

Meander Valley Council 2018-19 Annual Report





Meander Valley Council

P 03 6393 5300 F 03 6393 1474

mail@mvc.tas.gov.au

26 Lyall Street Westbury, Tasmania 7303

PO Box 102, Westbury Tasmania 7303

www.meander.tas.gov.au

Disclaimer

The Meander Valley Council Annual Report 2018-19 has been prepared with all due care and diligence, using the best available information at the time of publication. Meander Valley Council holds no responsibility for any errors or omissions within the document.

Any decisions made by other parties based on this report are the responsibility of those parties.

Photo credits: Chris Crerar (cover image), Rob Burnett (p7, p9, p13, p15, p19, p37) and Meander Valley Council

Produced and published by Meander Valley Council, November 2019



Contents

1. Introduction	4
Message from the Mayor	5
Message from the General Manager	6
About our Region	8
Key Facts	9
Our Council	10
Corporate Structure	12
2. Strategy Implementation & Reporting	14
Community Strategic Plan & Future Directions	14
Annual Plan Performance	15
Governance	16
Corporate Services	17
Community & Development Services	18
Infrastructure Services	21
Department of Works	24
Capital Works Program Summary	25
3. Annual Disclosures	28
Reporting on Legislative Requirements	28
Overview of Financial Performance	34
Financial Reports	39



Welcome

Every year, Council develops an Annual Plan. This plan demonstrates Council's commitment to achieving the Meander Valley's Community Vision.

The Annual Plan outlines the development and use of financial resources, human resources, assets and the operational performance targets set for the year ahead.

This Annual Report documents how the objectives of the Annual Plan were progressed and achieved over the financial year. The Report also contains details of Council's finances and information required by legislation. The Annual Report is one of the ways Council reports to and is accountable to the community and highlights how our programs, projects and services deliver in line with the Community Strategic Plan.

Our Vision

The backdrop of the Great Western Tiers, the mix of urban lifestyle and rural countryside give Meander Valley its unique look and feel, offering livability and healthy lifestyle choices. A community working together, growing for generations to come.

Our Values

- Respect, listen and care for one another
- Be trustworthy, honest and tolerant
- Be positive and receptive to new ideas
- Be innovative, creative and learn
- Take a fair, balanced and long term approach
- Use sound business practices
- Work together



Message from the Mayor

This is my first Annual Report as Mayor elect of Meander Valley. Over the year, there has been a significant amount of legislation to learn and, gaining an understanding of what we, as councillors can and cannot change has been one of the greater challenges for me personally.

On behalf of Council, I would like to thank all constituents for their patience, as we have begun to grasp the complexities of our new roles.

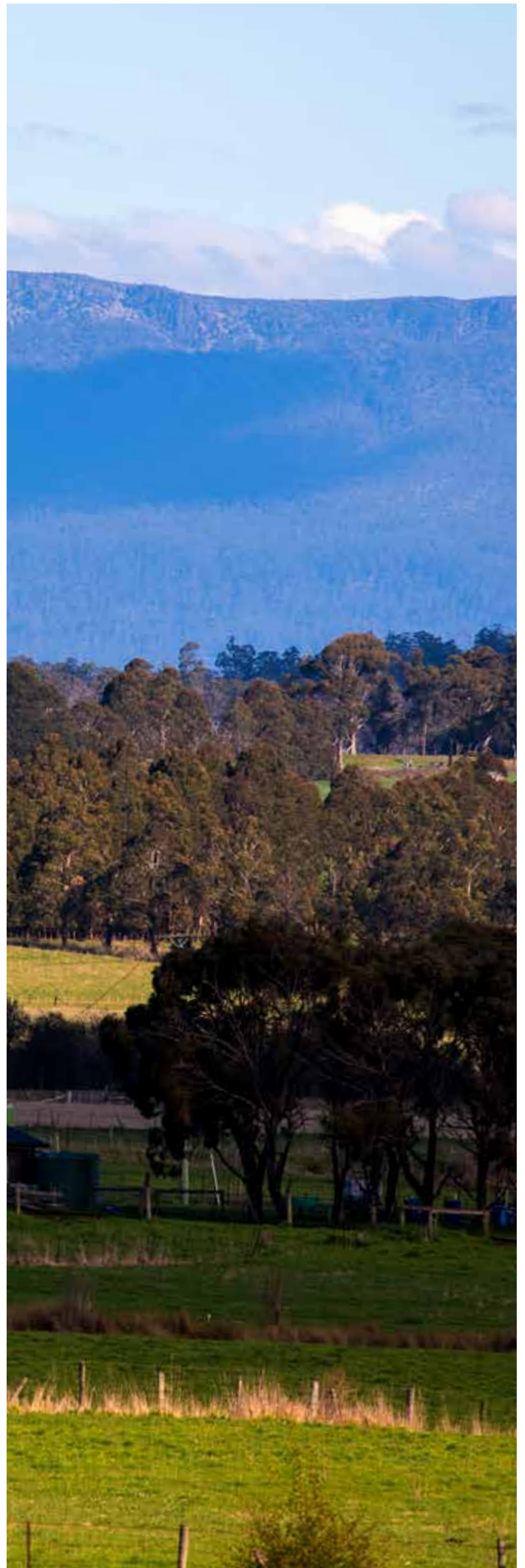
Working amongst the community has been immensely rewarding. Dedicated volunteers, hard-working business owners, active retirees and inspiring young people have ensured our municipality is rich in its diversity.

The Annual Report illustrates the challenge all Council's face, as they strive to balance revenue, service delivery and the expectations of the community and; whilst perfect balance is not always practical, Council is committed to working hard to secure the best outcomes for the Meander Valley community.

To achieve this, we rely on continued engagement and ongoing objective discussion within Council and with the community and this is something we will continue to facilitate and actively participate in.

I would like to thank the team of staff that I know do their best to provide exceptional service to our community and I would also like to thank our constituents - your support strengthens our community and makes us proud to represent Meander Valley.

Wayne Johnston, Mayor





Message from the General Manager

‘Council delivered projects and services prioritised in Council’s Annual Plan, achieving 99 percent of the targets set.’

I am happy to present the Meander Valley Council Annual Report for your consideration and information. The Annual Report is our opportunity to tell our community what we have achieved and how we managed our financial responsibilities during 2018-19.

This year’s Annual Report highlights the range of services, facilities and activities that Council delivers for and on behalf of our community.

Performance

It is pleasing to report that the operational performance of the organisation has met the high standards that have been set by the Management Team. This performance is driven by the targets in the Annual Plan. The Annual Plan is a critical document because it is a commitment by the staff, to the community, to deliver the projects and services that Council prioritise. I am delighted to report that 99% of targets that Council set were achieved.

I am also pleased to report that we have again delivered an operating surplus and have maintained a sustainable position within the long term financial plan. These achievements are outlined in more detail in the overview of the financial reports within this document

A New Council

In November 2018 we swore in a new Council following the Local Government Elections in October. We welcomed a new Mayor and in total, five new Councillors. The Deputy Mayor and three incumbents were returned. The last months

of 2018 were spent introducing Council to the legislative framework that governs local government and decision making. Councillors spent time familiarising themselves with the budget process, financial management practices, land use planning and the role of the Planning Authority, the capital works program and the big issues important to the community.

In December 2018 Council started to think about the future and started to prioritise initiatives that would inform the direction that Council would follow during next four years. The first evidence of this was captured in the Federal Election - Meander Valley Council Priorities and Priority Projects document. The projects identified by Council focused on investment in community infrastructure and community health and wellbeing. Through this advocacy Council was able to secure a commitment of just over \$7 million for our Meander Valley Active Communities program.

In February 2019 Council hosted the State Government Joint Community Cabinet Meeting. This provided the new Council with an opportunity to meet the Premier and his cabinet and an opportunity to present and advocate on issues important to Meander Valley.

Representation in the Region

We continued to work with the northern Councils on regional initiatives, playing a proactive part in developing the Regional Economic Development Plan, the greater Launceston Transport Vision and continuing to participate in the Tamar Estuary Management Taskforce and Greater Launceston Transformation Plan Steering Committee.

Council also continued to play a leadership role in the ongoing land use planning reform initiative of the State Government. Meander Valley was the first local Government to submit and formally notify a Local Provisions Schedule.

Working across Meander Valley

Council continued its community forum program. Councillors and Council staff visited Parkham and Carrick and spent time providing information and hearing about the things that were important to the community. I would like to thank the local communities who hosted us and demonstrated why Meander Valley is such an extraordinary place.

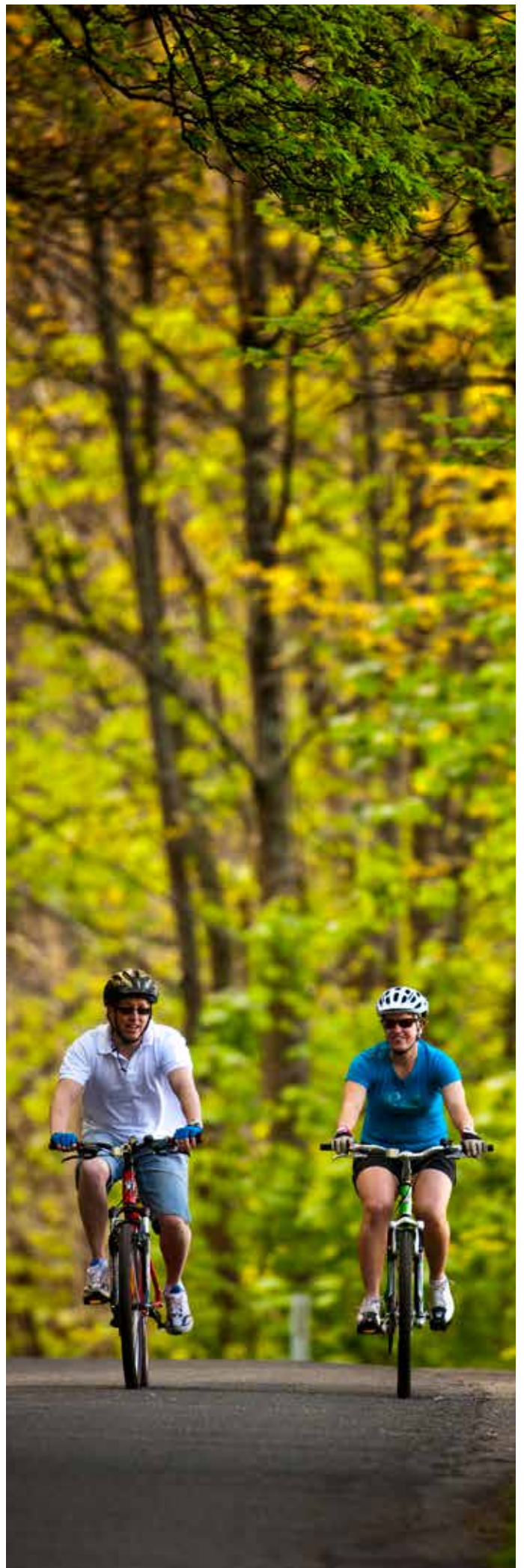
Recognition

Nothing we do, providing services or working to improve Meander Valley on behalf of our community, could be achieved without the contribution, commitment and professionalism of the Council staff. I would like to take this opportunity to acknowledge their efforts and to thank them.

Similarly, without the leadership and direction provided by the Mayor and Councillors, Meander Valley would not be the unique, progressive and ideal place to live and work. I would like to thank all Councillors for their ongoing contribution to Council and the community.



Martin Gill, General Manager



About our region

'The region offers a lifestyle set amongst world heritage wilderness and historic villages that are in close proximity to major airports and an easy commute to both Launceston and Devonport'

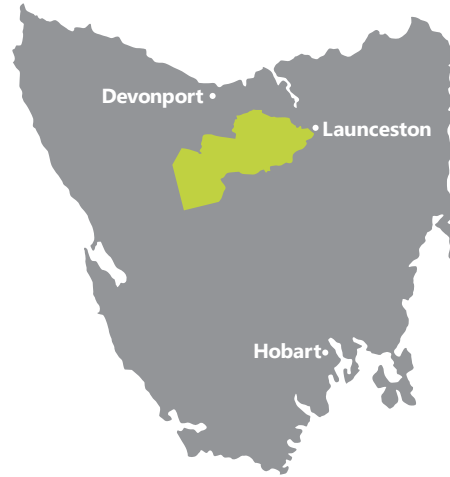
Municipal Area

The Meander Valley local government area covers 3,821 square kilometres across northern Tasmania. The area encompasses the settlements of Prospect Vale, Blackstone Heights, Birralee, Hagley, Hadspen, Carrick, Bracknell, Westbury, Exton, Deloraine, Red Hills, Weetah, Weegen, Elizabeth Town, Kimberley, Parkham, Meander, Chudleigh and Mole Creek.

Meander Valley has some of the State's best short walking trails, cycling routes, trout fishing and gourmet food producers.

The region's central location and close proximity to major airports and transport routes are attractive to investors and there are a number of agricultural, manufacturing and logistics based businesses.

Those who live and work in Meander Valley enjoy a rural lifestyle set amongst some of Tasmania's best world heritage listed wilderness and historic English style villages that are centrally located, well serviced and an easy commute to both Devonport and Launceston.



Council Chambers and Council Offices

26 Lyall Street Westbury

Council Depots

King Street, Westbury
Harley Parade, Prospect Vale
Racecourse Road, Deloraine

Elected Members 9

Rateable Assessments 10,164

Employees 85

General rate in \$

Assessed Annual Value 5.906c

Total Operating Revenue \$20,732,210

Total Operating Expenditure \$19,928,684

Capital Expenditure \$7,351,331

Key Facts

3,821km

Municipal land area

41

Sporting Facilities

19,686

Population

36

Playgrounds and
Fitness Stations

564km
257km

Sealed Roads
Unsealed Roads

63

Parks and Reserves

223

Bridges

3

Municipal Waste Facilities

2

Swimming Pools

8

Sports Grounds

Our Council

Meander Valley Council consists of nine Councillors, including the Mayor and the Deputy Mayor. The entire municipality votes to elect Councillors, the Mayor and the Deputy Mayor for a term of four years.

The role of the Mayor and Councillors is to represent the community. Councillors undertake a range of duties not limited to; providing leadership, informing policy and making decisions on behalf of the community that comply with legislation. Elected members work closely with Council's management team on a range of plans and strategies that guide the delivery of projects and services across the municipality.

Representation by Councillors on Committees and Community Organisations 2018-19

Committee or Organisation	Representative/s
Audit Panel	Councillor Frank Nott Councillor Susie Bower Councillor Andrew Connor <i>(concluded representation October 2019)</i>
MVC Emergency Management and Community Recovery Committee	Councillor Andrew Connor <i>(concluded representation October 2019)</i> Councillor Andrew Sherriff
TasWater	Mayor Wayne Johnston Deputy Mayor Michael Kelly Mayor Craig Perkins <i>(concluded term October 2018)</i>
Great Western Tiers Tourism Association	Councillor John Temple
Northern Tasmania Regional Development Board	Mayor Wayne Johnston Mayor Craig Perkins <i>(concluded term October 2018)</i>
Australia Day Awards Committee	Deputy Mayor Michael Kelly Councillor Susie Bower
Community Grants Committee	Councillor Tanya King Councillor Stephanie Cameron Councillor Ian Mackenzie <i>(concluded term October 2018)</i>
Development Assessment Group	Mayor Wayne Johnston, Deputy Mayor Michael Kelly, Cr Stephanie Cameron, Cr Frank Nott, Cr Susie Bower, Cr Rodney Synfield <i>(concluded term October 2018 and recommenced April 2019)</i> , Cr Tanya King, Cr John Temple, Councillor Andrew Sherriff, Councillor Andrew Connor <i>(concluded term March 2019)</i> , Mayor Craig Perkins <i>(concluded term October 2018)</i> , Councillor Ian Mackenzie <i>(concluded term October 2018)</i> , Councillor Bob Richardson <i>(concluded term October 2018)</i> , Councillor Deborah White <i>(concluded term October 2018)</i>



Wayne Johnston
Mayor



Michael Kelly
Deputy Mayor



Stephanie Cameron
Councillor



Frank Nott
Councillor



John Temple
Councillor



Susie Bower
Councillor



Rodney Synfield
Councillor
(Concluded term October 2018
and recommenced April 2019)



Tanya King
Councillor



Andrew Sherriff
Councillor



Andrew Connor
Councillor
(Concluded term March 2019)



Craig Perkins
Mayor
(Concluded term October 2018)



Bob Richardson
Councillor
(Concluded term October 2018)



Ian Mackenzie
Councillor
(Concluded term October 2018)



Deborah White
Councillor
(Concluded term October 2018)

Corporate Structure

Meander Valley Council's senior management, under the direction of the General Manager provide leadership to maintain good governance, achieve excellence in service delivery and deliver the strategic outcomes determined by Council.



Martin Gill
General Manager



Jonathan Harmey
Director, Corporate Services



Lynette While
Director, Community and
Development Services



Dino De Paoli
Director, Infrastructure Services



Matthew Millwood
Director, Works



Strategy Implementation and Reporting

This Report documents our performance against the Annual Plan. It serves as an assessment of progress towards the implementation of the Community Strategic Plan 2014-2024 and celebrates a broad range of achievements. The Annual Report contains details about:

- Our Key Performance Measures against what was set out in the Annual Plan
- Results of actioning the operational plans set out in the Annual Plan
- Details of the services that have been provided to the community
- Transparency and accountability
- Reports required by legislation
- Financial Performance and Financial Reports

The Community Strategic Plan and Future Directions

Council works to implement the Community Strategic Plan 2014-2024 through the following Future Directions. These Future Directions have guided the objectives that were set out in the Annual Plan - the results of which form the basis of this report.

1

Sustainable

A sustainable natural & built environment

2

Thriving

A thriving local economy

3

Vibrant

Vibrant & engaged communities

4

Healthy and Safe

A healthy & safe community

5

Innovative

Innovative leadership & community governance

6

Planned

Planned infrastructure services

Copies of the Community Strategic Plan 2014-2024 and our Annual Plan are available on Council's website at www.meander.tas.gov.au or by contacting Council on 6393 5300

2018-19 Annual Plan Performance

Key Performance Measures

98%

Annual Plan Conformance
(minimum target 95%)

\$71.7m

**Value of
Building Applications**

1,040

Customer Service Requests
(Received during 2018-19)

**Over
\$100k**

**In Community Grants
and Sponsorships Awarded**

99%

**Customer Service
Request Conformance**
(minimum target 95%)

\$7.4m

In Capital Works Projects



Governance

The General Manager's Office and Governance Department continued to provide secretarial and administration support for both the Councillors and the Council throughout the year through the coordination and preparation of the Council agenda, minutes and reports.

The Annual Plan implementation throughout the year was monitored by the General Manager's office and progress was reported quarterly to Council.

Council's Risk and Work Health Safety (WHS) Committee are administered by the Department. During the year officers reviewed and updated our risk register, internal audit process and Business Continuity Plan.

Staff in the Department provided support and assistance to the Community Grants Program. The department also organised citizenship ceremonies and the Australia Day celebrations

The Communications Officer continued to coordinate the preparation of the Council Community News and Council's contribution to the Meander Valley Gazette. Work continued on improving the accessibility and readability of our public documents and expanding Council's presence on Social Media to ensure we reach our community through a variety of mediums.

Annual Plan Performance

Activity	Action	Result
Secretarial and Administration Support Undertake functions to ensure compliance with legislative requirements.	Develop and monitor Annual Plan Produce Annual Report Prepare Council meeting agenda and minutes Hold AGM as per Local Government Act Review organisational policies and documents Conduct Australia Day event Prepare and implement Induction Program for new Council	All Achieved
Risk Management Minimise risk to our people and the public	Implement Risk Management Framework Implement Internal Audit Program	All Achieved
Employee Health & Safety Management Provide a safe place of work for our people and to measure and monitor our employer obligations	WHS and Risk Committee to meet regularly to monitor the performance and operation of the WHS systems and Risk management Deliver a Health and Wellbeing Program Workplace Consultative Committee operation	All Achieved
Other Functions Provide good governance	Participation in Northern Tasmania Development Participate in benchmarking project with other Councils in the northern region	All Achieved
Economic Development To create an investment ready environment in the Meander Valley Local Government Area	Promote investment in Meander Valley to support the growth of identified industry sectors	Achieved

Corporate Services

The Corporate Services Department provides the financial, administrative, customer service, human resources, information technology functions of Council and operation of the Great Western Tiers Visitor Information Centre.

Rates and Charges were adopted in accordance with Council's Rates and Charges policy, based on property values provided by the Tasmanian Valuer General. Meander Valley's last Fresh Valuation was effective from 1 July 2013 with Adjustment Factors received in 2015 and 2017. A Fresh Valuation of all properties was provided by the Valuer General

and uploaded into the Rating database ready for the new rating year commencing 1 July 2019.

Notices for rates and sundry debtors were issued in a timely manner, state authority returns, statutory reports and Property 132 Certificates were all issued within the required timeframes. Council's administration of outstanding rates has seen a manageable result achieved.

All financial management and reporting targets were met including monthly operating statements being reported to Council, monthly BAS and Payroll Tax Returns.

Annual Plan Performance

Activity	Action	Result
Financial Services Responsibly manage Council's core financial activities	Raise Rates and Sundry Debtor accounts Fresh Municipal Valuation Complete State Authority returns Issue Section 132 certificates (Property Rates) Arrange annual insurance renewals Reconciliation of Control Accounts	All Achieved
Financial Management & Reporting To comply with statutory requirements for Local Government Finance, State and Federal Taxation and to provide meaningful reports for internal financial management	Review and present the Long Term Financial Plan (LTFP) to Council Coordinate the development and adoption of Budget and Rating recommendations within statutory timeframes Annual external reporting Issue BAS, FBT and Payroll Tax returns within legislative timeframes Provide internal financial management reports on a timely basis for decision making Monitor Council's short-term expenditure commitments and invest funds in accordance with Council's Investment policy Co-ordinate functions of the Audit Panel	All Achieved
Information Technology Provide reliable and effective information technology services for the organisation	Maintenance and upgrade of IT infrastructure Implement Windows 10 Software to users	All Achieved
Information Management Effectively manage and maintain Council's information resource	Maintenance of Council's cemetery records in accordance with the Cemeteries Act Annual Archive Disposal	All Achieved
Human Resources (HR) Effectively manage and support Council's human resources	Review 2016 Enterprise Agreement Coordinate training needs via Learning Management system Performance Review System Provide administrative support to the Workplace Consultative Committee in negotiating a new Workplace Agreement	All Achieved
Great Western Tiers Visitor Information Centre Effectively manage and maintain the centre	Report on Visitation statistics and sales revenue	Achieved

‘Supporting the community to grow and develop and to enjoy living and working in the Meander Valley’

The key aim for Community and Development Services is to assist the community to grow, develop and ultimately to enjoy living and working in Meander Valley. We achieve this through the customer service focus that extends across the provision to community of guidance and advice about the processes that enable home and business development; working with community groups to facilitate events; supporting individuals and groups through community grants and also through conversations and communications with community. The community forums at Parkham and Carrick provided opportunities for conversations with local residents, councillors and staff.

We consistently stretch resources to implement the annual plan targets and continuously look for improved ways to get things done. Behind the work with community we have extended our staff sharing across four municipalities, reviewed some internal processes to assist us to meet with and provide information to community, also working with a range of regional organisations and neighbouring councils to share expertise and influence regional improvements.

Some of the highlights include the design and installation of interpretive signage at the Town Common in Westbury as part of the Town Common management plan; completing the Deloraine and district recreation precinct feasibility study; support for arts with the success of the Festival of Small Halls concert at Meander and working with schools to implement the immunisation program and youth development camps.

Development Services

The number of building and plumbing applications received by Council in 2018-19 decreased by about 20% on the previous financial year. However, there has been an increase of 20% on the previous financial year on the value of Building works completed in the municipality.

Council's Permit Authority continued to deal with a large number of illegal building work matters, especially in response to issues arising during house sales and contract settlement. We are also finding an increase in illegal works due to the complexity of the new building legislation.

The planning team processed 292 applications for planning permits during this financial year which is consistent with the number of planning permit applications processed by Council in the corresponding period in 2017-18.

Of the planning applications processed 247 were discretionary applications. When no further information was required and the statutory clock did not stop applications were processed, on average, within 33 days. This is 9 days shorter than the 42 day statutory period provided within the Land Use Planning and Approvals Act 1993.

Environmental Health Statement

Meander Valley Council recognises the importance of and is committed to protecting the health and safety of its residents and visitors. Council is required to undertake numerous inspection and monitoring programs to ensure compliance with the *Public Health Act 1997*, *Food Act 2003* and associated regulations and guidelines.

Approximately \$265,000 was spent on environmental health projects and services during 2018-19, including the employment of two full-time Environmental Health Officers.

Council's core Environmental Health functions are:

- Food safety, including registration and inspection of food businesses and education;
- Disease prevention and control, including immunisations, notifiable disease investigations, education, and sharps disposal service;
- Water quality monitoring, including recreational water and private water suppliers;
- Licencing and inspection of Places of Assembly (specific events);
- Licencing and inspection of public health risk activities;
- On-site wastewater management; and

- Public health and environmental complaints.

The following summarises the activities carried out during the financial year 2018-19:

Public Health Act 1997:

- 9 Place of Assembly (Specific Events) licenced; 2 Place of Assembly (Specific Events) inspected;
- Four recreational water sites sampled on a weekly basis from December to the end of March, totalling 81 samples;
- Eight pools/spas were sampled on a monthly basis, totalling 85 samples;
- 26 private water suppliers/water carriers registered, 11 water samples undertaken.
- Immunisation sessions were held at Deloraine High School and Giant Steps Tasmania in September 2018 and March 2019. Immunisations were provided in accordance with the National Immunisation Program Schedule and included diphtheria, tetanus and pertussis (whooping cough) (dTpa), human papilloma virus (HPV), in addition to Meningococcal ACWY vaccinations provided for 15-19 year olds under the Tasmanian Government Meningococcal W Program. 122 vaccines were administered at the school sessions during the year. Immunisations against seasonal influenza were also offered to all Meander Valley Council Staff.

Food Act 2003:

- 203 food premises and 32 statewide mobile businesses were registered, and 69 food businesses notified under the Food Act 2003;
- 262 inspections were completed for premises registered or notified under the Food Act 2003;
- 113 temporary food stall applications were registered and 205 inspections of temporary food stalls were conducted, including 52 inspections at the Tasmanian Craft Fair 2018 and 122 inspections at AGFEST 2019.



Annual Plan Performance

Activity	Action	Result
Land Use and Planning Carry out planning duties and prepare policies for the sustainable development of the local government area	Process development applications in accordance with delegated authority. Process Planning Scheme amendments	All Achieved
Building , Plumbing and Permit Authority Carry out statutory responsibilities for the administration and enforcement of the <i>Building Act 2016</i> and the <i>Building Regulations 2016</i>	Permit Authority – Issue Permits for Category 4 Building works Process Notifiable Building works Manage outstanding Building completions and illegal works Conduct inspections and process applications for plumbing permits	All Achieved
Environmental Health Manage Council's statutory obligations in relation to Environmental Protection and Preventative Health	Monitor and sample water quality of recreational waters Inspect and register food premises annually Co-ordinate immunisation clinics	All Achieved
General Inspector To carry out statutory responsibilities for the administration and enforcement of the <i>Dog Control Act 2000</i> , <i>Fire Services Act 1979</i> and the <i>Local Government Act 1993</i>	Annual Audit of Dog Registrations Fire Abatement Management Investigate incidents and complaints regarding animal control	In Progress Achieved Achieved
Natural Resource Management Facilitate Natural Resource Management for Council and Community	Review and implement NRM strategies Prepare Management Plan for the Town Common	Achieved In Progress
Community Development Working with the community for the benefit of all	Facilitate the operation of Council Community Forums Deliver the Community Grants Program Conduct GWTTA Art Exhibition Conduct a Festival of Small Halls concert Update the MV Community Safety Plan	All Achieved
Services to Young People To address and support the needs of young people through responsive and participatory approaches	Conduct School Holiday Program Conduct Stepping Stones Camps Conduct 'National Youth Week' Event Facilitate outdoor recreation programs	All Achieved
Recreation and Sport Services To provide current and future recreation and sport programs and facilities	Support the operation of the Recreation Co-Ordination Group Co-ordinate usage and promotion of Sport and Recreation facilities	All Achieved
Recreation Facilities Management To provide indoor facilities for recreational, social and community based activities that are safe, comfortable and fit for purpose	Review of Sport and Recreation Plan Implement promotion and marketing of indoor recreation facilities to current and prospective users Develop a Draft Long Term Capital Asset Expenditure Plan for recreation facilities	In Progress
Business Engagement Working with the small business community to increase participation, innovation and partnership	Establish a Small Business Directory Establish a regular Small Business Bulletin Develop a 'Chamber of Commerce' strategy for Meander Valley Establish a Small Business Resource Register	In Progress Achieved In Progress In Progress

Infrastructure Services

'\$3m was invested in bridge replacement and recreational infrastructure projects'

Strategic planning work during the year has been dominated by the process to assess Council's Local Provisions Schedule as part of the implementation of the Tasmanian Planning Scheme. The Local provisions Schedule has been publicly notified and is currently in the hearing process of the Tasmanian Planning Commission.

The strategic projects team continues to progress opportunities to support economic growth and urban improvements, and be involved in regional projects including the Greater Launceston Transport Vision and Regional Land Use Strategy.

The approval of the Prospect Vale Activity Centre rezoning for mixed-use commercial development has led to the commencement of work on the Westbury Road streetscape improvement project. Work is ongoing to secure the major infrastructure upgrades necessary for the Hadspen Urban Growth Area development, and recent benefits of Council's strategic development planning has seen a 37 lot subdivision approved for construction from the eastern end of Scott Street, the first stage of a possible 1,000 affordable living sites within the town.

The Valley Central Industrial Precinct at Westbury is now home to Ridley's \$50 million pellet feed mill, with production at the facility commencing in mid-2019 to service the growing needs of the local, interstate and international aquaculture industry.

Bioenergy is still proving to be a commercially attractive alternative to sending waste to landfill. Investigations by Council indicate that conversion of industrial and agricultural wastes to biogas, heat or electricity offers enormous potential to replace non-renewable natural gas in industrial processes at Westbury's Valley Central.

A broad range of capital works projects have been undertaken with involvement from the Infrastructure Services team during the 2018-19



financial year. Significant expenditure on Council's transport network has seen over \$4.25m spent on road reconstruction, resealing, gravel re-sheeting, kerb and channel, footpath and bridge reconstruction projects.

Nine bridge renewal projects were packaged into three contracts and incorporated three bridges on Bankton Road, Dairy Plains, another three in the Liffey area at Bogan Road, Myrtle Creek Road and Bennetts Road, and a final three at Walters Road, Botts Road and Barbers Road in the western area of the municipality. Collectively these nine bridges were delivered at a cost of \$1,430,000.

Key recreation projects undertaken included the upgrade of sports lighting at the Prospect Vale Park oval to AFL standards, construction of new netball

courts at the Deloraine Community Complex, and commencement of construction at the Westbury Recreation Ground to build a new clubroom facility and upgrade the existing clubhouse building, incorporating new change rooms, umpires rooms, medical and scorers rooms. The project will be completed in late 2019 and provide a significant boost for the Meander Valley Suns Football Club and Westbury Shamrocks Cricket Club.

Council awarded the construction contract for the 1.6km of concrete footpath along Blackstone Road between Panorama Road and Kelsey Road, at Blackstone Heights, which will provide improved amenity for existing residents and the future growth expected in the area.

Annual Plan Performance

Activity	Action	Result
Waste Management & Resource Recovery To provide adequate, efficient, and affordable waste services within the local government area	Provision of kerbside collection contracts for waste, recyclables and organics Provision of landfill, waste transfer stations and resource recovery operations contract Provision of hard waste collection Design, document, procurement, and supervision of contracts as per the specific projects listed in the 2018-19 Capital Works Program Operational compliance with Environment Protection Notice for Westbury and Deloraine landfill sites Procurement of kerbside collection contracts to rural areas for waste and recycling	All Achieved
Stormwater Management To minimise the risk of flooding and provide clean water into the region's waterways. Council, through the Urban Drains Act and the Local Government (Highways) Act aims to provide piped stormwater networks in line with current local government standards and major stormwater networks capable of meeting a 1% AEP.	Develop stormwater system management plans in line with legislation Design, document, procurement, and supervision of contracts as per specific projects listed in the 2018-19 Capital Works Program	In Progress Achieved
Sustainable Development Develop sustainable practices within our organisation and community through leading, supporting and encouraging staff, contractors and community to use energy, water and non-renewable resources more productively. Promote and support sustainable economic development initiatives.	Support progress of the Hadsden Urban Growth Area Management of projects listed in the 2018-19 Capital Works Program Bioenergy Project Implement Tasmanian Planning Scheme Westbury Road Prospect Vale – Activity Centre Plan	In Progress Achieved Achieved In Progress Deferred

Annual Plan Performance

Activity	Action	Result
Emergency Services To build capacity and resilience in the community and ensure Council is prepared to assist with emergency services in the response to emergencies and lead in the recovery	Coordinate the Municipal Emergency Management and Social Recovery Committee (MEMSRC) Support the operation of the Meander Valley SES unit through ongoing management of the MOU Conduct emergency management training exercise facilitated by Red Cross Produce a Meander Valley Municipal Emergency Control Centre Plan	Achieved Achieved In Progress In Progress
Transport Maintain the serviceability and integrity of Council's transport network	Deliver the bridge inspection and maintenance program Design, document, procurement, and supervision of contracts as per the specific projects listed in the 2018-19 Capital Works Program Undertake footpath proactive defect inspections	Achieved Achieved In Progress
Property Services Operate property services in a safe and effective manner to satisfy public demand	Operate Deloraine Swimming Pool and provide support to community swimming pool at Caveside Coordinate building maintenance – general, reactive and programmed Design, document, procurement, and supervision of contracts as per the specific projects listed in the 2018-19 Capital Works Program	All Achieved
Parks & Recreation To provide and maintain parks and recreation facilities throughout the local government area	Undertake inspections and condition assessments of all equipment and facilities Complete the Strategic Plan for Council's open space areas for Hadspen and Prospect Vale Design, document, procurement, and supervision of contracts as per the specific projects listed in the 2018-19 Capital Works Program Commence Strategic Plan for Council's Bike Network and Recreational Cycling	Achieved In Progress Achieved Achieved
Asset Management & GIS Provision of Asset and GIS services to assist the operations of Council	Co-ordinate Asset Management Group and Strategic Asset Management Plan Improvement Plans - Review Asset Management Plans Prepare 2019-20 Capital Works Program Update asset information, including - Capitalisation of assets in Conquest - Undertake road revaluation	All Achieved

Department of Works

The Works Department team is the face of Meander Valley Council in the community and we undertake many services associated with maintenance and construction of Council assets.

The department takes pride in providing safe, fit for purpose and well-presented assets and environments for our community. The department also supports many Council managed public activities and external community events across the course of the year.

During the reporting year the department successfully completed Capital Works Program construction projects and fully expended its overall maintenance budget. This is an excellent result and demonstrates the skill, adaptability and capability of team members. The department continues to undertake regular review of our methods while maintaining skill development, succession planning and depot realignment so

the service delivery model will continue to be effective and cost efficient.

During 2018-19, department officers have undertaken proactive asset condition inspections across road, footpath, urban drainage and recreational asset classes, with 99 defects identified from the 1065 inspections completed. All defects were registered and actioned within the required timeframe. Similarly, the department received and completed 703 Customer Service Requests (CSR's) which is 10% less than the previous reporting year. This reducing trend has been a year on year result for the past 5 years and demonstrates improved maintenance programming through proactive planning.

The department has continued to maintain a resource sharing arrangement with both Northern Midlands and West Tamar Council over the 12 month period.

Annual Plan Performance

Activity	Action	Result
Parks, Reserves, Sports Grounds and Cemeteries To ensure that Councils parks, reserves, cemeteries and sports grounds are suitably maintained to provide a safe, clean and inviting experience to community and sporting organisations	Provide facility maintenance services Plan and deliver capital works projects and provide progress report to Council	All Achieved
Roads To construct and maintain a safe and effective road network to meet the needs of road users and the community	Undertake the maintenance work in accordance with the level of service required Plan and deliver capital works projects and provide progress report to Council	All Achieved
Toilets, Street Cleaning and Litter Collection To ensure public toilets and streets are maintained in a clean and tidy condition	Undertake street/reserve litter collection and street cleaning Undertake cleaning of toilets in accordance with the current level of service	All Achieved
Urban Stormwater To provide and maintain an effective urban storm water drainage system	Provide storm water maintenance services Plan and deliver capital work projects and provide progress report to Council	All Achieved
Plant To provide plant and equipment that suits Councils activities and is financially sustainable	Manage plant to achieve operational objectives Undertake plant purchases in accordance with 10 year Major Plant Replacement Program and report to Council	All Achieved
Management To provide facilities, resources and leadership to support the effective and efficient delivery of services to the community	Respond to customer enquiries Undertake assessment on Works Depots and provide report to Council	All Achieved

Capital Works Program Summary

For works over \$20,000

Roads & Streets	Amount
Sugar Loaf Road - Jackeys Marsh (Gravelling)	\$44,678
Jackeys Marsh Road - Jackeys Marsh (Reconstruct & Seal)	\$20,900
Huntsman Road - Meander (Gravelling)	\$38,965
Simmons Street - Carrick (Reconstruction)	\$24,763
Emu Bay Road - Deloraine (Resealing)	\$89,975
Church Street West - Deloraine (Kerb & Footpath)	\$53,798
Archer Street - Deloraine (Resealing)	\$22,905
East Goderich Street - Deloraine (Road upgrades)	\$37,287
East Goderich Street - Deloraine (Resealing)	\$22,747
West Parade - Deloraine (Footpath)	\$74,129
Las Vegas Drive - Prospect Vale (Resealing)	\$40,865
Hughes Court - Prospect Vale (Resealing)	\$100,493
Neptune Drive - Blackstone Heights (Resealing)	\$114,026
Black Hills Road - Black Hills (Reconstruction)	\$158,696
Cluan Road - Cluan (Resealing)	\$139,134
Dunorlan Road - Dunorlan (Reconstruction)	\$64,328
Scotts Lane - Quamby Bend (Reconstruction)	\$95,340
Adelphi Road - Glenore (Resealing)	\$23,248
Glenore Road - Glenore (Reconstruction)	\$324,394
Union Bridge Road - Mole Creek (embankment erosion control)	\$29,224
Railton Road - Moltema (Resealing)	\$133,244
East Parkham Road - Parkham (Resealing)	\$152,029
Selbourne Road - Selbourne (Resealing)	\$62,571
Weetah Road - Weetah (Resealing)	\$133,934
Railton Road - Kimberley (Reconstruction)	\$411,111
Blackstone Road (Footpath)	\$90,630
Westbury Road - Prospect Vale Park Entrance (Roundabout)	\$37,404
Nutt Street - Deloraine (Road Upgrades)	\$30,067
Community Amenities	Amount
Westbury & Deloraine - Installation of CCTV Security Cameras	\$64,250

'Council invested \$7.4m in over 60 capital works projects across the municipality'



Storm Water Drainage	Amount
King Street, Westbury	\$69,340
Church Street, Carrick	\$20,720
Henrietta Street, Bracknell	\$61,831
Arthur Street, Carrick	\$21,711
Railton Road, Kimberley	\$58,813
Simmons Street, Carrick	\$26,660
Nutt Street, Deloraine	\$37,403

Bridge Reconstruction	Amount
Roseburn Road, Selbourne - Un-named Creek	\$210,012
Bogan Road, Liffey - Bluff Creek	\$172,583
Walters Road, Mole Creek - Limestone Creek	\$106,478
Western Creek Road, Western Creek - Cubits Creek	\$176,654
Bankton Road, Dairy Plains - Allsops Creek	\$189,611
Bankton Road, Dairy Plains - Dalebrook River	\$210,948
Bankton Road, Dairy Plains - Western Creek	\$249,421
Myrtle Creek Road, Liffey - Myrtle Creek	\$172,698
Bennetts Road, Liffey - Liffey River	\$189,220

Recreation Grounds & Sports Facilities	Amount
Bracknell Recreation Ground - Ground Improvements	\$34,039
Westbury Recreation Ground - New Sports Pavillion	\$506,273
Prospect Vale Park - AFL Ground Sports Lighting	\$386,569
Hadspen Recreation Ground - New Footpath	\$28,546
Deloraine Community Complex - Outdoor Netball Courts	\$540,688

Sundry Cultural Activities	Amount
Meander Valley Performing Arts Centre - Deloraine (Roof Upgrade)	\$29,602

Parks & Reserves	Amount
Blackstone Park - Playground Equipment	\$51,308
Mace St Reserve - Prospect Vale (Disposal Costs)	\$48,586
Hadspen Lions Park - Erosion Control & Landscaping	\$21,352

Administration	Amount
Council Chambers - Westbury (Small Meeting Room Upgrade)	\$25,352
Workstations and Peripherals	\$26,577
Software and Upgrades	\$27,768
Municipal Revaluation 2018-19	\$133,000

Public Halls	Amount
Caveside Hall - Roof Replacement	\$28,802

Tourism & Area Promotion	Amount
Deloraine & Districts Folk Museum - Rising Damp Corrective Works	\$49,791



Reporting on Legislative Requirements

Councillor Meeting Attendance

The table below shows meeting attendance for all Councillors and the Mayor. Twelve (12) Ordinary Meetings and twelve (12) Closed Meetings were held during 2018-19 financial year. Nine (9) elected members were in attendance at the Annual General Meeting.

Note: Councillors Perkins, Richardson, White and Mackenzie concluded their terms in October 2018. Cr Conner concluded his term in March 2019. Cr Synfield concluded his term in October 2018 and recommenced in April 2019.

Number of business items transacted by Council in 2018-19: 244

Elected Member	Attendance
Mayor Craig Perkins	4
Mayor Wayne Johnston	8
Cr Michael Kelly (Deputy Mayor)	11
Cr Andrew Connor	7
Cr Tanya King	11
Cr Ian MacKenzie	4
Cr Bob Richardson	4
Cr Rodney Synfield	6
Cr Deborah White	4
Cr John Temple	12
Cr Susie Bower	8
Cr Stephanie Cameron	7
Cr Frank Nott	7
Cr Andrew Sherrieff	8

Customer Service Complaints

(Local Government Act 1993)

There have been no complaints received under Section 339F, Sub-section (5) of the Local Government Act 1993.

Code of Conduct Complaints

(Local Government Act 1993)

There have been no code of conduct complaints received during the preceding financial year, under Division 3A of Part 3.

Elected Member Allowances and Expenses

(Local Government Act 1993 and Council Policy No 24)

In 2018-19 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This includes telephone and communication equipment, motor vehicle expenses, accommodation and travelling. The total amount of these allowances and expenses is shown below (to the nearest dollar):

Allowances	Expenses
\$186,350	\$32,477

Donation of Land

(Local Government Act 1993)

Council has made no donations of land.

Public Interest Disclosures Statement

(Public Interest Disclosures Act 2002)

There have been no disclosures either raised or determined during 2018-19 under the Public Interest Disclosures Act 2002.

Enterprise Powers Statement

(Section 72(1)(ca) (Local Government Act 1993)

Northern Tasmania Development Corporation Ltd

Council is an initial member and shareholder of Northern Tasmania Development Corporation Ltd (NTDC). NTDC is a not-for-profit public company limited by guarantee. The primary objectives of NTDC are to:

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

NTDC is currently engaged in a number of initiatives including the development of the Regional Economic Development Plan. This plan focuses on six key themes: Industry development, investment transaction, population growth, place-making, innovation and culture and human capacity.

It is considered that Council, the municipality and ratepayers generally, will benefit from the investment in NTDC. The organisation will effect direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it will be set up to achieve.

Council's shareholding is based on annual funding contributions calculated using a formula based on municipality population. Council's annual membership fee for 2018-19 was \$64,881. (fee for 2017-18 was \$63,547).

Environmental Health Statement

See page 18 of this report.

Tenders and Contracts

(Local Government (General) Regulations, 2015)

In accordance with the reporting requirements under Regulation 29(1) Council entered into the following contracts for the supply of goods or services exceeding \$250,000 (excluding GST)

Contractor	Value (excl.GST)	Details
Hardings Hotmix Pty. Ltd. 30 Industrial Drive, Ulverstone Tas 7315	\$971,533	2018-19 asphalt & bituminous sealing of roads
Electrical Testing & Compliance Service Pty. Ltd. 259 Welling Street, South Launceston Tas 7250	\$313,635	Prospect Vale Park; AFL ground sports lighting upgrade
The Baker Group (TAS) Pty. Ltd. 9 Hudson Fysh Drive, Western Junction Tas 7212	\$477,739	Construction of new netball courts & associated infrastructure; Deloraine Community Complex.
GMRI Investments Pty. Ltd. 359 Birralea Road, Westbury Tas 7303	\$1,535,376	Construction of new function room & refurbishment of existing club rooms; Westbury Recreation Ground

Council extended the following contract under the provisions of Regulation 23(5)(b):

Contractor	Value (excl.GST)	Details
Justwaste Consulting Suite 26, 17 Paterson Street, Launceston Tas 7250	\$492,162	Contract No.167-2015-2016; management and operation of the Deloraine and Cluan refuse disposal sites and the Mole Creek transfer station

In accordance with the reporting requirements under Regulation 29(2) Council tendered and entered into the following contracts under Regulation 27(i) for the supply of goods or services exceeding \$250,000 (excluding GST) due to the unavailability of competitive or reliable tenders:

Contractor	Value (excl.GST)	Details
Crossroads Civil Contracting Pty. Ltd. 73-79 Lilydale Road, Rocherlea Tas 7248	\$660,963	Construction of Blackstone Road Footpath; concrete footpath upgrades, driveway crossover improvements, installation of new drainage & new pavement areas for bus stops
Tas-Span Pty. Ltd. 27-28 Faulkner Drive, Latrobe Tas 7307	\$476,911	Design & construction for bridge reconstruction projects; Allsops Creek, Dalebrook River & Western Creek
BridgePro Engineering Pty. Ltd. 19 Faulkner Drive, Latrobe Tas 7307	\$500,400	Design & construction for bridge reconstruction projects; Bluff Creek, Liffey River & Myrtle Creek
Tas-Span Pty. Ltd. 27-28 Faulkner Drive, Latrobe Tas 7307	\$451,739	Design & construction for bridge reconstruction projects; Leiths Creek; Limestone Creek & Ritchies Creek

In accordance with the reporting requirements under Regulation 29(3) Council entered into the following contracts for the supply of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000:

Contractor	Value (excl.GST)	Details
LG Valuation Services Pty. Ltd.	\$190,000	Revaluation of all rateable properties in the municipality in conjunction with Valuer General's Office (6 year cycle)

Grants and Sponsorships

(Section 77), Local Government Act 1993

Grants and Sponsorships - Individuals

Recipient	Amount
John Rowbottom	\$150
Bev Huett	\$150
Sahara Rumble	\$150
Blade Sulzberger	\$150
C-Jay Denman	\$150
Aaron Fowler	\$150
Haydn Gardner	\$150
Blake Stretton	\$150
Ethan Stretton	\$150
Olivia Willis	\$300
Jordan Powell	\$300
Jade Marquis	\$150
Brooke Hanham	\$150
Georgia Elias	\$150
Andrew James	\$150
Stephen Talbot	\$150
Briella Moore	\$150
Choe McFarlane	\$150

Recipient	Amount
Sebastian Oliver	\$150
Callie Frost	\$150
Mackenzie Cooper	\$150
Seth Pheiffer	\$150
Amelia Duffy	\$150
Rupert Mackenzie	\$150
Jessica Cowan	\$300
Danielle Laughher	\$150
Colleen Fellows	\$150
Shannon Hyland	\$150
Dominic Grose	\$150
Charles Thomas	\$150
Mikaela Anderson	\$300
Georgia McIntee	\$150
Corey Horsburgh	\$150
Benjamin Atkins	\$150
Oliver Atkins	\$150

Grants and Sponsorships - Organisations

Recipient	Amount
Birralee Hall Committee	\$750
Blackstone Heights Community News Inc.	\$450
Bracknell Cricket Club Inc	\$2,250
Bracknell Primary School Parents & Friends Assoc. Inc.	\$1,000
Carrick Speedway Inc.	\$1,000
Children First Foundation	\$270
Deloraine A & P Society Inc.	\$3,000
Deloraine Agricultural & Pastoral Society Inc.	\$3,000
Deloraine Devils Netball Club Inc.	\$1,950
Deloraine House Inc.	\$1,000
Deloraine House Inc.	\$1,500
Deloraine House Inc. (Harvest Helpers)	\$2,000
Deloraine Ladies Probus Club Inc.	\$500
Deloraine Tennis Club Inc.	\$3,000

Recipient	Amount
Hadspen Cricket Club Inc.	\$3,000
Launceston City Devils Jnr Soccer Club	\$2,000
Lions Club of Riverside	\$300
Little Laneway Fringe Festival	\$2,000
Make a Wish Foundation	\$300
Make a Wish Foundation	\$360
Meander Hall & Recreation Committee	\$2,500
Meander Valley Community Radio	\$2,540
Meander Valley Community Radio Inc.	\$2,825
Meander Valley Emergency Relief Fund	\$500
Meander Valley Suns Football Club Inc.	\$3,000
Mole Creek Progress Association Inc.	\$3,000
Northern Tasmanian Eventing Club Inc.	\$2,500
Pony Club Tasmania (NZ)	\$2,000
Prospect Hawks Junior Football Club Inc.	\$1,500

Grants and Sponsorships - Organisations

Recipient	Amount
Prospect Hawks Junior Football Club Inc.	\$2,475
Prospect Park Sports Club Inc.	\$3,000
Rotary Club of Central Launceston	\$240
Southern Raiders Junior Soccer Club Inc.	\$470
Tasmanian Garlic & Tomato Festival	\$489
Westbury Bowls Club Inc.	\$1,000
Westbury Cricket Club Inc.	\$800
Westbury Cricket Club Inc.	\$1,000

Recipient	Amount
Westbury Garden Club Inc.	\$3,000
Westbury Primary School Parents & Friends Assoc Inc.	\$1,475
Westbury RSL Sub Branch Inc.	\$2,000
Westbury St Patricks Festival Steering Group	\$2,955
Western Tiers Community Club	\$600
Western Tiers Film Society Inc.	\$3,000

Conservation Covenant Incentive Scheme

(Council Policy No.74)

This grants Scheme is provided in recognition of private property owners' contribution to long-term conservation of significant natural values within the Meander Valley. Seventy five property owners benefited from the Scheme in 2018-19 with a total grant value of \$12,270 being provided as follows:

Recipient	Location	Grant
Young, BJ & DM	"Hatherley", 1425 Illawarra Rd, Carrick	\$567.00
Shona Martin	140 Christmas Hills Rd, Elizabeth Town	\$58.48
Gore, Annette K	1/318 Wiiteena Rd, Jackeys Marsh	\$149.42
Sharma, SD, LD & MD	2/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Lemaire, MF	3/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Eloise, J	4/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Peacock, DJ & SA	5/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Tillack, G E	6/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Cross, R F & J M	7/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Burke, A.S.	8/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Eleven Cubed Pty Ltd	9/318 Wiiteena Rd, Jackeys Marsh	\$58.48
Tunks, Christopher & Kuperstein, Leah G	10/318 Wiiteena Rd, Jackeys Marsh	\$56.70
Crowley, SK	RA380 Sugarloaf Rd, Jackeys Marsh	\$105.85
Brown, M E	Sugarloaf Rd, Jackeys Marsh	\$120.12
Irwin, K.F.P. Estate	244 Blairs Rd, Mole Creek	\$103.95
Lloyd, S. & Nagorka, R.	999 Denmans Rd, Birrallee	\$110.00

Recipient	Location	Grant
Gerondakis, A.	75 Wiiteena Rd, Jackeys Marsh	\$228.31
O'Leary, SC & Breen, KA	256 Sugarloaf Rd, Jackeys Marsh	\$58.48
Hentschel, W.	761 Jackeys Marsh Rd, Jackeys Marsh	\$130.47
Hayward, J.M. & L.A.	179 Dynans Bridge Rd, Weeena	\$297.84
Hayward, J.M. & L.A.	54 Harts Lane, Weeena	\$119.30
McLeod, SJ	28 Camerons Rd, Mole Creek	\$447.31
Robin, J.	Jackeys Marsh Rd, Jackeys Marsh	\$156.32
Whiteley, T.J.	1171 Bogan Rd, Golden Valley	\$115.15
Warner G. & Hillman A.	Dynans Bridge Rd, Weeena	\$72.52
Nicholson, C E	175 Dynans Bridge Rd, Weeena	\$82.46
Knowles K.B.	Huntsman Rd, Meander	\$97.19
DR & CB Durham Pty. Ltd.	Den Rd, Mole Creek	\$567.00
DR & CB Durham Pty. Ltd.	Den Rd, Mole Creek	\$297.14
Camilleri, J.G.	Highlands Lake Rd, Golden Valley	\$136.43
Hoffman, N.E.	450 Larcombes Rd, Reedy Marsh	\$329.94
Cooper, R. & S.	750 Jackeys Marsh Rd, Jackeys Marsh	\$167.37

Recipient	Location	Grant
Burgess, GJ & K E	496 East Meander Rd, Meander	\$58.48
Walker, GM & Ashburn Holdings Pty. Ltd.	160 Oaks Rd, Carrick	\$567.00
Herron M. & Howard M.	709 Jackeys Marsh Rd, Jackeys Marsh	\$166.43
Bramich K. & D.	70 Stephens Rd, Mayberry	\$100.59
Bierens E.F.	1012 Bogan Rd, Golden Valley	\$58.83
Ricketts A.	780 Larcombes Rd, Reedy Marsh	\$567.00
Wood D. & Zournazis H.	746 Jackeys Marsh Rd, Jackeys Marsh	\$76.08
Hawkes M. & J.	464 Larcombes Rd, Reedy Marsh	\$423.10
Pearce, NR & Bennett, EJ	Larcombes Rd, Reedy Marsh	\$58.48
Howard P. & S.	Larcombes Rd, Reedy Marsh	\$340.19
Lloyd, S. & Nagorka, R.	999 Denmans Rd, Birralee	\$170.09
Swan I. Estate	1210 Birralee Rd, Birralee	\$567.00
Cocks, RS & Trowbridge KJ	13185 Highland Lakes Rd, Golden Valley	\$173.51
Durham D. B.	57 Big Den Rd, Mole Creek	\$58.48
Saldana A-M. M.	20 Gulf Rd, Liffey	\$90.76
Harris J.	144 South Mole Creek Rd, Mole Creek	\$71.23
Krahenbuhl, R. & J.	13326 Highland Lakes Rd, Golden Valley	\$227.55
Cadman S. & Norwood R.A.	669 Jackeys Marsh Rd, Jackeys Marsh	\$106.90
Cole M.L.	Liffey Rd, Liffey	\$58.48
Leis J.	75 Saddlers Run Rd, Reedy Marsh	\$109.59
Woodward A.	780 Larcombes Rd, Reedy Marsh	\$67.50
Lee J.A.	49 Dairy Plains Rd	\$146.61

Recipient	Location	Grant
Chesworth G.	9 Bensemanns Rd, Birralee	\$58.48
Berne T.R.	222 East Meander Rd, Meander	\$174.39
Wild D.A.	5 North St, Elizabeth Town	\$58.48
Redgrave Super Investments Pty. Ltd.	4 North St, Elizabeth Town	\$58.48
J Visoiu & M J Bickel & R C Bickel & B Bickel	4 Highland Lakes Rd, Golden Valley	\$212.62
Pearn D.G. & Risbey S.N.	199 Samuel St, Elizabeth Town	\$58.48
Powell J.L & A.D.	497 Riversdale Rd, Liffey	\$101.46
Thinking Frog Pty. Ltd.	Stephens Rd, Mayberry	\$240.96
Jones S.L.	Baldocks Rd, Mole Creek	\$152.28
Mackinnon A.C. & R.E.	494 Selbourne Rd, Selbourne	\$106.20
Pennicott G. & G.	100 Silver Wattle Dve, Reedy Marsh	\$59.71
Jones E. & K.	Hamptons Rd, Meander	\$95.26
Animal Rescue Inc.	Samuel St, Elizabeth Town	\$99.88
Seilhorst J.	North St, Elizabeth Town	\$58.48
Forrest K.A. & C.E.	143 Felmingham Rd, Parkham	\$248.05
Jane A. & Long P.M.L.	Liena Rd, Mole Creek	\$208.01
The Trust Company (PTAL) Limited	59 Bradys Creek Rd, Parkham	\$567.00
Jones G.R.	1401 Bogan Rd, Golden Valley	\$95.34
Russell: W	531 Larcombes Road, Reedy Marsh	\$58.48
Anderson, N I	279 Mayberry Road Mayberry	\$138.95
Westley, S R	Larcombes Road Reedy Marsh	\$112.28

Community Organisations Regulatory Fees Refund Scheme

(Council Policy No.75)

Recipient	Amount
Parkham Community Inc.	\$1,395
Westbury RSL Sub Branch Inc.	\$490

Organisations receiving Sponsorship and Donations

Recipient	Amount
Rotary Club of Deloraine, Craft Fair	\$5,000
Landcare Tasmania, Member Outreach BBQ	\$200
Prospect Vale High School, 2018 Eagle Awards	\$300
Deloraine High School, 2018 Excellence Award	\$100
Bracknell, Deloraine, Hagley Farm, Mole Creek and Westbury Primary Schools' presentation evenings/year 6 leaver's awards at \$100 each	\$500

Townscape Incentive Grant Scheme

(Council Policy No.55)

Nil.

Industrial Land Development General Rates Incentive Grant

(Council Policy No.76)

Nil.

Industrial Development Rates Incentive Grants

(Council Policy No. 86)

This grants Scheme is provided in recognition to apply a financial incentive for the establishment of eligible development in the industrial precincts. MMM Investments received a grant for \$2,708.

Other Rate Remissions

A partial remission of rates amounting to \$2,697 was granted for 152 and 154 Blackstone Road, Blackstone Heights following a request from the owner E.M. Griffiths.

Overview of Financial Performance

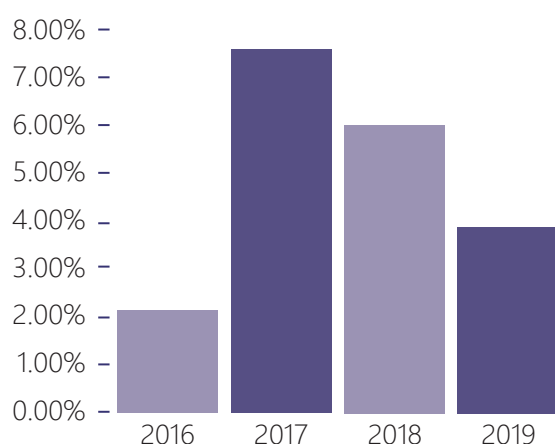
The following information is provided to assist readers of the Financial Report.

Statement of Comprehensive Income

Operating Result

Council reported a net surplus of \$3,156,497 in the 2019 financial year. After adjusting for non-operating items the Underlying Surplus achieved was \$803,346. Notable items removed were Capital Grants totalling \$2,083,194, which includes Natural Disaster Relief funding of \$258,574 for the June 2016 floods. The effects of a number of income and expenditure items are further detailed in the itemised summaries.

Underlying Surplus Ratio



The Underlying Surplus Ratio compares Council's Operating Income as a percentage of its Operating Expenses. This indicates that Council generated sufficient revenue to fulfill its operating requirements, including depreciation charges. Note the prepayment of the Financial Assistance Grants has been removed to recognise the grant in their correct year.

Income

Rates and Charges

Rates and charges are slightly above budget, due to additional revenue related to supplementary rates on properties first rated and revalued during the year.

Interest

Interest includes interest from invested funds, loaned funds and interest on rate debtors. Overall interest was \$215,069 (27%) above budget, due to the average cash balance being greater than anticipated and also due to interest rates on offer from financial institutions being more favourable than expected.

Reimbursements and Contributions Monetary Assets

Revenue is higher than budget by \$166,962 (73%). Additional revenue was received which included: community contributions towards construction of new infrastructure, residential properties rented by Council and contributions from special committees of Council.

User Fees and Charges

This revenue is derived from a range of services including property sales certificates, development application fees, use of the sport and recreation facilities. This item is above budget by \$104,070 (8%) primarily due to the volume of development activity exceeding expectations.

Operational Grants

Operational grants revenue is above budget. The Commonwealth Government prepaid \$2,180,889 (50%) of the 2020 Financial Assistance Grants in advance with the amount being received as income in 2019.

Investment Revenue from Water Corporation

This revenue is in the form of dividends and tax equivalent payments received from TasWater which are in line with budget.

Capital Grants

Capital grants includes \$258,574 from the Commonwealth Government for Natural Disaster Relief, \$251,620 from the Commonwealth Government for the Roads to Recovery program, \$698,100 towards the upgrade of the Westbury Recreation Ground clubrooms, \$359,000 for the new Netball Courts at the Deloraine Community Complex, \$246,900 towards the upgrade of the AFL ground lighting at Prospect Vale Park, \$200,000 towards the new roundabout on Westbury Road, Prospect Vale and a number of less substantial grants.

Subdivision Assets Taken Over

This includes road and stormwater infrastructure received from two separate subdivisions constructed in Deloraine.

Capital Contributions Monetary Assets

This consists of third party contributions received towards three separate capital projects.

Vested Sale of Land for Unpaid Rates

This is the unclaimed proceeds from properties that were sold at auction by Council three years ago for unpaid rates.

Expenses

Employee Costs

Employee costs were slightly below budget by \$237,747 (-3%). This reflects little change in the number of full time equivalents for the year and some extended periods of leave taken.

Materials and Contracts

Expenditure was above budget by \$591,065 (8%) due to a combination of variances across operational functions. Areas of note are as follows:

Land Use Planning: Expenses were over budget by \$66,108 due to increased development activity and significant legal fees from two planning appeals.

Public Halls: Expenses were over budget by \$63,779 due primarily to increased repairs and maintenance undertaken on the Chudleigh, Meander and Rosevale Halls.

Community Development: Expenses were over budget by \$94,742 largely due to expenditure on Digital Pathways equipment for Deloraine High School. A corresponding grant was received by Council for this.

Storm Water Drainage: Expenses were over budget by \$40,638 due primarily to a Quamby Brook flood study project being undertaken.

Recreation Grounds and Sports Facilities: Expenses were over budget by \$153,852 with recreation ground maintenance costs being greater than expected and a capital project being discontinued relating to Prospect Vale Park.

Depreciation and Amortisation

Depreciation and Amortisation was below budget by \$266,714 (-5%). Variances were experienced across a number of asset classes with the most significant being Roads (\$105,394 under budget), Plant &

Equipment (\$266,317 under budget) and Land Improvements (\$219,138 over budget). The Land and Bridges asset classes were revalued in 2018 which impacts depreciation in 2019.

Finance Costs

Finance Costs include interest charges of \$211,320 paid to Tascorp for loaned funds along with the recognition of twelve months expense for unwinding of the Westbury and Deloraine tip rehabilitation provision liabilities, which was in line with the budget for the year.

Other Expenses

Other Expenses are grants provided to community organisations and external audit fees, these were slightly under budget for the year.

Loss on Disposal of Assets

Loss on Disposal of Assets includes small profit on disposal of fleet vehicles and major plant items, less the expense recognition for the write off of the remaining book value of infrastructure assets replaced during the year in accordance with the capital works program.

Sources of Income - Revenue Comparison

Revenue Comparison	2016 %	2017 %	2018 %	2019 %	2019 \$
Rates & Charges	57.1	45.9	45.0	54.6	12,591,692
Interest	5.6	3.8	3.4	4.3	1,000,469
Contributions Monetary Assets	2.1	1.8	2.1	1.7	393,962
User Fees & Charges	6.6	5.2	5.0	5.8	1,332,370
Operational Grants	20.7	25.6	17.1	21.1	4,873,148
Investment Distributions Water Corporation	4.3	3.3	3.1	2.4	556,000
Subdivisions Taken Over	0.1	1.6	3.2	0.6	140,914
Contributions Non-Monetary Assets	0.3	2.7	N/A	N/A	-
Capital Grants	2.8	9.2	9.0	7.9	1,824,620
Natural Disaster Relief Grants	N/A	N/A	12.0	1.1	258,574
Other	0.5	0.9	0.1	0.5	113,612

Note the values above do not include the one off recognition of Land Under Roads of \$26,099,977 in 2016.

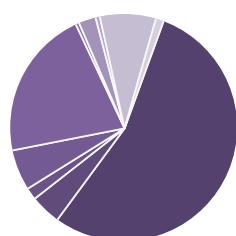
Application of Expenditure - Expense Comparison

Expense Comparison	2016 %	2017 %	2018 %	2019 %	2019 \$
Employee Costs	33.2	33.6	32.6	32.2	6,425,753
Materials & Contracts	36.2	33.0	37.1	41.1	8,188,265
Depreciation & Amortisation	25.8	25.5	25.5	24.4	4,868,786
Finance Costs	2.1	2.0	2.3	1.1	226,406
Loss on Disposal of Assets	0.1	2.0	N/A	0.4	70,387
Derecognition of Flood Affected Assets	2.0	0.5	N/A	N/A	-
Construction Contracts	N/A	N/A	2.1	N/A	-
Other	0.6	3.4	0.4	0.8	149,267

Application of Expenditure - Expense Comparison by Function

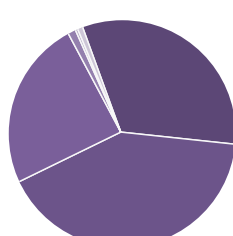
Expense Comparison by Function (refer note 2a)		2019 %	2019 \$
Roads, Streets and Bridges	Construction, maintenance and cleaning of roads, streets, footpaths, bridges & street lighting.	32.7	6,520,751
Health, Community and Welfare Services	Collection, handling, processing and disposal of all waste materials, operation and maintenance of preventative health, animal control, fire protection (including roadside slashing), tourism promotion, economic services, state emergency services, urban stormwater drainage, protection of the environment, cemeteries, community amenities, families and children, aged and disabled and community development.	42.0	8,373,093
Land Use, Planning and Building Control	Administration of the town planning scheme, subdivisions and urban and rural renewal programs. The development and maintenance of building constructions standards.	8.2	1,626,669
Recreation and Culture	Administration and maintenance of public halls, swimming pools facilities, recreation grounds and other sports facilities, library services, parks and reserves and sundry cultural activities.	15.7	3,135,613
Unallocated	General services & activities not identifiable with the functions above.	1.4	272,738

Sources of Income - Revenue Comparison



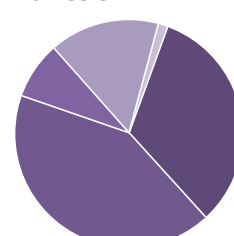
- Rates and Charges
- Interest
- Contributions Monetary Assets
- User Fees and Charges
- Operational Grants
- Other
- Investment Distributions Water Corp.
- Subdivisions Taken Over
- Capital Grants
- Natural Disaster Relief Grants

Application of Expenditure - Expense Comparison



- Employee Costs
- Materials and Contracts
- Depreciation and Amortisation
- Finance Costs
- Loss on Disposal of Fixed Assets
- Other

Application of Expenditure - Expense Comparison by Function



- Roads, Streets and Bridges
- Health, Community and Welfare Services
- Land Use, Planning and Building Control
- Recreation and Culture
- Unallocated

Financial Performance Ratios

Financial Ratio	2016	2017	2018	2019
Budget achievement - Revenue	94.9%	116.1%	123.6%	103.5%
Budget achievement - Expenses	101.7%	98.3%	98.7%	101.2%
Debt Servicing	1.1%	0.8%	0.8%	0.9%
Working Capital	788.8%	645.4%	956.5%	851.5%
Revenue Growth	-14.4%	29.8%	4.7%	-12.9%
Expenditure Growth	5.2%	-2.1%	4.3%	3.2%
Revenue per Capita	\$981	\$1,279	\$1,356	\$1,171
Total Rates per Capita	\$560	\$587	\$611	\$639
General Rate per Capita	\$507	\$531	\$552	\$577
Year End Rates Outstanding	4.3%	4.8%	4.6%	5.1%

Statement of Financial Position

Current Assets

Cash and cash equivalents and financial assets increased from 2018 by \$819,280. It is noted that these assets are inflated by the inclusion of a grant prepayment of \$2,180,889 at 30 June which relates to the 2020 financial year. Trade & Other Receivables increased primarily due to a larger GST receivable balance at year end.

Current Liabilities

Current Liabilities increased from 2018 by \$446,367 (17%). Accounts payable increased significantly due to expenditure incurred in June on several building and bridge projects. Employee leave provisions increased slightly.

Non-Current Assets

Non-Current Assets increased by \$11,805,647 (4%). Most notable increase of \$7,102,181 (14%) was in Council's investment in TasWater, due to a revaluation of TasWater assets. Other significant increases were in the Roads & Streets asset class, which was revalued during the year, the Bridges asset class and the balance of Work In Progress at 30 June.

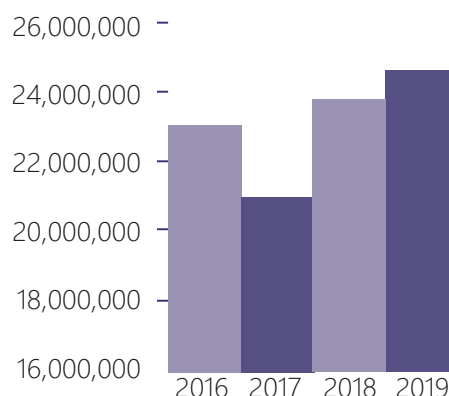
Non-Current Liabilities

Non-Current Liabilities increased marginally (4%) due to the Cluan and Deloraine Tip facilities coming closer to expected closure dates, slightly increasing the provision for rehabilitation.

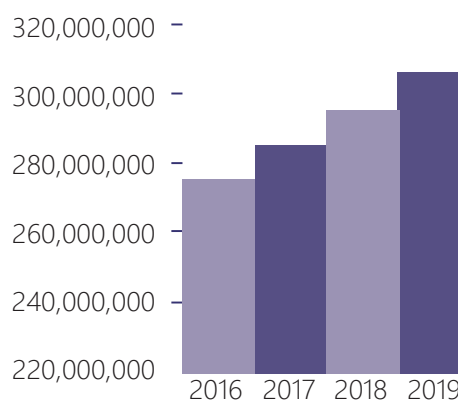
Equity

An increase in Accumulated Surplus reflects the operating profit for the year (\$3,156,497). Reserves increased by \$8,925,097 (10%) due to the increase in value of Council's Investment in TasWater noted above and the revaluation of the Roads & Streets asset class by \$1,822,916.

Cash and Investments



Net Assets







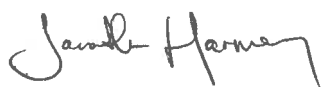
Meander Valley Council
Working Together

Financial Report

Year Ended 30 June 2019

STATEMENT OF THE ACTING GENERAL MANAGER

The financial report set out in pages 1 to 41 presents fairly the financial position of the Meander Valley Council as at 30 June 2019, the results of its operations and cash flow for the year, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Jonathan Harmey
Acting General Manager

25 September 2019

TABLE OF CONTENTS

Page Number

Statement of Comprehensive Income for the year ended 30 June 2019	1
Statement of Financial Position as at 30 June 2019	3
Statement of Changes in Equity for the year ended 30 June 2019	4
Statement of Cash Flows for the year ended 30 June 2019	5
Notes to and forming part of the Financial Report:	
1. Significant Accounting Policies	
(a) Basis of Accounting	6
(b) Revenue Recognition	7
(c) Expense Recognition	7
2. Functions/Activities of the Council	8
3. Interest	10
4. Government Grants	10
5. Employee Costs	11
6. Materials and Contracts	11
7. Depreciation and Amortisation Expense	11
8. Finance Costs	12
9. Other Expenses	12
10. Disposal & Derecognition of Assets	12
11. Construction Contracts	13
12. Cash and Cash Equivalents	13
13. Trade and Other Receivables	13
14. Financial Assets	14
15. Other	14
16. Trade and Other Payables	14
17. Provisions	14
18. Investment in Water Corporation	15
19. Loans and Other Receivables	15
20. Work in Progress	15
21. Land	15
22. Land Under Roads	15
23. Land Improvements	15
24. Buildings	15
25. Roads and Streets	15
26. Bridges	16
27. Stormwater	16
28. Plant and Equipment	16
29. Heritage	16
30. Computer Software	16
31. Valuations	16
32. Reconciliation of Movements in Non-Current Assets	17
33. Borrowings	21
34. Provisions	21
35. Reserves	22
36. Special Committees	23
37. Commitments for Expenditure	23
38. Superannuation	23
39. Reconciliation of Surplus/(Deficit) to Statement of Cash Flow	25
40. Credit Standby Arrangements	25
41. Related Party Disclosures	26
42. Financial Instruments	28
43. Management Indicators	33
44. Fair Value Measurement	36
45. Other Significant Accounting Policies and New Accounting Standards	39

Statement of Comprehensive Income For the Year Ended 30 June 2019

	Notes	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
INCOME FROM CONTINUING OPERATIONS				
Recurrent Income				
Rates and Charges		12,465,800	12,591,692	11,957,560
Interest	3	785,400	1,000,469	894,043
Reimbursements and Contributions Monetary Assets		227,000	393,962	563,092
User Fees and Charges		1,228,300	1,332,370	1,321,321
Operational Grants	4	4,602,400	4,873,148	4,534,639
Investment Revenue from Water Corporation		556,000	556,000	834,000
		<u>19,864,900</u>	<u>20,747,641</u>	<u>20,104,655</u>
Capital & Non-Recurrent Income				
Capital Grants	4	1,569,200	1,824,620	2,396,861
Natural Disaster Relief Funding	4	550,000	258,574	3,180,466
Subdivision Assets Taken Over		300,000	140,914	837,143
Contributions Monetary Assets		22,500	16,905	-
Vested Sale of Land for Unpaid Rates		-	96,707	-
		<u>2,441,700</u>	<u>2,337,720</u>	<u>6,414,470</u>
TOTAL INCOME FROM CONTINUING OPERATIONS		<u>22,306,600</u>	<u>23,085,361</u>	<u>26,519,125</u>
EXPENSES FROM CONTINUING OPERATIONS				
Recurrent Expenditure				
Employee Costs	5	6,663,500	6,425,753	6,303,149
Materials and Contracts	6	7,597,200	8,188,265	7,177,458
Depreciation and Amortisation	7	5,135,500	4,868,786	4,931,099
Finance Costs	8	236,500	226,406	313,324
Other Expenses	9	174,700	149,267	136,189
(Profit)/Loss on Disposal of Assets	10	(116,000)	70,387	(27,765)
		<u>19,691,400</u>	<u>19,928,864</u>	<u>18,833,454</u>
Capital & Non-Recurrent Expenditure				
Disaster Recovery Remediation Costs		-	-	83,095
Construction Contracts	11	-	-	397,122
		<u>-</u>	<u>-</u>	<u>480,217</u>
TOTAL EXPENSES FROM CONTINUING OPERATIONS		<u>19,691,400</u>	<u>19,928,864</u>	<u>19,313,671</u>
OPERATING RESULT FROM CONTINUING OPERATIONS	2(a)	<u>2,615,200</u>	<u>3,156,497</u>	<u>7,205,454</u>
OPERATING RESULT FROM DISCONTINUED OPERATIONS		<u>-</u>	<u>-</u>	<u>-</u>
NET OPERATING RESULT FOR THE YEAR		<u>2,615,200</u>	<u>3,156,497</u>	<u>7,205,454</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Comprehensive Income (Cont.)
For the Year Ended 30 June 2019

	Notes	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to surplus or deficit				
Financial Assets Available for Sale Reserve				
Fair Value Adjustment on Available for Sale Assets	18	-	-	621,281
Items that will not be reclassified to surplus or deficit				
Fair value adjustments on equity investment assets	18	-	7,102,181	-
Revaluation Increment/(Decrement) for Roads & Streets	35	-	1,822,916	-
Revaluation Increment/(Decrement) for Land	35	-	-	725,966
Revaluation Increment/(Decrement) for Bridges	35	-	-	2,354,412
TOTAL OTHER COMPREHENSIVE INCOME		-	8,925,097	3,701,659
TOTAL COMPREHENSIVE RESULT		2,615,200	12,081,594	10,907,113

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2019

	Notes	Actual 2019 \$	Actual 2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	12	11,606,587	10,459,360
Trade and Other Receivables	13	974,685	739,042
Financial Assets	14	13,035,496	13,363,443
Other	15	282,084	261,949
Total Current Assets	2(b)	25,898,852	24,823,794
NON-CURRENT ASSETS			
Investment in Water Corporation	18	55,591,754	48,489,573
Loans and Other Receivables	19	4,626,816	4,570,875
Work in Progress	20	1,642,466	727,656
Land	21	8,518,455	8,518,455
Land Under Roads	22	26,169,270	26,169,270
Land Improvements	23	7,778,692	6,889,787
Buildings	24	18,392,042	18,640,034
Roads and Streets	25	118,199,041	116,221,404
Bridges	26	27,910,212	26,771,637
Stormwater	27	19,876,162	19,770,109
Plant and Equipment	28	3,006,141	3,245,770
Heritage	29	19,765	20,046
Computer Software	30	84,600	78,405
Valuations	31	132,878	29,626
Total Non-Current Assets	2(b)	291,948,294	280,142,647
TOTAL ASSETS		317,847,146	304,966,441
CURRENT LIABILITIES			
Trade and Other Payables	16	1,603,818	1,270,807
Provisions	17	1,437,767	1,324,411
Total Current Liabilities		3,041,585	2,595,218
NON-CURRENT LIABILITIES			
Borrowings	33	3,600,000	3,600,000
Provisions	34	4,376,575	4,023,831
Total Non-Current Liabilities		7,976,575	7,623,831
TOTAL LIABILITIES		11,018,160	10,219,049
NET ASSETS		306,828,986	294,747,392
EQUITY			
Accumulated Surplus		212,679,204	209,522,707
Reserves	35	94,149,782	85,224,685
TOTAL EQUITY		306,828,986	294,747,392

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Changes in Equity For the Year Ended 30 June 2019

		Total	Accumulated	Asset	Fair Value
		2019	Surplus	Revaluation	Reserve
		\$	\$	Reserves	Reserve
2019	Notes			\$	\$
Balance at beginning of the financial year		294,747,392	209,522,707	88,422,187	(3,197,502)
Surplus/(Deficit) for the year		3,156,497	3,156,497	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	7,102,181	-	-	7,102,181
Net asset revaluation increment/(decrement)	35	1,822,916	-	1,822,916	-
Balance at the end of the financial year		306,828,986	212,679,204	90,245,103	3,904,679

		Total	Accumulated	Asset	Fair Value
		2018	Surplus	Revaluation	Reserve
		\$	\$	Reserves	Reserve
2018				\$	\$
Balance at beginning of the financial year		283,840,279	202,317,253	85,341,809	(3,818,783)
Surplus/(Deficit) for the year		7,205,454	7,205,454	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	621,281	-	-	621,281
Net asset revaluation increment/(decrement)	35	3,080,378	-	3,080,378	-
Balance at the end of the financial year		294,747,392	209,522,707	88,422,187	(3,197,502)

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 2019

	Notes	Actual 2019 \$ Inflows (Outflows)	Actual 2018 \$ Inflows (Outflows)
Cash Flows from Operating Activities			
Receipts			
Rates and Charges		12,504,043	11,952,840
Interest		951,703	776,185
Reimbursements and Contributions		393,962	563,092
User Fees and Charges		1,373,351	1,767,697
Operational Grants		4,873,148	4,534,639
Distributions from Water Corporation		556,000	834,000
Refunds from Australian Tax Office		1,065,762	1,195,447
		21,717,969	21,623,900
Payments			
Employee Costs		(6,299,366)	(6,673,486)
Materials and Contracts		(9,251,915)	(9,597,374)
Other Expenses		(149,267)	(136,189)
		(15,700,548)	(16,407,049)
Net cash provided by Operating Activities	39	6,017,421	5,216,851
Cash Flows from Investing Activities			
Proceeds from			
Sale of Property, Plant and Equipment		53,091	208,092
Loaned Funds Repayments		-	542,856
Capital Grants		2,083,194	5,577,327
Capital Contributions		16,905	-
Investments		327,947	(3,110,430)
		2,481,137	3,217,845
Payments for			
Property, Plant and Equipment		(7,351,331)	(8,422,254)
Disaster Recovery Remediation Costs		-	(83,095)
		(7,351,331)	(8,505,349)
Net cash used in Investing Activities		(4,870,194)	(5,287,504)
Net Increase/(Decrease) in cash held		1,147,227	(70,653)
Cash at the beginning of the year		10,459,360	10,530,013
Cash and Cash Equivalents at end of the financial year	12	11,606,587	10,459,360

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

Introduction

This general purpose financial report of the Meander Valley Council consists of Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and Notes accompanying the financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993* (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in the Notes.

In the application of Australian Accounting Standards, Council is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

All funds where Council controls resources to carry on its functions have been included in this financial report. All entities controlled by Council that have material assets or liabilities, such as Special Committees of Council, have been included in this financial report. In the process of reporting on Council as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated in full.

Amounts received as tender deposits and retention amounts controlled by Council are included in the amounts disclosed as "Trade and Other Payables" within current liabilities until they are refunded or forfeited.

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 34.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in Note 38.

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives, depreciation rates and impairment of assets. These assumptions are discussed in Note 44.

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in Note 18.

Tip Rehabilitation

Assumptions and judgements are utilised in determining Council's valuation of its Provision for Tip Rehabilitation are discussed in Note 34.

(b) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is measured on major income categories including the following:

Rates, Grants, Reimbursements and Contributions of Monetary Assets, and Contributions of Non-Monetary Assets

Rates, Reimbursements and Contributions, Subdivision Assets Taken Over and Contributions of Non-Monetary Assets are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. A provision for impairment on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Unreceived contributions over which Council has control are recognised as receivables.

Non-monetary contributions and Subdivision Assets Taken Over with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-monetary contributions below the thresholds are recorded as revenue.

User Fees and charges

User charges are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

Dividends

Dividend revenue is recognised when Council's right to receive payment is established.

(c) Expense Recognition

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

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Expenses, revenues and assets have been attributed to the following functions/activities, descriptions of which are set out in Note 2(c).

	ROADS, STREETS & BRIDGES		HEALTH, COMMUNITY & WELFARE SERVICES		LAND USE PLANNING & BUILDING CONTROL		RECREATION & CULTURE		UNALLOCATED & UNCLASSIFIED		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues												
Grants	2,777,727	4,626,356	527,822	3,245,311	-	-	1,489,364	66,000	2,161,429	2,174,299	6,956,342	10,111,966
Rates	-	-	2,672,863	2,588,786	-	-	-	-	9,918,829	9,368,774	12,591,692	11,957,560
Other	120,355	470,217	898,148	1,179,721	508,812	438,874	322,619	382,295	1,687,393	2,006,257	3,537,327	4,477,364
Total	\$ 2,898,082	\$ 5,096,573	\$ 4,098,833	\$ 7,013,818	\$ 508,812	\$ 438,874	\$ 1,811,983	\$ 448,295	\$ 13,767,651	\$ 13,549,330	\$ 23,085,361	\$ 26,546,890
Expenses												
	\$ 6,520,751	\$ 6,434,104	\$ 8,373,093	\$ 8,124,399	\$ 1,626,669	\$ 1,485,815	\$ 3,135,613	\$ 3,115,783	\$ 272,738	\$ 181,335	\$ 19,928,864	\$ 19,341,436
%	32.72%	33.27%	42.01%	42.01%	8.16%	7.68%	15.73%	16.11%	1.37%	0.94%	100.00%	100.00%
Net Surplus/(Deficit)	\$ (3,622,669)	\$ (1,337,531)	\$ (4,274,260)	\$ (1,110,581)	\$ (1,117,857)	\$ (1,046,942)	\$ (1,323,630)	\$ (2,667,488)	\$ 13,494,913	\$ 13,367,995	\$ 3,156,497	\$ 7,205,454
Assets Note 2(b)	\$ 146,297,381	\$ 142,713,928	\$ 30,701,249	\$ 30,481,431	\$ 80,842	\$ 54,208	\$ 26,265,695	\$ 25,171,246	\$ 114,501,979	\$ 106,545,628	\$ 317,847,146	\$ 304,966,441

Actual	Actual
2019	2018
\$	\$

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONT.)

(b) Total assets shown in Note 2(a) are reconciled with the amounts shown for assets in the Statement of Financial Position:

Current Assets	25,898,852	24,823,794
Non-Current Assets	291,948,294	280,142,647
	<u>317,847,146</u>	<u>304,966,441</u>

(c) The activities of the Council are categorised into the following broad functions:

Roads, Streets and Bridges

Construction, maintenance and cleaning of road, streets, footpaths, bridges, parking facilities and street lighting.

Health, Community and Welfare Services

Collection, handling, processing and disposal of all waste materials, operation and maintenance of preventative health, animal control, fire protection, tourism promotion, sundry economic services, state emergency services, urban stormwater drainage, protection of the environment, cemeteries, community amenities, families and children, aged and disabled, and community development.

Land Use Planning and Building Control

Administration of the town planning scheme, subdivisions and urban and rural renewal programs. The development and maintenance of building constructions standards.

Recreation and Culture

Administration and maintenance of public halls, swimming pools and other swimming, recreation grounds and other sports facilities, library services, sundry cultural activities and parks and reserves.

Unallocated and Unclassified

General rates and charges, general services and activities not identifiable with the foregoing functions, including private works and stock.

	Actual 2019 \$	Actual 2018 \$
3. INTEREST		
Interest on Cash and Financial Assets	661,020	520,929
Interest on Rate Debtors	65,480	77,857
Other Interest on Loans/Receivables	273,969	295,257
	<u>1,000,469</u>	<u>894,043</u>

Interest is recognised progressively as it is earned.

4. GOVERNMENT GRANTS

Grants were received in respect of the following:

Recurrent Grants

Commonwealth Government Financial Assistance Grant: General Purpose	2,117,455	2,133,082
Commonwealth Government Financial Assistance Grant: Roads & Bridges	2,182,040	2,109,155
Commonwealth Government Roads to Recovery Operating Projects	144,067	149,762
Fuel Tax Funding	43,974	41,217
State Government Bioenergy Wood & Fibre Innovation	13,636	50,000
Commonwealth Government Meander Falls Walk Upgrade	150,000	-
State Government Deloraine Football Ground Demountable Change Rooms	116,364	-
State Government Digital Pathways Equipment	85,476	-
State Government Westbury Flood Risk Study	20,000	-
Minor Grants Received	136	3,223
State Government Four Springs Angling Pontoon	-	41,000
State Government Liveable Communities Program	-	7,200
Total Recurrent Grants	<u>4,873,148</u>	<u>4,534,639</u>

Capital Grants received for new or upgraded assets

Commonwealth Government Roads to Recovery Capital Projects	251,620	1,151,439
Commonwealth Government Natural Disaster Relief	258,574	3,180,466
State Government Westbury Recreation Ground Clubrooms	698,100	-
State Government Deloraine Community Complex Netball Courts	359,000	-
State Government Prospect Vale Park AFL Lighting Upgrade	246,900	-
State Government Westbury Road Intersection	200,000	-
State Government Blackstone Heights Park Improvements	60,000	-
State Government Westbury Recreation Ground Cricket Pitch	9,000	-
Commonwealth Government Union Bridge Replacement	-	976,000
Commonwealth Government Blackspot Program: Dunorlan/Railton Road	-	240,000
State Government Gardens & Seating Hadspen Bull Run	-	25,000
State Government Chargesmart Electric Vehicle Charger	-	4,422
Total Capital Grants	<u>2,083,194</u>	<u>5,577,327</u>
Total Government Grants	<u>6,956,342</u>	<u>10,111,966</u>

Government funds received in relation to pensioner rates of \$682,743 (2017-18: \$666,713) were treated in the Statement of Comprehensive Income as rate revenue.

The Australian Commonwealth Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004: Contributions, Council recognised these grants as revenue when it received the funds and obtained control.

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2018-19 by \$2,180,889 (2017-18: \$2,165,458). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

	Actual 2019 \$	Actual 2018 \$
5. EMPLOYEE COSTS		
Wages and Salaries	5,014,261	4,940,424
Annual, Sick and Long Service Leave	886,571	788,455
Superannuation	734,302	724,241
State Government Payroll Tax	327,412	321,858
Total Employee Expenses	<u>6,962,546</u>	<u>6,774,978</u>
Less Capital & Non-Recurrent Expenditure		
Disaster Recovery Remediation Costs	-	(1,184)
Labour Capital Assets constructed by Council	(536,793)	(470,645)
	<u>(536,793)</u>	<u>(471,829)</u>
	<u>6,425,753</u>	<u>6,303,149</u>

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

6. MATERIALS AND CONTRACTS

Fire Levy	1,191,966	1,136,205
Councillor Allowances	186,350	182,803
Insurance	285,516	264,290
Street Lighting	187,182	181,194
Household Waste	1,353,632	1,249,858
Road Maintenance	1,116,940	1,157,187
Bridge Maintenance	154,391	192,392
Consultants	478,263	621,420
Electricity	109,372	95,288
Motor Vehicles	125,945	118,596
Publications and Subscriptions	232,724	166,628
Other	2,765,984	1,893,508
	<u>8,188,265</u>	<u>7,259,369</u>
Less Capital & Non-Recurrent Expenditure		
Disaster Recovery Remediation Costs	-	(81,911)
	<u>8,188,265</u>	<u>7,177,458</u>

7. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation was charged in respect of:

Land Improvements	565,338	582,159
Buildings	368,188	363,653
Roads and Streets	2,409,606	2,409,829
Bridges	469,542	550,714
Stormwater	371,362	362,490
Plant and Equipment	617,672	601,927
Heritage	281	283
Computer Software	37,211	30,498
Valuations	29,586	29,546
	<u>4,868,786</u>	<u>4,931,099</u>

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their economic life to Council at a rate of depreciation that reflects the consumption of the service potential of the assets. Depreciation is recognised on a straight-line basis and is reviewed each reporting period. Depreciation rates and methods are reviewed annually.

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

**Actual
2019
\$**

**Actual
2018
\$**

Land and Land Under Roads are not depreciable assets.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. This shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to road earthworks reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

The current depreciation method and useful lives are:

Asset	Method	Useful Life
Land	Not Depreciated	Unlimited Life
Land Under Roads	Not Depreciated	Unlimited Life
Land Improvements	Straight Line	5 - 100 years
Buildings	Straight Line	30 - 250 years
Road and Street Components	Straight Line	5 - 200 years
Bridges	Straight Line	14 - 133 years
Stormwater Drainage Reticulation	Straight Line	18 - 75 years
Plant & Equipment	Straight Line	3 - 30 years
Large Plant/Machinery (Mechanical)	Straight Line	7 - 20 years
Small Plant/Machinery (Mechanical)	Straight Line	3 - 20 years
Plant/Machinery (Electrical)	Straight Line	3 - 20 years
Office Equipment	Straight Line	3 - 30 years
Motor Vehicle	Straight Line	5 years
Heritage Assets	Straight Line	15 - 300 years
Intangibles	Straight Line	3 - 10 years

8. FINANCE COSTS

Unwinding of Tip Rehabilitation Provision	15,086	102,004
Interest Charges	211,320	211,320
	<u>226,406</u>	<u>313,324</u>

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings and unwinding of present value calculations.

9. OTHER EXPENSES

Other Expenses includes:

External Auditor's Remuneration	36,310	31,550
Community Grants	111,461	103,986
Donations and Other	1,124	653
Bad Debts	372	-
	<u>149,267</u>	<u>136,189</u>

10. DISPOSAL & DERECOGNITION OF ASSETS

Total

Proceeds from sales/disposal	(53,091)	(208,092)
Written down value of assets sold/disposed	123,478	180,327
Loss/(Gain) on Disposal of Assets	<u>70,387</u>	<u>(27,765)</u>

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

Actual 2019 \$	Actual 2018 \$
----------------------	----------------------

11. CONSTRUCTION CONTRACTS

Construction Contract Expenditure on Development	-	397,122
--	---	---------

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period. Measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense. Council has incurred expenditure on the Hadspen Urban Growth Project, with the belief that the project will receive commitment from the three landowners. Transactions have been reported in compliance with AASB 111 *Construction Contracts*.

12. CURRENT ASSETS - Cash and Cash Equivalents

Cash at Bank	11,605,137	10,457,910
Cash on Hand	1,450	1,450
	<u>11,606,587</u>	<u>10,459,360</u>

The above figures are reconciled to cash at end of the financial year as shown in the Statement of Cash Flows as follows:

Balance as above	11,606,587	10,459,360
Balance per Statement of Cash Flows	<u>11,606,587</u>	<u>10,459,360</u>

Cash Assets include all amounts readily convertible to cash on hand (cash on hand, deposits at call with financial institutions, other short term, highly liquid investments) at Council's option with an insignificant risk of changes in value with a maturity of three months or less. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 42.

13. CURRENT ASSETS - Trade and Other Receivables

Rates Debtors	643,473	555,824
Other Debtors	331,212	183,218
	<u>974,685</u>	<u>739,042</u>

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment.

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

	Actual 2019 \$	Actual 2018 \$
14. CURRENT ASSETS - Financial Assets		
Term Deposits	<u>13,035,496</u>	<u>13,363,443</u>
Market value of investments as at the reporting date	<u>13,035,496</u>	<u>13,363,443</u>

Term Deposits and Cash at Bank are managed and expended in accordance with Council's Long Term Financial Plan.

15. CURRENT ASSETS - Other

Inventory Materials	78,236	65,702
Accrued Revenue	<u>203,848</u>	<u>196,247</u>
	<u>282,084</u>	<u>261,949</u>

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

16. CURRENT LIABILITIES - Trade and Other Payables

Employee Costs	65,118	285,175
Materials and Contracts	1,268,497	705,633
Other Creditors	<u>270,203</u>	<u>279,999</u>
	<u>1,603,818</u>	<u>1,270,807</u>

17. CURRENT LIABILITIES - Provisions

Provision for Annual Leave	675,342	579,562
Provision for Long Service Leave	604,449	599,359
Employee Provisions oncosts	<u>157,976</u>	<u>145,490</u>
	<u>1,437,767</u>	<u>1,324,410</u>

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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

All annual leave and the long service leave entitlements representing 10 or more years of continuous service:

- Short-term employee benefits, that fall due within 12 months after year end are measured at nominal value.
- Long-term employee benefits that do not fall due within 12 months after year end measured at present value.

	Actual 2019 \$	Actual 2018 \$
18. NON-CURRENT ASSETS - Investment in Water Corporation		
Opening balance	48,489,573	47,868,292
Fair Value adjustments on available-for-sale assets	-	621,281
Fair Value adjustments on equity investment assets	7,102,181	-
Carrying value of investment at end of year	<u>55,591,754</u>	<u>48,489,573</u>

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2019, Council holds a 2.99% (2017-18: 3.02%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

19. NON-CURRENT ASSETS - Loans and Other Receivables

Assessed Contributions - Westbury Industrial Development	765,716	713,597
Assessed Contributions - East Deloraine Industrial Development	99,100	95,278
Loan Receivable - Aged Care Deloraine	3,600,000	3,600,000
Vendor Finance - Aged Care Deloraine	162,000	162,000
	<u>4,626,816</u>	<u>4,570,875</u>

20. NON-CURRENT ASSETS - Work in Progress

Work in Progress - at cost	<u>1,642,466</u>	<u>727,656</u>
----------------------------	------------------	----------------

21. NON-CURRENT ASSETS - Land

Land at Fair Value	<u>8,518,455</u>	<u>8,518,455</u>
--------------------	------------------	------------------

22. NON-CURRENT ASSETS - Land Under Roads

Land Under Roads at Fair Value	<u>26,169,270</u>	<u>26,169,270</u>
--------------------------------	-------------------	-------------------

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

23. NON-CURRENT ASSETS - Land Improvements

Land Improvements at Cost	14,201,053	12,751,735
Less Accumulated Depreciation	(6,422,361)	(5,861,948)
	<u>7,778,692</u>	<u>6,889,787</u>

Land improvements include landscaping (trees, grass, rocks and shrubs), earthworks not integral to other assets, playing surfaces on recreation reserves and recreational equipment and structures.

24. NON-CURRENT ASSETS - Buildings

Buildings at Fair Value	19,213,825	19,093,629
Less Accumulated Depreciation	(821,783)	(453,595)
	<u>18,392,042</u>	<u>18,640,034</u>

25. NON-CURRENT ASSETS - Roads and Streets

Roads and Streets at Fair Value	168,260,026	165,303,601
Less Accumulated Depreciation	(50,060,985)	(49,082,197)
	<u>118,199,041</u>	<u>116,221,404</u>

Roads and streets include earthworks, substructures, seals and kerbs relating to roads, roundabouts, driveways, footpaths, nature strips and parking areas.

	Actual 2019 \$	Actual 2018 \$
26. NON-CURRENT ASSETS - Bridges		
Bridges at Fair Value	38,268,210	37,487,577
Less Accumulated Depreciation	<u>(10,357,998)</u>	<u>(10,715,940)</u>
	<u><u>27,910,212</u></u>	<u><u>26,771,637</u></u>
27. NON-CURRENT ASSETS - Stormwater		
Stormwater at Fair Value	28,041,503	27,564,088
Less Accumulated Depreciation	<u>(8,165,341)</u>	<u>(7,793,979)</u>
	<u><u>19,876,162</u></u>	<u><u>19,770,109</u></u>
28. NON-CURRENT ASSETS - Plant and Equipment		
Plant and Equipment at Cost	6,760,885	7,190,563
Less Accumulated Depreciation	<u>(3,754,744)</u>	<u>(3,944,793)</u>
	<u><u>3,006,141</u></u>	<u><u>3,245,770</u></u>
29. NON-CURRENT ASSETS - Heritage		
Heritage at Cost	139,854	139,854
Less Accumulated Depreciation	<u>(120,089)</u>	<u>(119,808)</u>
	<u><u>19,765</u></u>	<u><u>20,046</u></u>
30. NON-CURRENT ASSETS - Computer Software		
Computer Software at Cost	668,577	645,064
Less Accumulated Amortisation	<u>(583,977)</u>	<u>(566,659)</u>
	<u><u>84,600</u></u>	<u><u>78,405</u></u>
31. NON-CURRENT ASSETS - Valuations		
Valuations at Cost	133,000	177,271
Less Accumulated Depreciation	<u>(122)</u>	<u>(147,645)</u>
	<u><u>132,878</u></u>	<u><u>29,626</u></u>

32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

	Opening Balance	Recognition & Acquisition of Assets	Revaluation Increments / (Decrements) (Note 35)	Depreciation & Amortisation (Note 7)	Written Down Value of Disposals	Transfers	Year End Balance
	\$	\$	\$	\$	\$	\$	\$
Works in progress							
Total Works In Progress	727,656	7,351,331	-	-	-	(6,436,521)	1,642,466
	727,656	7,351,331	-	-	-	(6,436,521)	1,642,466
Property							
Land	8,518,455	-	-	-	-	-	8,518,455
Land Under Roads	26,169,270	-	-	-	-	-	26,169,270
Land Improvements	6,889,787	324,628	-	(565,338)	-	1,129,615	7,778,692
Buildings	18,640,034	-	-	(368,188)	-	120,196	18,392,042
Total property	60,217,546	324,628	-	(933,526)	-	1,249,811	60,858,459
Infrastructure							
Roads & Streets	116,221,404	55,505	1,822,916	(2,409,606)	(81,542)	2,590,364	118,199,041
Bridges	26,771,637	-	-	(469,542)	-	1,608,117	27,910,212
Stormwater	19,770,109	85,408	-	(371,362)	-	392,007	19,876,162
Total infrastructure	162,763,150	140,913	1,822,916	(3,250,510)	(81,542)	4,590,488	165,985,415
Plant & Equipment							
	3,245,770	-	-	(617,672)	(39,073)	417,116	3,006,141
Heritage							
	20,046	-	-	(281)	-	-	19,765
Computer Software							
	78,405	-	-	(37,211)	(2,700)	46,106	84,600
Valuations							
	29,626	-	-	(29,586)	(162)	133,000	132,878
Total	226,354,543	465,541	1,822,916	(4,868,786)	(123,477)	6,436,521	230,087,258

32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONT.)

	Opening Balance	Recognition & Acquisition of Assets	Revaluation Increments / (Decrements) (Note 35)	Depreciation & Amortisation (Note 7)	Written Down Value of Disposals	Transfers	Year End Balance
2018	\$	\$	\$	\$	\$	\$	\$
<i>Works in progress</i>							
Total Works In Progress	2,804,736	8,422,254	-	-	-	(10,499,334)	727,656
	2,804,736	8,422,254	-	-	-	(10,499,334)	727,656
<i>Property</i>							
Land	7,792,489	-	725,966	-	-	-	8,518,455
Land Under Roads	26,119,018	50,252	-	-	-	-	26,169,270
Land Improvements	7,036,510	-	-	(582,159)	-	435,436	6,889,787
Buildings	18,651,179	-	-	(363,653)	-	352,508	18,640,034
Total property	59,599,196	50,252	725,966	(945,812)	-	787,944	60,217,546
<i>Infrastructure</i>							
Roads & Streets	113,055,378	504,461	-	(2,409,829)	(71,768)	5,143,162	116,221,404
Bridges	21,879,435	-	2,354,412	(550,714)	(41,572)	3,130,076	26,771,637
Stormwater	19,393,632	282,432	-	(362,490)	-	456,535	19,770,109
Total infrastructure	154,328,445	786,893	2,354,412	(3,323,033)	(113,340)	8,729,773	162,763,150
<i>Plant & Equipment</i>							
	2,977,095	-	-	(601,927)	(66,985)	937,587	3,245,770
<i>Heritage</i>							
	20,329	-	-	(283)	-	-	20,046
<i>Computer Software</i>							
	64,873	-	-	(30,498)	-	44,030	78,405
<i>Valuations</i>							
	59,172	-	-	(29,546)	-	-	29,626
Total	217,049,110	837,145	3,080,378	(4,931,099)	(180,325)	10,499,334	226,354,543

32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONT.)

Asset Capitalisation and Maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed. Officers of the Council determine at the occurrence of an event whether to capitalise/expense expenditure. The following is provided as a guide for roads:

Road Component	Treatment
Reseals	Capitalised or Expensed
Road Shouldering	Expensed
Reconstruction/Construction	Capitalised
Gravel Resheeting	Capitalised
Seal Patching	Expensed
Road Drainage	Capitalised or Expensed
Road Drainage (Piped)	Capitalised or Expensed
Road Verge Works	Expensed

Recognition and Measurement of Assets

The cost method of accounting is used for the initial recognition of all asset acquisitions. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition including architects' fees and engineering design fees and all other costs incurred in getting the assets ready for use.

In determining the cost of Non-Current Assets constructed by Council, "Cost" includes all materials used in construction, direct labour used on the project and an appropriate proportion of overheads. The cost of all materials includes all consulting fees.

Non-monetary assets received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

The following thresholds apply in recognising the acquisition of new assets. Assets valued at less than the specified amounts are charged to the Statement of Comprehensive Income in the year of purchase. When group values have been determined, the threshold applies to the group, not individual assets within that group.

Asset Class	Threshold (\$)
Land	Nil
Land Under Roads	5,000
Land Improvements	5,000
Buildings	5,000
Roads and Streets	5,000
Bridges	5,000
Stormwater	5,000
Plant and Equipment	2,000
Heritage Assets	2,000
Computer Software	2,000

Revaluation of Non-Current Assets

Council has adopted the following valuation bases for its non-current assets:

Asset Class	Valuation Basis
Land	Fair Value
Land Under Roads	Fair Value
Land Improvements	Cost
Buildings	Fair Value
Plant and Equipment	Cost
Roads and Streets	Fair Value
Stormwater	Fair Value
Heritage Assets	Cost
Bridges	Fair Value
Computer Software	Cost

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

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

In addition, Council undertakes a formal revaluation of asset classes, measured on the fair value basis on a three-year rolling cycle. The valuation is performed either by experienced Council officers or independent experts. The cost of acquisitions and capital works during the year is considered to represent their fair value.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 44 Fair Value Measurement.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of Assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

For non-cash generating assets of Council such as Roads, Stormwater, Buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

	Actual 2019 \$	Actual 2018 \$
33. NON-CURRENT LIABILITIES - Borrowings		
Borrowings - Secured	3,600,000	3,600,000

The borrowing capacity of Council is limited by the *Local Government Act 1993*. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

Borrowings are secured over all present and future receivables of the Council representing the Council's general revenues from general rates, service rates, permit fees, rents and other charges imposed by the Council; and all money deposited into any account or held by any Government Body as collection agent for Tascorp, and derived from any of those sources.

Not later than one year	-	-
Later than one year and not later than five years	3,600,000	3,600,000
Later than five years	-	-
	3,600,000	3,600,000

34. NON-CURRENT LIABILITIES - Provisions

Provision for Long Service Leave	241,403	228,534
Employee Provisions - oncosts	17,188	17,026
Provision for Tip Rehabilitation	4,117,984	3,778,271
	4,376,575	4,023,831

Provision for long service leave representing less than 10 years of continuous service measured at present value.

Reconciliation of Provision for Tip Rehabilitation

Opening Balance	3,778,271	3,676,267
Unwinding of Discount	15,086	102,004
Reassessment of Estimate	324,627	-
Closing Balance	4,117,984	3,778,271

Council is obligated to restore landfill sites to a particular standard. Current engineering projections indicate that the landfill site at Cluan will begin restoration work in 2021 and the landfill site at Deloraine will begin restoration work in 2025. The forecast life of the landfill sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works have been inflated by the Consumer Price Index (Hobart) 2.33% and discounted by the Indicative Mid Rates of Selected Australian Government Securities. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Employee Benefits

AASB 119 Employee Benefits has been applied when calculating and reporting employee entitlements. The bases of measurement of liabilities for each type of employee benefit are as follows:

(i) Other Long Term Employee Benefit Obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Sick Leave

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

(iii) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan which provides benefits to its employees. Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable. Details of those arrangements are set out in Note 38.

(iv) Number of employees		2019	2018
	Permanent FTE staff	80	79
	Casual staff	1	-

35. RESERVES

2019	Opening Balance	Increment / (decrement)	Closing Balance
Asset Revaluation Reserve			
Land	5,268,459	-	5,268,459
Buildings	7,917,193	-	7,917,193
Roads and Streets	47,692,376	1,822,916	49,515,292
Bridges	16,692,524	-	16,692,524
Stormwater	10,851,635	-	10,851,635
Total Asset Revaluation Reserve	<u>88,422,187</u>	<u>1,822,916</u>	<u>90,245,103</u>
Fair Value Reserve			
Investment in Water Corporation	(3,197,502)	7,102,181	3,904,679
Total Fair Value Reserve	<u>(3,197,502)</u>	<u>7,102,181</u>	<u>3,904,679</u>
	<u>85,224,685</u>	<u>8,925,097</u>	<u>94,149,782</u>
2018	Opening Balance	Increment / (decrement)	Closing Balance
Asset Revaluation Reserve			
Land	4,542,493	725,966	5,268,459
Buildings	7,917,193	-	7,917,193
Roads and Streets	47,692,376	-	47,692,376
Bridges	14,338,112	2,354,412	16,692,524
Stormwater	10,851,635	-	10,851,635
Total Asset Revaluation Reserve	<u>85,341,809</u>	<u>3,080,378</u>	<u>88,422,187</u>
Fair Value Reserve			
Investment in Water Corporation	(3,818,783)	621,281	(3,197,502)
Total Fair Value Reserve	<u>(3,818,783)</u>	<u>621,281</u>	<u>(3,197,502)</u>
	<u>81,523,026</u>	<u>3,701,659</u>	<u>85,224,685</u>

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

36. SPECIAL COMMITTEES

The statements include transactions for the following Special Committees:

2019	Receipts	Payments	Net Assets
Birrlee Memorial Hall	3,628	3,486	6,953
Bracknell Public Hall & Recreation Ground	2,086	278	9,484
Carrick Community Hall	1,852	2,400	1,600
Caveside Recreation Committee	3,837	1,869	13,512
Chudleigh Memorial Hall	14,792	17,704	17,903
Dairy Plains Memorial Hall	4,145	2,278	11,006
Deloraine Community Car	21,813	31,224	21,983
Meander Hall & Recreation Ground	19,798	26,898	31,546
Mole Creek Memorial Hall	15,756	10,746	28,926
Rosevale Memorial Hall & Recreation Ground	4,114	3,445	22,368
Selbourne Memorial Hall	1,497	790	42,742
Weegenah Hall	403	120	8,948
Westbury Community Car	8,477	5,071	17,178
Westbury Historical Society	1,353	1,865	17,675
Westbury Recreation Ground	-	-	2,071
Whitemore Recreation Ground	1,375	2,863	3,175
	<u>104,926</u>	<u>111,037</u>	<u>257,070</u>

The balance of net assets forms part of the Cash at Bank balance.

37. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments contracted for as at the reporting date and which have not been recognised as liabilities in the Statement of Financial Position are as follows (all commitments due within 12 months).

	2019 \$	2018 \$
Capital Expenditure Commitments: Works In Progress		
Buildings	1,217,656	59,077
Roads	695,787	-
Bridges	394,118	324,402
Stormwater	83,990	-
Land Improvements	61,962	9,438
	<u>2,453,513</u>	<u>392,917</u>

38. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2019 the Council contributed 3.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

The financial assumptions used to calculate the Accrued Benefits for the fund were:

Net Investment Return	7.0% p.a.
Salary Inflation	4.0% p.a.
Price Inflation	n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2017.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2017.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2020 and is expected to be completed late in 2020.

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes. During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

As required in terms of paragraph 148 of AASB 119 *Employee Benefits*, Council discloses the following details:

- The 2017 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014. Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators). The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.

- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was Nil, (2017-18: \$49,503) due to the contribution holiday as prescribed by Tasplan, and the amount paid to accumulation schemes was \$734,302 (2017-18: \$674,738).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is Nil, due to the contribution holiday as prescribed by Tasplan. The amount to be paid to accumulation schemes is \$735,400.
- As reported previously, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2018, showed that the Fund had assets of \$57.48 million and members' Vested Benefits were \$48.39 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2018 the fund had 119 members and the total employer contributions and member contributions for the year ending 30 June 2018 were \$1,515,272 and \$266,000 respectively.

	Actual 2019 \$	Actual 2018 \$
39. RECONCILIATION OF SURPLUS/ (DEFICIT) FOR THE PERIOD TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net Surplus/(Deficit)	3,156,497	7,205,454
Items not involving Cash		
Subdivisions Taken Over	(140,914)	(837,143)
Interest Accrued on Receivables	(55,941)	(77,232)
Depreciation and Amortisation Expense	4,868,786	4,931,099
	<u>4,671,931</u>	<u>4,016,724</u>
Investing Activity		
(Profit)/Loss on Disposal of Assets	70,387	(27,765)
Proceeds from Capital Grants	(2,083,194)	(5,577,327)
Proceeds from Capital Contributions	(16,905)	-
Disaster Recovery Remediation Costs	-	83,095
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(235,644)	172,710
(Increase)/Decrease in Inventories	(12,535)	6,576
(Increase)/Decrease in Accrued Revenue	(7,600)	40,873
Increase/(Decrease) in Payables	333,012	(832,278)
Increase/(Decrease) in Provisions	141,472	128,789
	<u>218,705</u>	<u>(483,330)</u>
Net Cash Inflow from Operating Activities	<u><u>6,017,421</u></u>	<u><u>5,216,851</u></u>

40. CREDIT STANDBY ARRANGEMENTS

Council has a Direct Debit Facility with the Commonwealth Bank with a \$50,000 limit (2017-18: \$30,000). Council has Business Cards with a limit of \$55,000 (2017-18: \$55,000). The balance is cleared monthly. There were no other credit standby arrangements or unused loan facilities at 30 June 2019.

41. RELATED PARTY DISCLOSURES

(a) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Cr W Johnston (Mayor)	Cr C Perkins (Former)	General Manager	Mr M Gill
	Cr M Kelly (Deputy Mayor)	Cr A Connor (Former)	Directors	Mr D De Paoli
	Cr S Bower	Cr I Mackenzie (Former)		Mr M Millwood
	Cr T King	Cr B Richardson (Former)		Mr J Harmey
	Cr S Cameron	Cr D White (Former)		Ms L While
	Cr F Nott			
	Cr R Synfield			
	Cr A Sherriff			
	Cr J Temple			

(b) Councillor Remuneration

2019

	Allowances \$	Vehicles ² \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	52,566	862	53,428	2,614	56,042
Deputy Mayor	29,286	-	29,286	317	29,603
Councillors	104,498	-	104,498	8,945	113,443
Total	186,350	862	187,212	11,876	199,088

2018

	Allowances \$	Vehicles ² \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	51,389	-	51,389	4,551	55,940
Deputy Mayor	28,631	-	28,631	1,101	29,732
Councillors	102,783	-	102,783	2,833	105,616
Total	182,803	-	182,803	8,485	191,288

(c) Key Management Personnel Remuneration

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

2019

Remuneration band	Number of employees ⁶	Short term employee benefits		Post employment benefits			
		Salary ¹ \$	Vehicles ² \$	Super- annuation ³ \$	Other Long-term Benefits ⁴ \$	Termination Benefits ⁵ \$	Total \$
\$180 001 - \$200 000	4	594,041	51,493	76,631	28,518	-	750,683
\$220 001 - \$240 000	1	182,608	16,468	23,594	10,518	-	233,188
Total		776,649	67,961	100,225	39,036	-	983,871

2018

Remuneration band	Number of employees ⁶	Short term employee benefits		Post employment benefits			
		Salary ¹ \$	Vehicles ² \$	Super- annuation ³ \$	Other Long-term Benefits ⁴ \$	Termination Benefits ⁵ \$	Total \$
\$0 - \$20 000	1	23,835	2,683	2,688	(23,283)	-	5,923
\$160 001 - \$180 000	2	291,206	25,637	36,794	3,943	-	357,580
\$180 001 - \$200 000	2	292,524	25,616	37,480	18,233	-	373,853
\$220 001 - \$240 000	1	179,181	14,960	23,199	19,216	-	236,556
Total		786,746	68,896	100,161	18,109	-	973,912

¹ Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

³ Superannuation means the contribution to the superannuation fund of the individual.

⁴ Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

⁵ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁶ Number of employees includes total number of employees that held a Key Management Personnel position during the financial year.

(d) Transactions With Related Parties

The Council has dealings from time to time with its Key Management Personnel (KMP) in both their private and business capacities.

Transactions between Council and its related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Key Management Personnel	Position	Interest Declared	Nature of Relevant Dealings with Council
Cr W Johnston	Mayor	No interest declared	
Cr C Perkins	Mayor	No interest declared	
Cr M Kelly	Deputy Mayor	No interest declared	
Cr S Bower	Councillor	No interest declared	
Cr S Cameron	Councillor	Business: CDR Plumbing Pty Ltd	Supplier of plumbing services under normal commercial terms and conditions.
Cr F Nott	Councillor	No interest declared	
Cr A Sherriff	Councillor	Business: Deloraine Signs	Supplier of signwriting and signage making services under normal commercial terms and conditions.
Cr A Connor	Councillor	No interest declared	
Cr T King	Councillor	No interest declared	
Cr I Mackenzie	Councillor	No interest declared	
Cr B Richardson	Councillor	Business: ABDAS Pty Ltd	Supplier of postage services at the Westbury Post Office under normal commercial terms and conditions.
Cr R Synfield	Councillor	No interest declared	
Cr D White	Councillor	No interest declared	
Cr J Temple	Councillor	Business: Archer Temple Pty Ltd	Supplier of general printing, book binding, picture framing and signage making services under normal commercial terms and conditions.
M Gill	General Manager	No interest declared	
D De Paoli	Director	No interest declared	
M Millwood	Director	No interest declared	
J Harmey	Director	No interest declared	
L While	Director	No interest declared	

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

(e) Outstanding Balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Unpaid Rates of Key Management Personnel

-

(f) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the municipality. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates on a primary residence
- Dog registration
- Use of Council's swimming pool

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

42. FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and Cash Equivalents			
	12	Cash on hand and at bank and in cash management accounts are valued at face value. Interest is recognised as it accrues.	On call deposits returned floating interest rates between 0% (2017-18: 0%) and 2.00% (2017-18: 2.00%). The interest rate at balance date was 0%-1.50% (2017-18: 0%-2.00%).
Term Deposits			
	14	Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Investments are held to maximise interest returns of surplus cash.	Term Deposits returned fixed interest rates of between 2.05% (2017-18: 2.00%), and 2.95% (2017-18: 3.05%) net of fees. Funds returned a weighted average interest rate of 2.66% (2017-18: 2.65%).
Receivables - Rate Debtors			
	13	An impairment loss is not recognised on rates receivable.	Unpaid rates represent a charge against the ratable property that will be recovered when the property is next sold. Arrears attract interest of 8.81% (2017-18: 8.72%).
Receivables - Other Debtors			
	13	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears do not attract interest. Debtors are required to settle within 14 days of issue of the account.
Financial Liabilities			
Trade and Other Payables			
	16	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-Bearing Loans and Borrowings			
	33	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The fixed interest rate on borrowings is 5.87%.

(b) Interest Rate Risk

The exposure to interest rate risk of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2019**Fixed Interest Maturing:**

	Floating Interest Rate	Under 1 Year	1-5 Years	Over 5 Years	Non-Interest Bearing	Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and Cash Equivalents	11,605,137	-	-	-	1,450	11,606,587
Term Deposits: maturity > 3 months	13,035,496	-	-	-	-	13,035,496
Rates Receivable	643,473	-	-	-	-	643,473
Loans, Trade and Other Receivables	-	-	4,365,716	261,100	331,212	4,958,028
Accrued Revenue	-	-	-	-	203,848	203,848
Investment in Water Corporation	-	-	-	-	55,591,754	55,591,754
Total Financial Assets	25,284,106	-	4,365,716	261,100	56,128,264	86,039,186

Weighted average interest rate 6.69% 5.65% 0.00%

Financial Liabilities

Trade and other payables	-	-	-	-	1,603,818	1,603,818
Trust funds and deposits	-	-	-	-	-	-
Borrowings	-	-	3,600,000	-	-	3,600,000
Total Financial Liabilities	-	-	3,600,000	-	1,603,818	5,203,818

Weighted average interest rate 0.00%

Net Financial Assets (Liabilities)	25,284,106	-	765,716	261,100	54,524,446	80,835,368
------------------------------------	------------	---	---------	---------	------------	------------

2018**Fixed Interest Maturing:**

	Floating Interest Rate	Under 1 Year	1-5 Years	Over 5 Years	Non-Interest Bearing	Total
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and Cash Equivalents	10,457,910	-	-	-	1,450	10,459,360
Term Deposits: maturity > 3 months	13,363,443	-	-	-	-	13,363,443
Rates Receivable	555,824	-	-	-	-	555,824
Loans, Trade and Other Receivables	-	-	4,313,597	257,278	183,219	4,754,094
Accrued Revenue	-	-	-	-	196,247	196,247
Investment in Water Corporation	-	-	-	-	48,489,573	48,489,573
Total Financial Assets	24,377,177	-	4,313,597	257,278	48,870,489	77,818,541

Weighted average interest rate 6.89% 4.72% 0.00%

Financial Liabilities

Trade and other payables	-	-	-	-	1,270,807	1,270,807
Trust funds and deposits	-	-	3,600,000	-	-	3,600,000
Borrowings	-	-	-	-	-	-
Total Financial Liabilities	-	-	3,600,000	-	1,270,807	4,870,807

Weighted average interest rate 0.00%

Net Financial Assets (Liabilities)	24,377,177	-	713,597	257,278	47,599,682	72,947,734
------------------------------------	------------	---	---------	---------	------------	------------

(c) Net Fair Values

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

Financial Instruments

Financial Assets

Cash and Cash Equivalents
Term Deposits: Maturity > 3 months
Trade and Other receivables
Accrued Revenue
Investment in Water Corporation

Total Financial Assets

Financial Liabilities

Trade and Other payables
Borrowings

Total Financial Liabilities

Net Financial Assets

30 June 2019		30 June 2018	
Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
11,606,587	11,606,587	10,459,360	10,459,360
13,035,496	13,035,496	13,363,443	13,363,443
5,601,501	5,601,501	5,309,918	5,309,918
203,848	203,848	196,247	196,247
55,591,754	55,591,754	48,489,573	48,489,573
86,039,186	86,039,186	77,818,541	77,818,541
1,603,818	1,603,818	1,270,807	1,270,807
3,600,000	4,096,692	3,600,000	3,980,196
5,203,818	5,700,510	4,870,807	5,251,003
80,835,368	80,338,676	72,947,734	72,567,538

Carrying amounts classified as:

Financial assets

Cash and Cash Equivalents
Loans and Receivables
Equity Investment Assets

Total Financial Assets

Financial Liabilities

Financial Liabilities Measured at Amortised Cost
Interest-bearing Loans and Borrowings

Total Financial Liabilities

Net Financial Assets

30 June 2019 \$	30 June 2018 \$
24,642,083	23,822,803
5,805,349	5,506,165
55,591,754	48,489,573
86,039,186	77,818,541
1,603,818	1,270,807
3,600,000	3,600,000
5,203,818	4,870,807
80,835,368	72,947,734

The basis for determining fair values is disclosed in Note 44.

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from Tascorp. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions per our Investment policy.

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

Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables. It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party.

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	2019	2018
	\$	\$
Current (not yet due)	4,936,153	4,740,321
Past due by up to 30 days	4,651	2,948
Past due between 31 and 180 days	12,336	5,539
Past due between 181 and 365 days	4,033	2,822
Past due by more than 1 year	855	2,464
Total Trade Receivables	4,958,028	4,754,094
Rates Receivable	643,473	555,824
Total Trade & Other Receivables	5,601,501	5,309,918

Ageing of individually impaired Trade and Other Receivables

At balance date no debtors were impaired. Some of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

Liquidity risk

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

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

To help reduce these risks we:

- have readily accessible standby facilities and other funding arrangements in place; and
- monitor budget to actual performance on a regular basis.

The Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities. These amounts represent the discounted cash flow payments (ie principal only).

2019	Less than 1 year \$	1-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	1,603,818	-	-	1,603,818	1,603,818
Borrowings	-	3,600,000	-	3,600,000	3,600,000
Total financial liabilities	1,603,818	3,600,000	-	5,203,818	5,203,818

2018	Less than 1 year \$	1-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	1,270,807	-	-	1,270,807	1,270,807
Borrowings	-	3,600,000	-	3,600,000	3,600,000
Total financial liabilities	1,270,807	3,600,000	-	4,870,807	4,870,807

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end rates of 2.21%.

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

2019		Interest rate risk			
		+1 % + 100 basis points		-1 % - 100 basis points	
	\$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets:					
Cash and cash equivalents	11,606,587	116,066	116,066	(116,066)	(116,066)
Term Deposits - maturity > 3 months	13,035,496	130,355	130,355	(130,355)	(130,355)
Rates receivable	643,473	-	-	-	-
Other receivables (fixed rate)	3,600,000	-	-	-	-
Financial liabilities:					
Interest-bearing loans/borrowings (fixed rate)	3,600,000	-	-	-	-

43. MANAGEMENT INDICATORS

	Benchmark	2019	2018	2017	2016
(a) Underlying surplus or deficit		\$	\$	\$	\$
Recurrent income*		20,732,210	20,054,865	19,325,302	18,860,209
Recurrent expenditure		(19,928,864)	(18,833,454)	(17,836,132)	(18,448,909)
Underlying surplus/deficit	0	803,346	1,221,411	1,489,170	411,300

* Recurrent income excludes prepaid financial assistance grants from the Commonwealth Government.

Consistent underlying surpluses reflect Councils stable financial performance.

(b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>		803,346	1,221,411	1,489,170	411,300
Recurrent income*		20,732,210	20,054,865	19,325,302	18,860,209
Underlying surplus ratio %	0%	4%	6%	8%	2%

This ratio serves as an overall measure of financial operating effectiveness. Council budgets for and has reported modest underlying surpluses which ensures its operations are sustainable.

(c) Net financial liabilities

Liquid assets less		25,616,768	24,561,845	21,694,778	23,691,185
total liabilities		11,018,160	10,219,049	10,922,531	9,460,786
Net financial liabilities	0	14,598,608	14,342,796	10,772,247	14,230,399

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall. Council is pleased to report that it manages its finances to ensure all liabilities are fully funded.

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>		14,598,608	14,342,796	10,772,247	14,230,399
Recurrent income*		20,732,210	20,054,865	19,325,302	18,860,209
Net financial liabilities ratio %	0% to -50%	70%	72%	56%	75%

This ratio indicates the net financial obligations of Council compared to its recurrent income. Councils is currently operating in a low debt environment which assists in achieving a positive ratio.

(e) Asset consumption ratio

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

	Benchmark	2019	2018	2017	2016
		\$	\$	\$	\$
<i>Bridges</i>					
<u>Depreciated replacement cost</u>		27,910,212	26,771,637	21,879,435	19,668,302
Current replacement cost		38,268,210	37,487,577	33,527,857	31,096,105
Asset consumption ratio %	At least 60%	73%	71%	65%	63%
<i>Stormwater</i>					
<u>Depreciated replacement cost</u>		19,876,162	19,770,109	19,393,632	17,409,321
Current replacement cost		28,041,503	27,564,088	26,825,121	23,798,041
Asset consumption ratio %	At least 60%	71%	72%	72%	73%
<i>Roads and Streets</i>					
<u>Depreciated replacement cost</u>		118,199,041	116,221,404	113,055,378	110,997,147
Current replacement cost		168,260,026	165,303,601	160,088,474	156,844,999
Asset consumption ratio %	At least 60%	70%	70%	71%	71%

The building asset class is not included in the asset consumption ratio analysis. As the building assets are valued based on market value the ratio is not comparable to Bridges, Stormwater, Roads and Streets.

This ratio indicates the level of service potential available in Council's existing asset base. Council has a proactive asset renewal program. Asset revaluations occur regularly to ensure asset information is current.

	Benchmark	2019	2018	2017	2016
(f) Asset renewal funding ratio		\$	\$	\$	\$
An asset renewal funding ratio has been calculated in relation to each significant asset class included in the long-term strategic asset management plan of Council.					
<i>Bridges</i>					
Projected capital funding outlays**		6,341,000	8,212,000	8,534,000	10,360,300
Projected capital expenditure funding***		6,341,000	8,212,000	8,534,000	10,360,300
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Buildings</i>					
Projected capital funding outlays**		5,649,000	3,983,000	3,720,000	1,748,800
Projected capital expenditure funding***		5,649,000	3,983,000	3,720,000	1,748,800
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Stormwater</i>					
Projected capital funding outlays**		4,996,000	4,894,000	5,095,000	2,458,800
Projected capital expenditure funding***		4,996,000	4,894,000	5,095,000	2,458,800
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Roads & Streets</i>					
Projected capital funding outlays**		39,640,000	37,870,000	39,016,000	29,871,500
Projected capital expenditure funding***		39,640,000	37,870,000	39,016,000	29,871,500
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%

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

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

This ratio measures Council's capacity to fund future asset replacement requirements. Council is focussed on fully funding the capital asset expenditure as established in the asset management plans.

	Benchmark	2019	2018	2017	2016
(g) Asset sustainability ratio		\$	\$	\$	\$
Capex on replacement/renewal of existing assets		5,136,691	8,108,043	8,953,212	4,925,947
Annual depreciation expense		4,868,786	4,931,099	4,722,886	4,884,407
Asset sustainability ratio %	100%	106%	164%	190%	101%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. Council manages its capex on replacement/renewal of existing assets in line with the requirements of the asset management plans. Due to the long useful lives of Councils infrastructure this ratio must be viewed in conjunction with a long term view.

(g) Asset sustainability ratio (Cont.)

2019	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
Asset Class	\$	\$	\$
Land	-	-	-
Land Improvements	625,209	504,406	1,129,615
Buildings	96,326	23,870	120,196
Roads and Streets	2,324,387	265,977	2,590,364
Bridges	1,608,117	-	1,608,117
Stormwater	-	392,007	392,007
Plant and Equipment	303,546	113,570	417,116
Valuations	133,000	-	133,000
Computer Software	46,106	-	46,106
	<u>5,136,691</u>	<u>1,299,830</u>	<u>6,436,521</u>
2018	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
Asset Class	\$	\$	\$
Land	-	-	-
Land Improvements	190,841	244,595	435,436
Buildings	179,361	173,145	352,506
Roads and Streets	4,716,148	427,014	5,143,162
Bridges	2,099,064	1,031,013	3,130,077
Stormwater	11,841	444,694	456,535
Plant and Equipment	866,757	70,830	937,587
Computer Software	44,031	-	44,031
	<u>8,108,043</u>	<u>2,391,291</u>	<u>10,499,334</u>

44. FAIR VALUE MEASUREMENT

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

- Land
- Land Under Roads
- Buildings
- Roads and Streets
- Bridges
- Stormwater
- Investment in Water Corporation

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

(a) Fair Value Hierarchy

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

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

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

As at 30 June 2019	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land	21	-	8,518,455	-	8,518,455
Land Under Roads	22	-	-	26,169,270	26,169,270
Buildings	24	-	-	18,392,042	18,392,042
Roads and Streets	25	-	-	118,199,041	118,199,041
Bridges	26	-	-	27,910,212	27,910,212
Stormwater	27	-	-	19,876,162	19,876,162
Investment in Water Corporation	18	-	-	55,591,754	55,591,754
		-	8,518,455	266,138,481	274,656,936

As at 30 June 2018	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land	21	-	8,518,455	-	8,518,455
Land Under Roads	22	-	-	26,169,270	26,169,270
Buildings	24	-	-	18,640,034	18,640,034
Roads and Streets	25	-	-	116,221,404	116,221,404
Bridges	26	-	-	26,771,637	26,771,637
Stormwater	27	-	-	19,770,109	19,770,109
Investment in Water Corporation	18	-	-	48,489,573	48,489,573
		-	8,518,455	256,062,028	264,580,483

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

(b) Highest and best use

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use". Council considers that all assets valued at fair value in this note are being used for their highest and best use.

(c) Valuation techniques and significant inputs used to derive fair values**Land (Level 2)**

Land fair values were determined by the Tasmanian Valuer General on 28 February 2017. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Land Under Roads (Level 3)

Land under roads was first recognised as at 30 June 2016 and calculated by use of a land use class rates as determined by the Valuer-General. The rate has been derived by dividing land values by land area by property class category in each municipality. A 30% discount was applied to average values in each category (residential, commercial, industrial, community services and other) to equate to unimproved values. No discount was applied to the primary production property class category. These rates were applied to the square meterage of land under roads, on an individual road basis, with the rate determined by the property class surrounding the road. Significant inputs into this valuation approach is price per square metre derived from the analysis of sales taking into consideration permitted use and locality, another significant input is the 30% discount to unit rates.

Buildings (Level 3)

The fair value of buildings were determined by a qualified independent valuer Herron Todd White effective 31 March 2017. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of useful lives that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

Infrastructure Assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives are disclosed in Note 7.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

The methods for calculating CRC are described under individual asset categories below.

Roads and Streets (Level 3)

The fair value of Roads and Streets were determined by Dino De Paoli, Director of Councils Infrastructure Services effective 31 December 2018. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are componentised into formation, pavement, and seal. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit rate; the unit rate being an estimate of labour and material inputs, services costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges (Level 3)

The fair value of bridges assets were determined by a valuation undertaken by independent valuers Aus Span effective 18 December 2017. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Stormwater (Level 3)

The fair value of Stormwater Infrastructure were determined by Dino De Paoli, Director of Councils Infrastructure Services effective 31 December 2016. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit rate for the component type. For pipes, the unit price is multiplied by the asset's length. The unit rate for pipes is based on the construction material and labour.

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	55,591,754	Refer to Note 18 for a description of the valuation basis.		

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in Note 32 (Reconciliation of movements in non-current assets). There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of Land, Buildings, Roads and Streets and Stormwater (recurring fair value measurements) is set out in Note 32 and Note 35.

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in Note 42.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 42 is provided by Tascorp (level 2).

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

45. OTHER SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

(a) Allocation Between Current and Non-Current

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

(b) Taxation

Council is exempt from income tax however is required to pay for other forms of taxation including Land Tax, Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item. Receivables and payables are stated as the GST inclusive amount.

The amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from the investing and financing activities, which are recovered from or paid to the ATO, are classified as operating cash flows.

(c) Comparative and Budget Information

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where necessary by accounting standards, comparative information has been adjusted to conform with changes in presentation for the current year. The Budget revenue and expenses allocated in the Statement of Comprehensive Income are taken from Council's annual budget and have not been audited.

(d) Adoption of New and Amended Accounting Standards

Certain new accounting standards and interpretations have become mandatory for the 30 June 2019 reporting period. Council's assessment of the impact of new standards and interpretations are set out below:

(i) AASB 9 *Financial Instruments* (effective from 1 July 2018).

This standard replaces the existing standard, AASB139: Financial Instruments: Recognition and Measurement and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by Council's business model for holding the particular asset and its contractual cash flows.

Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9. The classifications are primarily based on Council's business model in which a financial asset is managed and its contractual cash flow characteristics. The main effects resulting from reclassification are as follows:

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

- Investment in water corporation - classified as an 'Available-For-Sale' financial asset as at 30 June 2018. As Council does not hold this equity investment for trading purposes, it has made an irrevocable election for this equity instrument to present any subsequent changes in fair value in Other comprehensive income. Under this approach only dividends are recognised in profit or loss. Council's Investment in water corporation is classified and measured as an 'Equity instrument at fair value through other comprehensive income' beginning 1 July 2018.
- Council did not designate any financial assets as at fair value through profit or loss.
- Council has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for Council's financial liabilities.

Council's assessment is that there is no material change to the financial statements from the adoption of the standard.

(e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period. Council's assessment of the impact of new standards and interpretations are set out below. Note standards are applicable to reporting periods beginning on or after to effective date referred to below.

- (i) AASB 15 *Revenue from Contracts with Customers*.** This standard is applicable to annual reporting periods beginning on or after 1 July 2019.

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

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations where the conditions have yet to be fulfilled at year end.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

- (ii) **AASB 16 Leases.** This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Council will apply the standard from 1 July 2019. Exemptions allow councils to apply AASB 117 for the 30 June 2019 reporting year.

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

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet.

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

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

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption. Council's current assessment is that no material changes are anticipated to the financial statements from the changes to the standard.

- (iii) **AASB 1058 Income of Not-for-Profit Entities.** This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

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

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

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

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption. Council's current assessment is that no material changes are anticipated to the financial statements from the changes to the standard.

Independent Auditor's Report

To the Councillors of Meander Valley Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Meander Valley Council (Council), which comprises the statement of financial position as at 30 June 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 43(f) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

...1 of 4

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Land, buildings and infrastructure assets <i>Refer to note 7, 32 and 44</i>	
<p>At 30 June 2019 Council's assets included land, buildings and infrastructure assets including roads, streets, bridges and stormwater and other structures valued at fair values totalling \$219.1m. The fair values of land and buildings are derived from observable market information while the fair values of infrastructure assets are based on current written down replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>In 2018-19, Council revalued its road and street assets using written down replacement costs determined by Council's internal expert. The valuations are highly dependent upon a range of assumptions, including estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital payments in 2018-19 totalled \$7.35m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> • Evaluating the appropriateness of the valuation methodology applied to determine the fair values. • Assessing assumptions and other key inputs in the valuation model. • Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. • Evaluating management's assessment of the useful lives. • Performing substantive analytical procedures on depreciation expenses. • Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment. • Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

...2 of 4

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

...3 of 4

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

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

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

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



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

26 September 2019
Hobart

