Net Financial Assets/(Liabilities)			615	(28 701)	(114 804)	(385 853)	15 336	(513 407)

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 26 COMMITMENTS

All amounts shown in the Commitment Note are inclusive of Goods and Services Tax.

Capital Commitments

Capital Commitments that have not been recognised as liabilities mainly relate to infrastructure asset upgrades.

	2020 \$'000	2019 \$'000
Capital Commitments		
Payable:		
Within one year	37 100	61 007
Later than one year but not later than five years	3 668	4 398
Total Capital Commitments^a	40 768	65 405

- a) The decrease in capital commitments is mainly due to the transfer of the New Woden Bus Depot project to TCO and the completion of Gungaroo Drive, John Gorton Drive and Green Waste Bins projects.

Other Commitments

Other Commitments that have not been recognised as liabilities include contracts for streetlight energy performance, delivery of waste services and roads resealing works.

Other Commitments

Payable:		
Within one year	85 144	78 387
Later than one year but not later than five years	114 784	150 559
Later than five years	-	8 998
Total Other Commitments^b	199 928	237 944

- b) The decrease is mainly due to shorter contracts signed by the Directorate and accommodation leases being disclosed at the whole of government level as a result of the adoption of the new accounting standard AASB 16.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 26 COMMITMENTS – CONTINUED

Non-Cancellable Low Value Commitments

The non-cancellable low value commitments that have not been recorded as liabilities mainly relate to provision of low value and short-term leased vehicles with SG Fleet and provision of ICT equipment with Shared Services.

	2020 \$'000	2019 \$'000
Non-Cancellable Low Value Commitments		
Non-Cancellable Low Value Commitments are payable as follows:		
Payable:		
Within one year	663	5 871
Later than one year but not later than five years	1 021	9 489
Later than five years	90	86
Total Non-Cancellable Low Value Commitments ^c	1 774	15 446

c) The decrease is mainly due to the adoption of AASB 16 Leases which resulted in motor vehicle leases being recorded in the Balance Sheet.

Public Private Partnership Lease Commitments

Public Private Partnership commitments relate to the Territory entering into a 20-year public private partnership on 25 May 2016 with the Canberra Metro Consortium. The amounts below represent the commitments for the operations of Light Rail Stage 1.

Public Private Partnership Operational Commitments

Payable:		
Within one year	-	28 578
Later than one year but not later than five years	-	123 950
Later than five years	-	608 202
Total Public Private Partnership Operational Commitments ^d	-	760 730

d) The decrease is mainly due to the transfer of light rail operations function to TCO on 1 July 2019.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 27 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Contamination of Land

The Directorate owns 246 sites as at 30 June 2020 (247 at 30 June 2019) that have been identified as contaminated land. Whilst there is no present obligation to remediate these sites, a contingent liability reflecting possible future costs has been estimated at \$112.6 million (estimated cost at 30 June 2019: \$113.1 million). This estimate is based on costs incurred for restoring similar sites in previous years.

Legal Claims

The Directorate is subject to 89 legal claims at 30 June 2020 (81 legal claims as at 30 June 2019). The Directorate is potentially liable for \$445,000 (2019 \$400,000) which represents the excess amount payable on these actions as the Directorate is covered by the ACT Insurance Authority (ACTIA). If the Directorate under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount is reimbursed to the Directorate by ACTIA. The estimated contingent liability has not been provided for in the Directorate's accounts. The estimated actuarially assessed liability covered by ACTIA is included in ACTIA's financial statements.

In addition to the above, the Directorate has an unquantifiable contingent liability for a potential compensation under the *Land Acquisition Act 1994* for the compulsory acquisition of Block 18 Section 33 Dickson. The Directorate is unable to calculate the likely amount payable on the basis that there are too many unknown variables in calculating the amount of compensation.

Contingent Assets

The Directorate has a contingent asset as at 30 June 2020 related to the Directorate's insurance arrangement where reimbursement from ACTIA occurs (refer to Legal Claims above).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 28 CASH FLOW RECONCILIATION

	2020 \$'000	2019 \$'000
(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet		
Total Cash and Cash Equivalents Recorded in the Balance Sheet	17 316	25 325
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	17 316	25 325
(b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities		
Operating (Deficit)	(112 321)	(236 033)
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	187 274	176 699
Expensing of Capital Works in Progress	13 424	99 872
Write-off/Loss on Disposal of Assets	324	197
Assets Transferred to Other ACT Government Entities	761	1 143
Assets Located during Stocktake	(126)	(43)
Assets Transferred from Other ACT Government Entities and Private Developers	(82 274)	(50 454)
Provision for Waivers	-	1 393
Remeasurement of Impairment Losses under AASB 9	-	775
Revaluation of the Embedded Derivative	-	(550)
Other Non-Cash Items		
Transfers to TCO	14 062	-
Transfers as a Result of Administrative Arrangements	1 820	(50)
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(199)	(844)
Capital Works in Progress Accrued	6 512	(8 827)
Carbon Neutral Fund Loan from EPSDD	(10)	(10)
Cash Before Changes in Operating Assets and Liabilities	29 247	(16 732)
Changes in Operating Assets and Liabilities		
Increase in Receivables	(3 016)	(1 590)
(Increase)/Decrease in Inventories	(429)	873
(Increase)/Decrease in Other Assets	(385)	439
(Decrease)/Increase in Payables	(22 770)	16 337
Increase in Employee Benefits	3 666	2 465
Increase in Contract Liabilities	599	-
Increase in Other Liabilities	138	6 939
Net Changes in Operating Assets and Liabilities	(22 197)	25 463
Net Cash Inflows from Operating Activities	7 050	8 731

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 28 CASH FLOW RECONCILIATION – CONTINUED

(c) Reconciliation of Liabilities Arising from Financing Activities

	2019	Cash Flows	Non-cash changes		2020
	\$'000	\$'000	New Leases	Other	\$'000
			\$'000	\$'000	
Lease Liabilities	1 076	(5 804)	18 747	244	14 263
Light Rail Stage 1 Liabilities ^a	323 569	-	-	(323 569)	-
Debt	324 645	(5 804)	18 747	(323 325)	14 263

a) The decrease is mainly due to the transfer of the light rail operations function to TCO on 1 July 2019.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 29 RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Directorate, directly or indirectly.

KMP of the Directorate are the Portfolio Ministers, the Director-General and other members of the Directorate's Executive Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Directorate. This Note does not include typical citizen transactions between the KMP and the Directorate that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITIES

The Directorate is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONAL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the Note on Related Party Disclosures included in the ACT Executive's financial statements for the financial year ended 30 June 2020.

Compensation of the Head of Service is included in the note on Related Party Disclosures, included in CMTEDD's financial statements for the financial year ended 30 June 2020.

Compensation by the Directorate to KMP are set out below.

	2020	2019
	\$'000	\$'000
Short-term employee benefits	2 814	1 631
Post-employment benefits	409	192
Other long-term benefits	67	38
Total Compensation by the Directorate to KMP	3 290	1 861

The Directorate had 12 members as Key Management Personnel in 2019-20 compared to 8 members in 2018-19.

Transport Canberra and City Services Directorate **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2020**

NOTE 30 BUDGETARY REPORTING

Original Budget refers to the amounts presented to the Legislative Assembly in the original budget financial statements in respect of the reporting period (2019-20 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (Original Budget to actual) are greater than plus (+) or minus (-) 5% and \$15 million for the financial statement line item.

Income Statement Line Items	Actual 2019-20 \$'000	Original Budget 2019-20 \$'000	Variance \$'000	Variance %	Variance Explanations
Asset Revaluation Surplus	51 214	(6 195)	57 409	(927)	Asset revaluation outcomes are difficult to predict. The higher than budgeted result is mainly due to revaluation increases for the Land Under Roads (\$33.4 million) and Plant and Equipment (\$16.5 million).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 30 BUDGETARY REPORTING – CONTINUED

Balance Sheet Line Items	Actual 2020 \$'000	Original Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanations
Capital Works in Progress	159 211	190 413	(31 202)	(16)	The lower than budgeted result is mainly due to the deferral and delays of capital infrastructure projects. Significant projects included: <ul style="list-style-type: none"> • Woden bus depot (\$18.4 million) • Better infrastructure for Active Travel (\$10.1 million); • Rehabilitating landfill sites (\$7.6 million); • Expansion of the rapid bus network (\$6.4 million); • Canberra Brickworks road upgrades (\$5.2 million); and • Parkwood estate rehabilitation (\$4.4 million). These were partially offset by the capital projects from the previous year which are yet to be completed and transferred to property, plant and equipment.
Non-Current Other Liabilities	16 657	234	16 423	7018	The higher than budgeted result is mainly due to unbudgeted amounts (\$16.4 million) owed to Electrix for the upgrades of streetlights across the Territory in accordance with contractual requirements.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 30 BUDGETARY REPORTING – CONTINUED

Statement of Cash Flows Line Items	Actual 2019-20 \$'000	Original Budget 2019-20 \$'000	Variance \$'000	Variance %	Variance Explanations
Payments for Capital Works in Progress	120 627	176 874	(56 247)	(32)	The lower than budgeted result is mainly due to the deferral and delays of capital infrastructure projects. Significant projects included: <ul style="list-style-type: none"> • Woden bus depot (\$18.4 million) • Better infrastructure for Active Travel (\$10.1 million); • Rehabilitating landfill sites (\$7.6 million); • Expansion of the rapid bus network (\$6.4 million); • Canberra Brickworks road upgrades (\$5.2 million); and • Parkwood estate rehabilitation (\$4.4 million).
Capital Injections	157 234	275 558	(118 324)	(43)	The lower than budgeted result is mainly due to lower payments for Capital Works in Progress as explained above.
Capital Payments to TCO	32 899	85 537	(52 638)	(62)	The lower than budgeted result is mainly due to the deferral and delays of TCO's capital infrastructure projects.

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

Transport Canberra and City Services Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Income				
Sale of Services from Contracts with Customers	31	16 796	19 606	16 996
Fees and Fines		454	14	381
Total Income		17 250	19 620	17 377
Expenses				
Transfer to Government	32	17 250	19 620	17 253
Other Expenses		-	-	124
Total Expenses		17 250	19 620	17 377
Operating Surplus/(Deficit)		-	-	-

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Assets and Liabilities on Behalf of the Territory
At 30 June 2020

		Actual	Original	
	Note	2020	Budget	Actual
	No.	\$'000	2020	2019
		\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents		6	3	4
Receivables	33	1 627	2 432	2 120
Total Current Assets		1 633	2 435	2 124
Total Assets		1 633	2 435	2 124
Current Liabilities				
Payables	34	1 633	2 435	2 124
Total Current Liabilities		1 633	2 435	2 124
Total Liabilities		1 633	2 435	2 124
Net Assets		-	-	-
Equity				
Accumulated Funds		-	-	-
Total Equity		-	-	-

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying Notes.

As the Net Assets and Total Equity has remained at nil, Statement of Changes in Equity on Behalf of the Territory has not been prepared.

**Transport Canberra and City Services Directorate
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2020**

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Operating Activities				
Receipts				
Sale of Services from Contracts with Customers		17 659	19 606	17 184
Fees and Fines		454	14	381
Goods and Services Tax Collected from Customers		2 050	2 023	2 004
Total Receipts from Operating Activities		20 163	21 643	19 569
Payments				
Transfer of Territory Receipts to the ACT Government		18 150	19 620	17 526
Goods and Services Tax Remitted to the Australian Taxation Office		2 011	2 023	2 042
Total Payments from Operating Activities		20 161	21 643	19 568
Net Cash Inflows from Operating Activities	36	2	-	1
Net Increase in Cash and Cash Equivalents				
		2	-	1
Cash and Cash Equivalents at the Beginning of the Reporting Period		4	3	3
Cash and Cash Equivalents at the End of the Reporting Period	36	6	3	4

The above Statement of Cash Flows on Behalf of the Territory should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate

Territorial Note Index

For the Year Ended 30 June 2020

	Income Notes	
Note	31	Sale of Services from Contracts with Customers – Territorial
	Expenses Notes	
Note	32	Transfer to Government – Territorial
	Assets Notes	
Note	33	Receivables – Territorial
	Liabilities Notes	
Note	34	Payables – Territorial
	Other Notes	
Note	35	Financial Instruments – Territorial
Note	36	Cash Flow Reconciliation – Territorial
Note	37	Budgetary Reporting – Territorial

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2020

SIGNIFICANT ACCOUNTING POLICIES – TERRITORIAL

Significant Accounting Policies outlined in the Controlled Financial Statements also apply to the Territorial Statements of the Directorate.

INCOME NOTES

NOTE 31 SALES OF SERVICES FROM CONTRACTS WITH CUSTOMERS – TERRITORIAL

Waste acceptance fees relate to fees associated with the acceptance of commercial and industrial waste at landfill sites. The performance obligation is the provision of landfill site access to a customer. Revenue is recognised at the time of disposal of waste at the landfill sites.

	2020 \$'000	2019 \$'000
Sale of Services from Contract with Customers		
Waste Acceptance Fees	16 796	16 996
Total Sale of Services from Contract with Customers	16 796	16 996

EXPENSES NOTES

NOTE 32 TRANSFER TO GOVERNMENT – TERRITORIAL

Transfer to Government represents the transfer of money, which the Directorate has collected on behalf of the Territory, to Government. It predominantly relates to waste acceptance fees.

Transfer to Government		
Payments to the Territory Banking Account	17 250	17 253
Total Transfer to Government	17 250	17 253

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2020

ASSETS NOTES

NOTE 33 RECEIVABLES – TERRITORIAL

Significant Judgements and Estimates

The Directorate has made a significant estimate in the calculation of the allowance for Expected Credit losses for Receivables - Territorial in the Financial Statements. This significant estimate is based on assessment of individual debtors based on historical credit loss experience, adjusted for forward looking factors specific to each debtors.

	2020	2019
	\$'000	\$'000
Current Receivables		
Trade Receivables	1 529	2 159
Less: Allowance for Expected Credit Losses	(120)	(124)
	1 409	2 035
Accrued Revenue	218	85
Total Current Receivables	1 627	2 120
Total Receivables ^a	1 627	2 120

a) The decrease is mainly due to lower volume of waste disposed at landfill sites towards the end of financial year by customers.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2020

NOTE 33 RECEIVABLES – TERRITORIAL – CONTINUED

Ageing of Receivables

	Not Overdue \$'000	Overdue			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
2020					
Not Impaired					
Receivables	1 458	61	-	108	1 627
Impaired					
Receivables	-	-	-	120	120
2019					
Not Impaired					
Receivables	1 133	796	74	117	2 120
Impaired					
Receivables	-	-	-	124	124
				2020	2019
				\$'000	\$'000

Reconciliation of the Allowance for Impairment Losses

Beginning of the Reporting Period	124	2
Recognised During the Reporting Period	-	122
Recoveries During the Reporting Period	(4)	-
Allowance for Impairment Losses at the End of the Reporting Period	120	124

Classification of Receivables

Receivables with ACT Government Entities

Trade Receivables	12	92
Total Receivables with ACT Government Entities	12	92

Receivables with Non-ACT Government Entities

Trade Receivables	1 397	1 943
Accrued Revenue	218	85
Total Receivables with Non-ACT Government Entities	1 615	2 028
Total Receivables	1 627	2 120

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2020

LIABILITIES NOTES

NOTE 34 PAYABLES – TERRITORIAL

	2020	2019
	\$'000	\$'000
Current Payables		
Accrued Expenses	1 441	1 971
Net Goods and Services Tax Payable	192	153
Total Current Payables	1 633	2 124
Total Payables ^a	1 633	2 124

All Payables are not overdue.

Classification of Payables

Payables with ACT Government Entities

Accrued Expenses	1 441	1 971
Total Payables with ACT Government Entities	1 441	1 971

Payables with Non-ACT Government Entities

Net Goods and Services Tax Payable	192	153
Total Payables with Non-ACT Government Entities	192	153
Total Payables	1 633	2 124

- a) The decrease is due to lower amounts to be transferred to Territory Banking Account resulting from lower receivables from customers. Refer to Note 33 Receivables – Territorial for more information.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2020

OTHER NOTES

NOTE 35 FINANCIAL INSTRUMENTS – TERRITORIAL

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's Territorial credit risk is limited to the amount of the financial assets held less any provision for losses. The Directorate expects to collect all financial assets that are not past due or impaired. There is no collateral held as security for financial assets.

The primary credit risk arises from account holders for commercial waste disposal at ACT landfills. This risk is addressed through approval of credit applications, monitoring debt ageing reports, facility access restrictions and formal debt recovery processes.

Fair Value of Financial Assets and Liabilities

	Note No.	Carrying Amount 2020 \$'000	Carrying Amount 2019 \$'000
Financial Assets			
Receivables	33	1 409	2 035
Cash and Cash Equivalents		6	4
Total Financial Assets		1 415	2 039

All financial assets are non-interest bearing and their fair value approximate carrying amounts.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2020

NOTE 36 CASH FLOW RECONCILIATION – TERRITORIAL

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory.

	2020 \$'000	2019 \$'000
Total Cash and Cash Equivalents Recorded on the Statement of Assets and Liabilities on Behalf of the Territory	6	4
Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows on Behalf of the Territory	6	4

(b) Reconciliation of the Operating Surplus to Net Cash Inflows from Operating Activities

Operating Surplus	-	-
Cash Before Changes in Operating Assets and Liabilities	-	-
Changes in Operating Assets and Liabilities		
Decrease in Receivables	493	312
(Decrease) in Payables	(491)	(311)
Net Changes in Operating Assets and Liabilities	2	1
Net Cash Inflows from Operating Activities	2	1

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2020

NOTE 37 BUDGETARY REPORTING – TERRITORIAL

Original Budget refers to the amounts presented to the Legislative Assembly in the original budget financial statements in respect of the reporting period (2019-20 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (Original Budget to actual) are greater than plus (+) or minus (-) 5% and \$1 million for the financial statement line item.

Statement of Income and Expenses on Behalf of the Territory Line Items	Actual 2020 \$'000	Original Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanations
Sale of Services from Contracts with Customers	16 796	19 606	(2 810)	(14)	The lower than budgeted result is mainly due to lower waste disposal at landfill sites.
Transfer to Government	17 250	19 620	(2 370)	(12)	The lower than budgeted result is as explained above as all revenue is transferred to the Territory Banking Account.

Statement of Cash Flows on Behalf of the Territory Line Items	Actual 2020 \$'000	Original Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanations
Sale of Services from Contracts with Customers	17 659	19 606	(1 947)	(10)	The lower than budgeted result is mainly due to lower waste disposal at landfill sites.
Transfer of Territory Receipts to the ACT Government	18 150	19 620	(1 470)	(7)	The lower than budgeted result is as explained above as all revenue is transferred to the Territory Banking Account.

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Transport Canberra Operations for the year ended 30 June 2020 which comprise the operating statement, balance sheet, statement of changes in equity and statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, Transport Canberra Operations' financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of Transport Canberra Operations 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)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of Transport Canberra Operations for the financial statements

The Director-General of the Transport Canberra and City Services Directorate is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of Transport Canberra Operations to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an auditor's report that includes an independent opinion on the financial statements of Transport Canberra Operations.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with 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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of Transport Canberra Operations' internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Transport Canberra Operations;
- conclude on the appropriateness of Transport Canberra Operations' use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Transport Canberra Operations' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause Transport Canberra Operations to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Director-General of the Transport Canberra and City Services Directorate 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.



Ajay Sharma
Assistant Auditor-General, Financial Audit
29 September 2020

TRANSPORT CANBERRA OPERATIONS

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

Transport Canberra Operations Financial Statements For the Year Ended 30 June 2020

Statement of Responsibility

In my opinion, the financial statements are in agreement with Transport Canberra Operations' (TCO) accounts and records and fairly reflect the financial operations of TCO for the year ended 30 June 2020 and the financial position of TCO on that date.



Alison Playford

Director-General

Transport Canberra and City Services Directorate

28 September 2020

**Transport Canberra Operations
Financial Statements
For the Year Ended 30 June 2020**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards and agree with Transport Canberra Operations' (TCO) accounts and records and fairly reflect the financial operations of TCO for the year ended 30 June 2020 and the financial position of TCO on that date.

Andrew Pedersen

Andrew Pedersen
Chief Financial Officer
Transport Canberra and City Services Directorate
28 September 2020

Transport Canberra Operations Operating Statement For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Income				
<i>Revenue</i>				
Sale of Services from Contracts with Customers	5	23 443	28 106	24 741
Contributions	6	188 534	181 442	124 096
Other Revenue		2 285	1 650	2 557
Total Revenue		214 262	211 198	151 394
<i>Gains</i>				
Gains from Disposal of Assets		41	-	-
Total Gains		41	-	-
Total Income		214 303	211 198	151 394
Expenses				
Employee Expenses	7	109 755	102 255	99 336
Superannuation Expenses	8	13 184	13 313	10 331
Supplies and Services	9	71 811	76 634	43 784
Depreciation and Amortisation	10	32 027	31 092	11 824
Grants and Purchased Services	12	-	-	-
Borrowing Costs	11	18 724	19 204	214
Other Expenses		2 736	670	616
Total Expenses		248 249	243 168	166 105
Income Tax Equivalents Income	23(a)	10 228	-	-
Operating (Deficit)		(23 718)	(31 970)	(14 711)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus	19	19 893	-	-
Total Other Comprehensive Income		19 893	-	-
Total Comprehensive Surplus/(Deficit)		(3 825)	(31 970)	(14 711)

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

Transport Canberra Operations (TCO) only has one output class and as such the above Operating Statement is also TCO's Operating Statement for the Transport Canberra Operations Output Class.

Transport Canberra Operations

Balance Sheet

At 30 June 2020

		Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Current Assets				
Cash and Cash Equivalents	13	15 957	7 298	10 619
Receivables		2 145	2 026	2 911
Inventories		3 673	3 402	3 458
Other Current Assets		361	316	75
Total Current Assets		22 136	13 042	17 063
Non-Current Assets				
Property, Plant and Equipment	14	942 445	1 003 431	180 477
Capital Works in Progress		4 547	1 500	38
Intangible Assets		95	-	-
Other Assets		385	-	-
Total Non-Current Assets		947 472	1 004 931	180 515
Total Assets		969 608	1 017 973	197 578
Current Liabilities				
Payables	15	6 324	2 352	1 629
Borrowings		534	341	341
Lease Liabilities	16	11 268	10 562	-
Employee Benefits	17	31 989	26 602	26 437
Contract Liabilities	18	7 154	5 565	6 438
Total Current Liabilities		57 269	45 422	34 845
Non-Current Liabilities				
Payables	15	750	-	-
Borrowings		1 742	682	1 023
Lease Liabilities	16	303 915	311 326	-
Employee Benefits	17	1 275	2 410	1 093
Deferred Tax Liabilities	23(d)	88 080	-	-
Total Non-Current Liabilities		395 762	314 418	2 116
Total Liabilities		453 031	359 840	36 961
Net Assets		516 577	658 133	160 617
Equity				
Accumulated Funds		450 899	612 348	114 832
Asset Revaluation Surplus	19	65 678	45 785	45 785
Total Equity		516 577	658 133	160 617

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

TCO only has one output class and as such the above Balance Sheet is also TCO's Balance Sheet for the Transport Canberra Operations Output Class.

Transport Canberra Operations

Statement of Changes in Equity

For the Year Ended 30 June 2020

		Accumulated Funds Actual 2020 \$'000	Asset Revaluation Surplus Actual 2020 \$'000	Total Equity Actual 2020 \$'000	Original Budget 2020 \$'000
	Note No.				
Balance at 1 July 2019		114 832	45 785	160 617	162 477
Comprehensive Income					
Operating (Deficit)		(23 718)	-	(23 718)	(31 970)
Initial recognition of Deferred Tax Liabilities ^a	23 (c)	(93 881)	(4 427)	(98 308)	-
Increase in the Asset Revaluation Surplus	19	-	24 320	24 320	-
Total Comprehensive (Deficit)/Income		(117 599)	19 893	(97 706)	(31 970)
Transactions Involving Owners Affecting Accumulated Funds					
Net Assets transferred from the Transport Canberra and City Services Directorate ^b	19	403 812	-	403 812	442 089
Net Assets transferred from Major Projects Canberra ^c		16 955	-	16 955	-
Capital Payments from the Transport Canberra and City Services Directorate ^d		32 899	-	32 899	85 537
Total Transactions Involving Owners Affecting Accumulated Funds		453 666	-	453 666	527 626
Balance at 30 June 2020		450 899	65 678	516 577	658 133

- a) Initial recognition of Deferred Tax Liabilities resulted from the transfer of light rail operations function to TCO on 1 July 2019.
- b) Net Assets transferred from the Transport Canberra and City Services Directorate (TCCS) resulted from the transfer of light rail operations function to TCO on 1 July 2019.
- c) Net Assets transferred from Major Projects Canberra relate to assets constructed by Canberra Metro relating to the Light Rail Stage 1.
- d) Capital Payments from TCCS are received to fund the capital infrastructure projects of TCO. Further information on the variance between actual and budget is included in Note 26 Budgetary Reporting.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Transport Canberra Operations
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2020

	Note No.	Accumulated Funds Actual 2019 \$'000	Asset Revaluation Surplus Actual 2019 \$'000	Total Equity Actual 2019 \$'000
Balance at 1 July 2018		112 967	45 785	158 752
Comprehensive (Deficit)				
Operating (Deficit)		(14 711)	-	(14 711)
Total Comprehensive (Deficit)		(14 711)	-	(14 711)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Payments from the Transport Canberra and City Services Directorate		16 576	-	16 576
Total Transactions Involving Owners Affecting Accumulated Funds		16 576	-	16 576
Balance at 30 June 2019		114 832	45 785	160 617

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Transport Canberra Operations

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Operating Activities				
Receipts				
Contributions		187 194	180 203	121 493
Sale of Services from Contracts with Customers		25 167	28 259	24 576
Fuel Tax Credits		1 850	1 650	1 974
Goods and Services Input Tax Credits from the Australian Taxation Office		4 259	3 467	6 878
Goods and Services Tax Collected from Customers		10 681	3 006	2 631
Other		531	-	482
Total Receipts from Operating Activities		229 682	216 585	158 034
Payments				
Employees		105 420	101 562	94 972
Superannuation		13 074	13 312	10 492
Supplies and Services		78 030	75 033	43 918
Goods and Services Tax Paid to Suppliers		11 420	3 468	6 669
Goods and Services Tax Remitted to the Australian Taxation Office		4 363	3 368	2 618
Borrowing Costs		18 723	19 204	214
Other		302	-	292
Total Payments from Operating Activities		231 332	215 947	159 175
Net Cash (Outflows)/Inflows from Operating Activities	24	(1 650)	638	(1 141)
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Property, Plant and Equipment		97	-	2
Total Receipts from Investing Activities		97	-	2
Payments				
Payments for Property, Plant and Equipment		22 805	85 537	15 969
Total Payments from Investing Activities		22 805	85 537	15 969
Net Cash (Outflows) from Investing Activities		(22 708)	(85 537)	(15 967)

Transport Canberra Operations

Statement of Cash Flows – Continued

For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Financing Activities				
Receipts				
Capital Payments from the Transport Canberra and City Services Directorate		32 899	85 537	16 576
Receipts of Transferred Cash Balances		6 129	-	-
Carbon Neutral Loan from the Environment, Planning and Sustainable Development Directorate (EPSDD)		1 325	-	-
Total Receipts from Financing Activities		40 353	85 537	16 576
Payments				
Repayment of Borrowings		341	341	341
Repayment of Lease Liabilities - Principal		10 316	594	-
Total Payments from Financing Activities		10 657	935	341
Net Cash Inflows from Financing Activities		29 696	84 602	16 235
Net Increase/(Decrease) in Cash and Cash Equivalents		5 338	(297)	(873)
Cash and Cash Equivalents at the Beginning of the Reporting Period		10 619	7 595	11 492
Cash and Cash Equivalents at the End of the Reporting Period	24	15 957	7 298	10 619

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Transport Canberra Operations

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For the Year Ended 30 June 2020

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Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 1 OBJECTIVES OF TRANSPORT CANBERRA OPERATIONS

Legal Form and Principal Place of Business

Transport Canberra Operations (TCO) is a public trading enterprise within the Transport Canberra and Business Services Division of the Transport Canberra and City Services Directorate (TCCS). TCO is a separate reporting entity with its own financial information, strategic and accountability indicators.

Operations and Principal Activities

TCO delivers public transport services throughout the city. Transport Canberra Operations services are delivered in line with the ACT Government's vision to provide a convenient, efficient, affordable, reliable and integrated public transport system for the community. Public transport services managed or delivered by TCO include scheduled light rail services, route bus services, school bus services, flexible bus services, special needs transport and management of the ACT rural school bus contract.

Former ACTION received light rail operations function from the Transport Canberra and City Services Directorate (TCCS) on 1 July 2019 and was renamed as TCO. Light rail operations function was transferred to integrate the services provided by former ACTION and light rail under a one ticket, one fare and one network approach.

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirement

The *Financial Management Act 1996* (FMA) requires TCO to prepare annual financial statements.

The FMA and the *Financial Management Guidelines* issued under the Act, requires TCO's financial statements to include:

- (i) an Operating Statement for the reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Statement of Cash Flows for the reporting period;
- (v) the significant accounting policies adopted for the reporting period; and
- (vi) such other statements as necessary to fairly reflect the financial operations of TCO during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS – CONTINUED

Going Concern

At 30 June 2020, TCO's current liabilities (\$57.3 million) exceeded its current assets (\$22.1 million) by \$35.2 million. This is not considered to be a liquidity risk as TCO receives regular service payments from the ACT Government through TCCS. Furthermore, the current liabilities balance relates primarily to leave liabilities which are not expected to be paid within 12 months.

The 2019-20 financial statements have been prepared on a going concern basis as TCO delivers essential public transport service to ACT residents and is expected to be funded in the 2020-21 Budget. The 2020-21 Budget will be presented to the Legislative Assembly subsequent to the signing of TCO's 2019-20 Financial Statements.

Impact of COVID-19

TCO assessed the impact of the COVID-19 pandemic on the balances included in its financial statements. The recoverability of Receivables and values of its Property, Plant and Equipment are the two areas that may be potentially impacted by the COVID-19 pandemic. TCO has concluded that COVID-19 has not had a material impact on either of these balances. Significant variances compared to budget and prior year resulting from the COVID-19 pandemic are explained within the relevant notes. Fare revenue had the most significant decline due to COVID-19. This is expected to continue in the foreseeable future with the continuation of restrictions caused by the pandemic.

Impact of Weather Events

TCO assessed the impact of future severe weather events such as bushfires and its impact on the values of its Property, Plant and Equipment. TCO has insurance that provides sufficient coverage to repair or replace damaged assets in the event of a severe weather event. Therefore, the impact of weather events on the value of its assets is considered to be immaterial.

Accrual Accounting

The Financial Statements have been prepared using the accrual basis of accounting. The Financial Statements have also been prepared according to the historical cost convention, except for assets such as those included in Property, Plant and Equipment, which have been valued at fair value.

Currency

These Financial Statements are presented in Australian dollars.

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2019-20 has been presented in the Financial Statements. Budget numbers in the Financial Statements are the original budget numbers that appear in the 2019-20 Budget Papers.

Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 3 IMPACT OF ACCOUNTING OF STANDARDS ISSUED BUT YET TO BE APPLIED

AASB 1059 Service Concession Arrangements: Grantors (application date 1 January 2020)

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. The Standard is based on International Public Sector Accounting Standard IPSAS 32 Service Concession Arrangements: Grantor and is informed by AASB Interpretation 12 Service Concession Arrangements which sets out the accounting for the operator in a public-to-private service concession arrangement.

From 1 July 2019, ACTION was renamed Transport Canberra Operations (TCO) and assets and liabilities associated with Light Rail Stage 1 were transferred to TCO. Light Rail Stage 1 is a public-to-private service concession arrangement and is within the scope of AASB 1059.

Under AASB 1059, light rail assets that are recognised in the Property, Plant and Equipment note will be reclassified as 'service concession assets'. Management considers the adoption of this new accounting standard to be a reclassification in nature with no expected impact to the amounts in the Balance Sheet.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 4 CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases*.

Initial Application of AASB 15 and AASB 1058

TCO adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information has been restated under this approach however comparative numbers were reclassified to facilitate a comparison. No adjustments were also made to the opening balance of Equity at the date of initial application (1 July 2019) as the cumulative effect of initially applying these standards is nil.

Revenue Recognition under AASB 15 and AASB 1058

TCO assessed revenue using the 5 step model under AASB 15:

1. identifying contracts with customers;
2. identifying separate performance obligations;
3. determining the transaction price of the contract;
4. allocating the transaction price to each of the performance obligations; and
5. recognising revenue as each performance obligation is satisfied.

AASB 1058 is applied to Not-for-Profit agencies for recognising income that either does not arise from an enforceable contract with customers or which do not have sufficiently specific performance obligations. The timing of income recognition under AASB 1058 depends upon whether such a transaction gives rise to a liability or a contribution by owners, related to an asset.

There were no changes to revenue recognition on adoption of these standards. The main impact of adoption of the two new revenue standards resulted in Service Payments from TCCS, Concessional Travel Payments from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and Resources Received Free of Charge being reclassified as Contributions in accordance with AASB 1058. Under AASB 15, User Charges revenue category was renamed as Sale of Services from Contracts with Customers with the existing revenue sources (except for Service payments and Concessional Travel Payments) classified under this revenue category.

Contract Liabilities

TCO previously recorded Revenue Received in Advance under Other Liabilities. This liability is now being recorded under Contract Liabilities due to the adoption of AASB 15. A contract liability is recognised if a customer pays consideration before the agency transfers a good or service to the customer. There were no changes to current and prior year balances resulting from this new accounting standard. Comparatives were reclassified to facilitate a comparison.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 4 CHANGE IN ACCOUNTING POLICY – CONTINUED

Implementation of AASB 16

TCO adopted AASB 16 on 1 July 2019. The adoption of this standard resulted in motor vehicle leases being recorded in the Balance Sheet as a right-of-use asset and lease liability.

TCO applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. The cumulative effect of initially applying this standard is shown as an adjustment to the opening balance of accumulated funds at 1 July 2019. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the rates implicit in the contracts (except for the initial recognition which was based on incremental borrowing rate).

The table below provides a reconciliation between amounts recorded as a Lease Liability at 1 July 2019 and Operating lease commitments at 30 June 2019.

Measurement of Lease Liabilities	\$'000
Operating Lease Commitments disclosed as at 30 June 2019	253
Discounted using incremental borrowing rate at date of initial application	(2)
(Less): Short term leases not recognised as a liability	(56)
Lease Liability recognised as at 1 July 2019	<u>195</u>

The effect of adopting AASB 16 at 1 July 2019 is as follows:

Assets and Liabilities	Note No.	Adjustments At 1 July 2019 \$'000
Assets		
Right-of-Use Assets	14	195
Total Assets		<u>195</u>
Liabilities		
Lease Liabilities		195
Total Liabilities		<u>195</u>
Total Adjustments on Equity		
Accumulated Funds		<u>-</u>

With these changes, there were no adjustments made to accumulated funds at 1 July 2019.

The weighted average incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.20%.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

INCOME NOTES

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of Not-for-Profit Entities.

NOTE 5 SALE OF SERVICES FROM CONTRACTS WITH CUSTOMERS

AASB 15

Revenue is based on the transfer of promised services to customers at an amount that reflects the consideration in exchange for those services. Revenue is recognised by applying a five step model under AASB 15.

The timing of the payment for rendering of services largely corresponds with the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Fare revenue is recognised from the provision of public transport services. The performance obligation is the provision of public transport services to a customer. Fares revenue is recognised when customers pay cash fares or tap their MyWay cards on buses and light rail.

Advertising revenue is generated from advertising displayed on buses and the light rail. The performance obligation is the display of the advertisements. Advertising is managed by third party providers and revenue is recognised when the advertisement is placed on buses and the light rail.

Charter revenue is derived from the provision of special transport services to customers. The performance obligation is the provision of the transport services to a customer. Charter revenue is recognised when the transport service is provided to a customer.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 5 SALE OF SERVICES FROM CONTRACTS WITH CUSTOMERS – CONTINUED

	2020 \$'000	2019 \$'000
ACT Government Customers		
Other	-	122
Total Sale of Services to ACT Government Customers	-	122
Non-ACT Government Customers		
Fares ^a	21 957	23 173
Advertising	1 267	1 068
Charter	219	378
Total Sale of Services to Non-ACT Government Customers	23 443	24 619
Total Sale of Services from Contracts with Customers	23 443	24 741

- a) The decrease is largely due to lower number of passengers using public transport since March 2020 due to the COVID-19 pandemic.

NOTE 6 CONTRIBUTIONS

AASB 1058

TCO recognises revenue under AASB 1058 based on the asset received (generally cash or other financial asset) at fair value.

Where TCO receives an asset or services for significantly less than fair value, then the transaction is in the scope of AASB 1058 and revenue is recognised on receipt of the asset / services. Where services are received, the expense is recognised in the line item to which it relates.

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as donations or contributions.

Services that are received free of charge are only recognised in the Operating Statement if they can be reliably measured and would have been purchased if not provided free of charge.

Service Payments from the Transport Canberra and City Services Directorate (TCCS) is derived from the provision of public transport services to the community. TCO received concessional travel payments for providing discounted travel to the public through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD).

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 6 CONTRIBUTIONS – CONTINUED

	2020 \$'000	2019 \$'000
Resources Received Free of Charge		
Legal Services	439	433
Contributions from the Chief Minister, Treasury and Economic Development Directorate ^a	-	2 024
Shared Services Finance - Fixed Costs ^b	415	-
Shared Services Human Resources - Fixed Costs ^b	846	-
Shared Services Records Services - Fixed Costs ^b	8	-
Total Resources Received Free of Charge	1 708	2 457
Other Contributions		
Service Payments from the Transport Canberra and City Services Directorate ^c	179 445	111 182
Concessional Travel Payments ^d	7 233	10 368
Gain on Transfer of Assets	148	89
Total Other Contributions	186 826	121 639
Total Contributions	188 534	124 096

- a) The decrease is mainly due to TCO's lower workers compensation claims history resulting in lower insurance premium. As such, supplementation for the workers compensation insurance from CMTEDD was not required in the current year.
- b) The increase is mainly due to the change in funding arrangements within the ACT Government for services received from Shared Services. The ACT Government agencies received these services free of charge from 1 July 2019.
- c) The increase is mainly due to the transfer of light rail operations function from TCCS on 1 July 2019 (\$51.8 million) and Treasurer's Advance (\$5.2 million) due to the reduction in fare revenue as a result of the COVID-19 pandemic.
- d) The decrease is mainly due to a lower number of concession card holders using public transport due to the COVID-19 pandemic.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

EXPENSE NOTES

NOTE 7 EMPLOYEE EXPENSES

	2020	2019
	\$'000	\$'000
Wages and Salaries ^a	87 425	75 640
Workers' Compensation Insurance Premium ^b	5 776	7 503
Payroll Tax	7 099	6 320
Annual Leave Expense	5 537	5 447
Long Service Leave Expense	2 862	3 547
Fringe Benefits Tax	627	421
Other Employee Benefits and On-Costs	429	458
Total Employee Expenses	109 755	99 336

- a) The increase is mainly due to higher number of staff employed for the new bus network and additional weekend bus services and 23 full-time equivalent staff transferred as part of the transfer of light rail operations function.
- b) The decrease is mainly due to TCO's lower workers compensation claims history resulting in lower insurance premiums.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 8 SUPERANNUATION EXPENSES

Employees of TCO will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements. For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) TCO makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. TCO also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), TCO makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. For TCO employees who are members of the defined benefit schemes CSS or PSS, the superannuation benefits payable upon retirement are recognised in the Financial Statements of the Superannuation Provision Account.

	2020	2019
	\$'000	\$'000
Superannuation Contributions to the Territory Banking Account ^a	5 914	4 401
Superannuation to External Providers ^b	6 576	5 247
Productivity Benefit	694	683
Total Superannuation Expenses	13 184	10 331

- a) The increase is largely due to changes in the assumptions used to calculate superannuation liabilities of defined benefits schemes members which resulted in higher expenditure being incurred in 2019-20.
- b) The increase is mainly due to the higher number of employees for the new bus network and additional weekend bus services, with majority being members of external superannuation funds.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 9 SUPPLIES AND SERVICES

	2020 \$'000	2019 \$'000
Public Private Partnership - Monthly Service Payments ^a	24 622	-
Fuel ^b	13 132	14 871
Bus Maintenance and Other Running Expenses	10 644	9 983
Insurance	4 504	5 234
Special Needs Transport and Rural Schools Service Payments	3 697	3 794
Building and Facilities Operating Costs	3 266	2 493
Contractors and Consultants ^c	3 412	1 592
Information Technology and Telecommunications ^d	2 624	1 527
Finance, Procurement and Human Resources Service Charges	1 365	1 255
Support Vehicles and Fuel Charges	782	859
Audit Fees ^e	150	133
Other ^f	3 613	2 043
Total Supplies and Services	71 811	43 784

- a) The increase is mainly due to the transfer of light rail operations function to TCO on 1 July 2019.
- b) The decrease is mainly due to a 9.0 percent reduction in the average fuel price when compared to 2018-19.
- c) The increase is mainly due to costs associated with the MyWay ticketing system being transferred to TCO on 1 July 2019.
- d) The increase is mainly due to the changes in the funding arrangements within the ACT Government for ICT services received from Shared Services which resulted in higher expenditure compared to the previous year.
- e) Audit fees are paid to the ACT Audit Office for the audit of financial statements and the limited assurance engagement on the Statement of Performance. No other services were provided by the ACT Audit Office.
- f) The increase is mainly due to higher marketing expenditure relating to the promotion of the new bus network and COVID-19 communications including signage at bus stops and interchanges.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 10 DEPRECIATION AND AMORTISATION

Depreciation is applied to physical assets such as Buildings, Leasehold Improvements, Buses, Plant and Equipment and Infrastructure assets. Land and heritage asset have unlimited useful lives and are therefore not depreciated. Amortisation is applied to internally generated intangible assets.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation and amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/ Amortisation	Useful Life (Years)
Buildings	Straight Line	50
Leasehold Improvements	Straight Line	10
Buses	Straight Line	20
Plant and Equipment	Straight Line	30
Internally Generated Intangibles	Straight Line	5
Infrastructure Assets	Straight Line	50

The useful lives of all major assets held by TCO are reassessed on an annual basis.

	2020 \$'000	2019 \$'000
Buses	8 623	8 191
Plant and Equipment ^a	3 771	2 228
Right-of-Use Asset Plant and Equipment ^a	6 172	-
Buildings ^a	1 299	1 267
Right-of-Use Asset Buildings ^a	1 656	-
Leasehold Improvements	2	1
Right-of-Use Asset Infrastructure ^a	9 376	-
Intangibles ^b	1 128	137
Total Depreciation and Amortisation	32 027	11 824

- a) The increase is mainly due to the transfer of light rail operations function to TCO on 1 July 2019, which resulted in the transfer of light rail assets and depreciation being incurred on these assets.
- b) The increase is mainly due to the transfer of the ticketing system from TCCS to TCO on 1 July 2019.

NOTE 11 BORROWING COSTS

Interest Expense on Borrowings	172	214
Public Private Partnerships Interest for Light Rail ^a	18 534	-
Finance Charges on Leases	18	-
Total Borrowing Costs	18 724	214

- a) Public Private Partnerships Interest for Light Rail relates to interest for the leased light rail assets. The light rail operations function was transferred to TCO on 1 July 2019.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 12 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* (FMA) the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. Transport Canberra Operations did not request the Treasurer's approval to waive any debts in 2019-20 (Nil in 2018-19).

Waivers, impairment losses and write-offs are included in other expenses.

	2020 \$'000	2019 \$'000
Impairment Loss from Receivables	47	9
Impairment Loss from Inventory	-	7
Impairment Loss from Property, Plant and Equipment	-	3
Total Impairment Losses	47	19
Write-Offs		
Irrecoverable Debts	39	4
Total Write-Offs	39	4
Total Waivers, Impairment Losses and Write-Offs	86	23

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

ASSET NOTES

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

NOTE 13 CASH AND CASH EQUIVALENTS

Transport Canberra Operations holds two bank accounts with the Westpac Banking Corporation as part of the whole of government banking arrangements. As part of these arrangements, Transport Canberra Operations does not receive interest on these accounts.

	2020 \$'000	2019 \$'000
Cash at Bank	15 671	10 428
Cash on Hand	286	191
Total Cash and Cash Equivalents ^a	15 957	10 619

- a) The increase is mainly due to the transfer of light rail operations function and the associated cash balances to TCO on 1 July 2019.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition

Property, Plant and Equipment is initially recorded at cost.

Where Property, Plant and Equipment is acquired at no cost or minimal cost, cost is its fair value as at the date of acquisition. However, Property, Plant and Equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

The capitalisation threshold for Property, Plant and Equipment is \$5,000.

Measurement After Initial Recognition

Property, Plant and Equipment is measured at fair value.

All assets are revalued every three years. An independent qualified valuer performed a valuation of Light Rail Assets, Land and Buildings and Buses in June 2020, and Plant and Equipment and Heritage assets in June 2018. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the assets will be revalued regardless of when the last valuation took place. Any accumulated depreciation at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Significant Judgements and Estimates

Impairment of Non-Current Assets: TCO has made a significant judgement regarding its impairment of its non-current assets by undertaking a process of reviewing any likely impairment factors by completing an impairment checklist. Where an impairment factor is identified the value of the impairment is recognised against the available carrying amount for the relevant asset class in the Asset Revaluation Surplus. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Any impairment loss on a non-revalued asset is expensed in the Operating Statement.

Estimation of Useful Lives of Property, Plant and Equipment: TCO has made a significant estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment has been based on the historical experience of similar assets and in some cases has been based on advice provided by the external valuers Rodney Hyman and AON Risk Services Australia Limited. The useful lives are re-assessed on an annual basis and any adjustments are made when considered necessary.

Accounting for Components of Buses and Light Rail Vehicles: TCO has made a significant judgement regarding the recognition and depreciation of each bus and light rail vehicle, including its significant components. TCO has assessed that the useful lives of significant components of each bus and light rail vehicle, such as the engine and transmission, are the same as the main component, the chassis. Therefore, TCO accounts for each bus and light rail vehicle, including all significant components, as one asset and depreciates it over the assessed useful life.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Property, plant and equipment includes the following classes of assets:

- **Land** includes leasehold land at Tuggeranong, Woden, Belconnen and Mitchell depots.
- **Buildings** include depots and land improvements. Land improvements includes parking lots and retaining walls.
- **Buses** represents TCO fleet vehicles used in the service of the bus network.
- **Plant and Equipment** includes furniture and fittings, workshop plant and equipment, office and MyWay smartcard ticketing equipment, light rail vehicles (rolling stock), a street sweeper, and lift and maintenance related equipment.
- **Infrastructure Assets** includes tracks, overhead wiring and poles, signalling and traffic control systems, electricity substations and light rail stops.
- **Other Assets** includes a heritage bus owned by TCO and fit-out in a leased building.

	2020 \$'000	2019 \$'000
Land and Buildings		
Land at Fair Value	45 663	36 135
Total Land	45 663	36 135
Buildings at Fair Value	15 454	20 828
Less: Accumulated Depreciation	-	(2 499)
Right-of-Use Buildings at Fair Value	84 040	-
Total Buildings	99 494	18 329
Total Land and Buildings ^a	145 157	54 464
Buses		
Buses at Fair Value	126 596	130 750
Less: Accumulated Depreciation	(186)	(16 143)
Total Buses ^b	126 410	114 607

a) The increase is mainly due to the transfer of light rail operations function on 1 July 2019, which resulted in the transfer of land and building assets (\$83.8 million).

b) The increase is mainly due to the purchase of new buses to meet the operational requirements.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	2020	2019
	\$'000	\$'000
Plant and Equipment		
Plant and Equipment at Fair Value	22 983	13 605
Less: Accumulated Depreciation	(5 686)	(2 231)
Right-of-Use Plant and Equipment at Fair Value	177 630	-
Less: Accumulated Depreciation	(288)	-
Total Plant and Equipment ^c	194 639	11 374
Infrastructure Assets		
Right-of-Use Light Rail Infrastructure Assets at Fair Value	475 817	-
Total Infrastructure Assets ^c	475 817	-
Other Assets		
Heritage Asset at Fair Value	20	20
Leasehold Improvements at Cost	409	17
Less: Accumulated Depreciation	(7)	(5)
Total Other Assets	422	32
Total Property, Plant and Equipment	942 445	180 477

- c) The increase is mainly due to the transfer of light rail operations function from TCCS on 1 July 2019, which resulted in the transfer of Right-of-Use Plant and Equipment (\$181.6 million) and Infrastructure assets (\$466.9 million).

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

	Land	Buildings	Buses	Plant and Equipment	Infrastructure Assets	Other Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020							
Carrying Amount at the Beginning of the Reporting Period	36 135	18 329	114 607	11 374	-	32	180 477
Initial recognition ROU assets	-	-	-	195	-	-	195
Additions	-	-	-	1 736	-	-	1 736
Transfer from Capital Works in Progress	-	122	16 272	601	-	392	17 387
Revaluation Increment	8 170	1 584	4 156	8 728	1 682	-	24 320
Depreciation	-	(2 954)	(8 623)	(9 943)	(9 376)	(2)	(30 898)
Disposals	-	-	(2)	(22)	-	-	(24)
Transfer from TCCS	1 358	82 413	-	181 620	466 906	-	732 297
Transfer from Major Projects Canberra	-	-	-	350	16 605	-	16 955
Carrying Amount at the End of the Reporting Period	45 663	99 494	126 410	194 639	475 817	422	942 445
2019							
Carrying Amount at the Beginning of the Reporting Period	36 135	18 192	100 458	12 764	-	33	167 582
Additions	-	-	-	49	-	-	49
Transfer from Capital Works in Progress	-	1 404	22 345	791	-	-	24 540
Depreciation	-	(1 267)	(8 191)	(2 228)	-	(1)	(11 687)
Disposals	-	-	(2)	(2)	-	-	(4)
Impairment Losses Recognised in the Operating (Deficit)	-	-	(3)	-	-	-	(3)
Carrying Amount at the End of the Reporting Period	36 135	18 329	114 607	11 374	-	32	180 477

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that TCO can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of TCO's Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy are as follows:

Classification According to Fair Value Hierarchy 2020				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	45 663	-	45 663
Buildings	-	-	99 494	99 494
Buses	-	803	125 607	126 410
Plant and Equipment	-	1 705	192 934	194 639
Infrastructure Assets	-	-	475 817	475 817
Other Assets	-	20	402	422
	-	48 191	894 254	942 445

Classification According to Fair Value Hierarchy 2019				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment at Fair Value				
Land	-	25 500	10 635	36 135
Buildings	-	-	18 329	18 329
Buses	-	861	113 746	114 607
Plant and Equipment	-	139	11 235	11 374
Other Assets	-	20	12	32
	-	26 520	153 957	180 477

In 2019-20, TCO transferred Land from level 3 to level 2 as a result of the valuation process.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Valuation Techniques, Inputs and Processes

Level 3 Valuation Techniques and Significant Unobservable Inputs

Buildings

Valuation Technique: buildings were considered specialised and measured using the cost approach.

Significant Unobservable Inputs: in determining the value of buildings regard was given to the age and condition of the assets, their estimated replacement cost and current use.

Combined Level 2 and Level 3 Techniques and Inputs

Land

Valuation Technique: the valuation technique used to value land is the market approach that reflects transaction prices for similar properties (comparable in location and size).

Inputs: prices and other relevant information generated by market transactions involving comparable land were considered. Regard was taken of the Crown Lease terms and tenure, the Tuggeranong Town Centre Master Plan and the Belconnen Town Centre Master Plan, where applicable, as well as current zoning. The market approach was used in determining the value of the Woden Depot site.

Buses

Valuation Technique: valuation for buses uses both the market and cost techniques, depending on the age and type of bus.

Observable and Unobservable Inputs: depending on the existence or absence of secondary market activity for compressed natural gas (CNG) buses or diesel buses less than or greater than nine years old, either cost or market factors, such as market transactions of comparable vehicles and replacement cost, are considered in valuing the fleet.

Plant and Equipment

Valuation Technique: valuation for plant and equipment is predominantly measured using the market valuation approach where a secondary sales market is shown to exist. Specialised plant and equipment such as light rail vehicles, fuel installations, CCTV and spray booths are measured at fair value using the depreciated replacement cost.

Observable and Unobservable Inputs: in determining the value of plant and equipment regard was given to the existence of a secondary sales market involving assets comparable in age and condition. Where there is an absence of a secondary sales market, consideration is given to the age and condition of the assets, their estimated replacement cost and current use.

Infrastructure Assets

Valuation Technique: Infrastructure Assets were considered specialised assets by the Valuer and measured using cost approach.

Significant Unobservable Input: estimating the cost for a market participant to construct assets of comparable utility adjusted for obsolescence.

There has been no change to the above valuation techniques during the reporting period.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Buses \$'000	Plant and Equipment \$'000	Infrastructure Assets \$'000	Other Assets \$'000	Total \$'000
2020							
Fair Value at the Beginning of the Reporting Period	10 635	18 329	113 746	11 235	-	12	153 957
Transfer from Capital Works in Progress	-	122	16 272	601	-	392	17 387
Revaluation Increment	-	1 584	3 903	8 728	1 682	-	15 897
Depreciation	-	(2 954)	(8 312)	(9 597)	(9 376)	(2)	(30 241)
Transfers from TCCS	-	82 413	-	181 620	466 906	-	730 939
Disposals	-	-	(2)	(3)	-	-	(5)
Transfer to Level 2	(10 635)	-	-	-	-	-	(10 635)
Transfer from Major Projects Canberra	-	-	-	350	16 605	-	16 955
Fair Value at the End of the Reporting Period	-	99 494	125 607	192 934	475 817	402	894 254
2019							
Fair Value at the Beginning of the Reporting Period	10 635	18 192	99 275	12 585	-	13	140 700
Additions	-	-	-	49	-	-	49
Transfer from Capital Works in Progress	-	1 404	22 345	791	-	-	24 540
Depreciation	-	(1 267)	(7 874)	(2 188)	-	(1)	(11 330)
Impairment Losses Recognised in the Operating (Deficit)	-	-	-	(2)	-	-	(2)
Fair Value at the End of the Reporting Period	10 635	18 329	113 746	11 235	-	12	153 957

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

LIABILITY NOTES

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or TCO does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 15 PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequently at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date. The ACT Government changed the supplier payment terms from 30 days to 14 days to support the Territory's economy during the COVID-19 pandemic. All Payables are not overdue.

	2020 \$'000	2019 \$'000
Trade Payables	1 067	60
Other Payables	-	1
Accrued Expenses	5 257	1 568
Total Current Payables ^a	6 324	1 629
Non-Current Payables		
Option Premium Payable - Light Rail Stage 1 ^b	750	-
Total Non-Current Payables	750	-
Total Payables	7 074	1 629

- a) The increase is mainly due to the accrued light rail monthly service payment (\$4.5 million) which resulted from the transfer of light rail operations function to TCO on 1 July 2019.
- b) The option premium payable relates to the embedded derivative in the Light Rail Stage 1 Project Agreement.

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Trade Payables	-	8
Accrued Expenses	201	189
Total Payables with ACT Government Entities	201	197

Payables with Non-ACT Government Entities

Trade Payables	1 067	52
Other Payables	750	1
Accrued Expenses	5 056	1 379
Total Payables with Non-ACT Government Entities	6 873	1 432
Total Payables	7 074	1 629

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 LEASE LIABILITIES

At the lease commencement date, TCO recognised a Right-of-Use asset and associated lease liability for the lease term for motor vehicles and light rail assets. The lease term includes extension periods where TCO is reasonably certain that the option will be exercised.

The Right-of-Use asset is measured using the revaluation model where cost on initial recognition comprises of the lease liability, initial direct costs, and estimated cost of removal and restoration less any lease incentives received.

The Right-of-Use asset is depreciated over the lease term on a straight-line basis and assessed for impairment annually.

The Lease Liabilities are initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease or the incremental borrowing rate when rates cannot be readily determined. Lease Liabilities are subsequently measured at amortised cost using the effective interest rate method.

Exceptions to lease accounting

TCO has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). TCO has also elected not to separate non-lease components from lease components for leases, except for those leases where the information is readily available.

Where the non-lease components have been separated, they are recognised as an expense in the Operating Statement.

Public Private Partnership – Light Rail Stage 1

Public Private Partnerships (PPPs) are long term contracts entered into between a government agency (the grantor) and a private sector consortium (the operator) to design, finance, construct and operate/maintain assets over a concession term. On 25 May 2016, the Territory entered into a 20-year PPP with Canberra Metro for the Light Rail Stage 1. The Territory retains the significant residual interest in the assets at the end of the 20-year term.

The operator receives service payments from the grantor over the life of the contract which is intended to cover the costs incurred by the consortium in constructing, delivering and maintaining and operating the Infrastructure Assets over the term of the contract.

This PPP in the absence of an Australian Accounting Standard has been accounted for under UK FRS 5 'Reporting the Substance of Transactions: Application Note F Private Finance Initiative and Similar Contracts', as required by the ACT Accounting Policy 'Public Private Partnerships Financed by the Operator the Assets being Territory Assets at the end of the Arrangement'.

FRS 5 applies a risks and rewards approach to the recognition of assets in a PPP resulting in them being accounted for as leases.

The Territory is making monthly service payments to Canberra Metro. These payments are split between the component related to the design and construction or upgrading of the asset and ongoing operation and maintenance of the asset.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 LEASE LIABILITIES – CONTINUED

Public Private Partnership – Light Rail Stage 1 – Continued

The components relating to the design and construction or upgrading of the asset are accounted for as a lease liability, whereas the remaining components are accounted for as commitments for operating costs which are expensed in the Operating Statement as they are incurred.

Leased assets relating to light rail are included in Note 14 – Property, Plant and Equipment. Similarly, Lease Liabilities relating to the light rail assets are included in Note 16 – Lease Liabilities.

Termination clauses

The Project Agreement (the Agreement) can be terminated under a number of scenarios. The three types of termination scenarios set out in the Agreement are summarised below:

- Termination for convenience - the Territory may terminate the Agreement at any time by giving no less than 60 business days' notice in writing to Canberra Metro. The Territory will be required to pay a termination for convenience payment. This amount is calculated as Canberra Metro's outstanding project debt, plus the fair market value of Canberra Metro's equity, plus any other reasonable costs incurred by Canberra Metro as a result of the termination.
- Force Majeure Termination Event - where the Agreement is terminated for force majeure (e.g. earthquake, bushfire, landslide), or the Capital Metro Project is wholly or substantially damaged or destroyed upon the occurrence of an uninsurable risk, the Territory will pay Canberra Metro the general termination event payment. This amount is calculated as Canberra Metro's outstanding project debt plus any other reasonable costs incurred by Canberra Metro as a result of the termination, less any insurance proceeds.
- Termination for Canberra Metro default - where the Project Agreement is terminated for Canberra Metro's default, the Territory will pay Canberra Metro the fair market value of the Project determined by an independent expert or as a result of a re-tender of the contract to the market.

A default by Canberra Metro under the Agreement will entitle the Territory to various remedies. The Territory in most circumstances is required to give Canberra Metro an opportunity to remedy the default. If the default is not remedied within the required period, then it will escalate to a Major Default. The Agreement also states that a number of events are automatically classified as a Major Default (e.g. when there are persistent breaches or frequent service failures).

In respect of Major Defaults, Canberra Metro will be given the opportunity to develop a plan to remedy the default (if the default is capable of being remedied) or a prevention plan to prevent the default from recurring (in circumstances where the default is not capable of remedy). Where Canberra Metro fails to remedy the Major Default within the required period or fails to comply with an agreed remedy or prevention plan, the Territory has the right to terminate the Agreement.

Certain events of default are so severe that they are not subject to a remedy regime. They give rise to a Territory termination right immediately upon their occurrence (e.g. insolvency of Canberra Metro). These events are called Default Termination Events.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 16 LEASE LIABILITIES – CONTINUED

	2020 \$'000
Current Lease Liabilities	
Lease Liabilities ^a	594
Light Rail Stage 1 Liabilities ^b	10 674
Total Current Lease Liabilities	11 268
Non-Current Lease Liabilities	
Lease Liabilities ^a	1 021
Light Rail Stage 1 Liabilities ^b	302 894
Total Non-Current Lease Liabilities	303 915
Total Lease Liabilities	315 183

- a) In 2019-20, Lease Liabilities relate to motor vehicle leases and were recognised for the first time as a result of implementation of the new leases accounting standard (AASB 16).
- b) TCO recorded liabilities associated with the construction of light rail asset in 2019-20 as the light rail operations function was transferred to TCO on 1 July 2019.

Lease Liabilities

Lease commitments are payable as follows:

Within one year	29 589
Later than one year but not later than five years	114 819
Later than five years	356 762
Minimum Lease Payments	501 170

Less: Future Lease Charges	(185 987)
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Amount Recognised as a Liability	315 183
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Total Present Value of Minimum Lease Payments	315 183
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The present value of the minimum lease payments are as follows:

Within one year	11 268
Later than one year but not later than five years	50 426
Later than five years	253 489
Total Present Value of Minimum Lease Payments	315 183

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 17 EMPLOYEE BENEFITS

Accrued Employee Benefits

Accrued Employee Benefits are measured at the amount that remains unpaid to employees at the end of the reporting period.

Significant Judgements and Estimates relating to Annual and Long Service Leave

Annual and Long Service Leave including applicable on-costs that are not expected to be wholly settled within 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of the future Annual Leave and Long Service Leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2019-20 the rate used to estimate the present value of future Annual Leave payments is 100.9% (101.6% in 2018-19).

In 2019-20, the rate used to estimate the present value of future payments for Long Service Leave is 113.6% (110.1% in 2018-19).

The Long Service Leave liability is estimated with reference to future wages and salary levels, experience of employee departures, probability that leave will be taken in service and the minimum period of qualifying service. For employees with less than the required minimum period of seven years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for Long Service Leave and applicable on-costs.

The provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes Annual and Long Service Leave while in-service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. This assessment is performed every 3 years. However it may be performed more frequently if there is a significant change in the parameters underlying this assessment. The Australian Government Actuary performed this assessment in April 2019 with the next actuarial review to be undertaken by early 2022.

Annual Leave and Long Service Leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 17 EMPLOYEE BENEFITS – CONTINUED

	2020 \$'000	2019 \$'000
Current Employee Benefits		
Long Service Leave ^a	18 051	15 599
Annual Leave ^b	10 626	8 339
Accrued Employee Benefits	3 312	2 499
Total Current Employee Benefits	31 989	26 437
Non-Current Employee Benefits		
Long Service Leave	1 275	1 093
Total Non-Current Employee Benefits	1 275	1 093
Total Employee Benefits	33 264	27 530
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Long Service Leave	1 109	1 202
Annual Leave	4 936	4 774
Accrued Employee Benefits	3 312	2 499
Total Employee Benefits Payable within 12 Months	9 357	8 475
Estimated Amount Payable after 12 Months		
Long Service Leave	18 217	15 490
Annual Leave	5 690	3 565
Total Employee Benefits Payable after 12 Months	23 907	19 055
Total Employee Benefits	33 264	27 530

At 30 June 2020, TCO employed 946 FTE staff, compared to 889 FTE in 2019. The increase is largely due to the higher number of staff employed for the new bus network and additional weekend bus services, and 23 full-time equivalent staff transferred as part of the transfer of light rail operations function.

- a) The increase is mainly due to an increase in the rate used to estimate the present value of Long Service Leave liabilities from 110.1% to 113.6%, higher salary rates under the enterprise agreements and less leave taken due to bushfires and the COVID-19 pandemic.
- b) The increase is mainly due to higher salary rates under the enterprise agreements and less leave taken due to bushfires and the COVID-19 pandemic.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 18 CONTRACT LIABILITIES

A contract liability is recorded when an amount of consideration is received from a customer prior to TCO transferring a good or service to the customer.

Revenue Received in Advance relates to prepaid balances on MyWay cards which will be recognised as revenue when the service is delivered to a customer.

	2020 \$'000	2019 \$'000
Revenue Received in Advance ^a	7 154	6 438
Total Current Other Liabilities	7 154	6 438

- a) The increase is mainly due to higher prepaid balances on MyWay cards largely due to impact of the COVID-19 pandemic where cash fares were no longer accepted on public transport.

EQUITY NOTES

NOTE 19 EQUITY

Movements In Asset Revaluation Surplus during the Reporting Period

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

	2020 \$'000	2019 \$'000
Balance at the Beginning of the Reporting Period	45 785	45 785
Increment in Land due to Revaluation	8 170	-
Increment in Building due to Revaluation	1 584	-
Increment in Buses due to Revaluation	4 156	-
Increment in Plant and Equipment due to Revaluation	8 728	-
Increment in Infrastructure Assets due to Revaluation	1 682	-
Initial Recognition of Deferred Tax Liabilities	(4 427)	-
Total Increase in the Asset Revaluation Surplus	19 893	-
Balance at the End of the Reporting Period	65 678	45 785

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 19 EQUITY – CONTINUED

The Light Rail operation function was transferred to TCO from TCCS on 1 July 2019 and the total value of the net assets transferred was \$403.8 million.

	2020 \$'000
Asset	
Cash and Cash Equivalents	6 129
Receivables	98
Inventories	149
Other Assets	794
Property, Plant and Equipment	732 297
Intangible Assets	1 224
Capital Works in Progress	1 407
Total Assets Transferred	742 098
Liabilities	
Payables	13 430
Leases Liabilities	323 568
Employee Benefits	1 288
Total Liabilities Transferred	338 286
Total Net Assets Transferred	403 812

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

OTHER NOTES

NOTE 20 FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost on the basis of both:

- (a) the business model for managing the financial assets being held to collect; and
- (b) the contractual cash flow characteristics of the financial assets.

Credit Risk

Credit risk is the risk that one party to a Financial Instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At 30 June 2020, TCO holds Cash and Cash Equivalents with Westpac Banking Corporation and as such, TCO considers the credit risk associated with these financial assets to be low.

TCO's credit risk is limited to the amount of the Receivables it holds net of any Allowance for Impairment. TCO manages its credit risk for Receivables by regularly monitoring its Receivables, through active follow up of outstanding Receivables and by issuing monthly statements to overdue accounts where required.

There has been no significant change in credit risk exposure since the last reporting period.

Liquidity Risk

Liquidity risk is the risk that TCO will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

TCO's liabilities relate to the purchases of Supplies and Services, Employee and Superannuation Expenses, and Lease Liabilities, including interest and principal repayments.

The main source of cash to pay these obligations is from service payments from the ACT Government, which are paid through TCCS on a fortnightly basis and fares. Transport Canberra Operations manages its liquidity risk through forecasting service payment requirements to enable the payment of anticipated obligations. Therefore, liquidity risk is assessed to be low and management of this risk has not changed since the last reporting period.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 20 FINANCIAL INSTRUMENTS – CONTINUED

Carrying Amounts and Fair Value of Financial Assets and Liabilities

	Note No.	Carrying Amount 2020 \$'000	Carrying Amount 2019 \$'000
Financial Assets			
Cash and Cash Equivalents	13	15 957	10 619
Receivables		434	1 420
Embedded Derivative - Light Rail		385	-
Total Financial Assets		16 776	12 039
Financial Liabilities			
Payables	15	1 067	61
Borrowings		2 276	1 364
Lease Liabilities	16	315 183	-
Option Premium Payable	15	750	-
Total Financial Liabilities		319 276	1 425

The carrying amount of financial assets and liabilities approximates its fair value.

Fair Value Hierarchy

The carrying amount of Embedded Derivative is measured at fair value. All other Financial Assets are measured at amortised cost.

The Embedded Derivative represents the recognition of a benefit arising from the exercise of the option to refinance the loan at a better interest rate in the future. The valuation of this option was done at 30 June 2019. Next valuation will be undertaken by May 2021 which is the first refinancing date. TCO will undertake valuation of the Embedded Derivative every 3 years or at the refinancing dates under the contract, unless there is a significant change to market interest rates.

The Embedded Derivative has been valued using a probability weighted scenario approach, being a level 3 valuation. The valuation has been undertaken by determining a set of scenarios that would result in a refinancing gain and assigning probabilities to those scenarios. Each scenario contains the credit ratings and credit spreads at each assumed refinancing date. The fair value of the Embedded Derivative is the probability-weighted sum of the refinancing gains associated with the scenarios.

The fair value of the Embedded Derivative at 30 June 2020 is \$385,000. Considering inputs such as credit margin, volatility of credit margin and time to maturity, a degree of judgement is required in establishing the fair value. The valuation has been determined using the midpoint of a reasonably possible range.

Significant unobservable input	Range	Sensitivity of fair value to the input	
		Value at volatility of 17%	Value at volatility of 27%
Volatility of credit margin	17% to 27%	\$335,800	\$434,800

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 20 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out Transport Canberra Operations' maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2020. Financial assets and liabilities that are non-interest bearing and will mature in one year or less except for the non-interest bearing borrowings. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

		Weighted Average Interest Rate	Fixed Interest Maturing In:				
	Note No.		1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	13		-	-	-	15 957	15 957
Receivables			-	-	-	434	434
Embedded Derivative - Light Rail			-	-	-	385	385
Total Financial Assets			-	-	-	16 776	16 776
Financial Liabilities							
Payables	15		-	-		1 067	1 067
Borrowings		12.57%	469	811	-	1 325	2 605
Lease Liabilities	16	5.78%	29 589	114 819	356 762	-	501 170
Option Premium Payable			-	-	-	750	750
Total Financial Liabilities			30 058	115 630	356 762	3 142	505 592
Net Financial (Liabilities)/ Assets			(30 058)	(115 630)	(356 762)	13 634	(488 816)

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 20 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out Transport Canberra Operations' maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2019. Except for Borrowings which has a fixed interest rate, financial assets and liabilities are non-interest bearing and will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

		Weighted Average Interest Rate	Fixed Interest Maturing In:				
	Note No.		1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Instruments							
Financial Assets							
Cash and Cash Equivalents	13		-	-	-	10 619	10 619
Receivables			-	-	-	1 420	1 420
Total Financial Assets			-	-	-	12 039	12 039
Financial Liabilities							
Payables	15		-	-	-	61	61
Borrowings		12.57%	512	1 280	-	-	1 792
Total Financial Liabilities			512	1 280	-	61	1 853
Net Financial (Liabilities)/ Assets			(512)	(1 280)	-	11 978	10 186

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 21 COMMITMENTS

	2020 \$'000	2019 \$'000
Capital Commitments		
Capital Commitments contracted at reporting date that have not been recognised as liabilities are as follows:		
Payable:		
Within one year	22 110	-
Later than one year but not later than five years	1 441	-
Total Capital Commitments ^a	23 551	-

a) The increase in capital commitments is mainly due to the transfer of New Woden Bus Depot project (\$21.5 million) from TCCS and the amount owing for seven buses (\$2.0 million) to be delivered in early 2020-21.

Other Commitments

Other Commitments contracted at reporting date that have not been recognised as liabilities are as follows:

Payable:		
Within one year	5 965	1 971
Later than one year but not later than five years	20 732	-
Later than five years	8 182	-
Total Other Commitments ^b	34 879	1 971

b) The increase in other commitments mainly relates to Special Needs Transport contracts.

Non-Cancellable Low Value Commitments

Non-cancellable operating commitments are payable as follows:

Within one year	24	192
Later than one year but not later than five years	32	83
Later than five years	13	4
Total Non-Cancellable Low Value Commitments	69	279

Public Private Partnership Operational Commitments

Payable:		
Within one year	29 073	-
Later than one year but not later than five years	128 724	-
Later than five years	574 355	-
Total Public Private Partnership Operational Commitments ^c	732 152	-

c) The increase is due to the transfer of light rail operations function to TCO on 1 July 2019.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 22 CONTINGENT LIABILITIES

Contingent Liabilities

TCO is subject to various claims at the reporting date related to accidents which are insured through the ACT Insurance Authority with the contingent liability limited to the \$10,000 insurance excess payable on each claim.

	2020 \$'000	2019 \$'000
Legal Claims	410	440
Total Contingent Liabilities	410	440

NOTE 23 INCOME TAX EQUIVALENTS

TCO falls within the 'National Tax Equivalents Regime' and is required to calculate income tax in accordance with the *Income Tax Assessment Act 1997* and *Income Tax Assessment Act 1936* under the requirements of Australian Accounting Standard AASB 112 Income Taxes.

TCO is exempt from paying federal income tax. However, TCO is required to calculate tax equivalents that would have been payable under the 'National Tax Equivalent Regime'.

(a) Components of Income Tax Equivalents Expense/(Income)

Current Tax Equivalents (Income)	-	(3 123)
Deferred Tax Equivalents (Income)/Expense Relating to the Origination and Reversal of Temporary Differences	(10 228)	(1 312)
Tax Effect of Tax Losses not Recognised	(40 074)	4 435
	(50 302)	-

(b) Income Tax Equivalents Expense/(Income)

The prima facie income tax expense/(income) on pre-tax accounting profit from operations reconciles to the income tax expense/(income) in the financial statements as follows:

Loss from Operations	(33 946)	(14 711)
Income Tax Equivalents (Income) Calculated at 30%	(10 184)	(4 413)
	(10 184)	(4 413)
Non-Assessable Permanent Differences	(44)	(22)
Tax Effect of Tax Losses not Recognised	(40 074)	4 435
	(50 302)	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian Tax Law.

(c) Income Tax Recognised Directly in Equity

Deferred Tax Asset from Revaluation of Assets	(4 427)	-
Tax Effect of Tax Losses not Recognised	(133 956)	-
	(138 383)	-

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 23 INCOME TAX EQUIVALENTS – CONTINUED

	2020	2019
	\$'000	\$'000
(d) Recognised Deferred Tax Balances		
The following deferred tax balances have been recognised in the accounts:		
Liabilities on Temporary Differences	(239 613)	(12 432)
Assets Relating to:		
Inventories	86	86
Trade and Other Receivables	37	28
Intangibles	253	109
Accrued Expenditure	373	360
Employee Entitlements	8 986	7 510
Lease Liabilities	94 555	-
Tax Losses Carried Forward	47 243	4 339
Net Deferred Tax (Liabilities)	(88 080)	-
(e) Unrecognised Deferred Tax Balances		
The following deferred tax assets have not been brought to account as		
Tax Losses - Revenue	-	40 074
	-	40 074

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 24 CASH FLOW RECONCILIATION

	2020 \$'000	2019 \$'000
(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet		
Cash and Cash Equivalents Recorded in the Balance Sheet	15 957	10 619
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	15 957	10 619
(b) Reconciliation of Operating (Deficit) to Net Cash Inflows/(Outflows) from Operating Activities		
Operating (Deficit)	(23 718)	(14 711)
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	32 027	11 824
Impairment Losses	-	19
Deferred Tax Liabilities	(10 228)	-
Transfers as a result of Administrative Arrangements	(13 677)	-
Expensing of Capital Works in Progress	2 404	102
Carbon Neutral Loan	12	-
Net Assets transferred (from) Other ACT Government Entities	(148)	(89)
Add/(Less) Items Classified as Investing or Financing		
Payments for Property, Plant and Equipment	-	431
Net Loss on Disposal of Assets	(97)	(2)
Cash Before Changes in Operating Assets and Liabilities	(13 425)	(2 426)
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in Receivables	766	(1 117)
(Increase)/Decrease in Inventories	(215)	(136)
(Increase)/Decrease in Other Assets	(671)	241
Increase/(Decrease) in Payables	5 445	(448)
Increase in Employee Benefits	5 734	1 638
Increase in Contract Liabilities	716	1 107
Net Changes in Operating Assets and Liabilities	11 775	1 285
Net Cash (Outflows) from Operating Activities	(1 650)	(1 141)

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 24 CASH FLOW RECONCILIATION – CONTINUED

(c) Reconciliation of Liabilities Arising from Financing Activities

	2019	Cash	Non-cash changes		2020
	\$'000	Flows	\$'000	\$'000	\$'000
		\$'000	New Leases	Other	
Borrowings	1 364	(341)	1 325	(72)	2 276
Lease Liabilities	-	(10 316)	306 947	18 552	315 183
Debt	1 364	(10 657)	308 272	18 480	317 459

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 25 RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP or/and their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of TCO, directly or indirectly.

KMP are the Portfolio Minister, Director-General of TCCS and certain members of the Senior Management Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of TCO.

This note does not include typical citizen transactions between the KMP and TCO that occur on terms and conditions no different to those applying to the general public.

Controlling Entity

TCO is an ACT Government controlled entity.

Key Management Personnel

(i) Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the Note on related party disclosures included in the ACT Executive's Financial Statements for the year ended 30 June 2020.

Compensation of the Head of Service is included in the Note on related party disclosures included in CMTEDD's Financial Statements for the year ended 30 June 2020.

The KMP of TCO are employees of TCCS and are paid compensation by TCCS. Further details of compensation for these KMP are contained in the TCCS Financial Statements for the year ended 30 June 2020. There were no other transactions between TCO and KMP.

Transactions with other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant Notes to the Financial Statements.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

NOTE 26 BUDGETARY REPORTING

Original Budget refers to the amounts presented to the Legislative Assembly in respect to the reporting period in the 2019-20 Budget Statements. These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 5% and \$15 million for the financial statement line item.

Operating Statement Line Items	Actual 2020 \$'000	Original Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanation
Asset Revaluation Surplus	24 320	-	24 320	100	Higher than budget result is due to the revaluation of land and buildings and buses asset classes. TCO does not budget for revaluation surpluses due to the difficulty in predicting the movement associated with asset revaluations.

Balance Sheet Line Items					
Property, Plant and Equipment	942 445	1 003 431	(60 986)	(6)	Lower than budget result is mainly due to the deferral and delays of capital infrastructure projects and transfer construction of Light Rail Stage 1 including retained risk funding to Major Projects Canberra (\$28.4 million). The capital infrastructure projects related to the Woden bus depot (\$18.4 million), integrated public transport ticketing system (\$7.5 million) and expansion of the rapid bus network (\$6.4 million).
Accumulated Funds	446 472	612 348	(165 876)	(27)	Lower than budget result is mainly due to lower than anticipated Property, Plant and Equipment (\$61 million) as discussed above and unbudgeted initial recognition of deferred tax liabilities (\$98.3 million).

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2020

NOTE 26 BUDGETARY REPORTING – CONTINUED

Cash Flow Line Items	Actual 2020 \$'000	Original Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanation
Payment for Property, Plant and Equipment	22 805	85 537	(62 732)	(73)	Lower than budget result is mainly due to the deferral and delays of capital infrastructure projects and transfer construction of Light Rail Stage 1 including retained risk funding to Major Projects Canberra (\$28.4 million). The capital infrastructure projects related to the Woden bus depot (\$18.4 million), integrated public transport ticketing system (\$7.5 million) and expansion of the rapid bus network (\$6.4 million).
Capital Payments from the Transport Canberra and City Services Directorate	32 899	85 537	(52 638)	(62)	Lower than budget result is mainly due to the deferral and delays of capital infrastructure projects and transfer of Light Rail Stage 1, as discussed previously.

PART 2C CAPITAL WORKS

Table 23: Capital works 2019-2020

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
NEW WORKS - MAJOR NEW WORKS							
Roads ACT							
Improving stormwater networks	Jun-23	Jun-23	19,061	19,061	-	2,868	2,868
Strengthening infrastructure supporting Canberra's new public transport network	Jun-22	Jun-22	5,100	5,100	-	411	411
More carparks for Palmerston Shops and Cooleman Court	Jun-20	Dec-20	420	420	-	123	123
Planning better roads for our growing city	Jun-21	Dec-21	4,100	4,100	-	1,650	1,650
Making our roads safer while keeping Canberra moving	Jun-22	Jun-22	29,696	29,696	-	951	951
Better connecting Belconnen and Gungahlin	Jun-23	Jun-23	44,530	44,530	-	1,078	1,078
Improving water management infrastructure	Jun-20	Aug-20	500	500	-	192	192
Delivering safer intersections	Jun-22	Jun-22	14,020	14,020	-	723	723
More active travel infrastructure for our schools and suburbs	Jun-21	Jun-20	2,194	2,194	-	1,488	1,488

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Supporting more Canberrans to Park and Ride	Jun-21	Jun-21	2,500	2,500	-	66	66
Service requirements for delivering new school at Kenny	Jun-20	Dec-21	1,500	1,500	-	300	300
Improving Tharwa Drive and Nudurr Drive	Jun-21	Jun-21	400	400	-	-	-
Better public transport infrastructure for Canberra	Jun-21	Jun-21	1,800	1,800	-	121	121
ACT NoWaste							
Managing waste better	Jun-21	Dec-20	6,205	6,205	-	241	241
Place Management							
More City Services depots for Better service delivery	Jun-21	Dec-20	400	400	-	119	119
Better Suburbs: Planting more trees and delivering more bins at local shops	Jun-23	Jun-23	616	616	-	454	454
Chief Operating Officer							
Improving and expanding online services	Jun-23	Jun-23	5,931	5,931	-	1,140	1,140
TRANSPORT CANBERRA OPERATIONS							
Modernising ACT's public transport network ticketing systems	Jun-23	Jun-23	7,513	7,513	-	-	-
Building a better city – New Bus Depot Woden - Stage 2	Jun-22	Jun-22	17,000	17,000	-	-	-

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Light Rail Safety Initiatives	Jun-20	Jun-20	740	740	-	281	281
Better buses to support the new bus network	Jul-23	Jul-23	37,510	37,510	-	-	-
Total Major New Works (excluding the capital upgrade program)			201,736	201,736	-	12,205	12,205

BETTER INFRASTRUCTURE FUND 2019-2020

Roads ACT							
Road Traffic Coordination Centre	Jun-20	Sep-20	540	540	0	221	221
Disability Discrimination Act compliant bus stops	Jun-20	Jul-20	1,250	1,250	0	971	971
Traffic signal LED upgrade program	Jun-20	Sep-20	500	500	0	47	47
Traffic signal controller replacement program	Jun-20	Sep-20	700	700	0	71	71
Urban stormwater upgrade program	Jun-20	Aug-20	2,200	1,560	0	1,533	1,533
Electricity armour cable upgrade program	Jun-20	Sep-20	400	400	0	153	153
Dam safety code	Jun-20	Jul-20	950	950	0	925	925
Streetlight control point program	Jun-20	Aug-20	2,500	500	0	477	477
Sport and Recreation							
Water demand management	Jun-20	Jul-20	550	550	-	482	482
Place Management							
Play space upgrades	Jun-23	Sep-20	2,150	3,000	-	1,253	1,253
Local shopping centre improvements	Jun-20	Dec-20	500	1,800	-	873	873
Dog park improvement program	Jun-20	Jul-20	200	200	-	171	171

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Safer walking and cycling around schools	Jun-20	Jul-20	1,250	1,250	-	1,205	1,205
Lake Ginninderra District Park Pump House Upgrade	Jun-20	Aug-20	180	180	-	90	90
Bollard replacement program - Garema PI & City Walk	Jun-20	Jun-20	360	360	-	206	206
Libraries							
Revitalising Woden Library	Jun-20	Sep-20	500	500	-	82	82
ACT NoWaste							
Recycling Drop Off Centre (RDOC) safety security and functionality upgrades	Jun-20	Jul-20	250	250	-	52	52
Transport Canberra Operations							
ACTION Transport Canberra bus operations	Jun-20	Jul-20	2,185	2,535	-	1,833	1,833
Total New Better Infrastructure Fund Projects			17,165	17,025	-	10,645	10,645
Total New Works			218,901	218,761	-	22,850	22,850
Works in Progress 2019-20							
Roads ACT							
Keeping our growing city moving – Monaro Highway upgrade	Jun-19	Jun-21	2,000	2,000	99	1,811	1,910
Keeping our growing city moving – Safer intersections	Jun-20	Dec-20	8,120	8,120	1,028	3,064	4,092
More services for our suburbs – Stormwater infrastructure improvements	Jun-19	Jun-21	3,000	3,000	504	265	769
Keeping our growing city moving – Canberra Brickworks Precinct - environmental offsets	Jun-19	May-21	1,500	1,500	545	76	620
Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – early design	Jun-19	Mar-21	1,250	1,250	310	757	1,067
Keeping our growing city moving – Better infrastructure for active travel	Jun-22	Jun-22	21,650	23,354	1,320	7,400	8,720

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
More services for our suburbs – Bringing Woden Town Square to life	Jun-20	Jun-21	734	734	23	18	41
Building a better city – Gundaroo Drive duplication – Stage 2	Jun-20	Dec-20	30,000	30,400	15,431	9,990	25,421
Building a better city – Monaro Highway upgrade	Jun-20	Dec-20	2,000	2,000	194	1,645	1,839
Building a better city – Pialligo Avenue duplication	Jun-20	Jun-22	4,000	4,000	1,221	940	2,161
Building a better city– Improving Tharwa Village firefighting water supply	Jun-19	Jan-21	1,427	1,427	369	132	502
Better Roads for Canberra – Stronger bridges to transport freight	Dec-19	Dec-20	8,800	8,800	4,133	2,904	7,037
Roads to Recovery Program 2019-2024 (Federal Funding)	Jun-24	Jun-24	39,850	39,850	-	4,444	4,444
Building a better city – Canberra Brickworks– Access road and Dudley Street upgrade	Jun-20	May-21	8,000	10,042	1,201	352	1,553
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2 (Isabella Weir)	Jun-20	Jun-20	9,000	9,250	8,598	406	9,004
Improving Our Suburbs – New Molonglo Valley infrastructure	Jun-20	Dec-20	32,970	30,934	20,277	8,307	28,584
Molonglo 2 – Water Quality Control Ponds, Sewers and Cycle path (Design)	Jun-19	Jun-21	1,000	1,000	320	30	349
Place Management							
More jobs for our growing city – Better town centres	Jun-21	Jun-21	4,750	4,750	927	863	1,790
More services for our suburbs – More trees	Jun-21	Jun-21	80	80	-	17	17
Libraries							
Better Services – Improving libraries – self-service check out and improved access	Jun-18	Dec-20	2,200	2,200	1,069	828	1,897
Enhancement of library collections	Jun-22	Jun-20	2,063	2,677	-	2,146	2,146
ACT NoWaste							
More services for our suburbs – Parkwood estate rehabilitation	Jun-20	Jun-22	4,953	4,953	360	156	515

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Better services in your community – Essential waste management infrastructure	Jun-21	Jun-21	25,291	23,621	10,347	14,649	24,995
Better services in your community – Rehabilitating landfill sites	Jun-21	Jun-22	34,287	34,287	8,703	1,210	9,912
More services for our suburbs – Better waste management	Jun-21	Jun-21	1,640	1,640	35	407	442
Better services in your community – Green Waste Bins	Jun-21	Oct-23	9,571	9,571	3,004	630	3,634
Chief Operating Office							
Better Government – Improving customer services delivery	Jun-19	Aug-20	460	460	426	27	453
Better Services – Improved asset management	Dec-19	Nov-20	1,705	1,705	756	306	1,062
Transport Canberra Operations							
Building a better city – New Bus Depot Woden	Jun-19	Jun-22	25,775	25,775	4,906	3,472	8,378
Better services in your community – Integrated bus and light rail ticketing	Jun-18	Sep-20	2,100	2,100	1,912	80	1,993
Transport for Canberra – Business system upgrade	Jun-16	Jun-21	1,810	1,810	1,533	3	1,536
Transport for Canberra – Real Time Passenger Information System	Jun-13	Jun-21	12,500	12,500	10,194	751	10,945
More support for families and the vulnerable - Keeping Canberrans safe in public places	Jun-22	Jun-22	500	500	-	200	200
Expansion of the rapid bus network	Jun-19	Aug-20	43,800	45,300	23,052	17,388	40,440
Cemeteries							
More services for our suburbs – Southern Memorial Park Detailed Design	Jun-20	Feb-21	921	921	-	119	119
<i>Prior Year Better Infrastructure Fund</i>							
Roads ACT							
Footpath and cycleway upgrades*	May-21	May-21	4,045	4,535	1,506	1,656	3,163
Total Works in Progress			353,752	357,046	124,302	87,448	211,750

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
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Physically Complete Projects 2019-20

Roads ACT							
Keeping our growing city moving – William Slim Drive Duplication (Barton Highway to Ginninderra Drive)	Jun-19	Jan-20	250	250	161	89	250
Building a better city – Active Travel – Belconnen bikeway	Jun-18	Sep-18	250	250	250	-	250
Building a better city – Federal Highway and Old Wells Station Road intersection upgrade	Jun-18	Sep-18	1,200	2,300	2,160	72	2,232
Building a better city – Upgrading stormwater infrastructure on Flemington Road	Jun-19	Oct-19	1,000	596	202	366	569
Better Roads for Belconnen – Aikman Drive duplication	Nov-17	Oct-19	9,801	9,601	8,856	514	9,370
Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1	May-17	Dec-18	31,185	31,485	30,646	575	31,221
Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)	Jun-19	Jul-19	57,000	49,505	45,407	2,403	47,811
Civic to Gungahlin Corridor Improvements	Jun-16	Aug-20	20,000	23,635	22,236	909	23,145
Better Roads for Gungahlin – Gungahlin town centre road network improvements	Jun-20	Jan-19	4,500	4,800	4,685	116	4,801
Urban Renewal Program – Molonglo 3 infrastructure	Jun-19	Dec-19	2,970	2,863	2,813	50	2,863
Transport Canberra Operations							
More bus drivers for weekend services	Jun-20	Jun-20	100	100	-	99	99
ACTION workshop safety initiatives - vehicle lift equipment	Jun-20	Jun-20	500	500	-	500	500
ACTION workshop safety - overhead service equipment	Jun-20	Jun-20	750	750	-	750	750
ACTION major component overhaul incl floors and passenger seats	Jun-20	Jun-20	1,369	1,019	-	1,019	1,019

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Sport and Recreation							
Sportsgrounds facilities improvement program	Jun-20	Apr-20	1,310	1,310	-	1,306	1,306
More services for our suburbs – Sports Ground Restoration – Boomanulla Enclosed Oval	Jun-19	Oct-18	1,270	1,270	1,232	30	1,262
More jobs for our growing city – Renewing Higgins Neighbourhood Oval	Jun-20	Mar-20	1,250	1,250	493	757	1,250
More services for our suburbs – Better facilities at Higgins Neighbourhood Oval	Jun-20	Mar-20	600	600	-	597	597
Place Management							
More services for our suburbs – Boosting Anketell Street improvements	Jun-19	Jul-19	750	750	125	411	535
Prior Year Better Infrastructure Fund							
Place Management							
Town Centres - Building a better city – Revitalising local town centres*	Jun-19	Jun-19	8,000	8,450	6,606	1,743	8,349
Total Projects Physically Complete			144,055	141,284	125,872	12,307	138,179
Physically and Financially Complete Projects 2019-20							
Roads ACT							
Streetlight energy performance contract EPC	Jun-20	Dec-19	2,050	2,050	-	2,050	2,050
Keeping our growing city moving – Pialligo pedestrian upgrades	Jun-19	Jun-20	150	150	85	15	101
More services for our suburbs – Pavement upgrades	Jun-19	Jan-20	350	350	60	290	350
Keeping our growing city moving – Bridge Renewal Program (BRP) Improvements	Jun-19	Dec-19	750	750	505	245	750

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Keeping our growing city moving – Better customer service delivery for the Rapid Transport Network	Jun-19	Jul-19	1,050	1,050	1,010	40	1,050
Keeping our growing city moving – Better roads for Gungahlin - Ernest Cavanagh Street extension	Jun-19	Oct-18	117	117	119	-	119
Suicide Prevention Infrastructure - Mount Ainslie Dr	Jun-19	Aug-19	300	300	261	39	300
Keeping our growing city moving – Delivering Canberra's new integrated public transport network	Dec-19	Dec-19	500	500	-	500	500
Better services in your community – Faster bus travel	Jun-20	Dec-19	1,750	1,750	1,711	39	1,750
Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2	Jun-18	Mar-18	24,602	24,202	23,749	454	24,202
Better Roads for Gungahlin – Horse Park Drive duplication - CRP	Jun-17	Sep-16	1,000	1,000	1,001	-	1,001
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)	Dec-17	Sep-18	28,900	26,070	26,081	-	26,081
Roads to Recovery Program 2014-2019 (Federal Funding)	Jun-19	Jun-19	33,600	33,600	33,600	-	33,600
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	Feb-18	Jan-18	860	860	860	-	860
Majura Parkway to Majura Road – Link road	Jun-18	Jun-18	9,856	14,956	14,960	-	14,960
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	Jun-19	Aug-18	12,400	12,000	12,196	-	12,196
Molonglo Infrastructure Investment	Jun-19	May-19	17,000	15,037	14,928	108	15,036
Cravens Creek Water Quality Control Pond	Jun-19	Jun-19	21,000	9,378	9,378	-	9,378
Sport and Recreation							
More services for our suburbs – Replacement Synthetic grass at the Nicholls Neighbourhood oval	Jun-20	Mar-19	1,600	1,600	1,600	-	1,600
NoWaste							

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Growing investment in services for our suburbs	Jun-20	May-20	558	558	-	558	558
Place Management							
More jobs for our growing city – Micro parks	Jun-19	Sep-19	90	90	86	4	90
<i>Prior Year Better Infrastructure Fund</i>							
Roads ACT							
Safer walking and cycling around schools*	May-19	Sep-19	1,050	1,050	567	485	1,052
Retaining Walls and Structures	May-19	Jun-19	500	500	59	434	493
Bridge Components Rehabilitation Program	May-19	Jun-19	500	300	37	263	300
Upgrade of Vehicle Safety Barriers and Pedestrian Screens	May-19	Jun-19	250	250	239	17	256
Urban Stormwater Upgrade Program	May-19	Sep-19	500	250	140	113	254
DDA Compliant Bus Stops	May-19	Jun-19	500	500	462	38	500
Relocation of Streetlight Control Panels	May-19	Jun-19	500	500	493	7	500
Active Travel - Stirling Ave Walkway in Watson	May-19	Aug-18	175	175	178	-	178
Traffic Signals Controllers Replacement	May-19	Jun-19	500	500	500	-	500
Dam Safety Code	May-19	Jun-19	700	700	700	-	700
Sport and Recreation							
Sportsgrounds facilities improvement program	May-19	Jun-19	1,307	1,307	1,307	-	1,307
Water demand management	May-19	Aug-19	540	540	386	154	540
Place Management							
Upgrade of Physical Safety of Directorate Sites	May-19	Jul-19	300	300	299	1	300

Project	Original Practical Completion Date	Revised Practical Completion Date	Original Value (\$'000)	Revised Value (\$'000)	Prior Yr. Expenditure (\$'000)	2019-20 Expenditure (\$'000)	Total Expenditure to Date
Upgrade Security at City Presentation Maintenance Depots	May-19	Jul-19	100	100	91	9	100
Playground Safety and Compliance Program	May-19	Jul-19	300	300	185	122	307
Community and Neighbourhood Priorities	May-19	Sep-19	1,900	1,900	660	1,240	1,900
Total Projects Physically and Financially Complete			168,105	155,540	148,494	7,226	155,719
TOTAL COMBINED CAPITAL WORKS PROGRAM			884,813	872,631	398,668	129,831	528,499

Table 24: Reconciliation of funding and expenditure

	\$
Reconciliation of Total Current Year Financing	
Original Capital Works Financing	275,558
Add: S16B Rollovers from 2018-19	34,022
Add: S17 Variation of Appropriation	-
Add: S13 Supplementary Appropriation	12,423
Add: Commonwealth Grants	120
Add: Transfers from other Directorates	-
Less: S16 Transfers of Appropriation	(448,309)
Less: S14 Transfers of Appropriation	-
Less: Capital Injection not drawn in 2019-20	(116,580)
Capital Injection from Government per Cash Flow Statements	157,234
Reconciliation of Total Current Year Actual Expenditure – Against Financing	
Total Current Year Capital Work Expenditures	129,831
Add: Expenditure for other Capital Injection Projects	14,831
Add: Accruals 2018-19	15,332
Less: Accrual 2018-19	(2,445)
Less: GPO Funded Projects	(314)
Capital Injection from Government per Cash Flow Statement	157,234
Reconciliation of Total Current Year Actual Expenditure	
Total Current Year Capital Works Expenditure	129,831
Add: Accruals: 2018-19	15,332
Less: WIP Expenditure for other Capital Injection Projects	(21,776)
Less: Accruals 2019-20	(2,445)
Less: GPO Funded Projects	(314)
Total payments from Investing Activities as per Cash Flow Statement	120,627

PART 2C ASSET MANAGEMENT

Overview

TCCS delivered a wide range of services to the ACT community on behalf of the ACT Government. Much of this relied on the planning, development, and management of a significant and diverse range of assets that were valued in 2019-20 at \$10.2 billion.

The largest asset category was infrastructure assets including roads, bridges, stormwater, streetlights, community paths, community sporting facilities, traffic signals, waste, and recycling assets. Other assets in the TCCS portfolio included public libraries, public transport, urban open space, and property assets.

During the reporting period, TCCS reassessed the value of assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$58.1 million.

Strategic asset management framework (SAMF)

The strategic asset management framework encompasses a set of documents, systems and processes that enabled TCCS to meet its asset management responsibilities whilst also efficiently meeting the requirements of the community.

The SAMF allowed TCCS to sustainably manage assets through 'whole of life' and 'whole of organisation' approaches. Effective identification and management of risks associated with the use of these assets was also enhanced. The SAMF also enabled the development of policies, strategies and plans to be informed, and to inform the community of government aspirations, service level requirements and investment decisions.

In 2019-20 work has been undertaken to migrate to a new Asset Management Information System. The new system will be implemented to improve consistency and approach to asset management in order to provide a feedback loop to the public.

Maintenance of the urban assets includes mowing, cleaning, litter picking, painting, pruning, mulching, and undertaking safety inspections and repairs. This

ensures assets are maintained in a safe, functional, and attractive condition.

During 2019-20, TCCS managed an additional 8,213 trees in new areas throughout the ACT. During this period TCCS managed and maintained 90 shopping precinct areas, 424 designated urban parks, 120 hectares of irrigated grassland and 135 lakes and ponds.

Asset maintenance and upgrades

Excluding capital works, expenditure on capital upgrades undertaken in 2019-20 totalled \$17.9 million, consisting of:

- ACTION engine overhauls and other upgrades \$4.1 million
- Active travel \$2.4 million
- Open space improvements \$1.3 million
- Property improvements \$0.3 million
- Public libraries \$0.1 million
- Road infrastructure and road safety \$4.5 million
- Sports facility improvements \$1.3 million
- Town centres \$0.8 million
- Water resources/stormwater improvements \$2.9 million
- Other \$0.2 million

Office accommodation management

TCCS employed 2,130 employees at 30 June 2020. Approximately 496 employees occupied two locations, 490 and 496 Northbourne Avenue in Dickson. The total area employees occupied amounted to 6210.2 square metres of space. This equates to a capacity rate of 12.5 square metres of space per employee.

At 30 June 2020 an average of approximately 420 employees were working remotely due to the COVID-19 pandemic and social distancing requirements.

It should be noted all of the employees formerly located in 490 and 496 Northbourne Avenue have now relocated to the Dickson Office Building, unless they continue to work remotely.

The remaining 1,634 TCCS employees are employed in non-office environments. These include Bus Operators, Horticulturists, Laundry Assistants, Arborists and Road Maintenance Teams. Other locations

The table above outlines TCCS's office-based locations. The directorate's facilities also include a number of non-office-based locations.

Land Management

Maintenance of the urban assets includes mowing, cleaning, litter picking, painting, pruning, mulching, and undertaking safety inspections and repairs. This ensures assets are maintained in a safe, functional, and attractive condition.

During 2019-20, TCCS managed an additional 8,213 trees in new areas throughout the ACT. During this period TCCS managed and maintained 90 shopping precinct areas, 424 designated urban parks, 120 hectares of irrigated grassland and 135 lakes and ponds.

Capital Linen Service

During the 2019-20 financial year, Capital Linen Service continued to reinvest in linen and linen trolleys to enable ongoing flexibility in the laundering process and achieve high levels of customer satisfaction. The upward trend in sales growth in the hotel sector required an investment response to the internal management, storage, and delivery of clean linen within the laundry. The expansion of the clean bag monorail system added around seventy percent more clean linen storage capacity whilst the upgrade of the control system (software) improved remote vendor support, enhanced data management and reporting systems whilst providing flexibility to operators downstream in the sorting and washing soiled linen processes.

Roads and Sustainable Transport

The Australian Road Research Board (ARRB) has been engaged by the ACT Government for ongoing analysis of data in Pavement Management System (PMS) and providing advice on optimising road maintenance programs. Optimisation is based upon analysing road pavement condition data, traffic data, reviewing past programs (i.e. budgets versus amount resurfaced) and forecast of a future 10-year maintenance program. The optimisation work program assisted in selecting road locations and resurfacing types to optimize the improvement of the overall condition of the road network. The most recent ARRB report indicated that the overall condition of the road network is currently in good condition due to regular preventative maintenance. However, increasing investment will be required to maintain the equilibrium condition and prevent progressive deterioration with the growth of the city and increase in traffic volumes and age of the network. A gap analysis indicates a shortfall of around \$2.3m p.a. between the current budget and the required funding to maintain current network condition over time. Over one million square metres of resurfacing was carried out in 2019-20.

Public Transport

The Transport Canberra bus fleet replacement programme continued in 2019-20 with the delivery of 35 new rigid Euro VI Scania diesel buses with the remaining five of the 40 due for delivery in August 2020. Continuation of upgrades to Belconnen and Tuggeranong bus depots were completed in 2019-20 including workshop safety initiatives such as the replacement of ageing overhead lifting equipment. Transport Canberra Bus Operations upgrades included completion of security fencing, upgrades to heating and cooling systems, upgrades to electrical infrastructure, removal of bonded asbestos, internal depot asphalt remediations and refurbishment of driver amenity facilities. A further \$1.019m was spent in 2019-20 to overhaul and refurbish major bus components, including passenger seating and flooring, engine transmissions and differentials. CCTV asset upgrades/replacements commenced in 2019-20 with the renewal of CCTV cameras and recorders.

Table 25: Office utilisation at 30 June 2020

Location	Address	Staff Numbers on site 30 June ⁷	Area Occupied (m ²) ⁸
490 Northbourne Avenue	490 Northbourne Avenue, Dickson	Nil	7,620
496 Northbourne Avenue	496 Northbourne Avenue, Dickson	Nil	6,587
255 Canberra Avenue	255 Canberra Avenue, Fyshwick	7	2,781
Tuggeranong Bus Depot (Administration)	Scollay Street, Tuggeranong	22	2,401
Belconnen Bus Depot (Administration)	5 Cohen Street, Belconnen	7	1,351
Total		36	9,497

Table 26: TCCS asset valuation

Asset	Value \$'m	Revaluation increment/(decrement) \$'m
Infrastructure	7,296.8	2.6
Heritage and community	2,687.2	32.9
Plant and equipment	64.9	16.5
Buildings	84.9	4.9
Land	45.2	1.2
Leasehold improvements	2.2	n/a
Intangible assets	1.5	n/a
Total	10,182.7	58.1

Table 27: TCCS managed assets

Asset type	Amount
Roads	3,185 kilometres
Bridges and culverts	1,293
Footpaths	2,577 kilometres
Streetlights (lamps)	79,149
Stormwater	3,837 pipe kilometres
Cycle lanes (on road)	603 kilometres
Cycle paths (off road)	495 kilometres
Urban open space	6,318 hectares
Lakes and ponds*	375 hectares
Urban trees	779,037

⁷ Staffing numbers were reduced due to WhoG actions in line with steps taken in response to Covid-19. Employment staffing numbers are referred to in the HR section of the Annual Report.

⁸ Utilisation rate, staff number, workstation number and officer area per location is provided by ACTPG.

Asset type	Amount
Playgrounds	512
Sportsgrounds	422 hectares (282 hectares irrigated)
Barbeques	117

PART 2C GOVERNMENT CONTRACTING

Procurement Principles and Processes

All procurement processes within the Directorate are required to comply with the procurement legislative framework including the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate guidelines and circulars.

TCCS engaged the services of Procurement ACT and the Infrastructure Delivery Partnership Group, CMTEED and where necessary, the ACT Government Solicitors Office, for all procurements above \$200,000.

Procurement expenditures are approved by the appropriate Directorate delegate and the Directorate continues to be responsible for the management of contracts, excluding infrastructure contracts outsourced to Major Project Canberra. TCCS has provided training for those exercising delegations and contract management training for those actively involved in managing contracts.

A competitive procurement process is conducted wherever possible and any select or single select procurement processes are approved by the Director-General and completed in accordance with the provisions of the *Government Procurement Regulation 2007*.

TCCS accessed NSW Government standing offer panel agreements where these were assessed as providing value for money.

TCCS actively implemented the requirements of the Secure Local Jobs Code, including the expansion of the code to include additional services. TCCS engaged the Secure Local Jobs Office to support and advise on the application of the Code and compliance across the Directorate. No exemptions under section 22H of the *Government Procurement Act 2001* have been provided or reported by TCCS.

TCCS progressed the implementation of the Purchase Order 2 Payment Contract Management module to enable automated Purchase Order and expense allocation to Contracts and improve contract management reporting.

Social procurement and the application of the Aboriginal and Torres Strait Islander Procurement Policy is considered wherever possible and a number of procurement processes have been designed to require or encourage, either directly or by subcontract, the delivery of goods and services.

TCCS has achieved the following results against the three performance measures for the Aboriginal and Torres Strait Islander Procurement Policy.

Table 28: Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) Performance Measures in the financial year 2019-20

No.	ATSIPP Performance Measure	Result
1	The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems.	2
2	The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of Addressable Spend in the financial year.	17
3	Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander Enterprises – target 1.0%.	1.43%

Measure 1 – the number of unique Aboriginal and Torres Strait Islander enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems:

Two Aboriginal and Torres Strait Islander Enterprises responded to five tender and/or quotation opportunities issued from the Approved Systems. TCCS acknowledges this can be improved and is working to better communicate, promote and record opportunities for Aboriginal and Torres Strait Islander enterprises to be including in tender and quotation processes.

Measure 2 – The number of unique Aboriginal and Torres Strait Islander enterprises attributed a value of Addressable Spend in the financial year.

TCCS engaged 17 unique Aboriginal and Torres Strait Islander Enterprises to a value of \$2.24m.

Measure 3 – Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander enterprises (1.0 percent in 2019-2020).

TCCS exceed the 1% target, achieving 1.43% of addressable spend being attributed to Aboriginal and Torres Strait Islander Enterprises engagements.

The Directorate continues to communicate and promote the policy to increase the engagement of Aboriginal and Torres Strait Islander Enterprises and the Directorate's performance against all three measures. The Directorate is continuing to identify opportunities to apply and monitor the policy.

External Sources of Goods and Services

The Contracts Register table at Appendix 1 lists all contracts with a value of \$25,000 or more executed by TCCS from 1 July 2019 to 30 June 2020.

Table 29: Register of contract with a value of \$25,000 or more executed by TCCS in the 2019-20 financial year

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Cleaning	Quotation	Services	No	Corroboree Empire	\$38,504.40	1/07/2019	30/04/2020
Drone Surveillance Services to ACT NoWaste Facilities	Public	Consultancy	No	ACT Civil Surveys T/A Elevated Surveys	\$108,130.00	1/07/2019	30/12/2021
INRN Independent Certifier	Quotation	Consultancy	No	Atech Group Pty Ltd	\$93,280.00	3/07/2019	22/11/2019
Alinga Street Bus Shelter (Faster Bus Travel Program)	Public	Works	No	CB Excavations Pty Ltd	\$129,937.50	3/07/2019	21/07/2020
Community and Neighbourhood Priorities - Natural Play Spaces Glebe Park	Public	Works	No	Able Landscaping Pty Ltd	\$351,682.84	8/07/2019	26/08/2020
Community and Neighbourhood Priorities Natural Play Spaces Farrer and Eddison Park Woden (Construction)	Public	Works	No	Able Landscaping Pty Ltd	\$472,411.09	8/07/2019	26/08/2020
Provision of Registered Training Organisation services to Transport Canberra (TC)	Quotation	Services (non-consultancy)	No	Into Training Australia Pty Ltd	\$100,000.00	10/07/2019	9/07/2020
Light Rail City to Woden Communication Support	Selective	Consultancy	No	Social Atlas Pty Ltd	\$165,000.00	17/07/2019	1/08/2019
Collection, Transportation and Recycling of tyres from the Mitchell and Mugga Lane Resource Management Centres	Quotation	Services (non-consultancy)	No	Tyrecycle Pty Ltd	\$200,000.00	18/07/2019	17/07/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Monaro Highway Upgrade Program Feasibility and Design Services	Public	Consultancy	No	Jacobs Group (Australia) Pty Ltd	\$1,393,875.00	18/07/2019	30/06/2020
Belconnen Bikeway - Superintendency	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$197,162.40	24/07/2019	1/07/2021
Blackspot Programme 2018/2019 Design and Superintendence	Public	Consultancy	No	RD Gossip Pty Ltd	\$43,771.00	29/07/2019	28/02/2021
MyWay Smartcard Reload Services	Public	Services (non-consultancy)	No	EzyMart	\$0.00	31/07/2019	30/06/2022
MyWay Smartcard Reload Services	Public	Services (non-consultancy)	No	Shri Hariyagna Pty Ltd	\$0.00	31/07/2019	30/06/2022
Construction activities - Morrisset Road Levee	Public	Works	No	CB Excavations Pty Ltd	\$97,537.00	31/07/2019	26/08/2020
Spring Green Consulting	Quotation	Consultancy	No	Spring Green Consulting Pty Ltd	\$68,200.00	1/08/2019	29/02/2020
Remediation of DAS Salesforce System	Quotation	Services (non-consultancy)	No	ProQuest IT Pty Ltd	\$43,450.00	2/08/2019	10/10/2019
Remediation of DAS Salesforce System	Quotation	Services (non-consultancy)	No	ProQuest IT Pty Ltd	\$49,368.00	2/08/2019	2/08/2020
Consultancy investigating staff deployment	Quotation	Consultancy	No	Spring Green Consulting	\$68,200.00	8/08/2019	1/06/2020
Waste Levy Economic Fiscal Model	Quotation	Consultancy	No	ARUP AUSTRALIA PTY LTD	\$69,829.11	8/08/2019	8/02/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Waste Levy Model	Quotation	Consultancy	No	ARUP AUSTRALIA PTY LTD	\$98,872.00	8/08/2019	10/01/2022
Blackspot 2018-2019 Hobart Avenue, National Circuit Barton - Construction	Public	Works	No	Simeonov Civil Engineering Pty Ltd	\$147,583.00	8/08/2019	14/09/2020
Specialist Advisor to Provide Input into ACT Road Pavement Maintenance Contract	Public	Consultancy	No	WSP Australia Pty Ltd	\$149,720.00	8/08/2019	30/11/2020
Nicholls Stormwater Upgrade	Public	Works	No	CB Excavations Pty Ltd	\$155,150.00	13/08/2019	7/09/2019
Compliance information campaign	Quotation	Services (non-consultancy)	No	CRE8IVE	\$34,612.00	16/08/2019	30/08/2019
Design Feasibility Studies for Part 3 of the Active Travel Cycling Network Improvement Project	Public	Works	No	GHD Pty Ltd	\$147,667.50	21/08/2019	8/09/2020
Inner North Stormwater Reticulation Network Operation and Maintenance	Public	Services (non-consultancy)	No	Pinnacle ACT Pty Ltd t/a Flexible Drain Clear Service	\$397,707.20	22/08/2019	21/09/2021
Canberra Brickworks Precinct Access Road and Dudley Street Upgrade: Principal's Authorised Person (PAP) Contract Administration and Site Surveillance Services	Public	Works	No	Calibre Professional Services Pty Ltd	\$717,697.00	22/08/2019	30/06/2022

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Canberra Brickworks Precinct Access Road and Dudley Street Upgrade: Principal's Authorised Person (PAP) Contract Administration and Site Surveillance Services	Public	Consultancy	No	Calibre Professional Services Pty Ltd	\$717,697.00	22/08/2019	30/06/2022
MRF Gate Fee Review and Recommendations	Quotation	Consultancy	No	Mike Ritchie Associates Pty Ltd	\$68,480.00	23/08/2019	31/05/2020
Bridge Strengthening Program Design and Construction Superintendence (Package 6)	Public	Consultancy	No	SMEC Australia	\$190,434.00	3/09/2019	1/06/2021
Fight Food Waste CRC	Quotation	Services (non-consultancy)	No	Fight Food Waste Limited	\$50,000.00	9/09/2019	1/06/2022
Belconnen Bikeway - Construction	Public	Works	No	Cord Civil Pty Ltd	\$6,218,631.36	9/09/2019	9/07/2021
Bridge Inspection Program 2019-2020	Public	Consultancy	No	SMEC Australia Pty. Limited	\$431,763.00	12/09/2019	11/09/2022
Panel for the Supply of Supplementary Plants to Yarralumla Nursery	Public	Goods	No	JAYFIELDS NURSERY	\$2,000,000.00	17/09/2019	30/06/2020
Malcolm Fraser Bridge Feature Lighting Repair	Public	Works	No	Sound Advice Australia Pty Ltd	\$206,194.01	23/09/2019	22/09/2021
Bus Stop Improvements - Package 1	Public	Works	No	Simeonov Civil Engineering Pty Ltd	\$183,076.00	25/09/2019	25/11/2020
Bus Stop Improvements - Package 2	Public	Works	No	Simeonov Civil Engineering Pty Ltd	\$213,492.00	4/10/2019	1/03/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
South Fyshwick Stormwater Augmentation	Public	Works	No	Guideline ACT Pty Ltd	\$3,999,591.11	17/10/2019	22/07/2021
Monaro Highway Improvements - Construction Services	Public	Works	No	Dale & Hitchcock Civil Engineering & Landscaping	\$4,388,296.25	17/10/2019	1/06/2021
Provision of Auditing Services for Bulky Waste Material	Quotation	Consultancy	No	APrince Consulting	\$39,730.00	18/10/2019	21/10/2019
Delivering Safer Intersections, Kent Street/Novar Street Intersection Upgrades (Detailed Design)	Single Select	Works	Yes	AECOM Australia	\$485,980.00	18/10/2019	18/04/2023
Electrical Pit Repair - Acton Tunnel	Quotation	Works	No	Complex Co. Pty Limited	\$50,132.50	21/10/2019	13/11/2020
Monaro Highway Improvements - Principal's Authorised Person (PAP), Contract Administration and Site Surveillance Service	Public	Consultancy	No	Indesco Pty Ltd	\$413,585.00	22/10/2019	30/06/2021
Stormwater Contract Scoping	Quotation	Consultancy	No	Knee, Ross Munro t/a Independent Water Management Services	\$82,500.00	25/10/2019	1/11/2020
Provide support to the Territory's Light Rail Project	Selective	Consultancy	No	CPB Contractors PTY LTD	\$1,000,000.00	25/10/2019	31/12/2020
Local Shopping Centre Improvements 2019-2020 Fraser and Dunlop	Public	Works	No	Able Landscaping Pty Ltd	\$654,500.00	30/10/2019	30/06/2020

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Panel of Providers for Tree Watering Trucks and Other Related Services	Public	Services (non-consultancy)	No	JT & NC Emery	\$0.00	1/11/2019	12/11/2022
Athllon Drive Infrastructure Study and Duplication Concept Design	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$312,858.70	4/11/2019	4/11/2020
Flemington Road - Shared Path Construction Stage 2	Public	Works	No	Complex Co. Pty Ltd	\$529,646.38	4/11/2019	2/03/2021
Supply of Safety Work Boots	Quotation	Goods	No	Southland Supply Group	\$25,000.00	11/11/2019	11/11/2020
Supply of Safety Work Boots	Quotation	Goods	No	Workin Gear	\$25,000.00	11/11/2019	11/11/2020
Bridge Renewal Program - Design and Construction Superintendence - B5090	Public	Consultancy	No	SMEC Australia	\$334,404.90	12/11/2019	31/03/2022
Panel of Providers for Tree Watering Trucks and Other Related Services	Public	Services (non-consultancy)	No	Develin Engineering	\$0.00	13/11/2019	12/11/2022
Panel of Providers for Tree Watering Trucks and Other Related Services	Public	Services (non-consultancy)	No	Ecoway (Aust) Pty Ltd	\$0.00	13/11/2019	12/11/2022
Panel of Providers for Tree Watering Trucks and Other Related Services	Public	Services (non-consultancy)	No	The Outdoor People Pty Ltd	\$0.00	14/11/2019	12/11/2022
Commercial Route Network Improvements - Design and Construction Superintendence	Public	Consultancy	No	RD Gossip Pty Ltd	\$218,700.00	15/11/2019	31/08/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Angas Street, Ainslie Car Park and Kunzea Street (Tourist Park entry to the fence), O'Connor Upgrade Construction	Public	Works	No	Complex Co. Pty Limited	\$1,022,150.45	20/11/2019	26/05/2021
Bridge Maintenance Program (Construction) 2019	Public	Works	No	Complex Co. Pty Limited	\$1,709,498.63	20/11/2019	8/02/2021
Models of Staff Deployment Project	Quotation	Consultancy	No	Bevington Group	\$79,695.00	21/11/2019	31/01/2020
More Shopping Centre Carparks - Cooleman Court & Palmerston Shops Design and Superintendency	Public	Consultancy	No	RD Gossip Pty Ltd	\$178,477.20	21/11/2019	30/06/2020
Active Travel Community Paths 2019-2020 Design and Superintendence Package 1	Public	Consultancy	No	Northrop Consulting Engineers Pty Ltd	\$201,235.00	21/11/2019	30/07/2021
On-Road Cycling Design Services	Quotation	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$56,794.00	25/11/2019	24/11/2020
Road Safety Barrier Repair Works	Quotation	Works	No	Western Safety Barriers Pty Ltd	\$199,599.39	26/11/2019	30/06/2020
Better Connecting Gungahlin and Belconnen William Slim Drive Duplication PAP Services	Public	Consultancy	No	AECOM Australia	\$2,995,960.37	26/11/2019	30/11/2022
Civic Plume Site Auditor	Quotation	Consultancy	No	Senversa Pty Ltd	\$32,450.00	29/11/2019	28/05/2020
Detailed Design of the Mawson Retarding Basin and Associated Structures	Public	Consultancy	No	Indesco Pty Ltd	\$186,428.00	29/11/2019	23/11/2020

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Special Needs and Supplementary Transport Services	Public	Services (non-consultancy)	No	Qcity Transit	\$37,000,000.00	29/11/2019	31/12/2024
PREVENTATIVE AND REACTIVE BOILER AND GAS FIRED EQUIPMENT MAINTENANCE	Quotation	Services (non-consultancy)	No	Capital Boiler and Burner Services	\$81,180.00	1/12/2019	1/12/2021
Active Travel Safer Walking and Cycling around Schools	Public	Works	No	Kuna Contractors Pty Ltd	\$128,920.00	3/12/2019	3/02/2021
2019 - 2020 Disability Discrimination Act (DDA)	Public	Works	No	Kuna Contractors Pty Ltd	\$149,758.00	3/12/2019	3/03/2021
TCCS Audit Committee Member - 5	Single Select	Services (non-consultancy)	Yes	Dalla Costa Pty Limited	\$33,000.00	5/12/2019	22/11/2021
Review and Update of MIS14 Public Lighting and Streetlight Drawings	Quotation	Consultancy	No	Rudds Consulting Engineers Pty Ltd	\$88,869.00	5/12/2019	30/06/2020
Infrastructure Delivery project signage	Quotation	Services (non-consultancy)	No	Capital Lines & Signs	\$150,000.00	5/12/2019	30/06/2020
Specialist Asset Maintenance Services	Single Select	Services (non-consultancy)	Yes	Christopher Campbell Trading as C & B Laundry Maintenance	\$1,500,000.00	6/12/2019	6/12/2022
Active Travel Community Paths 2019-2020 - Design and Superintendence Package (2)	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$115,466.00	9/12/2019	31/07/2021
E12 Yutong Electric Bus Lease	Quotation	Goods	No	Electromotive	\$120,000.00	10/12/2019	9/12/2020

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
New City West Bus Layover (Design and Construction Consultancy)	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$373,964.80	10/12/2019	4/11/2021
Environmental Consultant Services for WBRMC Landfill Rehabilitation	Public	Consultancy	No	GHD Pty Ltd	\$680,768.00	12/12/2019	31/12/2020
Whitlam Billboards	Quotation	Services (non-consultancy)	No	Screenmakers Pty Ltd	\$31,000.00	16/12/2019	16/12/2020
City Precinct and Inner North Traffic Model (AIMSUN Next Software)	Public	Consultancy	No	Jacobs Group (Australia) Pty Ltd	\$234,900.00	16/12/2019	31/08/2020
CCTV Network Upgrades	Quotation	Services (non-consultancy)	No	Control by Integration	\$136,889.00	18/12/2019	19/01/2021
Flooring Repairs for Transport Canberra Buses	Quotation	Goods	No	AMA Group Solutions Pty Ltd	\$200,000.00	19/12/2019	30/12/2020
Stormwater Infrastructure Improvements 2019/20 Gordon, O'Connor and Narrabundah Design Services and Construction Phase Services	Public	Consultancy	No	Cardno (NSW/ACT) Pty Ltd	\$152,378.60	20/12/2019	3/12/2021
Waste Services Management System	Single Select		Yes	Proquest It Pty Ltd	\$799,905.00	20/12/2019	19/12/2020
William Hovell Drive Duplication (Detail Design)	Public	Consultancy	No	SMEC Australia	\$1,518,734.34	20/12/2019	16/06/2021
John Gorton Drive Stage 3C Preliminary Sketch Plan (PSP) Design Review	Public	Consultancy	No	WSP	\$72,666.00	2/01/2020	23/12/2020

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
2019-2020 Disability Discrimination Act (DDA)	Public	Works	No	JSK Excavations Pty Ltd	\$142,550.00	6/01/2020	30/03/2021
Active Travel Safer Walking and Cycling around Schools	Public	Works	No	CB Excavations Pty Ltd	\$143,000.00	6/01/2020	27/04/2021
East Gungahlin High School Services and Utility Infrastructure Study	Public	Consultancy	No	Indesco Pty Ltd	\$74,250.00	9/01/2020	31/03/2021
Tuggeranong Dam Valve Replacement Detail Design	Public	Consultancy	No	SMEC Australia Pty. Limited	\$101,079.00	13/01/2020	20/12/2020
Ginninderra Dam Valve Replacement Detail Design	Public	Consultancy	No	SMEC Australia Pty. Limited	\$104,654.00	13/01/2020	20/12/2020
CLEAN BAG MONORAIL SYSTEM EXTENSION AND MODIFICATION	Single Select	Services (non-consultancy)	Yes	Alltrack Spare parts Pty Ltd	\$225,142.50	13/01/2020	12/05/2021
CONTROL SYSTEM UPGRADE	Single Select	Services (non-consultancy)	Yes	Scott Systems Pty Ltd	\$257,656.92	13/01/2020	12/05/2021
Design and Construction Superintendence - Kuringa Drive Owen Dixon Drive Intersection Upgrade	Public	Consultancy	No	Calibre Professional Services Pty Ltd	\$291,000.00	15/01/2020	1/12/2021
Blackspot Programme 2018-2019 Masson St Mccaughey Street Turner (Construction)	Public	Works	No	CB Excavations Pty Ltd	\$111,386.00	17/01/2020	31/03/2021
Supply and Delivery of Health and Theatre Linen	Single Select	Goods	Yes	Simba Textiles Mills Pty Ltd	\$2,750,000.00	18/01/2020	31/08/2022

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Morisset Road Extension Detail Design Including Development Approvals and Retardation Basin Design)	Public	Consultancy	No	Calibre Professional Services Pty Ltd	\$1,015,767.52	22/01/2020	30/10/2021
Consulting Advisory Services	Single Select	Consultancy	Yes	Tracey Brunstrom & Hammond Pty Ltd trading as TBH	\$82,566.00	27/01/2020	19/03/2020
Boboyan Road (Design and Superintendence)	Public	Consultancy	No	WSP	\$100,063.00	30/01/2020	4/11/2021
Design and Superintending Services Active Travel Safer Walking and Cycling Around Schools	Public	Consultancy	No	Calibre Professional Services Pty Ltd	\$216,623.00	31/01/2020	31/07/2021
Physical magazines subscriptions, end-processing, and delivery services	Single Select	Goods	Yes	EBSCO Australia	\$104,881.79	1/02/2020	31/12/2020
SUPPLY AND DELIVERY OF PNEUMATIC VALVE TERMINALS	Quotation	Services (non-consultancy)	No	Scott systems Pty Ltd	\$34,107.50	4/02/2020	12/05/2021
Training Solutions Agreement - Leadership Development Program	Quotation	Services (non-consultancy)	No	Australian Institute of Management Education and Training	\$198,825.00	17/02/2020	15/01/2021
Materials Recovery Facility Expansion Design Services	Public	Consultancy	No	Indesco Pty Ltd	\$130,900.00	20/02/2020	20/08/2021
Blackspot Programme 2018/2019 Barton Highway, Pialligo Avenue	Selective	Works	No	Lockton Traffic Solutions	\$164,540.03	20/02/2020	20/04/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Engineering Consultant for Procurement and Contracting Projects	Public	Consultancy	No	Willing & Sustainable	\$185,000.00	26/02/2020	25/08/2020
Urban Flood Modelling (Duffy Stormwater Upgrade Program 2019/2020)	Public	Consultancy	No	Calibre Professional Services	\$141,807.00	28/02/2020	28/08/2020
Better Public Transport Infrastructure for Canberra 2019-2021 Design and Superintendence Services	Public	Consultancy	No	RD Gossip Pty Ltd	\$345,188.25	28/02/2020	26/08/2021
Calwell Block 1 Section 85 Stormwater Rectification	Public	Works	No	CB Excavations Pty Ltd	\$137,049.50	2/03/2020	13/04/2021
Attraction and Retention for Recruitment of Deputy Director-General executive position	Quotation	Services (non-consultancy)	No	Rosemary Hardham & Associates	\$55,000.00	3/03/2020	30/06/2020
Boiler Gas Efficiency Upgrade	Quotation	Services (non-consultancy)	Yes	ERM Power Projects Pty Ltd as Trustee for the ERM Power Projects Unit Trust	\$196,875.00	5/03/2020	1/07/2021
Employee Staff Survey 2020 and Pulse Survey 2021	Quotation	Services (non-consultancy)	Yes	Best Practice Australia	\$119,102.00	6/03/2020	4/03/2021
Upgrades to Bus Stops Package 39	Selective	Works	No	Kuna Contractors Pty Ltd	\$169,695.00	10/03/2020	10/06/2021
Supply and Delivery of Pest and Weed Control Chemicals	Public	Goods	No	GREENWAY TURF SOLUTIONS	\$217,000.00	10/03/2020	10/03/2023
Bus Stop Upgrades Package 40	Selective	Works	No	CB Excavations Pty Ltd	\$198,512.00	12/03/2020	11/06/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Play Space Upgrades 2019/20. Shade Sails in 5 Playgrounds	Public	Works	No	RAM Constructions	\$155,155.77	13/03/2020	30/06/2021
Play Space Upgrades 2019/20. Natural Play Space - Yerrabi & Kambah	Public	Works	No	RAM Constructions	\$305,937.39	13/03/2020	30/06/2021
Supplementary Chemical Supply (COVID-19 provision)	Single Select	Goods	Yes	Intech Chemical Solutions Pty Ltd	\$132,000.00	16/03/2020	31/03/2020
VMS Board Hire for 40 km/hr in Town Centres	Quotation	Goods	No	PremiAir Services Pty Ltd	\$25,773.00	18/03/2020	30/04/2020
Playspace Upgrades 2019/20 - Playground Audits	Public	Consultancy	No	Play Spect P/L	\$122,056.00	18/03/2020	30/06/2021
Dog Park Improvements 2019/020	Public	Works	No	RAM Constructions	\$152,339.99	19/03/2020	30/06/2021
Provision of Oil, Coolant and Lubricant for the Transport Canberra Bus Fleet	Public	Goods	No	HI-TEC OIL TRADERS PTY LTD	\$4,327,000.00	19/03/2020	31/03/2026
Fyshwick Stormwater Augmentation - Design and Superintendence	Public	Consultancy	No	Indesco Pty Ltd	\$402,576.00	23/03/2020	22/12/2023
Road to Recovery -Sutton Road - Design & Construction Superintendence	Public	Consultancy	No	GHD Pty Ltd	\$272,961.59	26/03/2020	13/12/2021
Tuggeranong Town Square and Laneways Upgrade	Public	Works	No	Guideline ACT Pty Ltd	\$3,574,148.50	26/03/2020	21/10/2021
Dam Surveillance Services	Public	Services (non-consultancy)	No	GHD Pty Ltd	\$411,776.20	30/03/2020	29/03/2022

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Direct Health Solutions Coronavirus Hotline for TCCS staff	Single Select	Services (non-consultancy)	Yes	Direct Health Solutions	\$56,350.00	3/04/2020	5/10/2020
Supply and installation of cremator at Gungahlin Cemetery	Single Select	Works	Yes	Australian Engineering Solutions	\$604,450.00	3/04/2020	31/08/2020
Site Services and Landfill Operations at the Mugga 2 Quarry	Public	Services (non-consultancy)	No	REMONDIS Australia Pty Ltd	\$6,386,000.00	3/04/2020	30/06/2022
Minor Asphalt Maintenance	Quotation	Works	No	Southern Asphalt Services Pty Ltd t/a Capital Asphalt	\$200,000.00	6/04/2020	30/05/2020
Consignment of Spare Parts for Barrier Washer Extractor	Public	Goods	No	Kannegiesser Australia Pty Ltd	\$80,000.00	8/04/2020	7/04/2025
Supply and Install Barrier Washer Extractor	Public	Goods	No	Kannegiesser Australia Pty Ltd	\$262,454.19	8/04/2020	28/11/2022
Murrnaji Street Childrens Crossing	Public	Works	No	Complex Co. Pty Ltd	\$116,486.66	9/04/2020	28/04/2021
Removal of hedge - Colbatch Place Curtin	Quotation	Works	No	Gold Leaf Tree Services Pty Ltd	\$51,480.00	14/04/2020	30/06/2021
Tyres and Ancillary Services for Transport Canberra Buses	Public	Goods	No	Bridgestone Australia Ltd.	\$4,600,000.00	14/04/2020	20/04/2023
Play Space Upgrades 2019/20 - Playground Refreshment Works	Public	Works	No	RAM Constructions	\$803,865.04	15/04/2020	30/06/2021
Safer Walking and Cycling Around Schools	Public	Works	No	Complex Co. Pty Ltd	\$381,935.27	16/04/2020	28/05/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Paddy's River Road - Design and Construction Superintendence	Public	Consultancy	No	Indesco Pty Ltd	\$203,170.00	17/04/2020	13/12/2021
Bus Stop Upgrades Package 41	Public	Works	No	JSK Excavations Pty Ltd	\$119,337.00	22/04/2020	30/06/2021
Munga Place Giralang - Stair Improvements	Public	Works	No	Chincivil Pty Ltd	\$245,297.03	22/04/2020	31/07/2021
Active Travel Cycling Network Improvements Part 1 – Priority Crossings Construction Works	Public	Works	No	Complex Co. Pty Ltd	\$104,836.81	29/04/2020	21/07/2021
Southern Memorial Park Masterplan Revision	Public	Consultancy	No	Place Laboratory	\$524,700.00	29/04/2020	31/08/2020
Canberra Brickworks Access Road & Dudley Street Upgrade	Public	Works	No	Cord Civil Pty Ltd	\$7,197,791.88	29/04/2020	1/10/2021
Lake Ginninderra District Park Pump House Upgrade	Public	Works	No	Complete Constructions (Aust) Pty Ltd	\$236,500.00	30/04/2020	30/08/2021
Capital Linen Service Cleaning Services	Public	Services (non-consultancy)	No	CEIC	\$720,000.00	30/04/2020	29/04/2023
WRMSTRAX-F SOLUTION	Single Select	Services (non-consultancy)	Yes	ProQuest IT Pty Ltd	\$149,500.00	1/05/2020	31/07/2020
Provision of Traffic Data Collection Services	Public	Consultancy	No	Traffic Survey Australia Pty Ltd	\$767,800.00	1/05/2020	30/04/2024
Segmental Paving Remediation Works - North	Quotation	Works	No	AN ENVIROMENTAL DESIGN (AUST) PTY LTD	\$199,990.00	4/05/2020	30/06/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Segmental Paving Remediation Works - South	Quotation	Works	No	AN ENVIROMENTAL DESIGN (AUST) PTY LTD	\$199,990.00	4/05/2020	30/06/2021
Belconnen Bus Depot CCTV upgrades	Quotation	Goods	No	Daintree Electronics	\$153,555.00	5/05/2020	5/05/2021
Play Space Upgrades 2019/2020 - 2 Suburbs - Waramanga and Torrens	Public	Works	No	Able Landscaping Pty Ltd	\$644,370.00	5/05/2020	30/06/2021
Play Space Upgrades 2019/2020 - 3 Suburbs - Richardson, Higgins, and Narrabundah	Public	Works	No	RAM Constructions	\$945,956.00	5/05/2020	30/06/2021
Evaluation of ACT Food Waste Avoidance Pilot	Quotation	Services (non-consultancy)	No	First Person Consulting	\$28,985.00	6/05/2020	6/12/2021
Active Travel Age Friendly Suburbs 2018/2021 Package B	Public	Works	No	JSK Excavations Pty Ltd	\$335,155.70	6/05/2020	2/09/2021
Active Travel Age Friendly Suburbs 2018/2021 Package C	Public	Works	No	Able Landscaping Pty Ltd	\$342,726.46	6/05/2020	2/09/2021
Active Travel Age Friendly Suburbs 2018/2021 Package A	Public	Works	No	CB Excavations Pty Ltd	\$400,875.53	6/05/2020	2/09/2021
Better Intersections - Intersection Improvements Design & Superintendence	Public	Consultancy	No	Indesco Pty Ltd	\$356,028.00	7/05/2020	5/05/2022
Northbourne Avenue Pavement Rehabilitation	Public	Works	No	Woden Contractors Pty Ltd	\$3,513,282.38	8/05/2020	6/10/2021
Cycling Network Improvements Part 2, Wayfinding Strategy Implementation	Public	Works	No	Lockton Traffic Solutions	\$111,106.60	15/05/2020	10/07/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Northbourne Avenue Pavement Rehabilitation Construction Superintendence	Public	Consultancy	No	Professional Engineering Service	\$272,079.00	17/05/2020	15/04/2022
More Shopping Centre Carparks – Palmerston Shops	Public	Works	No	Simeonov Civil Engineering Pty Ltd	\$244,736.45	19/05/2020	4/08/2021
Timber playground edging works- north	Quotation	Works	No	Leaves Away Pty Ltd	\$37,449.50	20/05/2020	30/06/2020
Playground painting - southside	Quotation	Works	No	Capital Projects Australia	\$42,240.00	22/05/2020	30/06/2020
Playground timber edging works - southside	Quotation	Works	No	Capital Projects Australia	\$47,877.50	22/05/2020	30/06/2020
Wayfinding guidelines for Territory (ACT NoWaste) Facilities	Quotation	Community-Based Services	No	ThinkPlace	\$73,746.17	27/05/2020	22/09/2020
Playground painting works- north	Quotation	Works	No	Programmed Property Services	\$39,663.00	28/05/2020	30/06/2020
Eddison Skate Park Repairs	Quotation	Works	No	Revolution Action Sports Concepts Pty Ltd	\$136,278.18	4/06/2020	30/06/2020
Smith's Road – Construction	Public	Works	No	Huon Contractors Pty Ltd	\$1,950,692.70	4/06/2020	27/08/2021
Eddison Skate Park Repairs	Quotation	Works	No	Revolution Action Sports Concepts Pty Ltd	\$136,278.18	4/06/2020	30/06/2020
Bulky Waste Collection Service Agreement	Public	Services (non-consultancy)	No	SUEZ	\$9,066,000.00	5/06/2020	4/06/2023

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Recycling Drop Off Centres (RDOC) Safety, Security and Functionality Upgrades – Design Consultancy Services	Public	Consultancy	No	Indesco Pty Ltd	\$94,399.00	5/06/2020	31/08/2020
Active Travel Community Paths Package 1	Public	Works	No	Kuna Contractors Pty Ltd	\$290,269.21	9/06/2020	21/07/2021
Active Travel Community Paths Package 2	Public	Works	No	J S C Pty Ltd	\$77,087.79	9/06/2020	21/07/2021
Active Travel Community Paths Package 3	Public	Works	No	J S C Pty Ltd	\$39,403.80	9/06/2020	21/07/2021
Active Travel Community Paths Package 4	Public	Works	No	Able Landscaping Pty Ltd	\$210,983.43	9/06/2020	21/07/2021
Light Rail Date Interface Consultancy	Single Select	Consultancy	Yes	netBI	\$41,250.00	10/06/2020	10/12/2020
Portable Lunchroom and Toilet Block	Quotation	Works	No	Nova Portable Buildings	\$75,704.00	10/06/2020	10/07/2020
Commercial Route Network Improvements (HVSPP) - Package 1	Public	Works	No	Complex Co. Pty Ltd	\$247,865.47	10/06/2020	31/07/2021
25 Pallets of recycled plastic bollards	Single Select	Goods	Yes	Repeat Plastics Australia Pty Ltd	\$200,000.00	12/06/2020	13/12/2020
Belconnen Bus Depot Access & Egress Ways Remediation	Single Select	Works	Yes	Brindabella Contractors Pty Ltd	\$148,115.00	24/06/2020	24/06/2021
Tuggeranong Bus Depot Generator Connection Cubicles	Single Select	Works	Yes	GENPLUS HIRE	\$100,138.50	25/06/2020	25/06/2021
Tipper Truck Hire to assist with the RMS Asphalt team	Public	Works	No	JLN Contractors	\$105,000.00	29/06/2020	29/06/2021

Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
Boboyan Road Guardrail	Public	Works	No	Complex Co. Pty Ltd	\$64,213.10	30/06/2020	11/08/2021

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Transport Canberra and City Services Directorate (Directorate) for the year ended 30 June 2020.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2020 are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

The Directorate's responsibilities for the statement of performance

The Director-General is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Directorate.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Directorate, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Directorate.

A handwritten signature in dark ink, appearing to read 'M. L. Harris', with a horizontal line drawn underneath it.

Michael Harris
Auditor-General
29 September 2020

**Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2020**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate in providing each class of outputs during the financial year ended 30 June 2020 and also fairly reflects the judgements exercised in preparing it.



Alison Playford
Director-General
Transport Canberra and City Services Directorate
28 September 2020

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2020

Output Class 1: Transport Canberra

Output 1.1: Transport Canberra

Description: Transport Canberra includes oversight of the Government subsidy paid to bus operations, the strategic oversight of the public transport network, public transport asset management and the Active Travel Office

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$199,208	\$192,046	4%	
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$193,298	\$191,142	1%	
Accountability Indicators				
Light Rail				
a. Light rail Passenger Service Availability ¹	99.5%	99.8%	0.3%	
b. Customer satisfaction with light rail services as assessed by passenger survey ²	85%	90%	6%	Higher than targeted result is mainly due to the positive customer experience travelling on light rail. This is associated with high reliability of Light Rail Vehicles over the first year of operations and aided by the novel experience for Canberrans of travelling on new trains with modern stops, which represents a significant change to how our customers previously travelled to school, work or for pleasure.
Active Travel Office				
c. Customer satisfaction with access to cycle and walking paths ²	85%	90%	6%	Higher than targeted result is mainly attributed to the increased focus on filling in missing sections of cycle and walking paths.
Public Transport Passenger Boardings				
d. Public transport passenger boardings ³	19.9m	17.6m	(12%)	Lower than targeted results are mainly due to fewer passengers using public transport during the COVID-19 pandemic period.
Bus Operations				
e. Customer satisfaction with bus operations (ACTION) services as assessed by passenger survey ²	85%	74%	(13%)	Lower than targeted result is mainly due to implementation of Network 19. While it provided strong overall patronage growth prior to the COVID-19 pandemic, there was some negative feedback about the changes largely in areas of south Canberra. This is being addressed in the updated network commencing 18 July 2020.
f. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ⁴	86%	90%	5%	Higher than targeted result is mainly due to deliveries of new buses occurring earlier than originally estimated.

Output Class 1: Transport Canberra**Output 1.1: Transport Canberra**

Description: Transport Canberra includes oversight of the Government subsidy paid to bus operations, the strategic oversight of the public transport network, public transport asset management and the Active Travel Office

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
g. Percentage of in service fleet Euro 5 or better emission standard compliant ⁵	67%	70%	4%	
h. Service reliability – percentage of all scheduled services which operated to completion	99.5%	98.6%	(1%)	
i. Percentage of services operating on scheduled time ⁶	75%	73%	(3%)	
j. Total network operating cost per network kilometre ⁷	\$5.88	\$6.49	10%	Higher than targeted result is mainly due to the higher number of staff employed for the new bus network and additional weekend bus services.

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

Explanation of Accountability Indicators

This is a new indicator for 2019-20 to measure the availability of light rail for passenger services. This will be measured by comparing the number of scheduled services against the number of services that were delivered.

Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.

This indicator measures the patronage number for buses and light rail.

The *Disability Discrimination Act 1992* (DDA) details the accessibility specifications of a bus required to achieve compliance. The Act requires full compliance by 2022.

Euro emission standards define the acceptable limits for exhaust emissions of vehicles.

Operating on scheduled time describes a bus service that departs a stop that is a designated timing point between one minute earlier and four minutes later than the scheduled time. GPS technology attached to the MyWay system is used to measure this indicator. Only scheduled services that operated successfully are measured.

Network operating costs per kilometre measure the cost and kilometres directly attributable to the operation of Transport Canberra Operations' bus network route. The higher target for 2019-20 is a result of the Transport Canberra Operations' new bus network which delivers faster, more direct and frequent services including evenings and weekends.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2020

Output Class 2: City Services

Output 2.1: Roads and Infrastructure

Description: Management of the Territory's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$218,850	\$247,341	13%	Higher than targeted result is mainly due to higher than anticipated expenses associated with: 1) unbudgeted costs from capital projects that did not meet the asset recognition criteria under the Australian Accounting Standards, 2) depreciation expenses; and 3) higher than budgeted overhead allocation to the Roads and Infrastructure output associated with a reduction in the sope of Transport Canberra output.
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$82,667	\$86,979	5%	Higher than targeted result relates to: 1) receipt of the unbudgeted Treasurer's Advance; and 2) higher than budgeted overhead allocation to the Roads and Infrastructure output associated with a reduction in the sope of Transport Canberra output.
Accountability Indicators				
Roads				
a. Annual percentage of territorial roads resurfaced ¹	5%	5%	-	
b. Annual percentage of municipal roads resurfaced	4%	4%	-	
c. Percentage of customers satisfied with the public road network ²	>75%	81%	-	
d. Percentage of territorial roads in good condition ¹	>89%	89%	-	
e. Percentage of bridges that meet SM1600 standard on the B Double Network ³	> 80%	84%	-	
f. Increase in length (km) of community paths ⁴	35	49	41%	This measure is influenced by both creation of new paths through TCCS capital and Better Infrastructure Fund programs, and also by gifting of path assets created by land developers. Targets are set assuming similar rates of asset increases to previous equivalent periods. During the current reporting period more than anticipated path assets were received from land developers and from completed capital works due to stimulus package works.

Output Class 2: City Services
Output 2.1: Roads and Infrastructure
Description: Management of the Territory's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
g. Increase in length (km) of cycle lanes ⁵	25	23	(8%)	This measure is influenced by both creation of new paths through TCCS capital and Better Infrastructure Fund programs and also by gifting to TCCS of cycle lane assets created by land developers. Targets are set assuming similar rates of asset increases to previous equivalent periods. During the current reporting period fewer than anticipated cycle lanes were received, which may be due to timing difference between completing the construction works and providing Works as Executed information which contributes to this indicator.
Asset Acceptance				
h. Responses on Development Applications referred from the Environment, Planning and Sustainable Development Directorate completed within agreed timeframes ⁶	85%	78%	(8%)	The number and complexity of submissions has increased over recent years. The number of multi unit and mixed use developments has almost doubled since 2012-13. Combined with the COVID-19 pandemic which has resulted in staff having to work from home has added another level of complexity to the reviewing of submissions.
i. Respond to developers submissions within adopted timeframes ⁷	85%	71%	(16%)	The number and complexity of submissions has increased over recent years. The number of multi unit and mixed use developments has almost doubled since 2012-13. Combined with the COVID-19 pandemic which has resulted in staff having to work from home has added another level of complexity to the reviewing of submissions.

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

Explanation of Accountability Indicators

1

Territorial roads are sealed major roads that have the principal function of an avenue for movements linking town centres and suburbs. Territorial roads are defined as NAASRA (National Association of Australian State Road Authorities) Class 1,2,3 and 6. This indicator is measured using an industry standard survey that assesses one third of the territorial road network annually.

2 Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads and community paths), waste collection, parks and open spaces, and public transport. The response is collected through a telephone survey over a period of four weeks. The respondents are asked to rate services across four ratings which were "Very Satisfied", "Satisfied", "Dissatisfied" and "Very Dissatisfied". Minimum sample size for this survey is 1,000.

3 SM1600 standard is a theoretical loading designated by Australian Standards 5100:2004 Bridge Design which should ensure that bridges can carry future vehicle loadings.

4 Increases in community paths are measured using the date the 'works as executed' drawings are submitted and registered.

5 The indicator refers to the length of cycle lanes in the network that meet the current standard width requirements.

6 Agreed timeframe is 15 working days.

7 Adopted timeframe is 20 working days.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2020

Output Class 2: City Services

Output 2.2: Library Services

Description: Provision of library services to the community through the Libraries ACT's branches, home library service, the ACT Virtual Library and the Heritage Library.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$20,345	\$19,922	(2%)	
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$15,294	\$15,429	1%	
Accountability Indicators				
a. Physical visits to Libraries per capita ¹	5.0	3.4	(32%)	Lower than targeted result is mainly due to impacts of bushfires and the COVID-19 pandemic with conditions not being conducive to encouraging use of the library. Library services ceased on 25 March 2020 with three branches opening with reduced hours from 1 May 2020. All branches resumed regular opening hours with limited services from 2 June 2020.
b. Items borrowed per capita ^{1,2}	7.5	4.6	(39%)	Lower than targeted result is mainly due to impacts of bushfires and the COVID-19 pandemic with conditions not being conducive to encouraging use of the library. Library services ceased on 25 March 2020 with three branches opening with reduced hours from 1 May 2020. All branches resumed regular opening hours with limited services from 2 June 2020. This year also included a period of restricted services due to migration to a new library computer system which has also impacted the result.
c. Percentage of population who are registered library members ³	55%	41%	(25%)	Lower than targeted result is mainly due to the following: (a) migration to the new library management system which included periods of offline systems and archiving of in-active members; (b) impacts from bushfires and the COVID-19 pandemic with conditions not being conducive to encouraging use of the library.
d. Customer satisfaction with library services ⁴	90%	96%	7%	Higher than targeted results are associated with additional measures being put in place during periods of the COVID-19 pandemic and bushfires, including extended opening hours during heat-waves and moving popular program online.
e. Direct cost of public library services per capita ¹	\$35.50	\$33.53	(6%)	Lower than targeted result is mainly due to the increasing ACT population base and efficient operations of Libraries ACT.
f. Percentage of library collection purchased in previous five years	60%	58%	(3%)	
g. Number of hours assisting client research in the ACT Heritage Library ⁵	650	824	27%	Higher than targeted result is due to an under-estimation of hours at budget time. This is a new indicator for 2019-20 and the original target will be reviewed for 2020-21.

Output Class 2: City Services	
Output 2.2: Library Services	
Description:	Provision of library services to the community through the Libraries ACT's branches, home library service, the ACT Virtual Library and the Heritage Library.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
h. Percentage of participants with a learning outcome from library programs ⁶	90%	93%	3%	

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

Explanation of Accountability Indicators

- ¹ The 2019-20 target is based on an ACT population of 439,400.
- ² This includes physical loans as well as digital loans.
- ³ The 2019-20 target is based on an ACT population of 439,400 with 55 per cent of the population representing approximately 263,004 library members. Registered library members include people from the ACT and the surrounding NSW region.
- ⁴ Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads and community paths), waste collection, parks and open spaces, and public transport. The response is collected through a telephone survey over a period of four weeks. The respondents are asked to rate services across four ratings which were "Very Satisfied", "Satisfied", "Dissatisfied" and "Very Dissatisfied". Minimum sample size for this survey is 1,000. The survey includes public libraries only and does not include the Virtual and Heritage Libraries.
- ⁵ This is a new indicator for 2019-20 to measure the number of hours assisting client research in the ACT Heritage Library.
- ⁶ Library programs and events offer people opportunities to learn and link them to library resources to further their learning and use of the library. This is a new indicator for 2019-20 to measure percentage of participants that have furthered their learning through the library programs. The result of this indicator is measured through a survey completed by the participants.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
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Output Class 2: City Services

Output 2.3: Waste and Recycling

Description: Provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs.

	Original Target 2019-20	Actual Result 2019-20	Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$68,761	\$55,982	(19%)	Lower than targeted result is mainly due to delayed remediation of West Belconnen Resource Management Centre in 2019-2020.
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$36,145	\$37,477	4%	
Accountability Indicators				
a. Annual tonnes of waste to landfill per head of population ¹	0.55	0.56	2%	
b. Annual total resource recovery tonnage per head of population ¹	1.5	1.7	13%	Higher than targeted result is mainly due to the higher resource recovery from increased activity related to: 1) the green waste - associated with earlier roll-out of the green waste initiative to all households; and 2) construction and demolition activities associated with capital projects.
c. Percentage of material recovered from the total waste stream	75%	76%	1%	
d. Percentage of customers satisfied with waste collection services ²	> 90%	89%	(100%)	At 89%, the customer satisfaction for waste and recycling services was below the 90% target. As there was no major disruptions to service standards during the period, the results reflect greater community concern on broader recycling issues such as contamination, single-use plastics or the international export of recycled materials. TCCS will seek to further understand the potential causes of the drop in satisfaction and explore options for improvement.
e. Contract cost of landfilling waste per tonne	\$18.80	\$19.80	5%	Higher than targeted result is mainly due to lower than expected tonnes of landfill waste received from commercial and industrial sources due to the COVID-19 pandemic lock-down measures with approximately 12,000 tonnes lower than 2018-19. The operational cost at Mugga Lane is relatively fixed as expected.
f. Annual cost of domestic kerbside waste collection services per head of population ¹	\$21.04	\$21.39	2%	
g. Annual cost of domestic kerbside recycling collection services per head of population ¹	\$11.99	\$12.21	2%	

Output Class 2: City Services**Output 2.3: Waste and Recycling**

Description: Provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs.

	Original Target 2019-20	Actual Result 2019-20	Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
h. Number of mattresses diverted from landfill	37,000	43,695	18%	Overall mattress numbers increased in 2019-20 over previous years in all collection avenues. Mattresses received from NSW Councils registered a total of 8,965 in 2019-20 compared to 6,392 in 2018-19. Other areas of significant growth were the mattresses dropped off to the Mugga Lane Resource Management Centre (RMC) and Mitchell RMC. Mugga Lane RMC recorded 9,602 mattresses in 2019-20 as opposed to 7,926 in 2018-19. Mitchell RMC recorded a total of 8,307 mattresses in 2019-20 compared to 7,016 in 2018-19. There was an increase in drop-offs post bushfires due to smoke damage of mattresses. The COVID-19 pandemic has also had an impact particularly in the months after the Stage 3 lockdown in April 2020. May and June 2020 saw significant increases in community drop offs as people had time to clear their properties and dispose of unwanted items such as old mattresses
i. Container redemption rate (in relation to the Container deposit Scheme) ³	60%	50%	(17%)	The target figure is based on the rate of redemptions through the CDS network of collection points and material collected through the ACT Materials Recovery Facility (MRF). The collection points saw an 11% increase in redemptions from the previous year, and containers collected through the ACT MRF reduced by 12%, suggesting increased consumer participation in the scheme. In addition, the unforeseen impacts of the COVID-19 pandemic included a reduction in available collection points and the temporary suspension of promotion of the scheme. Planned advertised spend has now been rolled over to 2020-21, and a comprehensive, multi-layered marketing plan in place to promote the scheme. This plan will focus on increasing community understanding of how to participate, which had been identified as a barrier in consumer research. The Network Operator is also considering the potential for opening new return points in the ACT.

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

Explanation of Accountability Indicators

¹ The 2019-20 target is based on an ACT population of 439,400 and Queanbeyan population of 41,200.

² Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.

³ This indicator measures the maximum number of eligible containers are recovered and recycled under the Scheme and litter is reduced accordingly in the environment.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
Statement of Performance
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Output Class 2: City Services


Output 2.4: City Maintenance and Services

Description: Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sportsgrounds facilities. The Directorate also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection. This output also includes Yarralumla Nursery.

	Original Target 2019-20	Actual Result 2019-20	Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$118,518	\$127,525	8%	Higher than targeted result is mainly due to the implementation of various ACT government stimulus packages and a revised overhead allocation methodology.
CONTROLLED RECURRENT PAYMENTS (\$'000)	\$79,062	\$81,054	3%	
Accountability Indicators				
a. Percentage of customers satisfied with the management of sportsgrounds ¹	85%	85%	-	
b. Number of dogs processed by the Domestic Animal Shelter	1,100	1,018	(7%)	Lower than targeted result is mainly due to a reduction in the total number of dogs impounded as a result of: (a) the indirect effects of the COVID-19 pandemic as more people working from home were able to collect their dog prior to it being impounded; and (b) a greater focus on re-uniting dogs and their owners prior to impound by Domestic Animal Services (DAS) officers.
c. Percentage of saleable stray and abandoned dogs re-homed	90%	98%	9%	Higher than targeted result is mainly due to a renewed focus by DAS staff to re-home dogs or to re-unite them with their owners under Control Orders as part of the engage, educate, enforce approach to compliance.
d. Remove abandoned vehicles on unleased land within nine calendar days	100%	77%	(23%)	88 vehicles were not removed within the 9 calendar day timeframe. 27 of the 88 abandoned vehicles were due to collection delays by the contracted towing provider; 20 were due to ongoing/prolonged engagement with vehicle's owner; and 41 vehicles were due to other factors including the requirement to leave vehicles whilst ACT Policing undertake investigations, staff capacity and prioritisation of other public safety matters.
e. Response and collection of 'sharps' on unleased land within 4 hours	100%	98%	(2%)	

Output Class 2: City Services**Output 2.4: City Maintenance and Services**

Description: Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sportsgrounds facilities. The Directorate also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection. This output also includes Yarralumla Nursery.

	Original Target 2019-20	Actual Result 2019-20	Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
f. Annual operating cost per hectare of actively maintained park land is less than benchmarked median across Australia ²	<\$14,939	\$12,455	-	
Yarralumla Nursery				
g.  Plant spoilage within industry standard	< 10%	4%	-	

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

Explanation of Accountability Indicators

- ¹ Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.
- ² This indicator is benchmarked against other Councils across Australia and is supported by the Yardstick Park Benchmarks report.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

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Output Class 2: City Services

Output 2.5: Capital Linen Service

Description: Capital Linen Service provides a managed linen service to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.

	Original Target 2019-20	Actual Result 2019-20	Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$15,400	\$15,513	1%	
Accountability Indicators				
a. Retain certification of Quality Management System Standard AS/NZS ISO 9001	100%	100%	-	
b. Percentage of all linen items ordered delivered in full ¹	98.4%	99.2%	0.8%	

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

Explanation of Accountability Indicators

¹ This is a new indicator for 2019-20 to measure the performance of the services being provided.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of Transport Canberra Operations for the year ended 30 June 2020.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2020 are not in agreement with Transport Canberra Operations' records or do not fairly reflect, in all material respects, the performance of Transport Canberra Operations, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Transport Canberra Operations' responsibilities for the statement of performance

The Director-General of the Transport Canberra and City Services Directorate is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of Transport Canberra Operations.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with Transport Canberra Operations' records or do not fairly reflect, in all material respects, the performance of Transport Canberra Operations, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of Transport Canberra Operations, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by Transport Canberra Operations.



Ajay Sharma
Assistant Auditor-General, Financial Audit
29 September 2020

Transport Canberra Operations Statement of Performance For the Year Ended 30 June 2020

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Transport Canberra Operations' records and fairly reflects the service performance of Transport Canberra Operations for the financial year ended 30 June 2020 and also fairly reflects the judgements exercised in preparing it.



Alison Playford
Director-General
Transport Canberra and City Services Directorate
28 September 2020

**Transport Canberra Operations
Statement of Performance
For the Year Ended 30 June 2020**

Output Class 1: Transport Canberra Operations

Output 1.1: Transport Canberra Operations

Description: Transport Canberra Operations includes the provision of an integrated public transport network and school bus services, including a range of rapid and regular route services within Canberra suburbs. Transport Canberra Operations also provides special needs transport, flexible transport, and a bus charter service.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
TOTAL COST (\$'000)	\$243,168	\$248,249	2%	
SERVICE PAYMENTS FROM TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE (\$'000)	\$171,525	\$179,445	5%	Higher than targeted result is mainly due to new initiatives approved through the Budget review and the receipt of Treasurer's Advance.
Accountability Indicators				
Light Rail				
a. Light rail Passenger Service Availability ¹	99.5%	99.8%	0.3%	
b. Customer satisfaction with light rail services as assessed by passenger survey ²	85%	90%	6%	Higher than targeted result is mainly due to the positive customer experience travelling on light rail. This is associated with high reliability of Light Rail Vehicles over the first year of operations and aided by the novel experience for Canberrans of travelling on new trains with modern stops, which represents a significant change to how our customers previously travelled to school, work or for pleasure.
Active Travel Office				
c. Customer satisfaction with access to cycle and walking paths ²	85%	90%	6%	Higher than targeted result is mainly attributed to the increased focus on filling in missing sections of cycle and walking paths.
Public Transport Passenger Boardings				
d. Public transport passenger boardings ³	19.9m	17.6m	(12%)	Lower than targeted results are mainly due to fewer passengers using public transport during the COVID-19 pandemic period.
Bus Operations				
e. Customer satisfaction with bus operations (ACTION) services as assessed by passenger survey ²	85%	74%	(13%)	Lower than targeted result is mainly due to implementation of Network 19. While it provided strong overall patronage growth prior to the COVID-19 pandemic, there was some negative feedback about the changes largely in areas of south Canberra. This is being addressed in the updated network commencing 18 July 2020.
f. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ⁴	86%	90%	5%	Higher than targeted result is mainly due to deliveries of new buses occurring earlier than originally estimated.

Output Class 1: Transport Canberra Operations**Output 1.1: Transport Canberra Operations**

Description: Transport Canberra Operations includes the provision of an integrated public transport network and school bus services, including a range of rapid and regular route services within Canberra suburbs. Transport Canberra Operations also provides special needs transport, flexible transport, and a bus charter service.

	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances (>= +/- 5%)
g. Percentage of in service fleet Euro 5 or better emission standard compliant ⁵	67%	70%	4%	
h. Service reliability – percentage of all scheduled services which operated to completion	99.5%	98.6%	(1%)	
i. Percentage of services operating on scheduled time ⁶	75%	73%	(3%)	
j. Total network operating cost per network kilometre ⁷	\$5.88	\$6.49	10%	Higher than targeted result is mainly due to the higher number of staff employed for the new bus network and additional weekend bus services.

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

Explanation of Accountability Indicators

- ¹ This is a new indicator for 2019-20 to measure the availability of light rail for passenger services. This will be measured by comparing the number of scheduled services against the number of services that were delivered.
- ² Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.
- ³ This indicator measures the patronage number for buses and light rail.
- ⁴ The *Disability Discrimination Act 1992* (DDA) details the accessibility specifications of a bus required to achieve compliance. The Act requires full compliance by 2022.
- ⁵ Euro emission standards define the acceptable limits for exhaust emissions of vehicles.
- ⁶ Operating on scheduled time describes a bus service that departs a stop that is a designated timing point between one minute earlier and four minutes later than the scheduled time. GPS technology attached to the MyWay system is used to measure this indicator. Only scheduled services that operated successfully are measured.
- ⁷ Network operating costs per kilometre measure the cost and kilometres directly attributable to the operation of Transport Canberra Operations' bus network route. The higher target for 2019-20 is a result of the Transport Canberra Operations' new bus network which delivers faster, more direct and frequent services including evenings and weekends.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

PART 3

REPORTING BY EXCEPTION

PART 3 DANGEROUS SUBSTANCES

Nil to report under Part 3.

PART 3 MEDICINES, POISONS AND THERAPEUTIC GOODS

Nil to report under Part 3.

PART 4

AGENCY SPECIFIC ANNUAL REPORT REQUIREMENTS

PART 4 PUBLIC LAND MANAGEMENT PLANS

Section 321 of the *Planning and Development Act 2007* (the Act) requires the Directorate to prepare land management plans for areas of public land for which it is the custodian.

The management objectives for an area of public land reserved for a particular purpose are stated in Schedule 3 of the Act. A land management plan identifies the area and describes how the management objectives for the area are to be implemented or promoted.

TCCS is responsible for the following land management plans:

Table 30: TCCS Public Management Plans as at 30 June 2020

Land Management	Status	Year of Approval	Access
Woden and Weston Creek's Urban Parks and Sportsgrounds	Approved Final	1998	https://www.legislation.act.gov.au/di/1998-242/default.asp
Belconnen's Urban Parks, Sportsgrounds and Lake Ginninderra	Approved Final	1998	https://www.legislation.act.gov.au/di/1998-242/default.asp
Inner Canberra's Urban Parks and Sportsgrounds	Approved Final	2000	https://www.legislation.act.gov.au/di/2000-143/default.asp
Tuggeranong's Urban Parks and Sportsgrounds	Approved Final	2000	https://www.legislation.act.gov.au/di/2000-143/default.asp
Canberra's Urban Lakes and Ponds	Approved Final	2001	https://www.legislation.act.gov.au/di/2007-298/default.asp
Urban Open Space and Public Access Sportsgrounds in the Gungahlin Region	Approved Final	2006	https://www.legislation.act.gov.au/di/2007-298/default.asp

PART 6

PUBLIC INTEREST DISCLOSURE

PART 6 PUBLIC INTEREST DISCLOSURE

The Public Sector Standards Commissioner has published guidelines to explain and support the way in which the ACT Public Service and other public sector entities covered by the *ACT Public Interest Disclosure Act 2012* (PID Act) deal with disclosures. TCCS has adopted the Public Interest Disclosure Guidelines 2019 as its procedures for dealing with public interest disclosures (PID).

TCCS provide staff with PID information including what constitutes a disclosure, what action the Directorate must take on receipt of a PID and the nominated designated disclosure officers. This information is provided on a factsheet which is accessible on the TCCS intranet.

Information on the PID process is also communicated to staff through online and face to face Fraud and Ethics Awareness modules. This is a core module of the TCCS induction program.

In line with requirements of the PID Act, TCCS has appointed the Executive Branch Manager, Governance and Ministerial Services as the nominated Senior Executive Responsible for Business Integrity Risk (SERBIR) to receive and manage Public Interest Disclosures for the Directorate. TCCS also has a number of designated positions who are appointed as designated disclosure officers:

- Chief Operating Officer;
- Executive Branch Manager, People and Capability;
- Executive Branch Manager, Legal and Contracts; and
- Senior Director, Employee Relations.

In 2019-20 TCCS revised and developed a suite of documents to support Designated Disclosure Officers step through the PID process, record decisions made and ensure compliance with the requirements of the PID Act.

TCCS received three disclosures under the PID Act in 2019-20. An initial investigation into each of the matters was undertaken with the following outcomes:

Matter 1 - the validity of claim was assessed against the PID criteria and was determined not to constitute a Public Interest Disclosure. The matter was subsequently closed.

Matter 2 - the validity of claim was assessed against the PID criteria and was determined not to constitute a Public Interest Disclosure. The matter was subsequently closed.

Matter 3 – the validity of claim was still under review at the end of the reporting period.

APPENDICES

APPENDIX 1 – SUBSUMED REPORTS

ACT Veterinary Practitioners Board

The ACT Veterinary Practitioners Board (the Board) is a statutory board established under the *Veterinary Practice Act 2018* (the Act) which came into effect on 21 December 2018.

The Board has a broad range of responsibilities that are established under Section 91 of the Act. These include:

- registering veterinary practitioners and veterinary premises;
- investigating complaints against veterinary practitioners;
- conducting, on the Board's own initiative, investigations of veterinary practitioners;
- taking disciplinary action against veterinary practitioners;
- enforcing the Act, including taking proceedings for offences against the Act;
- developing codes of professional conduct for veterinary practitioners;
- setting standards for premises;
- cooperating with other jurisdictions in Australia and New Zealand to further a common and harmonious approach to the administration of legislation relating to veterinary practitioners;
- giving information to the veterinary profession relating to continuing education issues, developments in the field of veterinary science and disciplinary matters;
- giving general advice to consumers of veterinary services in relation to the ethics and standards of professional competence generally expected of veterinary practitioners;
- giving advice to the Minister in relation to any other matter related to the administration of the Act;
- ensuring the professional development of veterinary practitioners, including implementing requirements for continuing professional development of veterinary practitioners;

- approving educational and training courses related to professional qualifications for veterinary practitioners; and
- liaising with, and if the Board considers it appropriate, becoming a member of, professional organisations concerned with veterinary science.

The Board comprises seven members, all appointed by the Minister for City Services. 2019-20 saw the appointment of two new Board members with Dr Debbie Neutze appointed as the new president replacing Dr Steven Roberts, and Ms Alison Archer replacing Ms Eileen Jerga as the community representative. Both Dr Roberts and Ms Jerga's terms expired after both members provided a long and important period of service to the Board.

With the exception of the community representative and the non-veterinary practitioner, all members are registered veterinary practitioners, with a minimum of three years registration. Board membership during the reporting period is shown in Table 31 below.

The Board appointed a new Registrar in 2019-20, Ms Lisa Johnson, Executive Branch Manager, Governance and Ministerial Services. As Registrar, Ms Johnson oversees the business coordination and secretariat functions for the Board and is responsible for management of the Board's affairs.

During 2019-20, in addition to carrying out the responsibilities outlined above, the Board undertook consultation with the veterinary community, peak bodies and other states on Restricted Acts of Veterinary Science.

The Board continued its commitment to the Veterinary community and ran two free communication training evenings for veterinarians covering topics of 'communication and conflict resolution' and 'disclosing medical errors'. Due to COVID-19 further planned training was suspended with further communication evenings scheduled to commence as restrictions and COVID-19 safety issues ease.

Table 31: Ministerial appointments

NAME	POSITION ON BOARD	DATE APPOINTED	APPOINTMENT EXPIRY
Dr Steven Roberts	President	20 October 2017	19 October 2019
Dr Debbie Neutze	President	1 January 2020	31 December 2022
Dr Eloise Koelmeyer	Deputy President and Registered Veterinary Practitioner	19 October 2017	18 October 2021
Dr Peter Gibbs	Registered Veterinary Practitioner	19 October 2017	18 October 2021
Dr Melanie Latter	Registered Veterinary Practitioner	17 May 2019	16 May 2022
Dr Amanda-Lee Charman	Registered Veterinary Practitioner	15 March 2019	14 March 2022
Mr Christopher Headon	Non-Veterinary Practitioner	15 March 2019	14 March 2022
Ms Alison Archer	Community Representative	1 January 2020	31 December 2022

The Board usually meets on the last Friday of each month with the exception of December, or as noted below. In 2019-20, the Board met on 11 occasions with attendance outlined in Table 32.

Table 32: Board member attendance

Member	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Dr Steven Roberts	N	Y	Y	Y	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Debbie Neutze	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y
Dr Eloise Koelmeyer	Y	Y	N	Y	Y	N/A	Y	Y	Y	Y	Y	Y
Dr Peter Gibbs	Y	Y	Y	Y	Y	N/A	Y	Y	Y	Y	Y	Y
Dr Melanie Latter	Y	Y	Y	Y	Y	N/A	Y	Y	Y	Y	Y	Y
Dr Amanda-Lee Charman	Y	Y	Y	Y	Y	N/A	Y	Y	Y	Y	Y	Y
Mr Christopher Headon	Y	Y	Y	Y	N	N/A	Y	Y	Y	Y	Y	Y
Ms Alison Archer	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y

Veterinary Practitioner Registrations

At 30 June 2020, there were 304 registered veterinary practitioners, including specialists, registered in the ACT.

Table 33: Registrants by year

2016-17	2017-18	2018-19	2019-20
381	370	402	304

Under Section 9 of the Act the Board must, within 7 days after the day it makes a decision on an application for registration, advise the applicant of their decision and if approved enter the persons details into the register. The reduction in the number of registrations for 2018-19 is as a result of the introduction of National Recognition of Veterinary Registration which allows practitioners registration in other states and territories to be recognised to work in the ACT.

Veterinary Premises Registrations

At 30 June 2020, there were 38 registered veterinary premises in the ACT.

Table 34: Registered premises by year

2018-19	2019-20
38	38

Under Section 75 of the Act the Board must, within 7 days after the day it makes a decision on an application for registration of a premises, advise the applicant of their decision and if approved enter the premises details into the register. No new premises were registered during 2019-20.

Complaints against Veterinary Practitioners

Under the Act the Board is empowered to undertake disciplinary action against a registered veterinarian. These powers enable the Board to impose a fine of up to \$1,000, impose conditions on a veterinarian's registration, and if justified suspend a registration for an interim period prior to taking the veterinary practitioner to the ACT Civil and Administrative

Tribunal (ACAT) for an occupational discipline hearing.

The Board expects high standards of professional behaviour from veterinary practitioners in the ACT. This includes maintaining professional standards of practice, professional indemnity insurance and continuing professional development (CPD). CPD is compulsory for registered veterinary practitioners in the ACT and helps to maintain public confidence in the profession as well as assisting veterinary practitioners meet the required standards of practice for ongoing and relevant professional development, consistent with the nature of practice in which they are involved.

As part of the [ACT Veterinary Practitioners Board Business Plan 2018 – 2021](#) one of its KPIs is to audit a minimum of 10 per cent of veterinary practitioners' CPD annually. The selection of practitioners to be audited in a year is done randomly. During 2019-20 the Board audited approximately 30 per cent of registered practitioners' CPD.

The complaints process under the Act has a requirement for joint consideration of complaints with the Human Rights Commission (HRC). It is mandatory for the Board and the HRC to notify each other of complaints received regarding veterinary practitioners. The HRC, through the complaints process, can provide a conciliation service between the complainant and the veterinary practitioner. This process allows reciprocal management of veterinary complaints that ensures support is available to both complainants and veterinary practitioners going through the process. The Board is also available to meet with complainants on request.

During 2019-20 the Board received five new complaints and an additional three were carried over from previous years. Over the year, three were resolved, one did not proceed and four remain under investigation.

Veterinary Practitioner Board Finances

The Board is not a Territory Authority for the purposes of the *Financial Management Act 1996*. The Board is self-funded and from these funds contributes 50 per cent of the costs incurred in the provision of the secretariat function. The Board's

finances are also managed by TCCS on the Board's behalf and are subject to audit by the ACT Audit Office.

Table 35: Cash at bank as of 30 June 2020

Cash flow	\$
Cash at Bank Balance 1 July 2019 (as per the reported closing cash at bank balance in the 2018-19 Annual Report)	395,682
Less cash deposits received but not transferred to the Veterinary Practitioners Board bank account at the 30 June 2020 balance date	1,041
Cash Inflows 2019-20	144,269
Cash Outflows 2019-20	88,399
Cash at Bank Balance 30 June 2020	450,510

Australasian Veterinary Boards Council (AVBC)

The Board has continued to maintain its membership of the Australasian Veterinary Boards Council (AVBC) and is an active contributor in the discussion and development of the veterinary profession within Australia and New Zealand. Dr Peter Gibbs continued to be the ACT representative on the AVBC in 2019-20.

The AVBC meets regularly via teleconference throughout the year with the usual face to face Annual General Meeting (AGM) also being conducted via videoconference this year. The AGM is attended by State, Territory and New Zealand Board representatives and Registrar's to discuss issues of national interest to the veterinary profession. The annual registrar's meeting was conducted via teleconference and was attended by the ACT Registrar.

COVID-19

As a result of the worldwide COVID-19 pandemic, the veterinary profession has faced a wide variety of challenges, changes, and uncertainty during 2019-20. Veterinary clinics remained open to provide essential veterinary services to the community and the Board has worked hard to try and support the profession during this time.

The Board's priority is the health and safety of the veterinary community and their clients. The Board made available a number of fact sheets and guidance material to assist practitioners and veterinary premises to maintain COVID-19 safe services and to provide guidance on maintaining personal safety whilst still providing the best care and services to patients.

The [Board's website](#) was updated to include links to support services and key relevant information from other peak veterinary bodies. The Board also released a new telemedicine policy as a helpful tool to provide guidance to practitioners during COVID-19. This policy allows a veterinary practitioner to use telemedicine to authorise some medicines using patients' histories and/or recent visits to the premises. The policy aims to assist premises to protect the safety of veterinarians, staff and the wider public whilst continuing to provide an acceptable level of care to protect the welfare of animals.

Annual General Meeting

Under Section 92 of the Act, the Board must hold an Annual General meeting of the veterinary profession. Under the *Veterinary Practice Regulation 2018* (the Regulation) the meeting is to be scheduled within four months following the end of a financial year.

The Board held its first Annual General meeting for the year 2018-19 on 28 October 2019. The Board is currently organising an Annual General Meeting for 2019-20. As with the previous year, all registered veterinary practitioners will be invited to attend the meeting once details have been confirmed.

All veterinary practitioners will be provided copies of the following documents at the meeting:

- a meeting agenda;
- a copy of a report of the activities of the Board for the financial year prepared by the President;
- a copy of a report for the financial year prepared by the president on the following:
- the fees payable by veterinary practitioners under the Act;
- any increases in fees that have been proposed by the Board; and
- any remuneration paid or payable to members of the Board.

Further information may be obtained from the Registrar, ACT Veterinary Practitioners Board, GPO Box 158 Canberra ACT 2601. Email address TCCS.vetboard@act.gov.au, or by contacting (02) 6207 0012.

Animal Welfare Authority

In 2019-20, TCCS was the ACT Government's lead agency for animal welfare and administered the *Animal Welfare Act 1992* (AW Act), which regulates offences such as animal cruelty.

The AW Act has a range of enforcement powers to promote and monitor acceptable standards of care and protect animals from cruelty or welfare offences.

The Executive Group Manager, City Operations within TCCS was the appointed Animal Welfare Authority for the ACT.

Animal Welfare Advisory Committee

The Animal Welfare Advisory Committee (AWAC) is established under section 109 of the *Animal Welfare Act 1992* (the Act). The AWAC has several functions set out under the Act. These include:

- to advise the Minister on matters relating to animal welfare legislation;
- to advise the authority about matters in relation to animal welfare, including animal welfare legislation;
- to participate in the development of approved codes of practice and mandatory codes of practice;
- to provide advice to other Territory authorities, and to community bodies, about programs for the improvement of community awareness about animal welfare;
- to advise the Minister about any other matter relating to animal welfare; and
- to report annually to the Minister on the activities of the committee.

The committee is comprised of 11 members, all appointed by the Minister for City Services.

During 2019-20, nine members terms expired, and a full recruitment round was conducted. Six vacancies were recruited to with three remaining vacancies expected to be filled in the first half of 2020-21.

The committee met seven times during 2019-20 and undertook the following activities:

- providing recommendations for the implementation of the Australian Welfare Standards and guidelines for Sheep in the ACT, and
- commenced reviews of the Codes of Practice for Pounds and Shelters and the Horse Code ACT and National Horse Standards.

Permits, investigations and prosecutions

In 2019-20, the Animal Welfare Authority issued:

- one circus permit;
- one licence and two licence extensions for the use of breeding of animals for the purpose of research or teaching; and
- one commercial trapping permit.

The government continued its service funding agreement with RSPCA ACT to provide animal welfare services including the provision of authorised inspectors under the AW Act.

The RSPCA ACT works closely with the ACT Government to promote responsible pet ownership and to educate members of the public on how to care for their pets. The RSPCA ACT Inspectorate team is essential in providing on the ground information, education, and support to members of the public.

During the course of its investigations, the team engages with persons of interest with a view to prevent animal cruelty from occurring and, where possible, to offer opportunities for behaviour change. This is done in partnership with the community, who notify RSPCA about animal welfare concerns for investigation.

By educating animal owners about the basic requirements of their pets, and encouraging them to seek assistance when necessary, RSPCA ACT aims to facilitate an improvement in animal welfare outcomes.

2019-20 saw the introduction of amendments to the *Animal Welfare Act 1992*, which include new offences and offence categories. The RSPCA ACT Inspectorate team took this opportunity to include these changes in their education programs, to explain the new

offences and to issue warnings or written directions where necessary and appropriate.

In 2019-20, the RSPCA ACT received 1,301 cases of complaints or referrals in relation to animal welfare, all of which were investigated. These investigations resulted in four matters going to prosecution and 40 incidents resulting in a written direction being issued. A total of 282 animals entered the RSPCA ACT shelter through the Inspectorate during the 2019-20 year.

APPENDIX 2 - ACT PUBLIC CEMETERIES AUTHORITY ANNUAL REPORT 2019-20

About this report

The Transport Canberra and City Services (TCCS) 2019-20 Annual Report is published in one volume containing the report of TCCS and the subsumed reports of the ACT Veterinary Surgeons Board, the Animal Welfare Authority and the ACT Public Cemeteries Authority.

The contents pages and alphabetical index of this volume will help you navigate to specific information in the report, while the compliance statement lists the annual reporting requirements for 2019-20 and the page numbers where the information appears.

For further information on the ACT Public Cemeteries Authority please contact:

Phillip Shelley, Chief Executive Officer
ACT Public Cemeteries Authority
PO Box 37
Mitchell ACT 2911

Telephone +61 2 620 40200
Email Philip.Shelley@act.gov.au
Email cemeteries@act.gov.au
www.canberracemeteries.com.au

OR

Deputy Director-General
City Services
Transport Canberra and City Services Directorate
GPO Box 158
CANBERRA ACT 2601

Telephone +61 2 620 75819
www.tccs.act.gov.au

Part 2A Transmittal Certificate

Mr Chris Steel MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

2019-20 ACT Public Cemeteries Authority Annual Report

This report has been prepared in accordance with section 6 of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2019*.

I certify that the information in the attached report and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the ACT Public Cemeteries Authority Annual has been included for the period 1 July 2019 to 30 June 2020.

I hereby certify that fraud and prevention has been managed in accordance with Part 2.3 of the *Public Sector Management Standards 2006* (see section 113 of the *Public Sector Management Standards 2016*).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to 18 December 2020.

The annual report must be provided to the Speaker on 18 December 2020 for distribution to each Member of the Legislative Assembly. The annual report must then be tabled in the Legislative Assembly on the next sitting day.

Yours sincerely



Stephen Bartos
Chair

ACT Public Cemeteries Authority

November 2020



Phillip Shelley
Chief Executive Officer

ACT Public Cemeteries Authority

November 2020

Part 2B Organisational Overview and performance

Part B.1 Organisation Overview

Our Responsibilities

The ACT Public Cemeteries Authority (the Authority) is an independent statutory authority established under the *Cemeteries and Crematoria Act 2003* (the Act) to effectively and efficiently manage public cemeteries and crematoria. The Authority currently manages and operates three public cemeteries at Gungahlin, Woden, and Hall.

The key purpose of the Authority is to ensure the equitable availability of interment options and maintain burial capacity in the medium to long term for the ACT community. The Authority strives to operate as an efficient Government business with a focus on customer service and meeting community needs. Underpinning the services offered, the Authority has adopted operating practices that safeguard the environment and the health and safety of staff and visitors.

Our Vision

- Honouring and celebrating life

Our Mission

- Providing interment and memorialisation services to meet the diverse needs of our community

Our Customers and Stakeholders

- The community;
- funeral directors and stonemasons;
- suppliers of goods and services;
- our Employees; and
- the ACT Government.

Internal Accountability

The ACT Public Cemeteries Authority Board (the Board) is responsible to the Minister for Transport and City Services for the good governance and successful operations of the Authority. In addition to the Act and the *Financial Management Act 1996* which together, in principle, serve as its constitution, the Board operates under a Charter developed by the Board. The Charter sets out the role, responsibilities

and authority of the Board, the Chair, individual directors, and the Chief Executive Officer (CEO) within the governance framework of the ACT Government. From this flow all policies and practices of the Board and the Authority and its relationships, lines of communication, management, and probity frameworks with its stakeholders. These include the Minister, TCCS, Authority staff, industry partners and the community. Board directors and staff adhere to the underpinning concepts of transparency, accountability, responsiveness, and fair play.

The principles of the ACT Public Service Respect, Equity and Diversity Framework are observed in the Authority's daily work and are considered especially important given the nature of services provided to the community.

The Board oversees risk management through its Audit, Risk and Governance Committee and through a program of internal audits carried out by external specialists. Underpinning risk management is a Risk Register that is monitored by the Audit, Risk and Governance Committee and informs the development of the internal audit program.

In addition to the Board, TCCS provide support and advice to the Authority under service level agreements. Staff in the Authority are members of the ACT Public Service and are managed by TCCS. TCCS also provides the Authority with financial and accounting and human resources services which are reimbursed by the Authority.

Our Structure

The Authority's functions are to effectively and efficiently manage public cemeteries and crematoria for which the Minister has appointed the Authority as the operator.

The Act requires the Authority to:

- operate on a sound financial basis;
- be managed by a governing Board that consists of at least four, and not more than 12 members; and
- include at least four members on the Board who, in the Minister's opinion, represent the general community and religious denominations.

Directors are appointed for three-year terms and may be re-appointed at the discretion of the Minister; they

receive remuneration at a rate set by a determination of the Remuneration Tribunal. Under the Act the CEO is a member of the Board.

Charter of the Act Public Cemeteries Board

The Charter of the Board sets out the role, responsibilities and authority of the Board, the Chair, individual Directors, and the CEO within the governance framework of the ACT Government.

Table 36: Sub-committees of the board

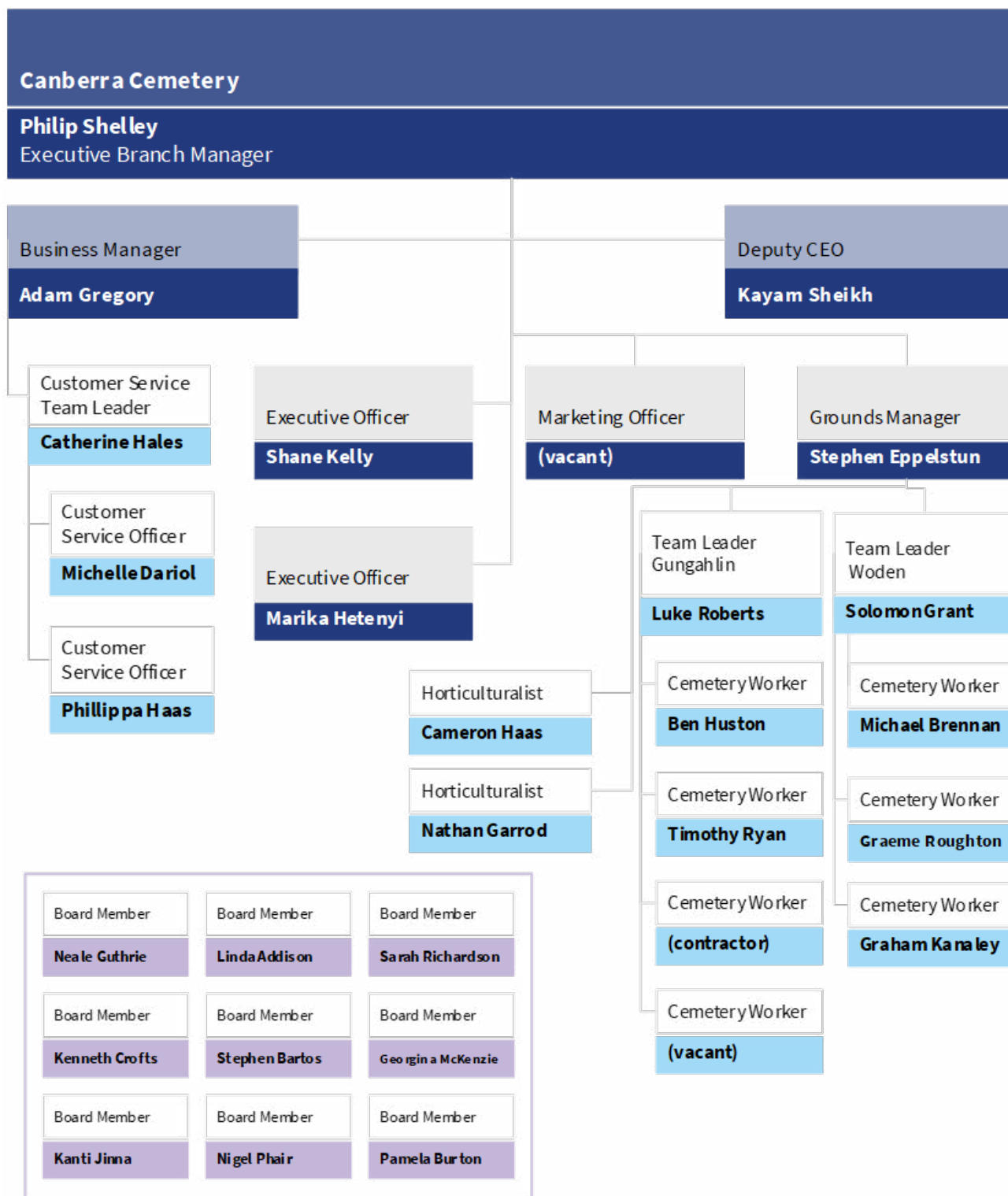
Committee	Role
Audit, Risk and Governance	To provide recommendations and advice to the Board on risk management activities, including internal audit undertaken by the Authority and the overall risk environment, and provide recommendations on governance.
Finance	To provide recommendations and advice to the Board on financial management and activities undertaken by the Authority. It now incorporates the Authority's Business Development Working Group which focuses on stakeholder engagement, reputation management, and marketing activities
Special Projects	To provide recommendations and guidance on major works being undertaken by, or on behalf of, the Authority.

Table 37: The Board and Sub-committee membership in 2019-20

Name	Roles	Eligible [#]	Attendance
Stephen Bartos	Board Chair Member of Finance; Audit, Risk and Governance and Special Projects Sub-Committees	27	24
Pamela Burton	Member of Finance Sub-Committee	15	15
Kara Dunn	Interim Chief Executive Officer	18	18
Kanti Lal Jinna	Board Member Member of the Finance Sub-Committee and Business Development Working Group	20	19
Linda Addison	Board Member; Deputy Chair Chair of the Audit, Risk and Governance Sub-Committee; Member of the Special Projects Sub-Committee	23	23
Ken Crofts	Board Member Member of the Finance Sub-Committee	14	14
Georgina McKenzie	Board Member Chair of the Finance Sub-Committee Member of Business Development Working Group and Special Projects Sub-Committee	25	25
Sarah Richardson	Board Member Member of the Audit, Risk and Governance Sub-Committee	13	10
Nigel Phair	Board Member Member of the Audit, Risk and Governance Sub-Committee	13	11

Name	Roles	Eligible [#]	Attendance
Neale Guthrie	Board Member Chair of the Business Development Working Group; Member of Finance Sub-Committee and Special Projects Sub-Committee	25	23

Figure 13: ACT Public Cemeteries Authority Organisational Chart



Part B.2 Performance Analysis

Discussion of the Authority's performance is based on objectives set out in the Act; ACT Government policies and legislation; the Statement of Intent; and the Authority's Strategic Business Plan 2018-21.

OBJECTIVE: Ensure the equitable availability of interment options and maintain burial capacity in the medium to long term for the ACT community.

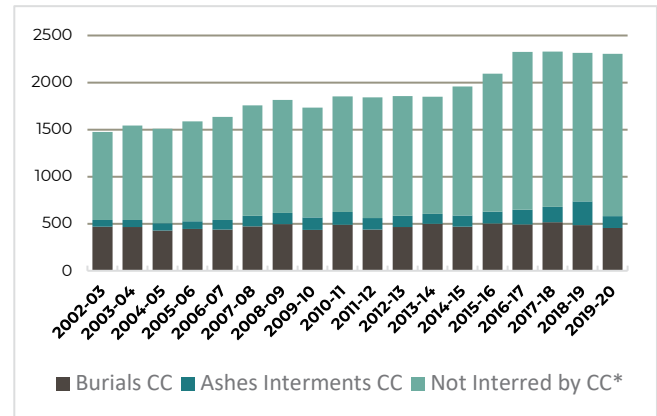
The Authority carries out benchmarking against the fees and services of similar cemeteries and across similarly sized jurisdictions every two years, the last of which took place in 2018-19. To ensure equitable fees, this data is referenced when setting the fee structure and establishing new options for burial and associated cemetery services.

Woden Cemetery is approaching full subscription. With the small number of allotments available at Woden and those available or yet to be developed at Gungahlin Cemetery, there is enough burial space for the ACT community for about 25 years. To ensure the future availability of burial space, the Authority continues to work with TCCS and the ACT Government towards the establishment of a new burial ground, the Southern Memorial Park.

New areas continued to be established at Gungahlin Cemetery as the masterplan is further developed. In the reporting period, scoping and preliminary works were undertaken for two new areas: a new Islamic section and a new lawn burial area.

The following data and commentary are based on statistics collected on interments. In some cases, this relates to data made available by the Australian Bureau of Statistics for the ACT.

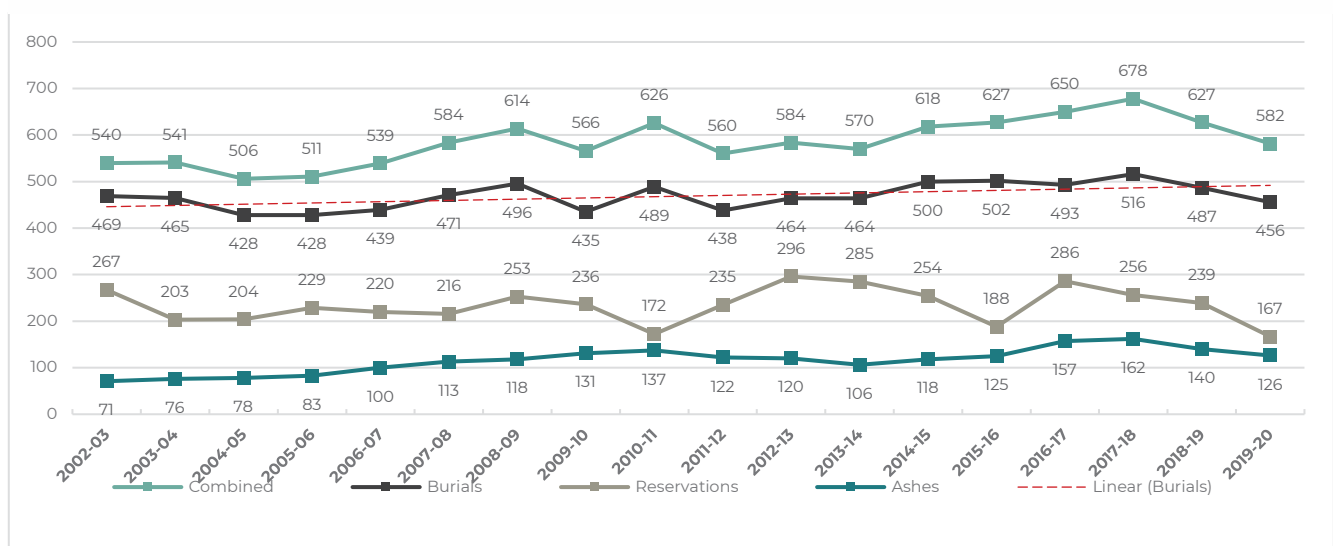
Figure 15: Breakdown of ACT deaths and Canberra Cemeteries (CC) interments



* The total number of deaths in the ACT less interments by Canberra Cemeteries.

Figure 15 shows a steady and significant increase towards cremation. While Canberra Cemeteries' share of ashes interments has increased over the last decade, this period represents the lowest rate since 2015-16. Canberra Cemeteries performed 456 burials in 2019-20, which is the lowest number since 2011-12. The number of deceased cremated in the ACT can be assumed as the number of deaths less the number of burials. Over the period, there has been an average fall of about 0.5 per cent per annum in the number of

Figure 14: Comparison of interments and reservations over time



burials compared to the number of deaths⁹ in the ACT. Based on data from other jurisdictions this trend is consistent with the current national trend towards cremation.

While the last five years has generally seen burial numbers and ashes interment increase, 2019-20 represents a five-year low because of a lower than average death rate in 2019-20. Reduced reservations in 2019-20 are a result of reduced community activity associated with Covid-19 social distancing restrictions.

Figure 16: Reservation/re-open burials compared to 'at need'

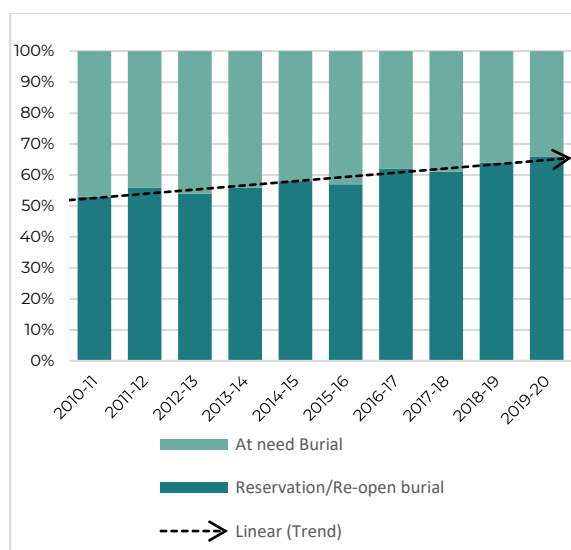
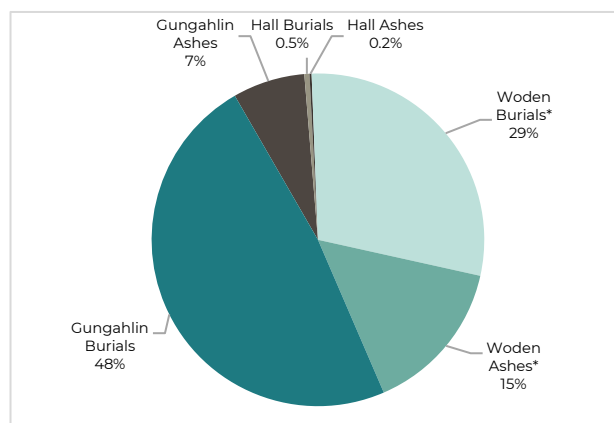


Figure 16 demonstrates the changing ratio between burials in allotments purchased at need and burials in either reservations or reopened graves (second and third interments). The short-term effect of this changing ratio is to reduce income for the current year. Over the medium to long term, combined with low reservation sales, there is a significant risk that this trend will exacerbate the short fall in funds for maintenance.

The choices the community makes in the location, type and style of interment are important for the Authority in short and medium-term planning. These choices guide the options that may be offered, not only in current cemeteries.

Figure 17: Interment distribution 2019-20



While Gungahlin Cemetery and Woden Cemetery have similar total numbers of interment, Gungahlin has the majority of burials and Woden the majority of ashes interments. It is anticipated that the number of burials at Woden will continue to decline due to a reduced availability of graves.

OBJECTIVE: Operate as an efficient government business with a strong customer service focus.

Reporting against this Objective is provided in the Management Discussion Analysis (Section C).

OBJECTIVE: Adopt operating practices that safeguard the environment and the health and safety of staff and visitors.

The Authority continues to progress a number of strategies to reduce its environmental impact, including recycling all organic material waste onsite, reduction in water use, and a range of other practices, including those mandated by the ACT Government.

The Authority's management and control of identified risks in relation to environmental management continues to be effective and compliant with both the *Environment Protection Act 1997* and the *Environmental Regulation 2005*.

Please see the Ecologically Sustainable Development section of this Annual Report for more details.

The Authority continues to operate a Workplace Health and Safety Committee and the Authority

⁹ Full year 2019-20 extrapolated from ABS pub. 3101.0 Australian Demographic Statistics, December Quarter 2019: released June 2020.

works within the TCCS WHS framework to ensure that ACT Government WHS requirements are met.

Training also continues to be a high priority in WHS management.

Aboriginal and Torres Strait Islander Reporting

A portion at Gungahlin Cemetery has been set aside for Aboriginal and Torres Strait Islander burial. This space was developed with full involvement of local elders.

The TCCS Annual Report Volume 1 provides further detail on the Reconciliation Action Plan and other whole of government diversity employment strategies to which the Authority adheres.

2019-20 Priorities

Each year the Board conducts reviews into the Authority's progress, how it aligns with the existing plans and the current and future needs of its customers. This exercise informs the update of the Authority's strategic objectives and plan for the following year. For 2019-20, the Authority:

- renegotiated a Memorandum of Understanding with TCCS;
- ensured the financial viability of the Authority by adapting practices and services to meet the needs of the market;
- maintained a high level of services and burial grounds maintenance provided to the community;

- explored opportunities to develop additional income streams, including the development of a crematorium at Gungahlin;
- continued to improve operational efficiency;
- expanded and innovated Authority service offerings in accordance with contemporary community needs including continuing planning work for future cemeteries;
- continued fostering positive stakeholder relationships;
- developed staff skills, with an emphasis on improving the efficiency of the Authority and maintaining customer service excellence;
- reviewed the existing business and strategic plans to ensure the Authority remains a sustainable business; and
- promoted natural burial options.





The Year in Review

In 2019-20, the principal activity of the Authority was the provision of interments (burial and ashes interments) and associated services at an acceptable cost to the community in a commercial and professional manner. Cemetery services continued to be delivered to a high standard.

The Authority approved capital expenditure for the construction of the first public Crematorium for the ACT, at Gungahlin Cemetery.

In recent years the Authority's market share has fallen below its stated objective of 35 per cent of deaths in the ACT to 29 per cent and this trend continued dropping to 26% in 2019-20. This reflects national trends away from burial to cremation. This is based on death rates sourced from the ABS and is extrapolated over the previous five years. This data will be impacted by the mitigation strategies associated with the COVID-19 pandemic. Data already indicates that lower incidences of influenza will have an impact on death rates for 2019-20.

The Authority's performance against its 2019-20 objectives and targets included in its 2019-20 Statement of Intent shows that the Authority has broadly met its targets and should continue to do so in the short term. Further non-financial and outcomes include:

- completing 100% of burials on time;
- contributing to Perpetual Care Trust (PCT) funds in line with the requirements of the *Cemeteries and Crematoria Act 2003*;
- providing consistently high service and maintenance standards to the community evidenced by customer and community survey results showing an overall satisfaction with service standards;
- giving active consideration to future burial requirements in the ACT to inform initiatives such as the current revision of the Masterplan for Southern Memorial Park;
- continuing to make positive environmental contributions through recycling materials including bulk composting of organic waste, resulting in lower operational costs, and reduced negative environmental impacts;
- achieving an unqualified financial audit conducted by the ACT Auditor-General for 2019-20 and

continuing high levels of engagement with industry partners, evidenced by very supportive responses to the annual performance survey completed by funeral directors and establishment of the Industry Roundtable.

Outlook for 2020-21

Strategic and operational priorities to be pursued in 2020-21 include:

- commencing operations of the Gungahlin Crematorium;
- ensuring the financial viability of the Authority by adapting practices and services to meet the needs of the market;
- maintaining a high level of service and burial grounds maintenance to the community;
- examining opportunities to develop additional income streams;
- continuing to improve operational efficiency;
- expanding and innovating Authority service offerings in accordance with contemporary community needs including continuing planning work for future cemetery facilities, in particular the Southern Memorial Park development;
- maintaining the customer service model with an appointment-based model and opening hours for general customer service functions;
- continuing fostering stakeholder relations and partnerships;
- progressing workforce planning and developing staff skills, with an emphasis on improving the efficiency of the Authority and maintain excellence in customer service;
- reviewing the existing business and strategic plans to ensure the Authority remains sustainable; and
- ensuring the compliance with the *Cemeteries and Crematoria Act 2020* commencing on 23 August 2020.

Part B.3 Scrutiny

There were no outstanding items that required action post 30 June 2019 from the Auditor-General's final audit management reports for the ACT Public Cemeteries Authority and Perpetual Care Trusts.

Part B.4 Risk Management

The Authority has developed a Risk Management Framework aligned to the ACT Insurance Authority (ACTIA) and ACT Government principles for risk management.

The aim of this Framework is to identify and mitigate identified risks through implementing strategies to

reduce the impact of any identified risks occurring and ensuring business continuity. This Framework applies to all aspects of our operations.

The Audit, Risk and Governance Sub-Committee of the Board has oversight of risk management. However, overall responsibility for the Risk Management Framework lies with the Board and CEO of the Authority.

The Authority's Business Continuity Plan (BCP) was reviewed and updated in March 2020. This review included the addition of a Pandemic Plan, which, at a high level, identifies critical functions and mechanisms to ensure continuity and uplift of service levels in the event of a period of increased death rates.

Part B.5 Internal Audit

A Review of the Strategic Asset Management Plan, delivered in June 2019, resulted in follow-up work throughout the 2019-20 reporting period to progress a more robust approach to asset management and identifying asset renewal priorities going forward. Internal audit reviews were also conducted regarding workforce planning and record keeping.

Part B.6 Fraud Prevention

The Authority's fraud policy and fraud control plans were last reviewed in 2018-19. Fraud Prevention Policy was updated in June 2019.

Operating and business procedures are reviewed as required, thereby reducing the potential for fraudulent activity.

The Authority received no reports or allegations of fraud or corruption during the year.

Part B.7 Work Health and Safety

The Authority continues to be proactive in maintaining and improving workplace health and safety (WHS). During the reporting period there has been a key focus on COVID-19 related measures to maintain high WHS standards.

The Authority has a WHS Committee. Two WHS representatives are elected by staff and are members of the WHS Committee. The Committee, which is Chaired by the CEO, meets quarterly and the minutes

of WHS Committee meetings are provided to the Audit, Risk and Governance Sub-Committee.

The Authority has recently commenced a review and update of key policies and procedures relating to higher risk areas of grave digging to ensure they reflect best practice. All policies and procedures are modified and updated as required to meet new conditions.

Staff receive regular training to ensure WHS awareness and compliance, along with maintaining standard certifications required.

See Figure 16: Training undertaken by cemetery Staff in 2019-20 for details.

The Authority has developed a WHS Risk Register and this is updated as required. Quarterly safety inspections are undertaken using checklists based on the risk register. Remedial action plans are formulated to address any issues and outline new requirements identified.

Promotion of safety measures and the Employee Assistance Program has continued in the workplace with the addition of COVID-19 safety recommendations.

There were no lost time injuries in 2019-20.

Part B.8 Human Resource Management

The day-to-day management of Authority staff is the responsibility of the CEO, Grounds Manager, and the Business Manager, all of whom have direct reports.

Teams within TCCS provide support and oversight in all workforce related matters.

The Authority is a small agency and the workforce has, by necessity, staff who are cross-skilled. To maintain a continuous service for the community, contractors are used to ensure staff are available when necessary. Cemetery employees are deployed

flexibly and move between cemeteries to maintain operations.

To meet community needs, Canberra Cemeteries' staff provide:

- general administration and operational support for more than 30 denominations and 14 burial and interment practices;
- customer service that is efficient and empathetic to cemetery customers, funeral directors and the general community;
- secretariat and logistical support for the Board;
- planning and policy formulation, much of which is specific and tailored to the cemetery industry;
- regular attendance at conferences to remain informed regarding the cemetery and crematoria industry;
- horticultural maintenance including large areas of manicured turf and gardens;
- arboriculture for our significant areas of forest, heritage listed native Australian and exotic tree species;
- grave digging operations across a wide variety of burial options and denomination requirements including the preparation and installation of new burial areas, landscaping, and roads; and
- operation and maintenance of a wide range of horticulture specific plant and equipment assets for both grounds' maintenance and cemetery specific activities.

All staff have performance agreements in place which set out performance measures, areas for improvement and a tailored training program for the year. Agreements are reviewed twice per year.

Staff are required to maintain minimum levels of training, which for out-of-doors staff includes certification for various types of plant and equipment, industry specific safety procedures and chemical handling. Staff are encouraged to enhance their skills where possible.

Figure 18: Training undertaken by Authority staff in 2019-20

Training course	Convener	Number attending
Aboriginal and Torres Strait Islander Cultural Awareness	TCCS	7
Disability Awareness in the Workplace	TCCS	5
Elevated Work Platforms	MBA	2

Financial Delegations	TCCS	1
Fraud and Ethics	TCCS	9
Grave Safe Course	CCANSW	1
HSR Training	MBA/CIT	2
Managing Tough Conversations	TCCS	2
Manual Handling	MBA	11
Risk Management	TCCS	2
Security Awareness	TCCS	9
TCCS Inductions	TCCS	1
WHS Training	TCCS	12

Part B.9 Ecologically Sustainable Development

Canberra's main public cemeteries, Gungahlin Cemetery and Woden Cemetery, are principally lawn cemeteries with under-turf irrigation. Ongoing dry periods and water restrictions have necessitated a reduction in water use. The Authority has done considerable work to replace cool season grasses with warm season grasses to reduce water use, mowing frequency and other maintenance costs.

Total water consumed for grounds maintenance during 2019-20 was 65.8 megalitres. Of this, 29.5 megalitres was from potable water, 10 megalitres from bore water and 26.3 megalitres supplied by third parties in the form of bore and captured. During the 12-month period, 3.2 megalitres of captured water was returned to the Ornamental Pond at Gungahlin Cemetery.

The Authority continues to store most of its organic waste products generated onsite for potential future use. The Authority is also provided with mulch from TCCS Urban Trees – which is generated by third party contractors based on the north side of Canberra. Clean fill generated from grave digging at both Woden and Gungahlin cemeteries is reused in the development of new burial areas.

Wastepaper and cardboard are recycled, as are toner cartridges and batteries. Canberra Cemeteries received accreditation in the ACT Smart Business Recycling Program for 2019. Excess or superseded equipment is sold or traded in on replacements

whenever possible. Non-saleable computer equipment is donated or disposed of through approved drop-off centres.

Energy reduction strategies

Strategies to achieve energy reduction include:

In the office:

- timers and thermostats utilising fixed heating and cooling equipment;
- insulated curtains and some double glazing;
- on-site renewable electricity solar photo-voltaic system at the Gungahlin Cemetery;
- regularly reminding staff to be conscious of and to adopt energy saving strategies; and
- ensuring all light fittings are LED or compact fluorescent.

On the grounds:

- conversion of turf to varieties that require lower maintenance and water;
- irrigation system upgrades;
- evaluating vehicle purchases for fuel efficiency as part of procurement procedures; and
- replacing small petrol-powered machines with equivalent battery powered devices.

Part C Financial Management Reporting

MANAGEMENT DISCUSSION AND ANALYSIS

ACT Public Cemeteries Authority for the Year Ended 30 June 2020

1. General Overview

1.1. Objectives

The ACT Public Cemeteries Authority (the Authority) is responsible for all earth burials in the ACT. It maintains three cemeteries in the Canberra region, located at Gungahlin, Hall and Woden and a Mausoleum at Woden Cemetery. The Authority was established under the *Cemeteries and Crematoria Act 2003* operates in accordance with the *Financial Management Act 1996* and is self-funded. The main source of Revenue is Income from Burials, Reservations and returns earned on invested funds.

The *Cemeteries and Crematoria Act 2003* came into force in September 2003. The Act allows for private cemeteries to operate within the ACT and requires a Perpetual Care Trust (PCT) to be established for each cemetery. Each Trust comprises two parts, one for current maintenance and one for future maintenance, the Reserve (PCTR), which is intended to provide for maintenance for each site in perpetuity. The Minister has set a percentage of income that must be paid into each fund. The percentages are required to be reviewed once every five years and were reviewed in 2016-17. New percentages took effect on 1 July 2017.

In 2019 the Authority approved the construction of a crematorium at Gungahlin. Funded from reserves and due to open in the first half of 2020 the Crematorium will provide an additional revenue stream for the 2020-21 financial year and beyond.

1.2. Risk Management

The Authority's approach to risk management provides clients with assurance that the Authority can deliver low risk/high value services. The Authority has developed a Strategic Business Plan, Risk Register, Business Continuity Plan and Fraud and Corruption Prevention Plan. These are considered live documents and are subject to continual change.

2. Financial Performance

The following financial information is based on the forward estimates contained in the 2019-20 Statement of Intent and Financial Statements for 2019-20.

2.1. Expenditure

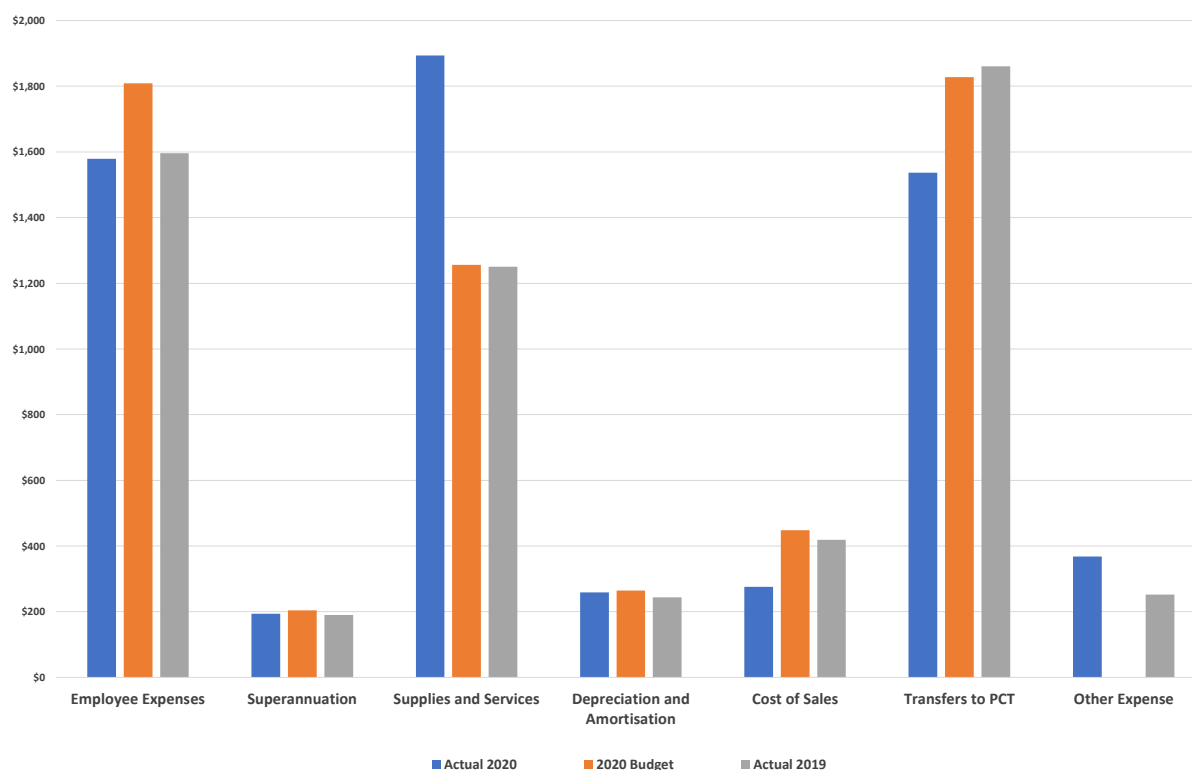
1. Components of Expenditure

Figure 1 indicates the components of the Authority's expenditure to 30 June 2020.

Employee Expenses (including Superannuation) represented 36% percent (\$1.773 million) of Income, Supplies and Services represented 39% (\$1.894), contributions to the PCT and PCTR represented 31 percent (\$1.537 million), although 84% (\$1.299 million) of

this amount was offset against PCT Drawdowns (see *Income* below). PCT and PCTR Contributions are calculated as a percentage of Burial Related Income (as described in *Objectives* above).

Figure 1 - Components of Expenditure in 2019-20 (\$'000)



2. Comparison to Budget

Total expenditure of \$6.107 million was \$0.295 million, or 5.1 percent above the 2019-20 Budget. Contributing factors include higher than budgeted Supplies and Services, due in part to:

- consulting services to determine a pricing policy (in line with government policy) for the Crematorium (due to open in 2020).
- Contractor labour hire, which was partly offset by savings in Employee Expenses.
- Asset write offs for: project and planning costs associated with the Southern Memorial Park; and demolition of the Gungahlin Caretakers Cottage to make way for the Crematorium.
- Savings in Transfers to PCT are the result of lower than expected burials and pre-need sales (refer Income below).

3. Comparison to 2018-19 Actual Expenditure

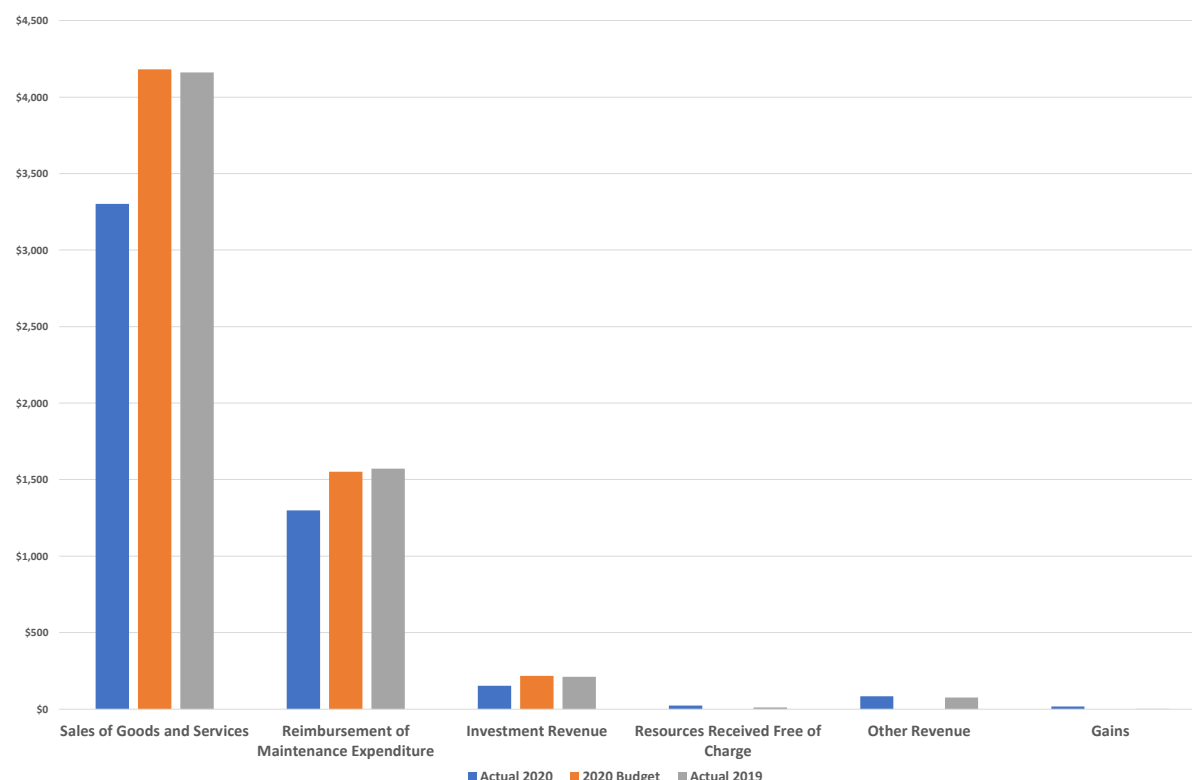
Total expenditure was \$0.298 million, or 5.1 percent higher than the 2018-19 actual result for the same reasons described in Comparison to Budget (above).

2.2. Income

Components of Income (refer *Figure 2* below)

Income is derived from User Charges – Non-ACT Government sources. This comprises Income from the direct sale of allotments and burial services to the ACT community in 2019-20 (68 percent) and Drawdowns from PCT funds (27 percent). These drawdowns are calculated using the model provided by the ACT Government. Most of the remainder of the Authority's Income is derived from Interest from Investments.

Figure 2 - Components of Income in 2019-20



Comparison to Budget

Total Income for 2019-20 was \$4.881 million (including PCT Drawdowns) of \$1.299 (27% percent) lower than budgeted Total Income of \$5.950 million.

- Revenue from burials and Reimbursement of Maintenance was impacted by a lower than average death rate for the year.
- As a result of Covid-19 purchases of pre-need graves was lower than budgeted, due to social distancing restrictions and broader impacts to the economy.
- Interest from Investments decreased due to a reduction in the cash rates.

Comparison to 2018-19 Actual Income

Total Income in 2019-20 was 19 percent lower than the 2018-19 result. This is because of the reasons described in Comparison to Budget (above).

Future Trends

Total Income for 2020-21 is budgeted to increase, mostly as result of the Crematorium which is due to open in the second quarter.

The tough economic conditions associated with Covid-19 meant an approved and budgeted eight percent increase in the cost of graves was not implemented on 1 July 2020. This along with the general economic conditions will have a negative impact on the Authority's financial performance in 2020-21.

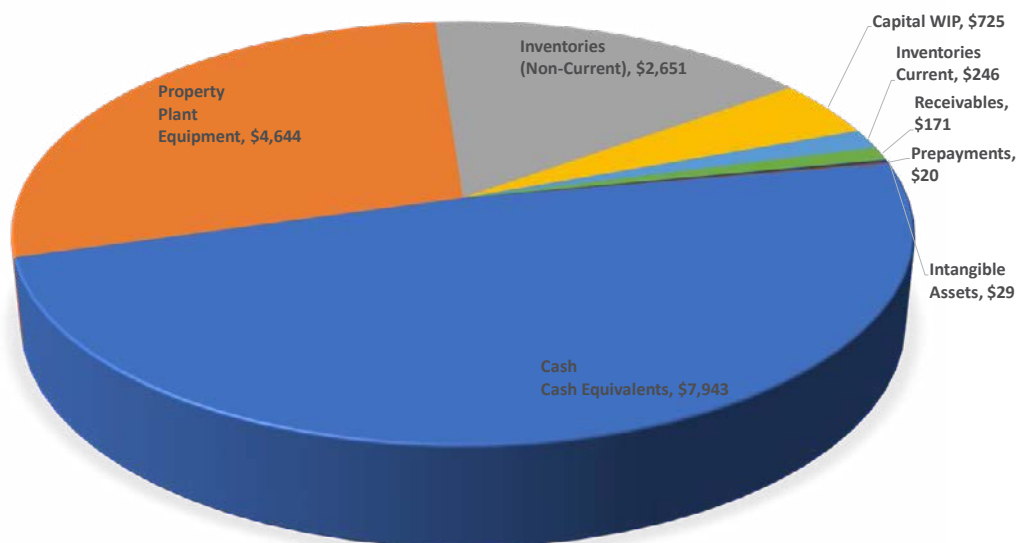
2.3. Financial Position

Total Assets

Figure 3 below indicates that at 30 June 2020, in particular:

- 48 percent of Assets in held in Cash and Cash Equivalents
- 28 percent in Property, Plant and Equipment
- 16 percent in Non-Current Inventories which comprise Inventories (available graves) which are ready for sale but not expected to be sold in the next 12 months.
- Of the \$0.750 million in WIP, \$0.555 million relates to the Crematorium due to open in 2020-21.

Figure 3 – Total Assets breakdown at 30 June 2020 (\$'000)



Comparison to Budget

Current assets are less than budgeted due to the Work-In-Progress expenditure on the Crematorium(\$0.555 million) and the lower than budgeted trading result.

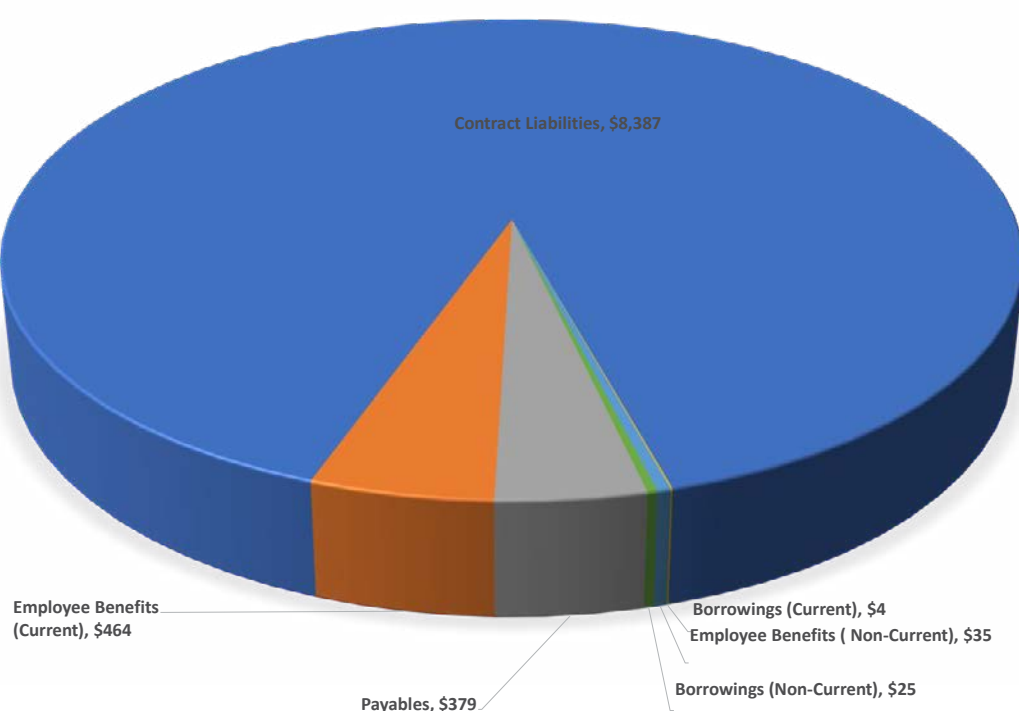
Comparison to 2017-18 Actuals

The variance to 2018-19 is also a reflection of the expenditure on the Crematorium and the lower than budgeted trading result.

Total Liabilities

Figure 4 below indicates that most of the Authority's Liabilities relate to Fees Received in Advance (91 percent).

Figure 4 – Total Liabilities breakdown at 30 June 2020 (\$'000)



Comparison to Budget

The Authority's Liabilities at 30 June 2020 were \$9.294 million, this is 7 percent (\$0.501 million) above budget, there is an 8% increase Memorial Permit Contract Liabilities, this is due to the lower than expected death rate in 2019-20.

Comparison to 30 June 2019 Actuals

Total Liabilities are \$0.350 million or 4 per cent higher than the 2019 actual result, again this is due to the lower than expected death rate in 2019-20.

3. Liquidity

‘Liquidity’ is the ability of the Authority to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term Liabilities from short-term Assets. A ratio of less than 1-to-1 may indicate a reliance on the next financial year’s user charges – non-ACT Government, to meet short-term debts. *Table 1* indicates the liquidity position of the Authority.

Table 1 – Current Ratio

Current Ratio	Prior Year	Current Year		Foreward Years		
	Actuals 2019	Actuals 2020	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Current Assets	9,381	8,380	9,119	6,665	6,628	6,655
Current Liabilities	8,817	9,234	8,664	9,387	9,727	10,066
Current Ratio	1.06	0.91	1.05	0.71	0.68	0.66

The Authority’s current ratio for the financial year to 30 June 2020 is 0.91 which is below the budgeted 1.06. However:

- Contract Liabilities – revenue received in advance for pre-purchased graves and burial services – represents 90% of current liabilities. Based upon historical data, the Authority anticipates that only 10% of these liabilities will be taken-up within 12 months of the reporting date;
- Employee benefits liabilities are expected to be similar in 2020-21.

Therefore, a better indication of the Authority’s short-term financial position excludes these liabilities not expected to be paid or recognised within 12 months of the reporting date. As such, the adjusted ratio is 6.48 at 30 June 2020 (Table 2), indicating an adequate current ratio, allowing the Authority to meet its short-term debt obligations.

Table 2 – Adjusted Current Ratio

Adjusted Current Ratio	Prior Year	Current Year		Foreward Years		
	Actuals 2019	Actuals 2020	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Current Assets	9,381	8,380	9,119	6,665	6,628	6,655
Current Liabilities	1,192	1,293	937	999	1,071	1,142
Current Ratio	7.87	6.48	9.73	6.67	6.19	5.83

INDEPENDENT AUDITOR'S REPORT

ACT PUBLIC CEMETERIES AUTHORITY

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the ACT Public Cemeteries Authority (Authority) for the year ended 30 June 2020 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Authority's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Authority 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)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Authority for the financial statements

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Authority.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with 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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Authority's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority;
- conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Governing Board of the Authority 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.



Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2020

**FINANCIAL STATEMENTS
OF
ACT PUBLIC CEMETERIES AUTHORITY

FOR THE YEAR ENDED 30 JUNE 2020**

Financial Statements For the Year Ended 30 June 2020

Statement of Responsibility

In my opinion, the financial statements are in agreement with the ACT Public Cemeteries Authority's (Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2020 and the financial position of the Authority on that date.



Stephen Bartos
Chairperson
ACT Public Cemeteries Authority
September 2020

Financial Statements For the Year Ended 30 June 2020

Statement by the Chief Executive Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the ACT Public Cemeteries Authority's (Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2020 and the financial position of the Authority on that date.



Philip Shelley
Chief Executive Officer
ACT Public Cemeteries Authority
September 2020

Operating Statement For the Year Ended 30 June 2020

		Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
	Note No.			
Income				
<i>Revenue</i>				
Sales of Goods and Services from Contracts with Customers	4	3,302	4,180	4,160
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	5	1,299	1,552	1,572
Investment Revenue		153	218	211
Grants and Contributions		24	-	12
Other Revenue		85	-	76
Total Revenue		4,863	5,950	6,031
<i>Gains</i>				
Gains from Contribution and Disposal of Assets		18	-	1
Total Gains		18	-	1
Total Income		4,881	5,950	6,032
Expenses				
Employee Expenses	6	1,579	1,809	1,596
Superannuation Expenses		194	204	190
Supplies and Services	7	1,894	1,256	1,250
Depreciation and Amortisation	8	259	264	244
Cost of Sales		276	448	419
Transfers to the Perpetual Care Trusts ^a	9	1,537	1,828	1,861
Other Expenses	10	368	-	252
Total Expenses		6,107	5,809	5,812
Operating (Deficit)/Surplus		(1,226)	141	220
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus		479	-	-
Total Comprehensive (Deficit)/Income		(747)	141	220

a. Transfers to the Perpetual Care Trusts are recorded as Other Expenses in the Budget Papers.

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

Balance Sheet As at 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Current Assets				
Cash and Cash Equivalents	11	7,943	8,785	9,049
Receivables		171	77	77
Inventories	12	246	241	240
Prepayments		20	16	15
Total Current Assets		8,380	9,119	9,381
Non-Current Assets				
Inventories	12	2,651	2,648	2,573
Property, Plant and Equipment	13	4,644	4,329	4,323
Intangible Assets		29	30	30
Capital Works in Progress	14	725	603	443
Total Non-Current Assets		8,049	7,610	7,369
Total Assets		16,429	16,729	16,750
Current Liabilities				
Payables	15	379	310	317
Employee Benefits	16	464	597	582
Contract Liabilities	17	8,387	7,753	7,913
Interest-free Borrowings		4	4	5
Total Current Liabilities		9,234	8,664	8,817
Non-Current Liabilities				
Employee Benefits	16	35	25	19
Interest-free Borrowings		25	28	32
Total Non-Current Liabilities		60	53	51
Total Liabilities		9,294	8,717	8,868
Net Assets		7,135	8,012	7,882
Equity				
Accumulated Funds		4,441	5,797	5,667
Asset Revaluation Surplus		2,694	2,215	2,215
Total Equity		7,135	8,012	7,882

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

Statement of Changes in Equity For the Year Ended 30 June 2020

	Accumulated Funds Actual 2020 \$'000	Asset Revaluation Surplus Actual 2020 \$'000	Total Equity Actual 2020 \$'000	Original Budget 2020 \$'000
Balance at 1 July 2019	5,667	2,215	7,882	7,871
Comprehensive Income				
Operating (Deficit)/Surplus	(1,226)	-	(1,226)	141
Increase in the Asset Revaluation Surplus	-	479	479	-
Total Comprehensive (Deficit)/Income	(1,226)	479	(747)	141
Balance at 30 June 2020	4,441	2,694	7,135	8,012

	Accumulated Funds Actual 2019 \$'000	Asset Revaluation Surplus Actual 2019 \$'000	Total Equity Actual 2019 \$'000
Balance at 1 July 2018	5,447	2,215	7,662
Comprehensive Income			
Operating Surplus	220	-	220
Total Comprehensive Income	220	-	220
Balance at 30 June 2019	5,667	2,215	7,882

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Operating Activities				
Receipts				
Sales of Goods and Services from Contracts with Customers		3,761	4,390	4,502
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts				
<i>Gungahlin Cemetery Perpetual Care Trust</i>		936	-	879
<i>Hall Cemetery Perpetual Care Trust</i>		3	-	4
<i>Woden Cemetery Perpetual Care Trust</i>		480	-	669
<i>Woden Mausoleum Perpetual Care Trust</i>		7	-	23
Total Reimbursements from Perpetual Care Trusts ^a		1,426	1,672	1,575
Interest and Distributions Received		156	206	213
Goods and Services Tax Input Tax Credit from the Australian Taxation Office		173	147	159
Goods and Services Tax Collected from Customers		390	310	458
Other		85	-	76
Total Receipts from Operating Activities		5,991	6,725	6,983
Payments				
Transfers to the Perpetual Care Trusts				
<i>Gungahlin Cemetery Perpetual Care Trust</i>		1,062	-	996
<i>Hall Cemetery Perpetual Care Trust</i>		20	-	23
<i>Woden Cemetery Perpetual Care Trust</i>		593	-	828
<i>Woden Mausoleum Perpetual Care Trust</i>		8	-	26
Total Transfers to the Perpetual Care Trusts ^a		1,683	2,004	1,873
Employees		1,682	1,595	1,439
Superannuation		193	204	191
Supplies and Services		1,765	1,515	1,435
Cost of Sales		358	385	291
Goods and Services Tax Remitted to the Australian Taxation Office		421	343	483
Goods and Services Tax Paid to Suppliers		254	169	157
Total Payments from Operating Activities		6,356	6,215	5,869
Net Cash (Outflows)/Inflows from Operating Activities	19	(365)	510	1,114

- a. Reimbursement of maintenance and transfers to the Perpetual Care Trusts are not presented separately for each cemetery in the Budget Papers.

Statement of Cash Flows - Continued For the Year ended 30 June 2020

	Note No.	Actual 2020 \$'000	Original Budget 2020 \$'000	Actual 2019 \$'000
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		28	-	1
Total Receipts from Investing Activities		28	-	1
Payments				
Purchase of Property, Plant and Equipment		764	345	231
Total Payments from Investing Activities		764	345	231
Net Cash (Outflows) from Investing Activities		(736)	(345)	(230)
Cash Flows from Financing Activities				
Receipts				
Carbon Neutral Fund Loan		-	-	36
Total Receipts from Financing Activities		-	-	36
Payments				
Repayment of Carbon Neutral Fund Loan		5	4	-
Total Payments from Financing Activities		5	4	-
Net Cash (Outflows)/Inflows from Financing Activities		(5)	(4)	36
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,106)	161	920
Cash and Cash Equivalents at the Beginning of the Year		9,049	8,624	8,129
Cash and Cash Equivalents at the End of the Year	19	7,943	8,785	9,049

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 1. OBJECTIVES OF THE ACT PUBLIC CEMETERIES AUTHORITY

Operations and Principal Activities

The ACT Public Cemeteries Authority (the Authority) is a not-for-profit independent statutory authority established on 27 September 2003 under the *Cemeteries and Crematoria Act 2003* (the Cemeteries Act). The Authority aims to effectively and efficiently manage public cemeteries and crematoria in the ACT. It manages and operates public cemeteries at Gungahlin, Woden, Hall, and the Woden Mausoleum. The Authority aims to operate these cemeteries and mausoleum sustainably on a user pays principle, and to minimise the cost to the ACT Government and community.

The key purpose of the Authority is to:

- ensure the equitable availability of interment options, and maintain burial capacity in the medium to long term for the ACT community;
- operate as an efficient Government business with a strong customer service focus; and
- adopt operating practices that safeguard the environment and the health and safety of staff and visitors.

The Authority provides a wide range of burial options in Gungahlin and Woden cemeteries to meet the needs of cultural groups that use the cemetery services. This includes encouraging the placement of ashes in specific areas or family graves. The Authority promotes the pre-purchase of cemetery services, which allows for people to arrange their affairs prior to death.

Perpetual Care Trust Arrangements

Perpetual Care Trusts (Trust) have been established for the Gungahlin Cemetery, Woden Cemetery, Woden Mausoleum and Hall Cemetery in accordance with section 9 of the Cemeteries Act. Each Trust is established for the maintenance of the cemetery or mausoleum. Public Trustee and Guardian for the ACT is the trustee of each Trust and the Authority is responsible for their management.

The Authority is required to provide to each Trust a percentage of the revenue for each burial, interment of ashes or memorialisation (the Perpetual Care Trust Percentage), and a percentage of revenue as a reserve for further maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage), in accordance with the Ministerial Determination. The Authority is also required to spend these funds for maintenance of each cemetery or mausoleum in accordance with the Cemeteries Act.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 1. OBJECTIVES OF ACT PUBLIC CEMETERIES AUTHORITY (CONTINUED)

Perpetual Care Trust Arrangements (continued)

The Perpetual Care Trust percentages have been determined on a 'full cost' basis – they allow for not only the direct maintenance costs but also the proportion of indirect overhead and other costs reasonably associated with the management of maintenance. The Authority has accounted for each Trust consistently with this full cost basis. In particular, revenue recognised by the Authority in relation to reimbursement of maintenance and related expenditure from each Trust is based on direct maintenance expenditure incurred plus a percentage of indirect expenditure, and limited to the amount of revenue transferred to each Trust in a given reporting period.

The Trust arrangement requires each Trust to have a reserve for future maintenance and related expenditure. The funding of the reserves is also determined by the Minister for Transport and City Services by way of the Perpetual Care Trust Reserve percentages of burial revenue.

The percentages are required to be reviewed at least once every five years. The percentages were last reviewed and changed from 1 July 2017. The amount in the reserve is set aside for the purpose of long term maintenance requirements of each Cemetery and Mausoleum and cannot be accessed without Ministerial approval.

The amounts held in the Trust and Perpetual Care Trust Reserve (Reserve) were reviewed independently and the Reserve percentages have been updated accordingly.

In accordance with section 11 of the Cemeteries Act, the Perpetual Care Trust percentages determined by the Minister for Transport and City Services for the four Trusts for the period 1 July 2019 to 30 June 2020 are:

Trust	Perpetual Care Trust	Perpetual Care Trust Reserve
Gungahlin Cemetery	44.9%	6%
Woden Cemetery	33.8%	8%
Woden Mausoleum	7.8%	1%
Hall Cemetery	11.3%	63%

The above percentages were the same for the period 1 July 2018 to 30 June 2019.

The *Cemeteries and Crematoria Act 2020* came into effect on 23 August 2020.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except Property, Plant and Equipment and financial instruments which are valued at fair value in accordance with revaluation policies applicable to the Authority during the reporting period.

INDIVIDUAL REPORTING ENTITY

The Authority is an individual reporting entity.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the Financial Management Guidelines issued under the FMA, requires the Authority's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Statement of Cash Flows for the year;
- (v) the significant accounting policies adopted for the year; and
- (vi) other statements as necessary to fairly reflect the financial operations of the Authority during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

GOING CONCERN

These financial statements have been prepared on a going concern basis.

As at 30 June 2020, the Authority's current liabilities exceeds its current assets. However, this shortfall largely results from liabilities being classified as current in the financial statements because they cannot be deferred, even though most are not expected be paid or recognised as revenue within 12 months of the reporting date.

Therefore, a better indication of the Authority's short-term financial position is provided by excluding the estimated amount of employee benefits that are not expected to be paid and contract liabilities that are not expected to be recognised as revenue within 12 months of the reporting date. When reported current liabilities are adjusted to exclude these amounts, the Authority's current assets (\$8.4m) exceeds its adjusted current liabilities (\$1.3m) by \$7.1m and the adjusted current ratio is 6.5 as at 30 June 2020. This indicates the Authority can pay its debts in the short-term, and is therefore considered a going concern.

CURRENCY

These financial statements are presented in Australian dollars.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(CONTINUED)

BUDGET FIGURES

The FMA requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

ROUNDING

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

IMPACT OF THE COVID-19 PANDEMIC

The Authority assessed the financial impact of the COVID-19 pandemic as not material due to the nature of the Authority's business.

Note 3. CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.

Initial Application of AASB 15 and AASB 1058

AASB 15 Revenue from Contracts with Customers replaced AASB 118 Revenue, AASB 1004 Contributions and related interpretations for annual reporting periods beginning on or after 1 January 2019 for not-for-profit entities. The Authority adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information has been restated under this approach and adjustments to the opening balance of equity at the date of initial application (1 July 2019) was not required as the transition to AASB 15 and AASB 1058 did not have an impact to the prior year balances.

Revenue Recognition under AASB 15

The Authority assessed revenue using the following 5 step model under AASB 15:

1. identifying contracts with customers;
2. identifying separate performance obligations;
3. determining the transaction price of the contract;
4. allocating the transaction price to each of the performance obligations; and
5. recognising revenue as each performance obligation is satisfied.

There were no changes to the recognition and measurement of revenue. User Charges revenue category is renamed as Sales of Goods and Services from Contracts with Customers with the existing revenue being presented under this revenue category.

Contract Liabilities

The Authority previously recorded Revenue Received in Advance. These liabilities are now being renamed as Contract Liabilities due to the adoption of AASB 15. There were no changes to current and prior year balances resulting from this new accounting standard. Comparatives were reclassified to facilitate a comparison.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

INCOME NOTES

Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise they are accounted for under AASB 1058 Income of Not-for-Profit Entities.

Note 4. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Sales of Goods and Services from Contracts with Customers are based on the transfer of promised goods or services to customers at an amount that reflects the consideration in exchange for those goods or services. They are legally retained by the Authority and driven by consumer demand and preferences.

The timing of the receipt for sale of goods and rendering of services largely corresponds with the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Sales are generally separated into five types: allotment, maintenance, burial, and sales of plaques and memorials. Allotment and maintenance income is recognised immediately when an allotment is paid. Burial income is recognised when the burial takes place. The sale of plaques and memorial permits is recognised when an order is placed. The sale of monuments is recognised when construction is commenced.

	2020 \$'000	2019 \$'000
Allotment and Reservation Fees ^a	934	1,298
Maintenance Fees ^a	1,150	1,462
Memorial Fees	44	149
Burial Fees ^a	899	971
Plaques and Monuments	275	280
Total Sales of Goods and Services from Contracts with Customers	3,302	4,160

a. The decrease is due to the continued decline in burials and interments in the last three years.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 5. REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

The Authority draws funds from the Trusts to reimburse expenditure incurred in the maintenance of the burial and allotment sites. The Authority is reimbursed on a full cost basis.

As described in Note 1. Objectives of the ACT Public Cemeteries Authority, the reimbursement is limited to the amount of revenue transferred to each Trust in a given reporting period.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgement has been applied in estimating the costs relating to maintenance and related expenditure incurred on behalf of the Trusts. The Authority is required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the Cemeteries Act.

The Cemeteries Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Trust percentages are determined, except in general terms. The Trust percentages determined by the Minister are used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the Cemetery and Mausoleum contribution to the Trusts. If in any year, the maintenance costs exceed the Trust contributions for each Cemetery, reimbursements to the Authority are capped to the Trust contribution amount for each Cemetery.

	2020	2019
	\$'000	\$'000
Woden Cemetery Perpetual Care Trust	432	625
Woden Mausoleum Perpetual Care Trust	7	17
Gungahlin Cemetery Perpetual Care Trust	856	927
Hall Cemetery Perpetual Care Trust	4	3
Total Reimbursement of Maintenance and Related		
Expenditure Incurred on Behalf of the Perpetual Care Trusts ^a	1,299	1,572

- a. The amounts represent the reimbursement received by the Authority from each Perpetual Care Trust for maintenance and related expenditure paid by the Authority on behalf of each Perpetual Care Trust. Reimbursement from the PCT to the Authority for maintenance was the same as the Perpetual Care Trust revenue transferred to the PCT during the year which is calculated as a percentage of burial revenue. Burial revenue was lower in 2020.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

EXPENSE NOTES

Note 6. EMPLOYEE EXPENSES

	2020 \$'000	2019 \$'000
Wages and Salaries	1,278	1,274
Annual Leave Expense	99	87
Long Service Leave Expense	6	40
Fringe Benefits Tax	38	38
Workers' Compensation Insurance Premium	158	157
Total Employee Expenses	1,579	1,596

Note 7. SUPPLIES AND SERVICES

	2020 \$'000	2019 \$'000
Water Charges	226	202
Repairs and Maintenance	238	239
Handling Fees to Funeral Directors	48	58
Insurance and Security	41	42
External and Internal Audit Fees ^a	135	114
Accounting	106	105
Motor Vehicle Expenses	19	20
Contractor, Consultants and Legal Fees ^b	711	192
Irrigation, Electricity and Cleaning	50	60
Tools, ICT and Computer Consumables	55	49
Board Fees and Charges	128	74
Other	137	95
Total Supplies and Services	1,894	1,250

- a. The Authority paid \$79k in 2019 and \$81k is payable in 2020 to the ACT Audit Office in relation to the audit of the Authority's financial statements. No other services were provided by the ACT Audit Office.
- b. The increased contractor labour hire costs include the engagement of an interim CEO. Other related contract labour hire costs were associated with the engagement of a subject matter expert to develop the strategic asset management plan. Consultant costs are higher due to the costs for reporting and assessment of competitive neutrality for the crematorium.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 8. DEPRECIATION AND AMORTISATION

Depreciation is applied to physical assets such as Buildings, Infrastructure Assets, and Plant and Equipment. Amortisation is used in relation to intangible assets such as software and licences.

Land has an unlimited useful life and is therefore not depreciated.

All depreciation is calculated after first deducting any residual values, which remain for each asset.

Depreciation/Amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation / Amortisation Method	Useful Life (Years)
Buildings	Straight Line	10-100
Infrastructure Assets	Straight Line	10-40
Plant and Equipment	Straight Line	2-50
Motor Vehicles	Diminishing Value	5-10
Computer Software	Straight Line	4

The useful lives of all major assets held are reassessed on an annual basis.

	2020 \$'000	2019 \$'000
Depreciation		
Buildings	44	43
Infrastructure Assets	118	112
Plant and Equipment	72	66
Motor Vehicles	24	22
Total Depreciation	258	243
Amortisation		
Intangible Assets	1	1
Total Amortisation	1	1
Total Depreciation and Amortisation	259	244

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 9. TRANSFERS TO THE PERPETUAL CARE TRUSTS

These transfers represent the percentage of revenue transferred to the Trusts that the Authority is required to provide in accordance with Ministerial Determination (Disallowable Instrument DI2017-47).

	2020 \$'000	2019 \$'000
Woden Cemetery Perpetual Care Trust ^a	534	773
Woden Mausoleum Perpetual Care Trust	8	20
Gungahlin Cemetery Perpetual Care Trust ^a	971	1,050
Hall Cemetery Perpetual Care Trust	24	18
Total Transfers to the Perpetual Care Trusts	1,537	1,861

- a. The revenue contribution to the trusts has decreased in 2020 as a result of decreased burial revenue.

Transfers 2020	Woden Cemetery \$'000	Woden Mausoleum \$'000	Gungahlin Cemetery \$'000	Hall Cemetery \$'000
Perpetual Care Trust	432	7	857	4
Perpetual Care Trust Reserve	102	1	114	20
Total Transfers	534	8	971	24

Transfers 2019	Woden Cemetery \$'000	Woden Mausoleum \$'000	Gungahlin Cemetery \$'000	Hall Cemetery \$'000
Perpetual Care Trust	625	18	926	3
Perpetual Care Trust Reserve	148	2	124	15
Total Transfers	773	20	1,050	18

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 10. OTHER EXPENSES

	2020 \$'000	2019 \$'000
Expensing of Inventories and Capital Works in Progress ^a	273	252
Asset Write Off ^b	95	-
Total Other Expenses	368	252

- a. Southern Memorial Park works in progress were partially expensed as a result of the annual review for impairment.
- b. The Asset Write Off relates to the Gungahlin cottage demolition.

ASSETS NOTES

ASSETS – CURRENT & NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

Note 11. CASH AND CASH EQUIVALENTS

Cash includes Cash at Bank, Cash on Hand and on demand deposits. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Authority holds a number of bank accounts with the Westpac Bank as part of whole of government banking arrangements. The Authority receives interest on these accounts.

In addition, the Authority holds 'on demand' deposit directly with St George Bank that earned an average fixed interest rate of 1.71% (2.25% in 2018-19).

The Authority also has funds invested in the ACT Public Trustee and Guardian. These funds earned an average floating interest rate of 1.86% (2.65% in 2018-19).

	2020 \$'000	2019 \$'000
Cash at Bank ^a	806	2,044
Short-Term Bank Deposits	940	922
Public Trustee and Guardian Cash Common Fund	6,197	6,083
Total Cash and Cash Equivalents	7,943	9,049

- a. The decrease in Cash at Bank is due to a reduction in burials and interments, a reduction in pre purchased allotments and payments for capital works in progress.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 12. INVENTORIES

Inventories include goods and land allocated for interment purposes held for sale, or for consumption in the ordinary course of business operations. It excludes depreciable assets. Inventories are valued at the lower of cost and net realisable value. The cost of land allocated for interment purposes is assigned on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories acquired for no cost or nominal consideration is measured at current replacement cost at the date of acquisition.

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential and recorded in the Operating Statement.

Inventories are classified as either Work in Progress or Finished Goods. Work in Progress includes undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished Goods are inventories available for sale to customers including land to be used for interment purposes.

Inventories expected to be sold or utilised within 12 months are recorded as current inventories, with the balance as non-current inventories. In general, this is a 10% to 90% split between current and non-current inventories based on prior year trends.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 12. INVENTORIES (CONTINUED)

	2020 \$'000	2019 \$'000
Current Inventories		
Finished Goods		
Land: Interment Purposes	40	42
Mausoleum Crypts and Wall Niches	206	198
Total Finished Goods	246	240
Total Current Inventories	246	240
 Non-Current Inventories		
Work in Progress/Undeveloped		
Land: Interment Purposes	522	409
Total Work In Progress/Undeveloped	522	409
 Finished Goods		
Land: Interment Purposes	360	379
Mausoleum Crypts and Wall Niches	1,769	1,785
Total Finished Goods	2,129	2,164
Total Non-Current Inventories	2,651	2,573
Total Inventories	2,897	2,813

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are initially recorded at cost.

Where Property, Plant and Equipment assets are acquired at no cost, or minimal cost, cost is at fair value as at the date of acquisition.

Property, Plant and Equipment with a value greater than \$5,000 is capitalised.

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Property, Plant and Equipment assets are measured at fair value.

Property, Plant and Equipment is revalued every three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any Accumulated Depreciation relating to depreciable Property, Plant and Equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Property, Plant and Equipment assets are recorded at the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The Authority uses its understanding of current market conditions, as well as comparisons to the value of Property, Plant and Equipment at similar organisations to estimate fair value. The fair value of assets is subject to management assessment between valuation reports.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF ASSETS

The Authority has made a significant estimate regarding the fair value of its assets. Land and Buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure Assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT

The Authority has made an estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by independent valuers. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land including land under roads: The Authority values land under roads at fair value, which is the market value as estimated by an independent valuer. The valuation takes into account the physical and legal permissible use in addition to the current use, alternative use and heritage status of the land. The value of the land under roads is recognised in the total value of Land recorded in Property, Plant and Equipment.

IMPAIRMENT OF ASSETS

The Authority assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for Property, Plant and Equipment are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets where possible. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. The carrying amount of the asset is reduced to its recoverable amount.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Property, Plant and Equipment includes the following classes of assets:.

- **Land** includes freehold land and land under roads.
- **Buildings** include office buildings and workshops.
- **Infrastructure Assets** include roadways, landscaping and site improvements.
- **Plant and Equipment** includes various gardening and power tools and office equipment.
- **Motor Vehicles** include motor vehicles held by the Authority.

Revaluations were undertaken by Egan National Valuers (ACT) and Pickles Valuations Pty Limited as at 30 June 2020. A market based direct comparison approach was used for Land. The depreciated replacement cost method was used for Buildings and Infrastructure Assets. The market approach was used for Plant and Equipment and Motor Vehicles.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2020 \$'000	2019 \$'000
Land		
Land at Fair Value	47	47
Total Land Assets	47	47
Buildings		
Buildings at Fair Value	1,420	1,615
Less: Accumulated Depreciation	-	(83)
Total Written Down Value of Buildings	1,420	1,532
Infrastructure Assets		
Infrastructure Assets at Fair Value	2,554	2,699
Less: Accumulated Depreciation	-	(220)
Total Written Down Value of Infrastructure	2,554	2,479
Plant and Equipment		
Plant and Equipment at Fair Value	501	367
Less: Accumulated Depreciation	-	(183)
Total Written Down Value of Plant and Equipment	501	184
Motor Vehicles		
Motor Vehicles at Fair Value	122	128
Less: Accumulated Depreciation	-	(47)
Total Written Down Value of Motor Vehicles	122	81
Total Written Down Value of Property, Plant and Equipment	4,644	4,323

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land \$'000	Buildings \$'000	Infrastructure Assets \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Year ended 30 June 2020						
Carrying Amount at the Beginning of the Reporting Period	47	1,532	2,479	184	81	4,323
Additions	-	-	19	138	51	208
Depreciation	-	(44)	(118)	(72)	(24)	(258)
Disposals ^a	-	(95)	-	(7)	(6)	(108)
Increase in the Asset Revaluation Surplus	-	27	174	258	20	479
Carrying Amount at the End of the Reporting Period	47	1,420	2,554	501	122	4,644

a Disposals for Buildings include the write off of the Gungahlin cottage \$95k, refer to Note 10.

	Land \$'000	Buildings \$'000	Infrastructure Assets \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Year ended 30 June 2019						
Carrying Amount at the Beginning of the Reporting Period	47	1,543	2,464	178	104	4,336
Additions	-	32	127	72	-	231
Depreciation	-	(43)	(112)	(66)	(23)	(244)
Carrying Amount at the End of the Reporting Period	47	1,532	2,479	184	81	4,323

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy as at 30 June are as follows:

	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2020				
Property, Plant and Equipment				
Land	-	-	47	47
Buildings	-	-	1,420	1,420
Infrastructure Assets	-	-	2,554	2,554
Plant and Equipment	-	501	-	501
Motor Vehicles	-	122	-	122
Total	-	623	4,021	4,644

	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Property, Plant and Equipment				
Land	-	-	47	47
Buildings	-	-	1,532	1,532
Infrastructure Assets	-	-	2,479	2,479
Plant and Equipment	-	184	-	184
Motor Vehicles	-	81	-	81
Total	-	265	4,058	4,323

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value Plant and Equipment is the market approach that reflects recent transaction prices for similar Plant and Equipment.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

Significant Unobservable Inputs: selecting land with similar approximate utility. In determining the value of land with similar approximate utility, significant adjustment to market based data was required.

In determining the value of Land, sales of vacant land with a similar specialised nature and similar restrictive zonings and crown lease purpose clauses have been used for the square metre rate. Given the specialised nature of the property including that the land would have limited alternate use is impacted by restrictive zoning and heritage listing, a lower nominal value was deemed appropriate. The land fair value has been significantly reduced to incorporate the market based data.

Valuation Technique: the valuation of Buildings and Infrastructure Assets were measured using the cost or depreciated replacement costs approach.

Significant Unobservable Inputs: estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, historical cost per square metre of floor area was also used in measuring fair value. For infrastructure assets the historical costs per cubic metre was also used in measuring fair value. The valuation of Buildings and Infrastructure Assets was performed by comparing prices and other relevant information generated by market transactions involving comparable land and buildings. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. Regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal from the Authority.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land	Buildings	Infrastructure Assets
	\$'000	\$'000	\$'000
2020			
Fair Value at the Beginning of the Reporting Period	47	1,532	2,479
Additions	-	-	19
Depreciation	-	(44)	(118)
Disposal	-	(95)	-
Revaluation Increments recognised in Other Comprehensive Income	-	27	174
Fair Value at the End of the Reporting Period	47	1,420	2,554
2019			
Fair Value at the Beginning of the Reporting Period	47	1,543	2,464
Additions	-	32	127
Depreciation	-	(43)	(112)
Fair Value at the End of the Reporting Period	47	1,532	2,479

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 14. CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets under construction over more than one reporting period, and are recorded at cost. These assets often require extensive installation work or integration with other assets, in contrast with more simple assets that are ready for use when acquired, for example, motor vehicles and equipment. Capital Works in Progress assets are not depreciated until completion and transfer to Property, Plant and Equipment.

	2020 \$'000	2019 \$'000
Reconciliation of Capital Works in Progress		
Carrying Amount at the Beginning of the Reporting Period	443	603
Additions ^a	555	-
Transfer to Expenditure ^b	(273)	(160)
Carrying Amount at the End of the Reporting Period	725	443

- a. The additions all related to the development of the new crematorium. The *Cemeteries and Crematoria Act 2020* came into effect on 23 August 2020. The new crematorium is under construction and should commence operations in October 2020.
- b. The Transfer to Expenditure was associated with Southern Memorial Park, arising from the annual review for impairment.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

LIABILITIES NOTES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

Note 15. PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within thirty days after the invoice date.

	2020 \$'000	2019 \$'000
Current Payables		
Trade Payables	91	24
Accrued Payables	152	108
Goods and Services Tax Payable	118	149
Total Current Payables (excluding Perpetual Care Trust Payables)	361	281
Perpetual Care Trust Payables		
Woden Cemetery Perpetual Care Trust	8	19
Woden Mausoleum Cemetery Perpetual Care Trust	-	-
Gungahlin Cemetery Perpetual Care Trust	9	20
Hall Cemetery Perpetual Care Trust	1	(3)
Total Perpetual Care Trust Payables	18	36
Total Current Payables	379	317
Total Payables	379	317
Payables are aged as follows:		
Not Overdue	379	317
Total	379	317

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 15. PAYABLES (CONTINUED)

	2020 \$'000	2019 \$'000
Classification of ACT Government/Non-ACT Government		
Payables with ACT Government Entities		
Trade Payables	(2)	10
Other Payables	83	105
Total Payables with ACT Government Entities	81	115
Payables with Non-ACT Government Entities		
Trade Payables	93	14
Other Payables	69	3
Goods and Services Tax Payables	118	149
Other Payables - Perpetual Care Trusts	18	36
Total Payables with Non-ACT Government Entities	298	202
Total Payables	379	317

Note 16. EMPLOYEE BENEFITS

WAGES AND SALARIES

Accrued Wages and Salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

ANNUAL AND LONG SERVICE LEAVE

Annual and Long Service Leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future Annual Leave and Long Service Leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2019-20 the rates used to estimate the present value of future obligations for:

- Annual Leave is 100.9% (101.6% in 2018-19); and
- Long Service Leave is 113.6% (110.1% in 2018-19).

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 16. EMPLOYEE BENEFITS (CONTINUED)

The Long Service Leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for Long Service Leave and applicable on-costs.

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and Long Service Leave while in-service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

Annual Leave and Long Service Leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional Long Service Leave liabilities are classified as non-current because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for Employee Benefits. The estimated liability for Annual and Long Service Leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for Long Service Leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2017. The next actuarial review is expected to be undertaken in early 2022.

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2020

Note 16. EMPLOYEE BENEFITS (CONTINUED)

	2020 \$'000	2019 \$'000
Current Employee Benefits		
Annual Leave	180	147
Long Service Leave ^a	260	416
Accrued Salaries	21	17
Other Employee Benefits	3	2
Total Current Employee Benefits	464	582
Non-Current Employee Benefits		
Long Service Leave	35	19
Total Non-Current Employee Benefits	35	19
Total Employee Benefits	499	601
Estimate of When Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	18	15
Long Service Leave	29	44
Accrued Salaries	21	17
Other Employee Benefits	3	2
Total Employee Benefits Payable within 12 Months	71	78
Estimated Amount Payable after 12 Months		
Annual Leave	162	132
Long Service Leave	266	391
Total Employee Benefits Payable after 12 Months	428	523
Total Employee Benefits	499	601
Full-time equivalent employees as at 30 June	16	16

- a. The decrease in Long Service Leave is due to the departure of long term employees with large long service leave liabilities which were paid out.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 17. CONTRACT LIABILITIES

A contract liability is recorded when an amount of consideration is received from a customer prior to the Authority transferring a good or service to the customer.

	2020 \$'000	2019 \$'000
Current Contract Liabilities		
Burial Fees Contract Liabilities	6,950	6,657
Plaque Fees Contract Liabilities	1,337	1,256
Memorial Permit Contract Liabilities	100	-
Total Current Contract Liabilities	8,387	7,913

Estimate of When Contract Liabilities will be Recognised as Revenue

	2020 \$'000	2019 \$'000
Estimated Contract Liabilities Recognised as Revenue within 12 Months		
Burial Fees Contract Liabilities	695	666
Plaque Fees Contract Liabilities	134	126
Memorial Permit Contract Liabilities	10	-
Total Estimated Contract Liabilities Recognised as Revenue within 12 Months	839	792
Estimated Contract Liabilities Recognised as Revenue after 12 Months		
Burial Fees Contract Liabilities	6,255	5,991
Plaque Fees Contract Liabilities	1,203	1,130
Memorial Permit Contract Liabilities	90	-
Total Estimated Contract Liabilities Recognised as Revenue after 12 Months	7,548	7,121
Total Contract Liabilities	8,387	7,913

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 18. FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements. Interest rate risk for these assets is managed by only investing in floating interest rate investments that are low risk.

The Authority is exposed to movements in interest receivable. Interest rates increased and an increase in the average cash balances led to the Authority receiving increased interest revenue.

The borrowings under Carbon Neutral Government Fund are interest free. All other financial liabilities are non-interest bearing, therefore the Authority is not exposed to movements in interest payable.

There have been no changes in risk exposure or processes for managing risk since the last reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Authority expects to collect all financial assets that are not past due or impaired.

The Authority holds its cash and cash equivalents with the Westpac Bank, St George Bank and the Public Trustee and Guardian for the ACT. There is insignificant credit risk for funds held with the Westpac Bank, St George and the ACT Public Trustee and Guardian. The Authority manages credit risk by investing only with Approved Deposit Funds (funds that are regulated by the Australian Prudential Regulation Authority (APRA)).

The Authority also manages credit risk for the Trusts and is confident that the actuarial model by which each Trust receives revenue will enable the Trusts to continue to operate and meet their obligations in the long term.

There have been no significant changes in credit risk exposure or processes for managing credit risk since the last reporting period.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity Risk is the risk that the Authority will encounter difficulties in meeting obligations associated with its liabilities that are settled by delivering cash or another financial asset.

The Authority has expanded its business to include a crematoria to improve its liquidity in the future.

Fair Value of Financial Assets and Liabilities

The carrying amount of Financial Assets and Liabilities at the end of the reporting period are:

	Carrying Amount 2020 \$'000	Carrying Amount 2019 \$'000
Financial Assets		
Cash and Cash Equivalents	7,943	9,049
Receivables	58	45
Total Financial Assets	8,001	9,094
Financial Liabilities		
Payables	243	169
Borrowings	29	37
Total Financial Liabilities	272	206

The fair value of financial assets and liabilities approximates their carrying amount.

Non-Interest Bearing amounts reflected as Receivables is calculated by taking the total Receivable amounts less Goods and Services Tax Receivable.

Non-Interest Bearing amounts reflected as Payables are calculated by taking the total Payable amounts less Goods and Services Tax Payable.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2020. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

			Floating	Fixed Interest Maturing In:			Non-Interest	Total
		Weighted	Interest Rate	1 Year	Over 1 Year	Over	Bearing	\$'000
		Average	2020	or Less	to 5 Years	5 Years	\$'000	
	Note	Effective	\$'000	\$'000	\$'000	\$'000		
	No.	Interest						
		Rate %						
Financial Assets								
Cash and Cash Equivalents	11	1.79	7,003	940	-	-	-	7,943
Receivables			-	-	-	-	58	58
Total Financial Assets			7,003	940	-	-	58	8,001
Financial Liabilities								
Payables	15		-	-	-	-	243	243
Borrowings							29	29
Total Financial Liabilities			-	-	-	-	272	272
Net Financial Assets / (Liabilities)			7,003	940	-	-	(214)	7,729

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2019. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

			Floating Interest Rate 2019 \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
		Weighted Average Effective Interest Rate %		1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
	Note No.							
Financial Assets								
Cash and Cash Equivalents	11	2.55	8,127	922	-	-	-	9,049
Receivables			-	-	-	-	45	45
Total Financial Assets			8,127	922	-	-	45	9,094
Financial Liabilities								
Payables	15		-	-	-	-	169	169
Borrowings							37	37
Total Financial Liabilities			-	-	-	-	206	206
Net Financial Assets / (Liabilities)			8,127	922	-	-	(161)	8,888

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

	2020 \$'000	2019 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets Measured at Amortised Cost	58	45
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	272	206

There are no Gains/Losses on Financial Assets or Financial Liabilities.

Note 19. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent items in the Balance Sheet

	2020 \$'000	2019 \$'000
Total Cash and Cash Equivalents recorded in the Balance Sheet	7,943	9,049
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows	7,943	9,049

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 19. CASH FLOW RECONCILIATION (CONTINUED)

(b) Reconciliation of Operating (Deficit)/Surplus to Net Cash Inflows from Operating Activities

	2020 \$'000	2019 \$'000
Operating (Deficit)/Surplus	(1,226)	220
Add (Less) Non - Cash Items		
Depreciation	258	243
Amortisation	1	1
Expense of Capital Work in Progress	273	160
Assets Write Off	95	-
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Assets	(15)	(1)
Investment revenue		
Cash Before Changes in Operating Assets and Liabilities	(614)	623
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(95)	(11)
(Increase)/Decrease in Inventories	(84)	221
(Increase) in Prepayments	(5)	(1)
Increase/(Decrease) in Payables	61	(74)
(Decrease) in Employee Benefits	(102)	-
Increase in Contract Liabilities	474	356
Net Changes in Operating Assets and Liabilities	249	491
Net Cash (Outflows)/Inflows from Operating Activities	(365)	1,114

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 20. RELATED PARTY DISCLOSURES

A related party is a person who controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

KMP of the Authority are the Portfolio Minister, the Authority Board and Chief Executive Officer.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Authority.

This Note does not include typical citizen transactions between the KMP and the Authority that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Authority is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's Financial Statements for the year ended 30 June 2020.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) Financial Statements for the year ended 30 June 2020.

Compensation by the Authority to KMP is set out below.

	2020 \$'000	2019 \$'000
Short-term employee benefits ^a	314	165
Post employment benefits	29	32
Other long-term benefits	4	4
Board member fees	115	60
Total Compensation by The Authority to KMP	462	261

- a. The increase is due to multiple CEOs with some overlapping and one CEO was paid as a contractor.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant Notes to the Financial Statements of the Authority.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 21. BUDGETARY REPORTING

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- the line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the Financial Statements; and
- the variances (original budget to actual) are greater than plus (+) or minus (-) 2.5% and \$500,000 of the budget for the financial statement line item.

Original Budget refers to the amounts presented to the Legislative Assembly in the original 2019-20 Budgeted Financial Statements.

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

Note 21. BUDGETARY REPORTING (CONTINUED)

Operating Statement Line Items	Actual 2020 \$'000	Budget 2020 \$'000	Variance \$'000	Variance %	Variance Explanation
Sales of Goods and Services from Contracts with Customers	3,302	4,180	(878)	(21)	The variance is due to a reduction in both burials and the interment of ashes, there is also a reduction in the number of pre-purchased allotments.
Supplies and Services	1,894	1,256	638	51	The variance is due to contractor labour hire costs which are partially offset by the decrease in salaries and wages and unbudgeted crematorium costs.
Balance Sheet Line Item					
Cash and Cash Equivalents	7,943	8,785	(842)	(10)	The decrease is due to a reduction in sales revenue, contract liabilities and unbudgeted payments for the new crematorium.
Contract Liabilities	8,387	7,753	634	8	There has been a reduction in the anticipated recognition of revenue as a result of reduced burials and interments.
Statement of Cash Flows Line Item					
Receipts					
Sales of Goods and Services from Contracts with Customers	3,761	4,390	(629)	(14)	The decrease is due to a reduction in burials and interments, and a reduction in pre purchased allotments.

INDEPENDENT AUDITOR'S REPORT

GUNGAHLIN CEMETERY, HALL CEMETERY, WODEN CEMETERY AND WODEN MAUSOLEUM PERPETUAL CARE TRUSTS

To the Members of the ACT Legislative Assembly

Opinion

I have audited the special purpose financial statement (financial statement) of the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (Trusts) for the year ended 30 June 2020. The financial statement comprise operating statements, balance sheets, statements of changes in equity, statements of cash flows for the Trusts and accompanying notes.

In my opinion, the financial statement:

- (i) is presented in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 a) of the financial statement; and
- (ii) presents fairly the financial position of the Trusts and results of their operations and cash flows.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Trusts in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of matter

Without modifying the audit opinion, I draw attention to Note 1 a) of the financial statement which describes the purpose of the financial statement and the basis of accounting used to prepare the financial statement.

The special purpose financial statement for the Trusts has been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility for preparing and fairly presenting the financial statement

The Governing Board of the ACT Public Cemeteries Authority (Governing Board) is responsible for:

- preparing and fairly presenting the financial statement in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*;
- determining the internal controls necessary for the preparation and fair presentation of financial statement so that they it is free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Trusts to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statement.

Auditor's responsibilities for the audit of the financial statements

Under the *Cemeteries and Crematoria Act 2003*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statement of the Trusts.

My objective is to obtain reasonable assurance about whether the financial statement 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with 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 statement, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Trusts' internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trusts;

- conclude on the appropriateness of the Trusts' use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Trusts to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing Board 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.

A handwritten signature in black ink, appearing to read 'Ajay Sharma'.

Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2020

**GUNGAHLIN CEMETERY, HALL CEMETERY,
WODEN CEMETERY AND WODEN
MAUSOLEUM**

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. the financial statements and Notes present fairly the financial operations of each Trust for the year ended 30 June 2020 and the financial position of each Trust as at 30 June 2020, in accordance with accounting policies described in Note 1 to the special purpose financial statements.

On behalf of the Board



Stephen Bartos
Chairperson
ACT Public Cemeteries Authority
September 2020

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these Special Purpose Financial Statements were prepared in accordance with the accounting policies outlined in Note 1 to the special purpose financial statements; and
2. the special purpose financial statements and Notes are in agreement with accounts and records of each Trust, and present fairly the financial operations of each Trust for the year ended 30 June 2020 and the financial position of each Trust as at 30 June 2020, in accordance with accounting policies described in Note 1 to the special purpose financial statements.



Philip Shelley
Chief Executive Officer
ACT Public Cemeteries Authority
September 2020

OPERATING STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	Note No.	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income									
Interest		1	2	-	1	2	3	2	4
Dividend Income		59	96	12	18	195	331	27	48
Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	1 b)	971	1,050	24	18	534	773	8	20
Gain on Investments		-	67	-	14	-	227	-	31
Total Income		1,031	1,215	36	51	731	1,334	37	103
Expenses									
Reimbursement of Maintenance and Related Expenditure incurred by the ACT Public Cemeteries Authority	1 b)	857	927	4	3	432	625	7	17
Bank Charges		3	3	1	1	10	14	1	2
Loss on Investments		62	-	12	-	209	-	29	-
Total Expenses		922	930	17	4	651	639	37	19
Operating Surplus		109	285	19	47	80	695	-	84
Total Comprehensive Income		109	285	19	47	80	695	-	84

The above Operating Statements should be read in conjunction with the accompanying Notes.

BALANCE SHEETS

AT 30 JUNE 2020

		Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
Note No.		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	Current Assets								
	Cash and Cash Equivalents	222	197	30	26	228	287	288	287
	Receivables - ACT Public Cemeteries Authority	9	20	1	-	8	19	-	-
	Total Current Assets	231	217	31	26	236	306	288	287
	Non-Current Assets								
	Investments	1,860	1,765	366	355	6,169	6,019	829	830
	Total Non-Current Assets	1,860	1,765	366	355	6,169	6,019	829	830
	Total Assets	2,091	1,982	397	381	6,405	6,325	1,117	1,117
	Current Liabilities								
	Payable - ACT Public Cemeteries Authority	-	-		3	-	-	-	-
	Total Current Liabilities	-	-	-	3	-	-	-	-
	Total Liabilities	-	-	-	3	-	-	-	-
	Net Assets	2,091	1,982	397	378	6,405	6,325	1,117	1,117
	Equity								
	Reserves for Maintenance and Related Expenditure	2,091	1,982	397	378	6,405	6,325	1,117	1,117
	Total Equity	2,091	1,982	397	378	6,405	6,325	1,117	1,117

The above Balance Sheets should be read in conjunction with the accompanying Notes.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000
2020												
Balance at 1 July 2019	-	1,982	1,982	-	378	378	-	6,325	6,325	-	1,117	1,117
Comprehensive Income												
Operating Surplus	109	-	109	19	-	19	80	-	80	-	-	-
Total Comprehensive Income	109	-	109	19	-	19	80	-	80	-	-	-
Transfer to the Maintenance Reserves	(109)	109	-	(19)	19	-	(80)	80	-	-	-	-
Balance at 30 June 2020	-	2,091	2,091	-	397	397	-	6,405	6,405	-	1,117	1,117

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000
2019												
Balance at 1 July 2018	-	1,697	1,697	-	331	331	-	5,630	5,630	-	1,033	1,033
Operating Surplus	285	-	285	47	-	47	695	-	695	84	-	84
Total Comprehensive Income	285	-	285	47	-	47	695	-	695	84	-	84
Transfer to the Maintenance Reserves	(285)	285	-	(47)	47	-	(695)	695	-	(84)	84	-
Balance at 30 June 2019	-	1,982	1,982	-	378	378	-	6,325	6,325	-	1,117	1,117

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

Note No.	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash Flows from Operating Activities								
Receipts								
Interest Received	1	2	-	-	2	3	2	4
Funding received from the ACT Public Cemeteries Authority	1,061	996	20	23	593	828	8	26
Total Receipts from Operating Activities	1,062	998	20	23	595	831	10	30
Payments								
Bank Charges	3	3	1	1	9	14	1	2
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure	936	879	3	3	480	669	7	23
Total Payments from Operating Activities	939	882	4	4	489	683	8	25
Net Cash Inflows from Operating Activities	123	116	16	19	106	148	2	5
Cash Flows from Investing Activities								
Receipts								
Dividends Received	59	96	12	18	195	331	27	48
Total Receipts from Investing Activities	59	96	12	18	195	331	27	48
Payments								
Payments for Investments	157	130	24	24	360	320	28	30
Total Payments from Investing Activities	157	130	24	24	360	320	28	30
Net Cash (Outflows)/Inflows from Investing Activities	(98)	(34)	(12)	(6)	(165)	11	(1)	18
Net Increase/(Decrease) in Cash and Cash Equivalents	25	82	4	13	(59)	159	1	23
Cash and Cash Equivalents at the Beginning of the Year	197	115	26	13	287	128	287	264
Cash and Cash Equivalents at the End of the Year	222	197	30	26	228	287	288	287

The above Statements of Cash Flows should be read in conjunction with the accompanying Notes

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies

This Note provides a list of all significant accounting policies adopted in preparation of these Special Purpose Financial Statements (Statements). These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation and Reporting Framework

These Statements are Special Purpose Financial Statements prepared to comply with the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act) and related 'Guidelines for the Perpetual Care Trust Calculations of Maintenance 2017' (the Guidelines) issued by the Transport Canberra and City Services Directorate as the regulator under the Act. The Governing Board of the ACT Public Cemeteries Authority has determined that the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (PCTs) are not reporting entities.

The significant accounting policies adopted in the preparation of the special purpose financial statements are set out below:

- revenue and expenses transactions are calculated and recognised to comply with the requirements of the Act and Guidelines as disclosed in the Note 1 b);
- other transactions are recorded on an accruals and historical cost basis, except for investments that are measured at fair value; and
- an operating statement, a balance sheet, a statement of changes of equity and a statement of cash flows are prepared for each PCT to comply with the above requirements.

These statements are not consolidated financial statements as each PCT reports separately and funds are only used for the applicable PCT.

The accounting policies are consistent with the previous period unless stated otherwise.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements

Perpetual Care Trusts (Trust) have been established for the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum in accordance with Section 9 of the Act. The Trusts were established for the long-term and short-term maintenance of the Cemeteries and Mausoleum. The Public Trustee and Guardian is the trustee of the Trust's, however, the Authority is responsible for their management.

The Authority is required to provide to each Trust a percentage of the revenue from each burial, interment of ashes or memorialisation at each cemetery and mausoleum (the Perpetual Care Trust Percentage) in accordance with the Minister's determination. The Authority is also required to provide to each Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage).

The percentages are required to be reviewed at least once every five years under the Section 13 of the Act. These percentages were last reviewed and changed from 1 July 2017. The amount in the reserve is set aside for the purpose of long term maintenance requirements of each Cemetery and Mausoleum and cannot be accessed without Ministerial approval.

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister are as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Perpetual Care Trust Percentage	44.9%	44.9%	11.3%	11.3%	33.8%	33.8%	7.8%	7.8%
Perpetual Care Trust Reserve Percentage	6.00%	6.00%	63.0%	63.0%	8.0%	8.0%	1.0%	1.0%
Sale of Burial Revenue as per the Cemeteries Authority	1,907	2,063	32	24	1,277	1,849	86	223
Breakdown of funding received by Trust from the Authority								
Perpetual Care Trust Contribution Income	856	926	4	3	432	625	7	18
Perpetual Care Trust Contribution Reserve Income	115	124	20	15	102	148	1	2
Total Funding Received	971	1,050	24	18	534	773	8	20

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements (Continued)

The Authority is required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Trust percentages are determined, except in general terms. The Trust percentages determined by the Minister are used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the Cemetery and Mausoleum contribution to the Trusts. If in any year, the maintenance costs exceed the Trust contributions for each Cemetery, reimbursements to the Authority are capped to the Trust contribution amount for each Cemetery.

The amount of maintenance expenditure for each of the Trusts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Direct Maintenance Costs ^a	633	666	3	2	319	449	5	12
Indirect Maintenance Costs ^b	224	261	1	1	113	176	2	5
Total Maintenance Costs ^c	857	927	4	3	432	625	7	17

- Direct Maintenance Costs include overheads for maintenance which are paid by the Authority and allocated to each Trust.
- Indirect Maintenance costs are based on a portion of total indirect administrative costs which are paid by the Authority and allocated to each Trust.
- The Total Maintenance Costs are capped up to Perpetual Care Trust contribution income (based on a PCT percentage of burial revenue contributed by the Authority) therefore increases or decreases in the Authorities burial revenue impacts the total Trust Maintenance Costs.

The *Cemeteries and Crematoria Act 2020* came into effect on 23 August 2020. It is difficult to determine the full impact of the new Legislation, but it will change the way in which PCTs will operate in the future.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Cash and Cash Equivalents

Cash includes Cash at Bank, Cash on Hand and Demand Deposits. Trust money held in the Public Trustee and Guardian Fund are classified as Cash Equivalents.

Cash Equivalents are short-term, high liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Two fund accounts are held with the Public Trustee and Guardian for each Trust. These accounts are for the Perpetual Care Trust and the Perpetual Care Trust Reserve. The Perpetual Care Trust Reserve is cash reserves to be drawn on by the Authority for specific cemetery maintenance and related expenditure. The breakdown for the two accounts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Perpetual Care Trust	94	85	6	5	59	103	275	268
Perpetual Care Trust Reserve	128	112	24	21	169	184	13	19
Total Cash and Cash Equivalents	222	197	30	26	228	287	288	287

3. Investments

Short-term and long-term investments are held with the Public Trustee and Guardian in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of current reporting period as well as any profit/loss on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statements. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

The purpose of the investments in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Funds has been measured at fair value.

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-Current Investments								
Growth Investment Fund	1,860	1,765	366	355	6,169	6,019	829	830
Total Non-Current Investments	1,860	1,765	366	355	6,169	6,019	829	830

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4. Cash Flow Reconciliation

Reconciliation of the operating surplus to the net cash inflow from operating activities:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Operating Surplus	109	285	19	47	80	695	-	84
Add/(Less) Items Classified as Investing or Financing								
Loss/(Gain) on Investments	62	(67)	12	(14)	209	(227)	29	(31)
Dividend (Income)	(59)	(96)	(12)	(18)	(194)	(331)	(27)	(48)
Cash Before Changes in Operating Assets and Liabilities	112	122	19	14	95	137	2	5
Decrease /(Increase) in Receivables	11	(6)	-	5	11	11	-	-
(Decrease) in Payables	-	-	(3)	-	-	-	-	-
Net Changes in Operating Assets and Liabilities	11	(6)	(3)	5	11	11	-	-
Net Cash Inflows from Operating Activities	123	116	16	19	106	148	2	5

Capital Works

The Authority is a self-funding statutory body and most capital works are carried out by the Authority and funded in-house.

The primary focus for capital works during the reporting period was commencement of construction of the Crematorium at Gungahlin Cemetery. The Crematorium will be delivered in two stages. It is anticipated that Stage 1 of the development will be complete in September 2020, with operations then able to commence from October 2020. Stage 2 of the development will focus on the viewing room and external works, with the Viewing Room to open to the public from early 2021.

Asset Management

The Authority's total non-current assets at the end of June 2020 had a value of \$8.1 million.

Information in the table BELOW is sourced from the Strategic Asset Management Plan.

Plant and Equipment items renewed in the reporting period included a new scissor lift for Woden Mausoleum to upgrade WHS compliance. Items disposed of included a passenger van. The majority of ICT assets were also retired as ICT hardware was aligned to the ACT Government network.

Master plan development works included preliminary earthworks at Gungahlin Cemetery to prepare for new Portions 3.2 (Islamic) and 22 (Lawn Graves). These Portions will be further developed in 2020-21.

The Crematorium under development at Gungahlin Cemetery will add a suite of assets to the inventory, most notably the Cremator equipment.

Figure 19: Major assets held in the Canberra Cemeteries' assets inventory at 30 June 2020

Asset group	Measure
Buildings	7
Burial grounds/cemeteries	3
Total land	56 ha
Parks and manicured landscapes including burial areas	43 ha
Undeveloped land	11 ha
Fences	7 km
Mausoleum (576 crypts and 96 columbaria)	1
Buildings/Plant/Equipment/Vehicles	\$2.1 million
Roads and paving	4.3 km
Walls of remembrance	2 locations

Asset Strategy

Management of Canberra Cemeteries' assets is guided by a Strategic Asset Management Plan (SAMP). The plan was reviewed and audited in 2019-20. A revised SAMP is due to be completed in 2020 along with a Capital Investment Program.

The cemeteries managed by the Authority contain significant landscaping, cemetery specific structures, and various buildings including the head office. Other assets include plant and equipment, information

technology, and business processes that enable the day-to-day operation of the cemeteries.

The landscape is maintained to a standard which meets the expectations of exclusive right holders and visitors. Assets will be maintained in a manner that is consistent with their purpose and age.

The Authority uses several strategies to achieve defined targets for asset management, including improving sustainability through energy efficiency

measures in landscape management and office buildings.

Assets Maintenance and Upgrade

As outlined in the SAMP, the Authority's aims to maintain all fixed assets to a minimum 'Good' level, the standard required to deliver appropriate services. Revenue generated from cemetery operations should meet all operating and maintenance expenses (including contributions to PCT funds). This is achieved by charging appropriate fees.

Maintenance is carried out on an as needs basis with major work completed within budgetary constraints. Preventative maintenance programs are in place to ensure that ongoing maintenance costs are minimised, and service delivery maximised.

Audits are conducted on an ongoing basis. Building Code of Australia compliance audits for all building and valuations on an 'all of cemetery' basis is carried out every five years to ensure all properties are maintained to the appropriate standard.

Government Contracting

The Authority is self-funded and manages its own procurement and contracting activities in-house with assistance from TCCS as required.

As an ACT Government entity, the Authority reports all contracts and invoices greater than \$25,000 to the public Notifiable Contracts Register and Notifiable Invoices Register respectively.

The Authority performs regular analysis of burial inventory and landscaping requirements to inform project planning and procurement needs to ensure cemeteries are maintained to a high standard.

Notable projects and procurements in 2019-20 included:

- planning and procuring a construction contractor for the first public crematorium for the ACT at Gungahlin Cemetery;
- purchase of an Austeng Joule cremator for the forthcoming Gungahlin Crematorium;
- landscaping and earthworks for new lawn and Islamic burial areas at Gungahlin Cemetery;
- purchase of a new scissor lift equipment used to assist in interments at the Woden Mausoleum;
- purchase of a new tip truck used to facilitate burials at Woden Cemetery; and
- purchase of one new buggy to assist in Woden Cemetery maintenance.



INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the ACT Public Cemeteries Authority (Authority) for the year ended 30 June 2020.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2020 are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Authority's responsibilities for the statement of performance

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Authority.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Authority, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Authority.

A handwritten signature in black ink, appearing to read 'Ajay Sharma'.

Ajay Sharma
Assistant Auditor-General, Financial Audit
28 September 2020

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Authority's records and fairly reflects the service performance of the Authority for the year ended 30 June 2020 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read 'S. Bartos', with a long, sweeping underline.

Stephen Bartos
Chair
September 2020

NON-FINANCIAL ACCOUNTABILITY INDICATORS

Statement of Intent Accountability Indicators	Original Target 2019-20	Actual Result 2019-20	% Variance from Original Target	Explanation of Material Variances >= 5%
a) Number of clients choosing to do business with Canberra Cemeteries, proportional to the estimated number of deaths annually (ACT)	35%	26%	(25.7%)	1
b) Level of client and stakeholder satisfaction with Canberra Cemeteries	98%	94%	(4.1%)	
c) Level of matters raised by unsatisfied clients and stakeholders resolved by Canberra Cemeteries operations.	100%	100%	-	-
d) Average number of years of supply of interment spaces for major denominational groups	4	3	(25.0%)	2

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Accountability Indicators

- a) Estimated number of deaths in the year is determined by averaging the number of actual deaths for the previous five financial years. This is a reasonable method, given that there is a lag in the information sourced from the Australian Bureau of Statistics (3101.0 Australian Demographic Statistics (December 2019 released June 2020)).

The number of clients choosing to do business with Canberra Cemeteries is actual numbers of burials for the year ending 30 June 2020.

- b) Level of client satisfaction is obtained by conducting a survey of funeral directors who regularly access Canberra Cemeteries, supported by a post burial satisfaction survey provided to all willing clients.

The survey to funeral directors asks them to provide an overall assessment of Canberra Cemeteries' performance as a percentage. An average score is calculated from the responses. This year 4 out of 5 Funeral Directors provided a response with an average result of 95%.

Explanation of Accountability Indicators Continued

The post burial survey is sent to families following each burial as part of a pack of other documents, on an opt-out basis. When completing an Application for Burial, the applicant is asked tick the box if they “do not wish to receive a post service survey”. Surveys are not sent to those who do not wish to take part. Surveys comprise five questions covering customer service, burial arrangements and cemetery presentation in a five-tier rating format. Only “top two” (good and excellent) responses count towards “satisfaction”. An average score is calculated from the responses. Eighty responses were received for the 2019-20 reporting period.

For 2016-17 an average of 84% of responses were good or excellent. In 2017-18 this rose to 94%. In 2018-19 the good to excellent response average was 90%. For the current reporting period the result was 94%

- c) Details are extracted from customer service database on matters raised by clients and other stakeholders which are used to manage and track the progress of action taken to remedy issues. This includes follow up with complainants where required. In 2019-20 all matters raised were resolved.
- d) Number of years of supply of interment space is calculated using inventory data compared to the expected number of burials per denomination. The Authority’s Board believes that the target number of years (4) provides adequate time for planning and installation of new areas as required. Falling below this target level increases the risk that there will be insufficient spaces in the future.

Variance Explanations

1. The number of clients choosing Canberra Cemeteries for interment services in 2019-20 was 582. By utilising the ABS data and previous year results we have extrapolated 2180 deaths in the ACT for the reporting period. This results in a 26% market share, a variance of 25.7% from reporting targets. It is worth noting that the extrapolated result of 2180 deaths represents an all-time high for the ACT. It is also worth noting that the actual data does not include the last 6 months of the reporting period. This period, affected by the COVID-19 pandemic, has exhibited lower incidences of rates of influenza and the actual deaths in the ACT for the reporting period may be considerably lower. This result also demonstrates the Australia-wide trend of a movement away from burial toward cremation.
2. Average number of denominational spaces available are declining primarily due to the declining number of overall spaces at Woden Cemetery as it nears capacity. There are still potential places available at Gungahlin Cemetery in terms of General Areas and undeveloped land. Recent development at Gungahlin Cemetery will see 96 new Islamic Graves, and 250 new General Lawn Graves established by the end of October.

GLOSSARY

Acronym/Abbrev.	Term
ACTIA	ACT Insurance Authority
ACTPS	ACT Public Sector
ARin	Attraction and Retention Incentives
ASBA	Australian School-Based Apprenticeships
AVBC	Australasian Veterinary Boards Council
AWAs	Australian Workplace Agreements
BA	Building Applications
CDS	Container Deposit Scheme
CCANSW	Cemeteries and Crematoria Association of NSW
CIT	Canberra Institute of Technology
CMTEDD	Chief Ministers, Treasury and Economic Development Directorate
DA	Development Applications
EBAs	Enterprise Bargaining Agreements
EPSDD	Environment, Planning and Sustainable Development Directorate
FOGO	Food organics, garden organics
GNSS	Global Navigation Satellite Systems
HRC	Human Rights Commission
HSR	Health and Safety Representatives
JACS	Justice and Community Safety Directorate
LANN	Land Access and Activity Notices
LTIFRs	Lost-time injury frequency rates
MBA	Master Builder Association
RAP	Reconciliation Action Plan
RED	Respect, Equity and Diversity Framework
SAMP	Strategic Asset Management Plan
SERBIR	Senior Executive Responsible for Business Integrity Risk
TCCS	Transport Canberra and City Services Directorate
WHO HEAT	World Health Organisation Health Economic Assessment Tool
WHS	Work Health and Safety

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