

Meander Valley Council **2019-20 Annual Report**



Meander Valley Council
Working Together

Disclaimer

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Message from Mayor Wayne Johnston

On behalf of Council, I would like to congratulate the Meander Valley community for your patience, understanding and remarkable resilience in the latter half of the financial year.

Council is immensely grateful for the incredible support received from a number of volunteer organisations and the broader community to assist us to facilitate transport, meals and other essential services to those most vulnerable in what have been difficult times.

Despite the practical challenges that come with managing operations amid the COVID-19 pandemic, Council has continued to maintain service delivery and complete a number of key projects including the new Westbury Recreation Ground Club Rooms and Function Centre, upgrades to the heating system at the Deloraine Swimming Pool, construction of the Westbury Road roundabout and the completion of a number of footpath projects that have greatly improved pedestrian connectivity.

Council has also completed significant upgrades at Blackstone Park. Informed by community

feedback, this new recreational space includes more activities for broader age ranges and an all-abilities basket swing and dual flying fox. In response to community need, Council also delivered a \$1.7m Community and Business Support Package to assist Meander Valley to recover from the effects of the pandemic.

As we head towards 2021, we do so with optimism and an eagerness to continue to deliver the best outcomes for the community and with the community.

I would like to thank the team of staff that I know do their best to provide exceptional service and I would also like to thank all residents in Meander Valley for the support you provide to Council and each other.

Wayne Johnston, Mayor



Message from General Manager

It has been a year defined by the COVID-19 health crisis which has added an unforeseen layer of complexity. This presented widespread challenges to our community and operations of Council.

Council has remained proactive in addressing these challenges, quickly changing focus to prioritise assistance in response to the pandemic and the declared state of emergency.

Our \$1.7 million Community and Business Recovery package delivered a raft of initiatives to help businesses, sporting and community organisations to keep operating or to reopen after lockdown. Support included rates and fee relief, small business and community grants, a freeze on any increases to rates and fees, the introduction of special hardship provisions for outstanding rates and service delivery support for Council's community cars.

Not surprisingly and as reflected in this report, the COVID-19 health crisis has had a detrimental impact on Council finances, with reduced revenues and increased costs likely to continue into at least the next year.

While Council retains a healthy financial position, adjustment is needed. Council will review its long term financial plan and capacity to deliver value and provide the services and infrastructure expected by our customers.

Despite the COVID-19 health crisis, Council has performed well delivering 90 percent of actions and targets set out in our Annual Plan.

We delivered a range of significant projects and although the year ahead will continue to be marked by challenges and uncertainty, we remain clear about our priorities and the role Council must play in providing services to the community.

Having commenced my role as General Manager in January, this is my first Annual Report and, as I reflect upon the past year, I am extremely proud of how our Councillors, staff and the community have worked together in response to the challenges of the health crisis.

Despite being a small organisation, Meander Valley Council has great resilience and capability and I look forward to the future with immense optimism.

The past year has also been one of transition with the retirement of several long standing and well regarded employees. On behalf of the organisation I thank you all for your valuable contributions.

Finally, I would like to thank Mayor Wayne Johnston, Councillors and the executive team for their leadership throughout the year and Council staff for their support and for maintaining services to the community throughout challenging times.

A handwritten signature in black ink, appearing to be 'John Jordan', written in a cursive style.

John Jordan, General Manager

About the Meander Valley Region



Meander Valley has some of the State's best 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 a number of agricultural, manufacturing and logistics businesses are based in Meander Valley.

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.

\$20,396,936

Total Operating Revenue

\$19,963,152

Total Operating Expenditure

\$10,742,199

Capital Expenditure



13

Public Halls



36

Playgrounds and Fitness Stations



19,686

Residents



63

Parks and Reserves



10,340

Rateable Assessments



3,821

Square Kilometres of Land Area



8

Sporting Grounds



9

Elected
Members



6,500

Kerbside
Collection
Services



1,700

Local
Businesses



821

Kilometres of
Road Networks



41

Sporting
Facilities

2 Municipal
Swimming Pools

3 Municipal
Waste Facilities

193 Bridges



Meander Valley Councillors

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 2019-20

Committee or Organisation	Representative/s
Audit Panel	Councillor Frank Nott Councillor Susie Bower
MVC Emergency Management and Community Recovery Committee	Mayor Wayne Johnston Councillor Andrew Sherriff
TasWater	Mayor Wayne Johnston Deputy Mayor Michael Kelly
Great Western Tiers Tourism Association	Councillor John Temple
Northern Tasmania Regional Development Board	Mayor Wayne Johnston
Local Government Association of Tasmania	Mayor Wayne Johnston Deputy Mayor Michael Kelly
Australia Day Awards Committee	Deputy Mayor Michael Kelly Councillor Susie Bower
Community Grants Committee	Councillor Tanya King Councillor Stephanie Cameron
Development Assessment Group	Mayor Wayne Johnston, Deputy Mayor Michael Kelly, Councillor Stephanie Cameron, Councillor Frank Nott, Councillor Susie Bower, Councillor Rodney Synfield, Councillor Tanya King, Councillor John Temple, Councillor Andrew Sherriff.



Mayor
Wayne Johnston



Councillor
John Temple



Deputy Mayor
Michael Kelly



Councillor
Andrew Sherriff



Councillor
Stephanie Cameron



Councillor
Frank Nott



Councillor
Susie Bower



Councillor
Tanya King



Councillor
Rodney Synfield

Organisational 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.



General Manager
John Jordan



**Director, Community
& Development Services**
Lynette While



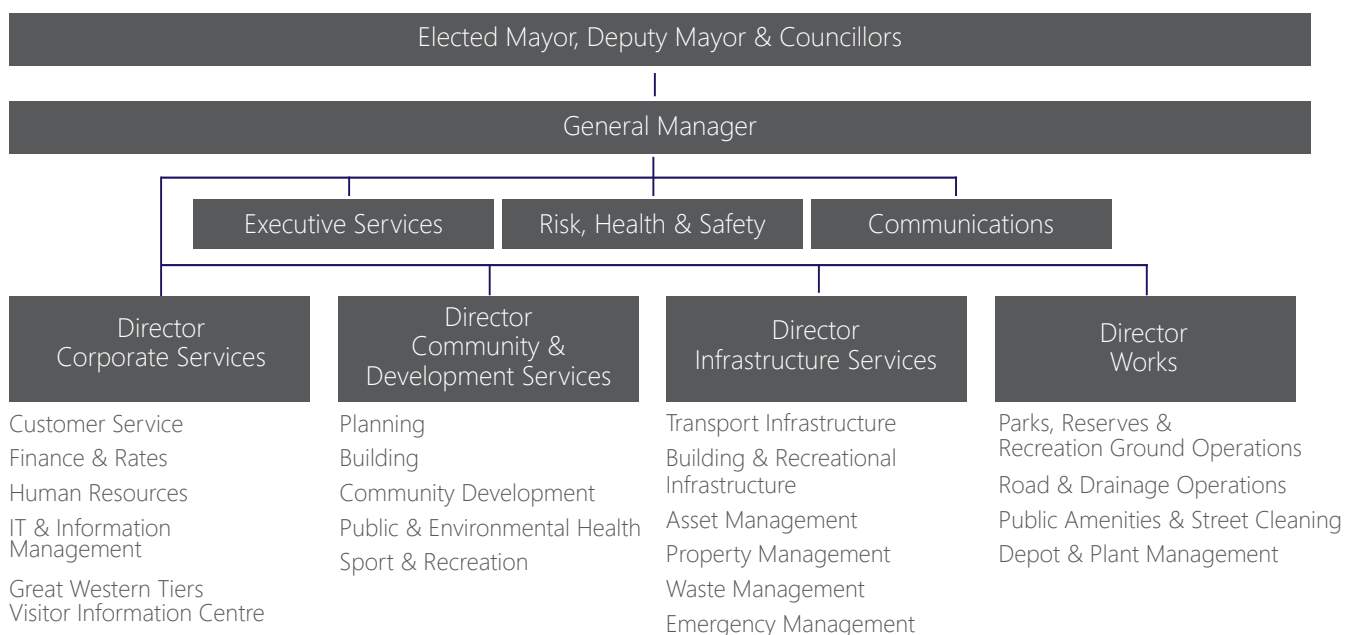
**Director
Works**
Matthew Millwood



**Director
Corporate Services**
Jonathon Harmey



**Director
Infrastructure Services**
Dino De Paoli



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
-

Key Measures of Performance 2019-20



90%

Annual Plan Targets Achieved
2% Cancelled, 4% Deferred



99.82%

Customer Service Request
Response Rate



1,085

Customer Service
Requests Received



\$33.1m

Value of Building
Applications Processed



\$10.7m

Capital Works Projects



\$66,961

Community Grants,
Sponsorships



\$1.7m

COVID-19 Community and
Business Support Package

Governance

The 2019–20 financial year marked a changing of the guard in Council's Governance department. Following the departure of former General Manager Martin Gill in 2019, Director, Corporate Services Jonathan Harmey stepped up as Acting General Manager for a period of five months while a recruitment process was undertaken. John Jordan joined Council as incoming General Manager in February 2020.

The key responsibility of the General Manager's office and Governance department at Council is to oversee both strategic direction and executive leadership within Council, and to liaise with elected representatives to ensure effective execution of Council policy. This safeguards Council's trajectory on a path toward continual improvement and service excellence.

Despite the disruption of leadership change during this financial year, several constants ensured that Council's Governance department could maintain its high service standards. This included delivery of high level communications to keep Council in tune with its community, by adopting traditional methods of outreach alongside development of more future-focused communication methods (incorporating website

upgrades and an increased social media presence).

The Governance team also delivered Council's Annual Plan, quarterly reporting and Annual Report, as well coordinating and preparing all required Council agendas, minutes and reports (both for meetings and Council workshops). This is in addition to hosting routine citizenship ceremonies and Council's formal Australia Day celebrations.

Finally, Council's Risk and Work Health Safety (WHS) function maintained an up-to-date risk register and coordinated internal audit processes. Council also initiated a comprehensive COVID-19 technical response. This service supported community groups and event organisers to navigate the complexities of managing COVID-safe activities.

An additional role was created in the Governance department to proactively support economic and social recovery. This role joined forces with Council's delivery of existing business support and community grants services to coordinate and bolster community assistance after a difficult period.

Annual Plan Performance

Activity	Action	Result
Secretarial and Administration Support Undertake functions to ensure compliance with legislative requirements.	Deliver Annual Plan Prepare Annual Report and Conduct AGM Review Community Strategic Plan Investigation development of a Community Consultation Policy	Achieved Achieved Deferred Deferred
Risk Management Minimise risk to our people and the public	Implement Risk Management Framework Implement Internal Audit Program	Achieved In Progress
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
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 Signage strategy	In Progress In Progress

Corporate Services

The Corporate Services department provides the financial, administrative, customer service, human resources and 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 fresh valuation of all properties was applied from 1 July 2019.

Notices for rates and sundry debtors were issued in a timely manner and 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 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	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 Performance Review System Review of documentation including HR Policy manual, employee information manual & LGAT Policies	All Achieved
Great Western Tiers Visitor Information Centre Effectively manage and maintain Council's Visitor Information Centre	Report on monthly visitation statistics	Achieved

2019-20 Snapshots



Delivered • December 2019

Westbury Recreation Ground Sports Pavilion Redevelopment



Delivered • January 2020

**Bradys Creek Tributary,
Maloneys Road**



Delivered • October 2019

Footpath Construction Projects, Westbury



Delivered • June 2020

Play Space Upgrades, Blackstone Park



Community and Development Services

Community Services

It has been a year of challenges and change for our community services team.

COVID-19 and the ensuing state of emergency declaration certainly impacted the way we were able to engage with the community and as a result, a range of scheduled activities were either cancelled or postponed. This included the renewal of the Community Strategic Plan.

Despite this, the team quickly transitioned to provide direct and indirect support to the community to ensure services continued to be provided to those most vulnerable. This included interim management of the Deloraine and Westbury community cars and expanding the service to include essential deliveries throughout periods of lockdown.

Throughout April and May, the Department worked hard to administer a range of grant opportunities that were released as part of Council's \$1.7m COVID-19 Community and Business Support Package.

Grants were well subscribed and provided immediate assistance to enable businesses to re-open and begin to recover from the economic impacts of the pandemic.

We look to the future with more dynamic and adaptive skills that will assist us to better engage with and support the community.

Development Services

Development Services has seen an overall trend of increase in workload, both in quantity and complexity, across the board over the past five years.

In 2019-20, we saw a continuation of this trend in building and plumbing applications, evident from a 5% increase in the total number of building and plumbing applications. Costs of associated building work was lower (value of building works having decreased by 25% on the previous financial year) and more minor in nature.

Council's Permit Authority has continued to deal with a large number of illegal building work matters, especially in response to issues arising during house sales and contract settlement. The increasing complexity of the building legislation continues to add a level of non-compliance within the community.

The number of outstanding building permits has been further decreased by 55% which is in excess of the targeted decrease of 10% per quarter.

The planning team processed 287 applications for planning permits during this financial year which is a very minor decrease in the number of planning permit applications processed by Council in the corresponding period in 2018-19. However, this year's statistics represent a 9% increase on the average number of planning applications over the past five financial years.

Of the planning applications processed, 203 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. A total of 21 discretionary planning applications were presented to Council as the Planning Authority for determination.

Environmental Health Statement

The Meander Valley Council recognises the importance of 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 \$270,000 was spent on environmental health projects and services during 2019-20, 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, public pools/spas and private water suppliers;
- Licencing and inspection of Places of Assembly (specific events);
- Licencing and inspection of premises where public health risk activities are carried out;
- On-site wastewater management system assessment and installation inspections; and
- Public health and environmental complaints.

The following summarises the activities carried out during the financial year 2019-20:

Activities under Public Health Act 1997:

- Eight (8) Place of Assembly (Specific Events) Licences issued and two (2) Place of Assembly (Specific Events) inspected;
- Four (4) recreational water sites sampled on a weekly basis from December to the end of March, totaling 68 samples;
- Eight (8) public pools/spas were sampled on a monthly basis, totaling 71 samples;
- 27 private water suppliers/water carriers registered and 39 private water supplier samples undertaken;
- Two (2) premises where public health risk activities are carried out licenced and two (2) premises where public health risk activities are carried out inspected;
- Three (3) regulated systems registered;
- Four (4) unhealthy premises investigations undertaken;
- Five (5) notifiable disease investigations completed;

• Immunisation sessions were held at Deloraine High School and Giant Steps Tasmania in September 2019 and March 2020. 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. 162 vaccines were administered at the school sessions during the year. Immunisations against seasonal influenza were also offered to all Meander Valley Council Staff.

Activities under Food Act 2003:

- Council implemented the State Government's Food Business Classification System (RCS) which took effect statewide in July 2019. Each food business has been assigned a risk category based on food types and food handling activities, and subsequently an inspection frequency for each has been designated in accordance with the RCS;
- 179 food premises and 33 statewide mobile businesses were registered and 70 food businesses notified under the Food Act 2003;
- 177 inspections were completed for premises registered or notified under the Food Act 2003;
- 66 temporary food stall applications were registered and 88 inspections of statewide mobile businesses or temporary food stalls were conducted, including 68 inspections at the Tasmanian Craft Fair 2019;
- Six (6) complaints relating to food premises investigated.

Other Activities:

- 88 environmental complaints investigated (e.g. noise, water quality and air pollution);
- 49 on-site wastewater management system assessments completed and 49 on-site wastewater management system installation inspections undertaken;
- 191 development application referrals completed.

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 Process Notifiable Plumbing works	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	All Achieved
Natural Resource Management Facilitate Natural Resource Management for Council and Community	Review and implement NRM strategies Monitor and assess implementation of the Town Common Management Plan	All Achieved
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 Produce a user-friendly Event Management Guide	Achieved Achieved Achieved Achieved Deferred
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 (April) Conduct Youth Liaison workshop with Council	Achieved until COVID-19 cancellation 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 Produce a user guide for individual indoor facilities	Cancelled Deferred Deferred
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	Deferred Deferred Deferred

Infrastructure Services

The construction of the Westbury Recreation Ground clubrooms and changeroom project was the most significant capital works project completed during the year with the total cost in excess of \$2m. The new building provides the local community and sporting clubs with a much needed asset for many years to come.

Other significant building work undertaken during the year included roof replacement and foyer upgrade works at the Meander Valley Performing Arts Centre building and an upgrade to Council's customer service area at our office in Westbury.

Major roadwork projects completed during the year included a new roundabout on Westbury Road (\$1m) and safety improvements to Mt Leslie Road in Prospect Vale adjacent to St Patricks College. The construction of the roundabout was identified in Council's long term strategy for improvements to traffic amenity and will be the future point of access into the Prospect Vale Park sports complex. Council also awarded the construction contract for road safety improvements at the intersection of County Club Avenue and Las Vegas Drive in Prospect Vale.

Council invested significantly in the improvement of infrastructure in Blackstone Heights with the completion of footpath work in Blackstone and Kelsey Roads, the piping of a section of open drain in Panorama Road, and installation of new playground equipment at Blackstone Park.

Five bridge renewal projects were completed during the year at a combined cost of \$700,000.

The bridges were delivered under design and construction contracts with Tas-Span Pty Ltd, with three bridges in Jackeys Marsh, one in Meander and one in Parkham.

Work is ongoing to secure the major infrastructure upgrades necessary for the Hadsen Urban Growth Area development and recent benefits of Council's strategic development planning has seen 39 lots released to the market with an application for the next 190 lots currently underway.

Strategic planning work during the year has been dominated by the Tasmanian Planning Commission process to assess Council's Local Provisions Schedule as part of the implementation of the Tasmanian Planning Scheme.

Several applications for planning scheme amendments have progressed to facilitate significant urban development at Prospect Vale and Blackstone Heights, which are currently in various stages of assessment. In addition, Council has progressed its own rezoning application to provide for urban residential growth at Westbury to meet increasing demand for housing.

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 the Northern Tasmania Regional Land Use Strategy.

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 2019-20 Capital Works Program Operational compliance with Environment Protection Notice for Westbury and Deloraine landfill sites	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 2019-20 Capital Works Program	All 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.	Westbury Residential Rezoning Undertake projects to support implementation of the Prospect Vale, Blackstone Heights Structure Plan Support the progress of land developments including Valley Central and the Hadspen Urban Growth Area	In Progress In Progress In Progress
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	1 Cancelled 1 Achieved Achieved Cancelled
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 2019-20 Capital Works Program Undertake footpath proactive defect inspections	All Achieved

Activity	Action	Result
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 2019-20 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 Design, document, procurement, and supervision of contracts as per the specific projects listed in the 2019-20 Capital Works Program	All 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 Strategic Asset Management Plan - Review Asset Management Plans Prepare 2020-21 Capital Works Program Update asset information, including - Capitalisation of assets in Conquest - Undertake building and storm water revaluation	All Achieved

2019-20 Snapshots



Delivered • April 2020

**Footpath Development,
Blackstone Heights**



Delivered • December 2019

Jackey's Marsh Road Bridge Reconstruction

Department of Works

The Works department has thirty employees who are based across three depots located at Prospect Vale, Westbury and Deloraine.

The team takes pride in providing safe, fit for purpose and well-presented assets. A number of public activities and externally organised community events are supported over the course of the year.

During 2019-20, the department successfully completed approximately \$3.2m of capital construction projects in addition to day-to-day maintenance functions. These projects were largely renewal and/or new infrastructure across road, footpath and drainage asset classes.

The scale of this achievement validates the capability and adaptability of the team which also provides cost efficient outcomes for the community.

During the reporting period, the department received and completed 748 Customer Service Requests (CSRs). Most CSRs represent queries or complaints from the public.

The Works department was responsible for 68.9% of the total CSRs managed across Council.

This year's figure is, on average, 15% lower than the number of CSRs received by the Works department each year between 2009 and 2014.

CSRs have been relatively consistent over the last three years and demonstrates a reasonably proportionate relationship between available budget, service delivery and community expectation.

Going forward, succession planning and depot rationalisation remain to be areas of focus and will be further progressed across 2021-22.

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	Undertake maintenance works that achieve the program objective Plan and deliver capital works projects	All Achieved
Roads To construct and maintain a safe and effective road network to meet the needs of road users and the community	Undertake maintenance works that achieve the program objective Plan and deliver capital work projects	All Achieved
Toilets, Street Cleaning and Litter Collection To ensure public toilets and streets are maintained in a clean and tidy condition and meet the needs of the community.	Undertake maintenance works that achieve the program objective	All Achieved
Urban Stormwater To provide and maintain an effective urban storm water drainage system	Undertake maintenance works that achieve the program objective Plan and deliver capital work projects	All Achieved
Plant To provide plant and equipment that suits Councils activities and is financially sustainable	Manage plant to achieve the program objective Undertake plant purchases in accordance with the approved budget	All Achieved

Capital Works Program Summary (Works over \$20,000)

Roads & Streets	Amount
Wiiteena Rd - Jackeys Marsh (Gravelling)	\$25,450
Sugar Loaf Rd - Jackeys Marsh (Gravelling)	\$57,033
Brocks - Montana (Gravelling)	\$20,171
Long Ridge Rd - Montana (Gravelling)	\$46,789
Louisa St - Bracknell	\$29,164
Church St - Carrick (Resealing)	\$21,734
Emu Bay Rd - Deloraine	\$60,792
Moriarty St - Deloraine	\$26,905
Westbury Pl East - Deloraine	\$59,536
Beefeater St - Deloraine	\$41,535
Winifred Jane Cres - Hadspen	\$26,585
Angela Ct - Prospect Vale (Resealing)	\$21,213
Richard St - Prospect Vale (Resealing)	\$159,181
Crockford Ct - Prospect Vale (Resealing)	\$33,764
Kelsey Rd - Blackstone Heights	\$63,444
Meander Valley Highway, Westbury	\$149,530
Meander Valley Highway - Carrick	\$100,584
Pioneer Dve - Mole Creek (Resealing)	\$46,185
Oaks Rd - Bracknell (Resealing)	\$87,503
Dairy Plains Rd Cheshunt (Resealing)	\$31,367
Dunorlan Rd - Dunorlan	\$65,962
Exton Rd - Exton (Resealing)	\$73,501
Golden Valley - Golden Valley (Resealing)	\$52,083
Railton Main Rd - Moltema (Resealing)	\$254,549
Osmaston Rd - Osmaston (Resealing)	\$180,916
Osmaston Rd - Osmaston	\$787,568
Bogan Rd - Quamby Brook (Resealing)	\$187,409
Pateena Rd - Travellers Rest	\$35,508
Weegen Rd - Weegen	\$77,191
Dexter St - Jones to Five Acre - Westbury	\$68,802
Marriott St Moore To Lyttleton St	\$42,475
King St Mary to Marriott St - Westbury	\$23,255
Railton Rd - Kimberley	\$161,408
Footpath Developments - Blackstone Heights	\$696,558
Westbury Rd - PVP Entrance Roundabout	\$1,395,261
Mt Leslie Rd - St Patricks Parking Improvements	\$246,258
Nutt St - Deloraine	\$60,180

Public Halls	Amount
Bracknell Hall - Bracing Building Structure	\$22,890

Tourism & Area Promotion	Amount
Yarns Exhibition Lighting Replacement	\$33,968

Bridges	Amount
Warners Creek Sugarloaf Rd	\$178,110
Burnies Creek Sugarloaf Rd	\$92,319
Spearhill Creek Quamby Brook Rd	\$38,590
Jackeys Creek Williams Rd	\$174,581
Leiths Creek Barbers Rd	\$154,708
Brady Creek Tribulet Maloneys Rd	\$116,393
Limestone Creek Walters Rd	\$79,332
Chittys Creek Barbers Rd	\$127,123
Ritchies Creek Botts Rd	\$117,342
Reids Creek Rayey Rd	\$105,347

Storm Water Drainage	Amount
Mt Leslie Rd Prospect Vale	\$20,411
Panorama Rd Blackstone Heights	\$105,165
Meander Valley Rd Carrick	\$91,659
Westbury Rd Prospect Vale	\$130,117
Blackstone Rd Blackstone Heights	\$71,440
Church St Carrick	\$47,443
Meander Valley Hwy, Westbury	\$207,352
Taylor St, Westbury	\$60,216
Main Rd, Meander	\$52,441

Recreation Grounds & Sports Facilities	Amount
Westbury Recreation Ground Building Design & Upgrade	\$1,601,561
Deloraine Community Complex Netball Courts	\$28,101
Westbury Recreation Ground Cricket Block Renewal	\$51,155
Prospect Vale Park - New Pathway	\$27,473

Swimming Pools	Amount
Deloraine Swimming Pool Chlorine Dosing & Heating Unit	\$89,670

Administration	Amount
Council Chambers: Office Expansion & Foyer Refurbishment	\$288,679
IT Workstations Replacements	\$32,219
IT Software and Upgrades	\$49,502
Conquest Software Upgrade	\$26,272
Municipal Property Revaluation	\$41,641

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

Parks & Reserves	Amount
Blackstone Park Playground Equipment	\$50,619
Hadspen Bull Run - Seating & Shade	\$24,125

Cemeteries	Amount
Deloraine Lawn Cemetery Shelter	\$39,824

Waste	Amount
Westbury landfill Site - Cell Expansion	\$57,290
Mobile Garbage Bin Replacements	\$40,220

Management & Indirect Overheads	Amount
Works Depot Land Purchase	\$48,400

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
Andrew Walter Constructions Pty. Ltd. 4 Whitestone Drive, Granton Tas 7030	\$1,046,237	Roundabout construction Westbury Road, Prospect Vale
Hardings Hotmix Pty. Ltd. 30 Industrial Drive, Ulverstone Tas 7315	\$525,465	2019-20 asphalt resurfacing
Fulton Hogan Industries Pty. Ltd. 11 Cavalry Road, Mowbray Tas 7248	\$329,865	
MPH Builders Pty. Ltd. 65 Meander Valley Road, Prospect Vale Tas 7250	\$362,540	Meander Valley Council office upgrades and foyer refurbishment, Westbury

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	\$503,481	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
Tas-Span Pty. Ltd. 27-28 Faulkner Drive, Latrobe Tas 7307	\$465,375	Design and construction for bridge reconstruction projects at Warners Creek, Burnies Creek, Jackeys Creek and Jackeys Marsh

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
The Baker Group (Tas) Pty. Ltd. 9 Hudson Fysh Drive, Western Junction Tas 7212	\$203,139	Road safety improvements, Mt Leslie Road, Prospect Vale
Crossroads Civil Contracting Pty. Ltd. 73-79 Lilydale Road, Rocherlea Tas 7248	\$175,573	Intersection upgrades between Country Club Avenue and Las Vegas Drive, Prospect Vale
Tas-Span Pty. Ltd. 27-28 Faulkner Drive, Latrobe Tas 7307	\$109,525	Design and construction for bridge reconstruction projects at Brady Creek Tributary, Parkham
Tas-Span Pty. Ltd. 27-28 Faulkner Drive, Latrobe Tas 7307	\$119,717	Design and construction for bridge reconstruction project at Chittys Creek, Meander

2019-20 Snapshots



✓ Delivered • April 2020

\$1.7m COVID-19 Community & Business Support Package



✓ Delivered • February 2020

Pumped Heating System at Deloraine Swimming Pool



✓ Delivered • October 2020

Parking Bay Construction, Hadspen



✓ Delivered • June 2020

Westbury Road Roundabout Construction, Prospect Vale



✓ Delivered • December 2019

Stormwater Infrastructure, Westbury



✓ Delivered • December 2019

Osmaston Road Reconstruction, Westbury

Reporting on Legislative Requirements

Councillor Meeting Attendance

The table below shows meeting attendance for all Councillors and the Mayor. During the 2019-20 financial year, Council held twelve Ordinary Meetings, twelve Closed Meetings and one Special Meeting. Nine elected members were in attendance at the Annual General Meeting.

Number of business items transacted by Council in 2019-20: 245

Elected Member	Attendance
Mayor Wayne Johnston	14
Cr Michael Kelly (Deputy Mayor)	12
Cr Stephanie Cameron	14
Cr Tanya King	14
Cr Rodney Synfield	14
Cr John Temple	13
Cr Susie Bower	13
Cr Frank Nott	12
Cr Andrew Sherrieff	14

Customer Service Complaints

(Local Government Act 1993)

There was one complaint received and considered 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 2019-20 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors. This includes telephone and communication equipment, child care and motor vehicle expenses. The total amount of these allowances and expenses is shown below (to the nearest dollar):

Allowances	Expenses
\$191,464	\$17,847

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 2019-20 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 a 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:

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

NTDC is currently engaged in a number of initiatives including the delivery 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, 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 2019-20 was \$66,244 (2018-19: \$64,881).

Environmental Health Statement

See page 15 of this report.

Grants and Sponsorships

(Section 77), Local Government Act 1993

Grants and Sponsorships - Individuals

Recipient	Amount
J Whitehouse	\$150
R Drake	\$150
J Fenton	\$300
M Kennedy	\$300
C McCormack	\$150
J Rowbottom	\$150
O Atkins	\$150
A Reynolds	\$150
R Saltmarsh	\$150
H Lehner	\$150
N McCullagh	\$150
S McCullagh	\$150
J Morrison	\$150
L Gleeson	\$300
B Moore	\$150
B Hanham	\$150

Recipient	Amount
J Heathcote	\$150
S Oliver	\$150
P Pyke	\$150
A Fowler	\$150
S Clarke	\$150
K House	\$300
K McShane	\$150
T Alexander	\$150
A Duffy	\$150
T Dijk	\$150
J Whitehouse	\$300
D Bloomfield	\$150
L Bloomfield	\$150
J Elmer	\$150
S Harris	\$150

2019-20 Snapshots



Delivered • March 2020

**Township Entrance
Upgrade, Carrick**



Delivered • April 2020

Cemetery Shelter Installation, Deloraine

Grants and Sponsorships - Organisations

Recipient	Amount
Aged Care Deloraine Auxiliary	\$2,500
AIC Tennis Club	\$514
Blackstone Heights Community News Association Inc.	\$1,836
Children First Foundation	\$360
Deloraine District Pony Club Inc	\$2,000
Deloraine Football Club Inc	\$2,000
Deloraine House Inc	\$617
Deloraine House Inc	\$700
Deloraine Tennis Club Inc	\$2,500
Edmund Rice Camps Tasmania	\$2,000
Georgina Galloway	\$1,200
Hagley Community Cemetery Trust	\$250
Harveydale Rodeo Association Inc	\$3,000
Launceston City Football Club Inc	\$2,660
Lions Club of Deloraine Inc	\$2,750
Lions Club of Hadspen South Esk Inc	\$1,500
Lions Club of Riverside Inc	\$300
Meander Valley Community Radio Inc	\$300
Meander Valley Indoor Skaters Association	\$250
Meander Valley Netball Club Inc	\$1,194
Meander Valley Suns Football Club Inc	\$121
Mole Creek & District Community Shed	\$250

Recipient	Amount
Mole Creek & District Community Shed	\$2,782
Mole Creek Swimming Centre Association Inc	\$3,000
Prospect Park Sports Club (1)	\$1,257
Prospect Park Sports Club Inc	\$3,000
Rotary Club of Central Launceston Inc	\$360
Rotary Club of Deloraine Inc	\$2,440
Rotary Club of Deloraine Inc	\$2,500
Rotary Club of Westbury Inc	\$2,872
Tas Mountain Cattlemens Association	\$2,000
Tasmanian Country Music Federation Inc	\$2,110
Tasmanian Garlic & Tomato Festival Inc.	\$2,600
Westbury Cricket Club Inc	\$2,000
Westbury Health Inc	\$1,000
Westbury Pistol Club	\$2,000
Westbury Primary School P & F Association Inc	\$3,000
Westbury RSL Sub-Branch	\$2,000
Westbury Scout Group	\$1,738
Westbury St Patricks Festival Steering Group	\$1,500

Grants and Sponsorships - Schools

Recipient	Amount
Prospect Vale High School Eagle Awards	\$300
Hagley Primary School 2019 Awards	\$50
Westbury Primary School Awards	\$100
Mole Creek Primary School Awards	\$100

Recipient	Amount
Bracknell Primary School Awards	\$100
Deloraine Primary School Awards	\$100
Deloraine High School Awards	\$100

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 2019-20 with a total grant value of \$11,243 being provided as follows:

Property Owner	Location	Grant
Anderson, N	279 Mayberry Rd Mayberry	\$135
Animal Rescue Inc.	Samuel St, Elizabeth Town	\$70
Anitam Pty. Ltd.	"Hatherley", 1425 Illawarra Rd, Carrick	\$568
Berne, T	222 East Meander Rd, Meander	\$169
Bierens, E	1012 Bogan Rd, Golden Valley	\$57
Bramich, K & D	70 Stephens Rd, Mayberry	\$97
Brown, M	Sugarloaf Rd, Jackeys Marsh	\$117
Burgess, G & K	496 East Meander Rd, Meander	\$57
Burke, A	8/318 Wiiteena Rd, Jackeys Marsh	\$21
Burke, A	7/318 Wiiteena Rd, Jackeys Marsh	\$21
Cadman, S & Norwood, R	669 Jackeys Marsh Rd, Jackeys Marsh	\$104
Camilleri, J	Highlands Lake Rd, Golden Valley	\$131
Chesworth, G	9 Bensemanns Rd, Birralee	\$57
Cocks, R & Trowbridge, K	13185 Highland Lakes Rd, Golden Valley	\$169
Cole, M	Liffey Rd, Liffey	\$57
Cooper, R & S	750 Jackeys Marsh Rd, Jackeys Marsh	\$163
Crowley, S	380 Sugarloaf Rd, Jackeys Marsh	\$103
Dan, R	531 Larcombes Rd, Reedy Marsh	\$57
Dr & Cb Durham Pty. Ltd.	Den Rd, Mole Creek	\$568
Dr & Cb Durham Pty. Ltd.	Den Rd, Mole Creek	\$232
Durham, D	57 Big Den Rd, Mole Creek	\$57
Eleven Cubed Pty. Ltd.	9/318 Wiiteena Rd, Jackeys Marsh	\$21

Property Owner	Location	Grant
Eloise, J	4/318 Wiiteena Rd, Jackeys Marsh	\$21
Forrest, K & C	143 Felmingham Rd, Parkham	\$216
Gerondakis, A	75 Wiiteena Rd, Jackeys Marsh	\$222
Gore, A	1/318 Wiiteena Rd, Jackeys Marsh	\$21
Harris, J	144 South Mole Creek Rd, Mole Creek	\$69
Hart J & BLV Lawson	199 Samuel St, Elizabeth Town	\$57
Hawkes, M & J	464 Larcombes Rd, Reedy Marsh	\$411
Hayward, J & L	54 Harts Lane, Weegenana	\$116
Hayward, J & L	179 Dynans Bridge Rd, Weegenana	\$261
Hentschel, W	761 Jackeys Marsh Rd, Jackeys Marsh	\$127
Herron, M & Howard, M	709 Jackeys Marsh Rd, Jackeys Marsh	\$162
Hoffman, N	450 Larcombes Rd, Reedy Marsh	\$320
Howard, P & S	Larcombes Rd, Reedy Marsh	\$352
Irwin, Estate K	244 Blairs Rd, Mole Creek	\$108
Jane, A & Long, P	Liena Rd, Mole Creek	\$202
Jones, E & K	Hamptons Rd, Meander	\$93
Jones, G	1401 Bogan Rd, Golden Valley	\$125
Jones, S	Baldocks Rd, Mole Creek	\$148
Knowles, K	Huntsman Rd, Meander	\$94
Krahenbuhl, R & J	13326 Highland Lakes Rd, Golden Valley	\$221
Lee, J	49 Dairy Plains Rd	\$142
Leis, J	75 Saddlers Run Rd, Reedy Marsh	\$106

Property Owner	Location	Grant
Lemaire, M	3/318 Wiiteena Rd, Jackeys Marsh	\$21
Lloyd, S & Nagorka, R	999 Denmans Rd, Birralelee	\$107
Lloyd, S & Nagorka, R	999 Denmans Rd, Birralelee	\$153
Mackinnon, A & R	494 Selbourne Rd, Selbourne	\$103
Macrow, C	4 North St, Elizabeth Town	\$57
McDonald R & V	497 Riversdale Rd, Liffey	\$99
Mcleod, S	28 Camerons Rd, Mole Creek	\$434
Nicholson, C	175 Dynans Bridge Rd, Weegena	\$80
O'leary, S & Breen, K	256 Sugarloaf Rd, Jackeys Marsh	\$57
Peacock, D & S	5/318 Wiiteena Rd, Jackeys Marsh	\$21
Pearce, N & Bennett, E	Larcombes Rd, Reedy Marsh	\$57
Pennicott, G & G	100 Silver Wattle Dr, Reedy Marsh	\$58
Ricketts, A	780 Larcombes Rd, Reedy Marsh	\$267
Robin, J	Jackeys Marsh Rd, Jackeys Marsh	\$152
Saldana, A & M	20 Gulf Rd, Liffey	\$88

Council Reimbursement Grant

(Council Policy No.82)

Recipient	Amount
Deloraine House Inc.	\$560

Townscape Incentive Grant

(Council Policy No.82)

Recipient	Amount
Galloway, A & G	\$1,200

Industrial Land Development General Rates Incentive Grant

(Council Policy No.76)

Nil.

Property Owner	Location	Grant
Seilhorst, J	North St, Elizabeth Town	\$57
Sharma, S, L & M	2/318 Wiiteena Rd, Jackeys Marsh	\$21
Swan, Estate I	1210 Birralelee Rd, Birralelee	\$568
The Trust Company Pty. Ltd.	59 Bradys Creek Rd, Parkham	\$568
Thinking Frog Pty Ltd	Stephens Rd, Mayberry	\$205
Tillack, G	6/318 Wiiteena Rd, Jackeys Marsh	\$21
Tunks, C & Kuperstein, L	10/318 Wiiteena Rd, Jackeys Marsh	\$21
Walker, G & Ashburn Holdings Pty. Ltd.	160 Oaks Rd, Carrick	\$568
Westley, S	Larcombes Rd, Reedy Marsh	\$109
Whiteley, T	1171 Bogan Rd, Golden Valley	\$112
Wild, D	5 North St, Elizabeth Town	\$57
Wood, D & Zournazis, H	746 Jackeys Marsh Rd, Jackeys Marsh	\$74
Woodward, A	780 Larcombes Rd, Reedy Marsh	\$85

Industrial Development Rates Incentive Grants

(Council Policy No.86)

Recipient	Amount
MMM Investments	\$1,518

Other Rate Remissions

A partial remission of rates amounting to \$2,260 was granted for 152 and 154 Blackstone Road, Blackstone Heights following a request from the owner E. Griffiths on the grounds the Council had issued an order prohibiting occupancy of these properties.

Overview of Financial Performance

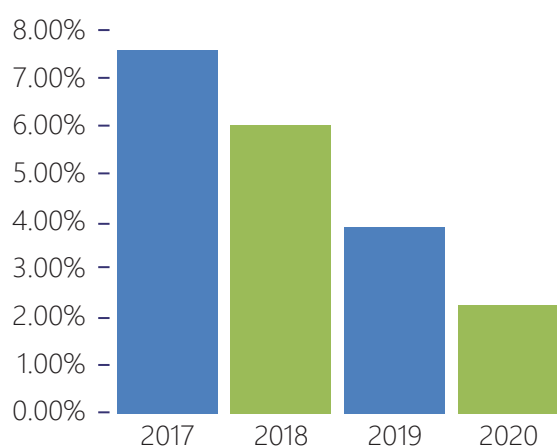
The following information is provided to assist readers of the Financial Report.

Statement of Comprehensive Income

Operating Result

Council reported a net surplus of \$3,475,546 in the 2020 financial year. After adjusting for non-operating items the Underlying Surplus achieved was \$433,784. Notable items removed were Capital Grants totalling \$2,059,185, and Subdivision Assets taken over by Council totalling \$638,576. 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 the correct year.

Income

Rates and Charges

Income from rates and charges is slightly below budget, due to a remission of general rate charge provided to Commercial and Sport & Recreation properties due to the COVID-19 pandemic.

Interest

This includes interest from invested funds, loaned funds and interest on rate debtors. Overall interest was slightly below budget, due to declining interest rates on offer from financial institutions, offset by the average cash balance being greater than anticipated.

Reimbursements and Contributions Monetary Assets

Revenue is higher than budget by \$144,264 (59%). Additional revenue was received which included: community contributions towards construction of new infrastructure, public open space contributions 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 and use of the sport and recreation facilities. This item is within budget but was impacted by the closure of Council facilities during the COVID-19 pandemic.

Operational Grants

Operational grants revenue is above budget. The Commonwealth Government prepaid \$2,217,893 (50%) of the 2021 Financial Assistance Grants in advance with the amount being received as income in 2020.

Profit on Disposal of Assets

Includes 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.

Investment Revenue from Water Corporation

This revenue is in the form of dividends and tax equivalent payments received from TasWater. Total received for the year (\$278,000) was only 50% of the annual allocation due to resolutions made by TasWater in light of COVID-19.

Capital Grants

Includes \$874,333 from the Commonwealth Government for the Roads to Recovery program, \$240,000 towards the Westbury Recreation Ground Function Centre, \$200,000 towards the new roundabout on Westbury Road, Prospect Vale and a number of less substantial grants.

Subdivision Assets Taken Over

Includes road and stormwater infrastructure received from two separate subdivisions constructed in Westbury, one in Deloraine and one in Carrick.

Capital Contributions Monetary Assets

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

Profit on Disposal of Land and Buildings

This is the net profit from the disposal of two Council owned properties in Prospect Vale.

Expenses

Employee Costs

Employee costs were slightly above budget by \$59,951 (1%). This reflects no change in the total number of full time equivalents for the year and some additional periods of leave taken during COVID-19.

Materials and Contracts

Expenditure was slightly below budget by \$35,269 (-1%) due to a combination of variances across operational functions. Areas of note are as follows:

Community Amenities: Expenses were over budget by \$51,208 largely due to increased maintenance required at public toilets, in particular vandalism at Deloraine Train Park, and additional cleaning required at all facilities due to COVID-19.

Public Halls: Expenses were over budget by \$40,012 due primarily to repairs, maintenance and minor upgrades undertaken on the Chudleigh, Meander and Mole Creek Halls.

Economic Services: Expenses were over budget by \$29,435 largely due to expenditure on the Meander Valley Road intersection project at Hadspen. A corresponding grant was received by Council for this.

Recreation Grounds & Sports Facilities: Expenses were over budget by \$133,805 largely due to maintenance and upgrades at the Deloraine Recreation Ground and as part of the Deloraine Football Club Demountable Change Rooms project.

A corresponding grant was received by Council for this.

Depreciation and Amortisation

Depreciation and Amortisation overall was slightly below budget by \$19,848. Variances were experienced across a number of asset classes however, with the most significant being Plant & Equipment (\$205,371 under budget) and Land Improvements (\$297,642 over budget).

Finance Costs

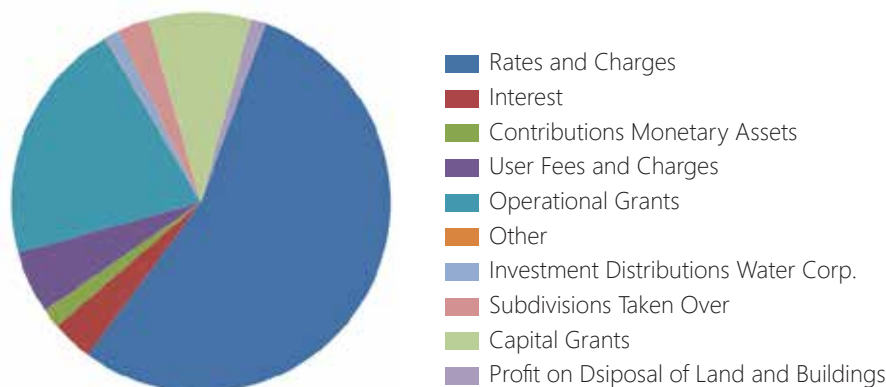
Finance Costs include interest charges of \$211,320 paid to Tascorp for loaned funds along with the recognition of twelve months expense for unwinding of the Westbury and Deloraine tip rehabilitation provision liabilities, which was in line with the budget for the year.

Other Expenses

Other Expenses are grants provided to community organisations and external audit fees. Grants were under budget for the year, largely due to the cancellation and postponement of events due to COVID-19.

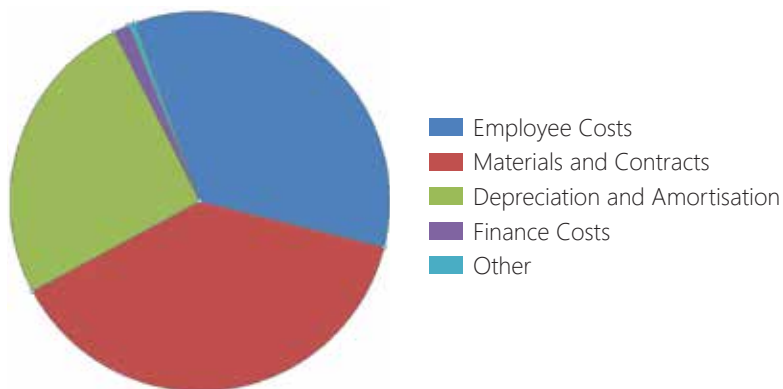
Sources of Income - Revenue Comparison

Revenue Comparison	2017 %	2018 %	2019 %	2020 %	2020 \$
Rates & Charges	45.9	45.0	54.6	54.6	12,803,314
Interest	3.8	3.4	4.3	3.5	823,968
Contributions Monetary Assets	1.8	2.1	1.7	1.7	388,464
User Fees & Charges	5.2	5.0	5.8	5.4	1,254,089
Operational Grants	25.6	17.1	21.1	20.8	4,883,869
Investment Distributions Water Corporation	3.3	3.1	2.4	1.2	278,000
Subdivisions Taken Over	1.6	3.2	0.6	2.7	638,576
Contributions Non-Monetary Assets	2.7	N/A	N/A	N/A	-
Capital Grants	9.2	9.0	7.9	8.8	2,059,185
Natural Disaster Relief Grants	N/A	12.0	1.1	N/A	-
Profit on Disposal of Land & Buildings	N/A	N/A	N/A	1.2	293,878
Other	0.9	0.1	0.5	0.1	15,355



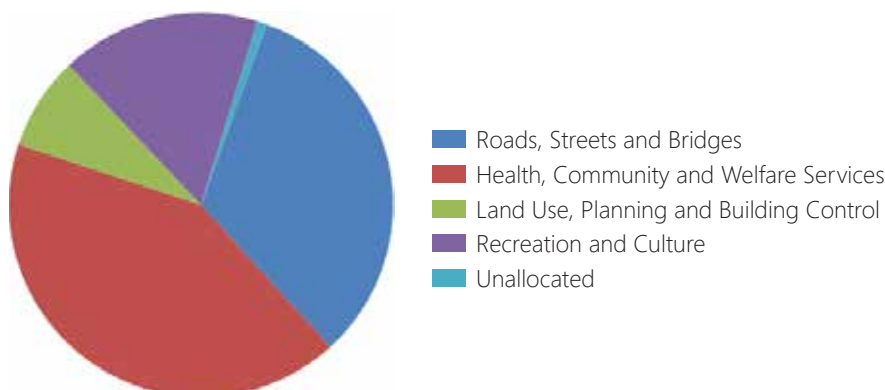
Application of Expenditure - Expense Comparison

Expense Comparison	2017 %	2018 %	2019 %	2020 %	2020 \$
Employee Costs	33.6	32.6	32.2	34.4	6,872,951
Materials & Contracts	33.0	37.1	41.1	38.3	7,642,231
Depreciation & Amortisation	25.5	25.5	24.4	25.4	5,068,152
Finance Costs	2.0	2.3	1.1	1.3	266,212
Loss on Disposal of Assets	2.0	N/A	0.4	N/A	-
Derecognition of Flood Affected Assets	0.5	N/A	N/A	N/A	-
Construction Contracts	N/A	2.1	N/A	N/A	-
Other	3.4	0.4	0.8	0.6	113,606



Application of Expenditure - Expense Comparison by Function

Expense Comparison by Function (<i>refer note 2a</i>)		2020 %	2020 \$
Roads, Streets and Bridges	Construction, maintenance and cleaning of roads, streets, footpaths, bridges & street lighting.	32.8	6,526,019
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.	41.8	8,353,620
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.	7.8	1,567,032
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.	16.8	3,354,592
Unallocated	General services & activities not identifiable with the functions above.	0.8	161,889



Statement of Financial Position

Current Assets

Cash and Investments decreased from 2019 by \$3,057,536. It is noted that these assets are inflated by the inclusion of a grant prepayment of \$2,217,893 at 30 June which relates to the 2021 financial year. Other assets decreased from 2019 primarily due to a lower interest income accrual at year end.

Current Liabilities

Current Liabilities increased from 2019 by \$144,801 (5%). The decrease in Accounts Payable was offset by Contract Liabilities, a new liability required to be recognised by Accounting Standards.

Non-Current Assets

Non-Current Assets decreased by \$1,912,886 (-1%) largely due to a decrease of \$13,021,158 (-23%) in Council's investment in TasWater, due to a revaluation of TasWater assets. This was offset by significant increases in the Lander Under Roads, Buildings and Stormwater asset classes, all of which were revalued during the year.

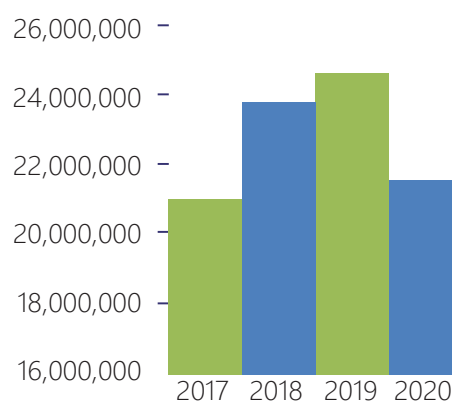
Non-Current Liabilities

Non-Current Liabilities increased marginally (1%) due to the Cluan and Deloraine Tip facilities coming closer to expected closure dates, slightly increasing the provision for rehabilitation.

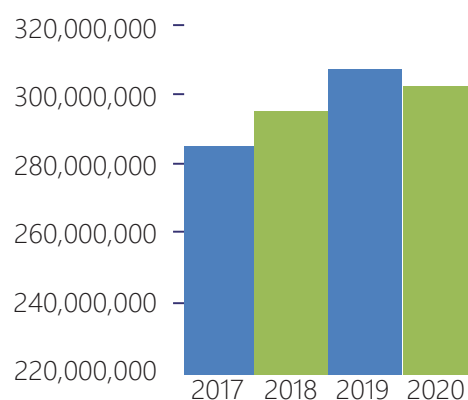
Equity

An increase in Accumulated Surplus reflects the operating profit for the year (\$3,475,546), less an adjustment made for adoption of new Accounting Standards. Reserves decreased by \$7,824,574 (8%) due to the decrease in value of Council's Investment in TasWater noted above, offset by the revaluation of Council assets by \$5,196,585 in total.

Cash and Investments



Net Assets



Financial Performance Ratios

Financial Ratio	2017	2018	2019	2020
Budget achievement - Revenue	116.1%	123.6%	103.5%	106.2%
Budget achievement - Expenses	98.3%	98.7%	101.2%	99.8%
Debt Servicing	0.8%	0.8%	0.9%	0.9%
Working Capital	645.4%	956.5%	851.5%	713.2%
Revenue Growth	29.8%	4.7%	-12.9%	1.8%
Expenditure Growth	-2.1%	4.3%	3.2%	0.5%
Revenue per Capita	\$1,279	\$1,356	\$1,171	\$1,191
Total Rates per Capita	\$587	\$611	\$639	\$650
General Rate per Capita	\$531	\$552	\$577	\$586
Year End Rates Outstanding	4.8%	4.6%	5.1%	5.7%



Meander Valley Council
Working Together

Financial Report

Year Ended 30 June 2020

Certification of the Financial Report

The financial report presents fairly the financial position of the Meander Valley Council as at 30 June 2020 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



John Jordan
General Manager

Date: 16 November 2020

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Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
INCOME FROM CONTINUING OPERATIONS				
Recurrent Income				
Rates and Charges		12,966,400	12,803,314	12,591,692
Interest	3	835,600	823,968	1,000,469
Reimbursements and Contributions Monetary Assets		244,200	388,464	393,962
User Fees and Charges		1,255,000	1,254,089	1,332,370
Operational Grants	4	4,441,200	4,883,869	4,873,148
Profit/(Loss) on Disposal of Assets	10	(124,200)	2,236	(70,387)
Investment Revenue from Water Corporation		556,000	278,000	556,000
		<u>20,174,200</u>	<u>20,433,940</u>	<u>20,677,254</u>
Capital & Non-Recurrent Income				
Capital Grants	4	1,384,300	2,059,185	2,083,194
Subdivision Assets Taken Over		300,000	638,576	140,914
Contributions Monetary Assets		-	13,119	16,905
Profit/(Loss) on Disposal of Land & Buildings	10	216,000	293,878	-
Vested Sale of Land for Unpaid Rates		-	-	96,707
		<u>1,900,300</u>	<u>3,004,758</u>	<u>2,337,720</u>
TOTAL INCOME FROM CONTINUING OPERATIONS		<u>22,074,500</u>	<u>23,438,698</u>	<u>23,014,974</u>
EXPENSES FROM CONTINUING OPERATIONS				
Recurrent Expenditure				
Employee Costs	5	6,813,000	6,872,951	6,425,753
Materials and Contracts	6	7,677,500	7,642,231	8,188,265
Depreciation and Amortisation	7	5,088,000	5,068,152	4,868,786
Finance Costs	8	266,000	266,212	226,406
Other Expenses	9	162,600	113,606	149,267
		<u>20,007,100</u>	<u>19,963,152</u>	<u>19,858,477</u>
TOTAL EXPENSES FROM CONTINUING OPERATIONS		<u>20,007,100</u>	<u>19,963,152</u>	<u>19,858,477</u>
OPERATING RESULT FROM CONTINUING OPERATIONS	2(a)	<u>2,067,400</u>	<u>3,475,546</u>	<u>3,156,497</u>
OPERATING RESULT FROM DISCONTINUED OPERATIONS		<u>-</u>	<u>-</u>	<u>-</u>
NET OPERATING RESULT FOR THE YEAR		<u>2,067,400</u>	<u>3,475,546</u>	<u>3,156,497</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	18	-	(13,021,159)	7,102,181
Revaluation Increment/(Decrement) for Roads & Streets	35	-	-	1,822,916
Revaluation Increment/(Decrement) for Land	35	-	3,006,262	-
Revaluation Increment/(Decrement) for Buildings	35	-	1,218,012	-
Revaluation Increment/(Decrement) for Stormwater	35	-	972,311	-
TOTAL OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>(7,824,574)</u>	<u>8,925,097</u>
TOTAL COMPREHENSIVE RESULT		<u>2,067,400</u>	<u>(4,349,028)</u>	<u>12,081,594</u>

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

Statement of Financial Position

As at 30 June 2020

	Note	Actual 2020 \$	Actual 2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	11	3,114,679	3,387,617
Trade and Other Receivables	12	958,739	974,685
Investments	13	18,469,868	21,254,466
Other	14	182,188	282,084
Total Current Assets	2(b)	22,725,474	25,898,852
NON-CURRENT ASSETS			
Investment in Water Corporation	18	42,570,596	55,591,754
Loans and Other Receivables	19	4,686,887	4,626,816
Work in Progress	20	819,400	1,642,466
Land	21	8,600,000	8,518,455
Land Under Roads	22	28,994,771	26,169,270
Land Improvements	23	7,500,247	7,778,692
Buildings	24	21,466,143	18,392,042
Roads and Streets	25	122,080,776	118,199,041
Bridges	26	28,746,622	27,910,212
Stormwater	27	21,290,349	19,876,162
Plant and Equipment	28	2,958,462	3,006,141
Heritage	29	19,483	19,765
Computer Software	30	153,878	84,600
Valuations	31	147,794	132,878
Total Non-Current Assets	2(b)	290,035,408	291,948,294
TOTAL ASSETS		312,760,882	317,847,146
CURRENT LIABILITIES			
Trade and Other Payables	15	1,395,206	1,603,818
Provisions	16	1,443,346	1,437,767
Contract Liabilities	17	347,834	-
Total Current Liabilities		3,186,386	3,041,585
NON-CURRENT LIABILITIES			
Borrowings	33	3,600,000	3,600,000
Provisions	34	4,438,906	4,376,575
Total Non-Current Liabilities		8,038,906	7,976,575
TOTAL LIABILITIES		11,225,292	11,018,160
NET ASSETS		301,535,590	306,828,986
EQUITY			
Accumulated Surplus		215,210,382	212,679,204
Reserves	35	86,325,208	94,149,782
TOTAL EQUITY		301,535,590	306,828,986

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 2020

		Total	Accumulated	Asset	Fair Value
		2020	Surplus	Revaluation	Reserve
2020	Note	\$	\$	\$	\$
Balance at beginning of the financial year		306,828,986	212,679,204	90,245,103	3,904,679
Adjustment due to AASB 1058 adoption	45	(944,368)	(944,368)	-	-
Restated opening balance		305,884,618	211,734,836	90,245,103	3,904,679
Net Operating Result for the Year		3,475,546	3,475,546	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	(13,021,159)	-	-	(13,021,159)
Net asset revaluation increment/(decrement)	35	5,196,585	-	5,196,585	-
Balance at end of the financial year		301,535,590	215,210,382	95,441,688	(9,116,480)

		Total	Accumulated	Asset	Fair Value
		2019	Surplus	Revaluation	Reserve
2019		\$	\$	\$	\$
Balance at beginning of the financial year		294,747,392	209,522,707	88,422,187	(3,197,502)
Net Operating Result 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 end of the financial year		306,828,986	212,679,204	90,245,103	3,904,679

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	Actual 2020 \$ Inflows (Outflows)	Actual 2019 \$ Inflows (Outflows)
Cash Flows from Operating Activities			
Receipts			
Rates and Charges		12,841,497	12,504,043
Interest Received		853,450	951,703
Reimbursements and Contributions		388,464	393,962
User Fees and Charges		1,526,873	1,373,351
Operational Grants		4,883,869	4,873,148
Distributions from Water Corporation		278,000	556,000
Refunds from Australian Tax Office		1,400,735	1,065,762
		22,172,888	21,717,969
Payments			
Employee Costs		(6,864,823)	(6,299,366)
Materials and Contracts		(9,413,594)	(9,040,595)
Interest Expense		(211,320)	(211,320)
Other Expenses		(113,606)	(149,267)
		(16,603,343)	(15,700,548)
Net cash provided by Operating Activities	39	5,569,545	6,017,421
Cash Flows from Investing Activities			
Proceeds from			
Sale of Property, Plant and Equipment		762,010	53,091
Capital Grants		1,339,989	2,083,194
Capital Contributions		13,119	16,905
Investments		2,784,598	-
		4,899,716	2,153,190
Payments for			
Property, Plant and Equipment		(10,742,199)	(7,351,331)
Investments		-	(230,384)
		(10,742,199)	(7,581,715)
Net cash used in Investing Activities		(5,842,483)	(5,428,525)
Net Increase/(Decrease) in cash held		(272,938)	588,896
Cash at the beginning of the year		3,387,617	2,798,721
Cash and Cash Equivalents at end of the financial year	11	3,114,679	3,387,617

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

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

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

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

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

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

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

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.

(d) Concessionary Leases

Council has elected to measure concessionary leases for land at cost, which equated to nil value.

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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues												
Grants	3,516,897	2,777,727	522,245	527,822	-	-	796,543	1,489,364	2,107,368	2,161,429	6,943,053	6,956,342
Rates	-	-	2,794,113	2,672,863	-	-	-	-	10,009,200	9,918,829	12,803,313	12,591,692
Other	472,599	120,355	758,273	898,148	545,103	508,812	440,489	322,619	1,475,868	1,617,006	3,692,332	3,466,940
Total	\$ 3,989,496	\$ 2,898,082	\$ 4,074,631	\$ 4,098,833	\$ 545,103	\$ 508,812	\$ 1,237,032	\$ 1,811,983	\$ 13,592,436	\$ 13,697,264	\$ 23,438,698	\$ 23,014,974
Expenses												
	\$ 6,526,019	\$ 6,520,751	\$ 8,353,620	\$ 8,373,093	\$ 1,567,032	\$ 1,626,669	\$ 3,354,592	\$ 3,135,613	\$ 161,889	\$ 202,351	\$ 19,963,152	\$ 19,858,477
%	32.69%	32.84%	41.85%	42.16%	7.85%	8.19%	16.80%	15.79%	0.81%	1.02%	100.00%	100.00%
Net Surplus/(Deficit)	\$ (2,536,523)	\$ (3,622,669)	\$ (4,278,989)	\$ (4,274,260)	\$ (1,021,929)	\$ (1,117,857)	\$ (2,117,560)	\$ (1,323,630)	\$ 13,430,547	\$ 13,494,913	\$ 3,475,546	\$ 3,156,497
Assets Note 2(b)	\$ 150,472,825	\$ 146,297,381	\$ 32,047,260	\$ 30,701,249	\$ 51,065	\$ 80,842	\$ 28,612,211	\$ 26,265,695	\$ 101,577,521	\$ 114,501,979	\$ 312,760,882	\$ 317,847,146

Actual	Actual
2020	2019
\$	\$

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	22,725,474	25,898,852
Non-Current Assets	290,035,408	291,948,294
	<u>312,760,882</u>	<u>317,847,146</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 2020 \$	Actual 2019 \$
3. INTEREST		
Interest on Cash and Financial Assets	476,875	661,020
Interest on Rate Debtors	67,238	65,480
Other Interest on Loans/Receivables	279,855	273,969
	<u>823,968</u>	<u>1,000,469</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	2,061,836	2,117,455
Commonwealth Government Financial Assistance Grant: Roads & Bridges	2,254,255	2,182,040
Fuel Tax Funding	45,533	43,974
Westbury Flood Risk Study	18,635	20,000
Minor Grants Received	1,360	136
Meander Valley Road, Hadsphen	500,000	-
Carrick Cenotaph	2,250	-
Commonwealth Government Roads to Recovery Operating Projects	-	144,067
Bioenergy Wood & Fibre Innovation	-	13,636
Meander Falls Walk Upgrade	-	150,000
Deloraine Football Ground Demountable Change Rooms	-	116,364
Digital Pathways Equipment	-	85,476

Total Recurrent Grants

<u>4,883,869</u>	<u>4,873,148</u>
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Capital Grants received for new or upgraded assets

Commonwealth Government Roads to Recovery Capital Projects	874,333	251,620
Westbury Recreation Ground Clubrooms	240,000	698,100
Westbury Recreation Ground Clubrooms (2018-19 Received in Advance)	492,090	-
Westbury Road Intersection	200,000	200,000
Westbury Road Intersection (2018-19 Received in Advance)	188,309	-
Commonwealth Government Natural Disaster Relief	-	258,574
Deloraine Community Complex Netball Courts	-	359,000
Prospect Vale Park AFL Lighting Upgrade	-	246,900
Blackstone Heights Park Improvements	-	60,000
Blackstone Heights Park Improvements (2018-19 Received in Advance)	29,797	-
Westbury Recreation Ground Cricket Pitch	25,656	9,000
Westbury Recreation Ground Cricket Pitch (2018-19 Received in Advance)	9,000	-

Total Capital Grants

<u>2,059,185</u>	<u>2,083,194</u>
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Total Government Grants

<u>6,943,054</u>	<u>6,956,342</u>
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Government funds received in relation to pensioner rates of \$705,211 (2018-19: \$682,743) were treated in the Statement of Comprehensive Income as rate revenue.

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

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

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

	Actual 2020 \$	Actual 2019 \$
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Refer to Note 45 for accounting policy related to AASB 15 and AASB 1058.

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 2019-20 by \$2,217,893 (2018-19: \$2,180,889). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

Conditions on grants

Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	-
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions	
Westbury Recreation Ground Clubrooms	492,090
Westbury Road Intersection	188,309
Blackstone Heights Park Improvements	29,797
Westbury Recreation Ground Cricket Pitch	9,000
	<u>719,196</u>
Unexpended at the close of this reporting period	<u>719,196</u>
Net increase (decrease) in non-reciprocal grant revenues for the year	<u><u>719,196</u></u>

5. EMPLOYEE COSTS

Wages and Salaries	5,528,875	5,014,261
Annual, Sick and Long Service Leave	849,552	886,571
Superannuation	714,031	734,302
State Government Payroll Tax	347,731	327,412
Total Employee Expenses	<u>7,440,189</u>	<u>6,962,546</u>
Less Capital & Non-Recurrent Expenditure		
Labour Capital Assets constructed by Council	<u>(567,238)</u>	<u>(536,793)</u>
	<u>(567,238)</u>	<u>(536,793)</u>
	<u><u>6,872,951</u></u>	<u><u>6,425,753</u></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	1,264,848	1,191,966
Councillor Allowances	191,464	186,350
Insurance	312,060	285,516
Street Lighting	212,157	187,182
Household Waste	1,401,159	1,353,632
Road Maintenance	1,242,440	1,116,940
Bridge Maintenance	141,673	154,391
Consultants	420,971	478,263
Electricity	87,812	109,372
Motor Vehicles	134,849	125,945
Publications and Subscriptions	96,869	232,724
Other	2,135,929	2,765,984
	<u>7,642,231</u>	<u>8,188,265</u>

	Actual 2020 \$	Actual 2019 \$
7. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation was charged in respect of:		
Land Improvements	658,142	565,338
Buildings	396,350	368,188
Roads and Streets	2,484,965	2,409,606
Bridges	466,847	469,542
Stormwater	388,212	371,362
Plant and Equipment	601,677	617,672
Heritage	282	281
Computer Software	44,952	37,211
Valuations	26,725	29,586
	<u>5,068,152</u>	<u>4,868,786</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.

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	2 - 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
Computer Software	Straight Line	3 - 10 years

8. FINANCE COSTS

Unwinding of Tip Rehabilitation Provision	54,892	15,086
Interest Charges	211,320	211,320
	<u>266,212</u>	<u>226,406</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.

	Actual 2020 \$	Actual 2019 \$
9. OTHER EXPENSES		
Other Expenses includes:		
External Auditor's Remuneration	31,884	36,310
Community Grants	80,621	111,461
Donations and Other	867	1,124
Bad Debts	234	372
	<u>113,606</u>	<u>149,267</u>

10. DISPOSAL & DERECOGNITION OF ASSETS

Total

Proceeds from sales/disposal	(762,010)	(53,091)
Written down value of assets sold/disposed	465,896	123,478
(Profit)/Loss on Disposal of Assets	<u>(296,114)</u>	<u>70,387</u>
Recurrent write-off/disposal of infrastructure and plant & equipment	(2,236)	70,387
One-off disposals of Land & Buildings	(293,878)	-
	<u>(296,114)</u>	<u>70,387</u>

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

11. CURRENT ASSETS - Cash and Cash Equivalents

Cash at Bank	3,113,229	3,386,167
Cash on Hand	1,450	1,450
	<u>3,114,679</u>	<u>3,387,617</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	3,114,679	3,387,617
Balance per Statement of Cash Flows	<u>3,114,679</u>	<u>3,387,617</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.

12. CURRENT ASSETS - Trade and Other Receivables

Rates Debtors	727,951	643,473
Other Debtors	230,788	331,212
	<u>958,739</u>	<u>974,685</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 2020 \$	Actual 2019 \$
13. CURRENT ASSETS - Investments		
Term Deposits	18,469,868	21,254,466
Market value of investments as at the reporting date	18,469,868	21,254,466

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

14. CURRENT ASSETS - Other

Inventory Materials	67,439	78,236
Accrued Revenue	114,749	203,848
	182,188	282,084

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.

15. CURRENT LIABILITIES - Trade and Other Payables

Employee Costs	104,982	65,118
Materials and Contracts	1,101,970	1,268,497
Other Creditors	188,254	270,203
	1,395,206	1,603,818

16. CURRENT LIABILITIES - Provisions

Provision for Annual Leave	669,221	675,342
Provision for Long Service Leave	614,603	604,449
Employee Provisions oncosts	159,522	157,976
	1,443,346	1,437,767

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.

17. CURRENT LIABILITIES - Contract Liabilities

Rates Received in Advance	347,834	-
	347,834	-

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

Grants received in advance includes are funds received under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

	Actual 2020 \$	Actual 2019 \$
18. NON-CURRENT ASSETS - Investment in Water Corporation		
Opening balance	55,591,755	48,489,574
Fair Value adjustments on equity investment assets	(13,021,159)	7,102,181
Carrying value of investment at end of year	<u>42,570,596</u>	<u>55,591,755</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 2020, Council holds a 2.95% (2018-19: 2.99%) 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	821,800	765,716
Assessed Contributions - East Deloraine Industrial Development	103,087	99,100
Loan Receivable - Aged Care Deloraine	3,600,000	3,600,000
Vendor Finance - Aged Care Deloraine	162,000	162,000
	<u>4,686,887</u>	<u>4,626,816</u>

20. NON-CURRENT ASSETS - Work in Progress		
Work in Progress - at cost	<u>819,400</u>	<u>1,642,466</u>

21. NON-CURRENT ASSETS - Land		
Land at Fair Value	<u>8,600,000</u>	<u>8,518,455</u>

22. NON-CURRENT ASSETS - Land Under Roads		
Land Under Roads at Fair Value	<u>28,994,771</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	14,546,818	14,201,053
Less Accumulated Depreciation	(7,046,571)	(6,422,361)
	<u>7,500,247</u>	<u>7,778,692</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	21,715,905	19,213,825
Less Accumulated Depreciation	(249,762)	(821,783)
	<u>21,466,143</u>	<u>18,392,042</u>

25. NON-CURRENT ASSETS - Roads and Streets		
Roads and Streets at Fair Value	173,141,603	168,260,026
Less Accumulated Depreciation	(51,060,827)	(50,060,985)
	<u>122,080,776</u>	<u>118,199,041</u>

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

	Actual 2020 \$	Actual 2019 \$
26. NON-CURRENT ASSETS - Bridges		
Bridges at Fair Value	38,955,188	38,268,210
Less Accumulated Depreciation	(10,208,566)	(10,357,998)
	<u>28,746,622</u>	<u>27,910,212</u>
27. NON-CURRENT ASSETS - Stormwater		
Stormwater at Fair Value	30,240,640	28,041,503
Less Accumulated Depreciation	(8,950,291)	(8,165,341)
	<u>21,290,349</u>	<u>19,876,162</u>
28. NON-CURRENT ASSETS - Plant and Equipment		
Plant and Equipment at Cost	6,925,334	6,760,885
Less Accumulated Depreciation	(3,966,872)	(3,754,744)
	<u>2,958,462</u>	<u>3,006,141</u>
29. NON-CURRENT ASSETS - Heritage		
Heritage at Cost	139,854	139,854
Less Accumulated Depreciation	(120,371)	(120,089)
	<u>19,483</u>	<u>19,765</u>
30. NON-CURRENT ASSETS - Computer Software		
Computer Software at Cost	755,900	668,577
Less Accumulated Amortisation	(602,022)	(583,977)
	<u>153,878</u>	<u>84,600</u>
31. NON-CURRENT ASSETS - Valuations		
Valuations at Cost	174,642	133,000
Less Accumulated Depreciation	(26,848)	(122)
	<u>147,794</u>	<u>132,878</u>

32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

2020	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	1,642,466	10,742,199	-	-	-	(11,565,265)	819,400
	1,642,466	10,742,199	-	-	-	(11,565,265)	819,400
Property							
Land	8,518,455	-	278,897	-	(197,352)	-	8,600,000
Land Under Roads	26,169,270	98,136	2,727,365	-	-	-	28,994,771
Land Improvements	7,778,692	4,889	-	(658,142)	-	374,808	7,500,247
Buildings	18,392,042	-	1,218,012	(396,350)	(178,752)	2,431,191	21,466,143
Total property	60,858,459	103,025	4,224,274	(1,054,492)	(376,104)	2,805,999	66,561,161
Infrastructure							
Roads & Streets	118,199,041	482,462	-	(2,484,965)	(72,231)	5,956,469	122,080,776
Bridges	27,910,212	-	-	(466,847)	-	1,303,257	28,746,622
Stormwater	19,876,162	57,978	972,311	(388,212)	-	772,110	21,290,349
Total infrastructure	165,985,415	540,440	972,311	(3,340,024)	(72,231)	8,031,836	172,117,747
Plant & Equipment	3,006,141	-	-	(601,677)	(17,329)	571,327	2,958,462
Heritage	19,765	-	-	(282)	-	-	19,483
Computer Software	84,600	-	-	(44,952)	(232)	114,462	153,878
Valuations	132,878	-	-	(26,725)	-	41,641	147,794
Total	230,087,258	643,465	5,196,585	(5,068,152)	(465,896)	11,565,265	241,958,525

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

2019	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.)

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	Nil
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 2020 \$	Actual 2019 \$
33. NON-CURRENT LIABILITIES - Borrowings		
Borrowings - Secured	3,600,000	3,600,000
	3,600,000	3,600,000
Later than one year and not later than five years	3,600,000	3,600,000
	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.

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period. Borrowings are secured by way of mortgages over the general rates of the Council.

As part of the Government's response to the COVID-19 pandemic, the Treasurer has ensured that all councils have access to sufficient funding. On 15 June 2020 the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for any loans advanced to local government authorities under the Local Government Loans Program. As at 30 June 2020 no borrowings have been required by Council.

34. NON-CURRENT LIABILITIES - Provisions

Provision for Long Service Leave	243,374	241,403
Employee Provisions - oncosts	17,766	17,188
Provision for Tip Rehabilitation	4,177,766	4,117,984
	4,438,906	4,376,575

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	4,117,984	3,778,271
Unwinding of Discount	54,892	15,086
Reassessment of Estimate	4,890	324,627
Closing Balance	4,177,766	4,117,984

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 2021-22 and the landfill site at Deloraine will begin restoration work in 2025-26. 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) 1.31% 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	2020	2019
Permanent FTE staff	80	80
Casual staff	2	1

35. RESERVES

2020	Opening Balance	Increment / (decrement)	Closing Balance
Asset Revaluation Reserve			
Land	5,268,459	3,006,262	8,274,721
Buildings	7,917,193	1,218,012	9,135,205
Roads and Streets	49,515,292	-	49,515,292
Bridges	16,692,524	-	16,692,524
Stormwater	10,851,635	972,311	11,823,946
Total Asset Revaluation Reserve	90,245,103	5,196,585	95,441,688
Fair Value Reserve			
Investment in Water Corporation	3,904,679	(13,021,159)	(9,116,480)
Total Fair Value Reserve	3,904,679	(13,021,159)	(9,116,480)
	94,149,782	(7,824,574)	86,325,208
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	88,422,187	1,822,916	90,245,103
Fair Value Reserve			
Investment in Water Corporation	(3,197,502)	7,102,181	3,904,679
Total Fair Value Reserve	(3,197,502)	7,102,181	3,904,679
	85,224,685	8,925,097	94,149,782

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:

2020	Receipts	Payments	Net Assets
Birralee Memorial Hall	3,254	2,922	7,285
Bracknell Public Hall & Recreation Ground	1,269	582	10,171
Carrick Community Hall	680	1,456	825
Caveside Recreation Committee	2,600	2,307	13,805
Chudleigh Memorial Hall	12,031	10,778	19,156
Dairy Plains Memorial Hall	3,931	1,477	13,460
Deloraine Community Car	18,052	13,462	26,573
Meander Hall & Recreation Ground	26,000	26,802	30,745
Mole Creek Memorial Hall	3,910	11,456	21,379
Rosevale Memorial Hall & Recreation Ground	2,151	1,108	23,410
Selbourne Memorial Hall	906	2,502	41,146
Weegenah Hall	381	183	9,145
Westbury Community Car	5,738	20,866	2,051
Westbury Historical Society	970	1,896	16,749
Westbury Recreation Ground	-	599	1,472
Whitemore Recreation Ground	1,041	971	3,245
	<u>82,914</u>	<u>99,367</u>	<u>240,617</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).

	2020 \$	2019 \$
Capital Expenditure Commitments: Works In Progress		
Buildings	178,316	1,217,656
Roads	175,573	695,787
Bridges	-	394,118
Stormwater	18,487	83,990
Land Improvements	43,460	61,962
	<u>415,836</u>	<u>2,453,513</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 2020 the Council contributed 0% 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.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries 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, (2018-19: Nil) due to the contribution holiday as prescribed by Tasplan, and the amount paid to accumulation schemes was \$714,031 (2018-19: \$734,302).

- 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 \$790,600.
- As reported above, 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 2019, showed that the Fund had assets of \$56.64 million and members' Vested Benefits were \$47.32 million. These amounts represented 0.6% and 0.5% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2019 the fund had 107 members and the total employer contributions and member contributions for the year ending 30 June 2019 were \$1,000,322 and \$221,484 respectively.

	Actual 2020 \$	Actual 2019 \$
39. RECONCILIATION OF SURPLUS/ (DEFICIT) FOR THE PERIOD TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net Surplus/(Deficit)	3,475,546	3,156,497
Items not involving Cash		
Subdivisions Taken Over	(638,576)	(140,914)
Interest Accrued on Receivables	(60,070)	(55,941)
Depreciation and Amortisation Expense	5,068,152	4,868,786
Adjustment for Prior Year Rates Received in Advance	(225,173)	-
	<u>4,144,333</u>	<u>4,671,931</u>
Investing Activity		
(Profit)/Loss on Disposal of Assets	(296,114)	70,387
Proceeds from Capital Grants	(2,059,185)	(2,083,194)
Proceeds from Capital Contributions	(13,119)	(16,905)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	15,946	(235,644)
(Increase)/Decrease in Inventories	10,797	(12,535)
(Increase)/Decrease in Accrued Revenue	89,099	(7,600)
Increase/(Decrease) in Payables	(208,612)	333,012
Increase/(Decrease) in Provisions	63,020	141,472
Increase/(Decrease) in Contract Liabilities	347,834	-
	<u>318,084</u>	<u>218,705</u>
Net Cash Inflow from Operating Activities	<u><u>5,569,545</u></u>	<u><u>6,017,421</u></u>

40. CREDIT STANDBY ARRANGEMENTS

Council has a Direct Debit Facility with the Commonwealth Bank with a \$50,000 limit (2018-19: \$50,000). Council has Business Cards with a limit of \$55,000 (2018-19: \$55,000). The balance is cleared monthly. There were no other credit standby arrangements or unused loan facilities at 30 June 2020.

41. RELATED PARTY DISCLOSURES

(a) Councillor Remuneration

2020

	Allowances \$	Vehicles ² \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	53,824	2,548	56,372	963	57,335
Deputy Mayor	29,987	-	29,987	481	30,468
Councillors	107,653	-	107,653	3,877	111,530
Total	191,464	2,548	194,012	5,321	199,333

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

(b) 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.

2020

Remuneration band	Number of employees ⁶	Short term employee benefits		Post employment benefits		Non-monetary Benefits ⁵ \$	Total \$
		Salary ¹ \$	Vehicles ² \$	Super-annuation ³ \$	Termination Benefits ⁴ \$		
\$20 001 - \$40 000	1	71,720	1,178	6,391	-	(39,294)	39,995
\$100 001 - \$120 000	1	75,479	5,153	9,812	-	11,345	101,789
\$180 001 - \$200 000	3	482,134	19,229	62,194	-	24,389	587,946
\$200 001 - \$220 000	1	158,721	6,927	20,515	-	14,530	200,693
Sub-total		788,054	32,487	98,912	-	10,970	930,423
Acting arrangements							
\$40 001 - \$60 000	1	37,306	-	4,850	-	4,075	46,231
Sub-total		37,306	-	4,850	-	4,075	46,231
Total		825,360	32,487	103,762	-	15,045	976,654

2019

Remuneration band	Number of employees ⁶	Short term employee benefits		Post employment benefits		Non-monetary Benefits ⁵ \$	Total \$
		Salary ¹ \$	Vehicles ² \$	Super-annuation ³ \$	Termination Benefits ⁴ \$		
\$160 001 - \$180 000	2	297,330	11,221	38,333	-	8,215	355,099
\$180 001 - \$200 000	2	296,711	16,040	38,298	-	20,303	371,352
\$220 001 - \$240 000	1	182,608	5,382	23,594	-	10,518	222,102
Total		776,649	32,643	100,225	-	39,036	948,553

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

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

⁵ Non-monetary benefits include annual and long service leave movements.

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

(c) 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	Total Transactions	Nature of Relevant Dealings with Council
Cr W Johnston	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	\$12,552	Supplier of signwriting and signage making services under normal commercial terms and conditions.
Cr T King	Councillor	No interest declared	-	
Cr R Synfield	Councillor	No interest declared	-	
Cr J Temple	Councillor	Business: Archer Temple Pty Ltd	\$360	Supplier of general printing, book binding, picture framing and signage making services under normal commercial terms and conditions.
J Jordan	General Manager	No interest declared	-	
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	-	
J Marshall	Acting 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.

(d) 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			
	11	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% (2018-19: 0%) and 1.75% (2018-19: 2.00%). The interest rate at balance date was 0%-0.75% (2018-19: 0%-1.50%).
Term Deposits			
	13	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 1.45% (2018-19: 2.05%), and 2.95% (2018-19: 2.95%) net of fees. Funds returned a weighted average interest rate of 2.10% (2018-19: 2.66%).
Receivables - Rate Debtors			
	12	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 8.10% (2018-19: 8.81%).
Receivables - Other Debtors			
	12	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.
Receivables - Loans			
	19	Loans are carried at their principal amounts, which represent the present value of future associated cash flows. Interest is accrued over the period it becomes due and recognised as part of receivables.	Loans are secured by way of mortgages over the property titles. The fixed interest rates on loans receivable are between 3.94% and 7.07%.
Financial Liabilities			
Trade and Other Payables			
	15	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:

2020

	Fixed Interest Maturing in:					Total
	Floating	Under	1-5	Over	Non-Interest	
	Interest Rate	1 Year	Years	5 Years	Bearing	
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and Cash Equivalents	3,113,229	-	-	-	1,450	3,114,679
Investments	-	18,469,868	-	-	-	18,469,868
Rates Receivable	-	727,951	-	-	-	727,951
Loans, Trade and Other Receivables	-	-	4,421,800	265,087	230,788	4,917,675
Accrued Revenue	-	-	-	-	114,749	114,749
Investment in Water Corporation	-	-	-	-	42,570,596	42,570,596
Total Financial Assets	3,113,229	19,197,819	4,421,800	265,087	42,917,583	69,915,518
Financial Liabilities						
Trade and other payables	-	-	-	-	1,395,206	1,395,206
Trust funds and deposits	-	-	-	-	-	-
Borrowings	-	-	3,600,000	-	-	3,600,000
Total Financial Liabilities	-	-	3,600,000	-	1,395,206	4,995,206
Net Financial Assets (Liabilities)	3,113,229	19,197,819	821,800	265,087	41,522,377	64,920,312

2019

	Fixed Interest Maturing in:					Total
	Floating	Under	1-5	Over	Non-Interest	
	Interest Rate	1 Year	Years	5 Years	Bearing	
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and Cash Equivalents	3,386,167	-	-	-	1,450	3,387,617
Investments	-	21,254,466	-	-	-	21,254,466
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	-	-	-	-	55,591,755	55,591,755
Total Financial Assets	3,386,167	21,897,939	4,365,716	261,100	56,128,265	86,039,187
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
Net Financial Assets (Liabilities)	3,386,167	21,897,939	765,716	261,100	54,524,447	80,835,369

(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 2020		30 June 2019	
Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
3,114,679	3,114,679	3,387,617	3,387,617
18,469,868	18,469,868	21,254,466	21,254,466
5,645,626	5,645,626	5,601,501	5,601,501
114,749	114,749	203,848	203,848
42,570,596	42,570,596	55,591,755	55,591,755
69,915,518	69,915,518	86,039,187	86,039,187
1,395,206	1,395,206	1,603,818	1,603,818
3,600,000	4,072,752	3,600,000	4,096,692
4,995,206	5,467,958	5,203,818	5,700,510
64,920,312	64,447,560	80,835,369	80,338,677

(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:

	2020	2019
	\$	\$
Current (not yet due)	4,905,947	4,936,153
Past due by up to 30 days	(154)	4,651
Past due between 31 and 180 days	1,978	12,336
Past due between 181 and 365 days	5,707	4,033
Past due by more than 1 year	4,197	855
Total Trade Receivables	4,917,675	4,958,028
Rates Receivable	727,951	643,473
Total Trade & Other Receivables	5,645,626	5,601,501

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).

2020	Less than 1 year \$	1-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	1,395,206	-	-	1,395,206	1,395,206
Borrowings	-	3,600,000	-	3,600,000	3,600,000
Total financial liabilities	1,395,206	3,600,000	-	4,995,206	4,995,206

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

(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 2.18%.

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.

2020	Interest rate risk			
	+1 % +100 basis points		-1 % -100 basis points	
	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets:				
Cash and cash equivalents	3,113,229	31,132	(31,132)	(31,132)

43. MANAGEMENT INDICATORS

	Benchmark	2020	2019	2018	2017
(a) Underlying surplus or deficit		\$	\$	\$	\$
Recurrent income*		20,396,936	20,661,823	20,054,865	19,325,302
Recurrent expenditure		(19,963,152)	(19,858,477)	(18,833,454)	(17,836,132)
Underlying surplus/deficit	0	<u>433,784</u>	<u>803,346</u>	<u>1,221,411</u>	<u>1,489,170</u>

* 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>		433,784	803,346	1,221,411	1,489,170
Recurrent income*		20,396,936	20,661,823	20,054,865	19,325,302
Underlying surplus ratio %	0%	2%	4%	6%	8%

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		22,543,286	25,616,768	24,561,845	21,694,778
total liabilities		11,225,292	11,018,160	10,219,049	10,922,531
Net financial liabilities	0	<u>11,317,994</u>	<u>14,598,608</u>	<u>14,342,796</u>	<u>10,772,247</u>

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>		11,317,994	14,598,608	14,342,796	10,772,247
Recurrent income*		20,396,936	20,661,823	20,054,865	19,325,302
Net financial liabilities ratio %	0% to -50%	55%	71%	72%	56%

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	2020	2019	2018	2017
<i>Bridges</i>		\$	\$	\$	\$
<u>Depreciated replacement cost</u>		28,746,622	27,910,212	26,771,637	21,879,435
Current replacement cost		38,955,188	38,268,210	37,487,577	33,527,857
Asset consumption ratio %	At least 60%	74%	73%	71%	65%
<i>Stormwater</i>					
<u>Depreciated replacement cost</u>		21,290,349	19,876,162	19,770,109	19,393,632
Current replacement cost		30,240,640	28,041,503	27,564,088	26,825,121
Asset consumption ratio %	At least 60%	70%	71%	72%	72%
<i>Roads and Streets</i>					
<u>Depreciated replacement cost</u>		122,080,776	118,199,041	116,221,404	113,055,378
Current replacement cost		173,141,603	168,260,026	165,303,601	160,088,474
Asset consumption ratio %	At least 60%	71%	70%	70%	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	2020	2019	2018	2017
(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**		7,640,000	6,341,000	8,212,000	8,534,000
Projected capital expenditure funding***		7,640,000	6,341,000	8,212,000	8,534,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Buildings</i>					
Projected capital funding outlays**		10,565,000	5,649,000	3,983,000	3,720,000
Projected capital expenditure funding***		10,565,000	5,649,000	3,983,000	3,720,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Stormwater</i>					
Projected capital funding outlays**		4,667,000	4,996,000	4,894,000	5,095,000
Projected capital expenditure funding***		4,667,000	4,996,000	4,894,000	5,095,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Roads & Streets</i>					
Projected capital funding outlays**		38,494,000	39,640,000	37,870,000	39,016,000
Projected capital expenditure funding***		38,494,000	39,640,000	37,870,000	39,016,000
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	2020	2019	2018	2017
(g) Asset sustainability ratio		\$	\$	\$	\$
Capex on replacement/renewal of existing assets		5,721,861	5,136,691	8,108,043	8,953,212
Annual depreciation expense		5,068,152	4,868,786	4,931,099	4,722,886
Asset sustainability ratio %	100%	113%	106%	164%	190%

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.)

2020	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
Asset Class	\$	\$	\$
Land Improvements	140,693	234,115	374,808
Buildings	503,345	1,927,847	2,431,192
Roads and Streets	3,047,875	2,908,594	5,956,469
Bridges	1,303,257	-	1,303,257
Stormwater	12,149	759,961	772,110
Plant and Equipment	558,440	12,887	571,327
Valuations	41,641	-	41,641
Computer Software	114,461	-	114,461
	<u>5,721,861</u>	<u>5,843,404</u>	<u>11,565,265</u>

2019	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
Asset Class	\$	\$	\$
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>

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 2020	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Land	21	-	8,600,000	-	8,600,000
Land Under Roads	22	-	-	28,994,771	28,994,771
Buildings	24	-	-	21,466,143	21,466,143
Roads and Streets	25	-	-	122,080,776	122,080,776
Bridges	26	-	-	28,746,622	28,746,622
Stormwater	27	-	-	21,290,349	21,290,349
Investment in Water Corporation	18	-	-	42,570,596	42,570,596
		-	8,600,000	265,149,257	273,749,257

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

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 a qualified independent valuer effective 1 July 2019. 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 is based on land use class rates determined by the Valuer General, effective 1 July 2019, using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation.

Buildings (Level 3)

The fair value of buildings were determined by a qualified independent valuer Herron Todd White effective 22 November 2019. 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 table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

The methods for calculating CRC are described under individual asset categories 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 2019. 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	42,570,596	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.

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 2020 reporting period. Council's assessment of the impact of new standards and interpretations are set out below:

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

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

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

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

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

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

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

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

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

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council previously recognised income when received. Under AASB 1058, income is recognised when the taxable event has occurred. The impact to Council has been that revenue previously recognised when received from Rates and charges in advance is now recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

The table below highlights the impact of adopting AASB 15 and AASB 1058 on the Statement of Comprehensive income and Statement of Financial Position. There was no material impact on Council's Statement of Cash Flows.

	Amounts under AASB 118 & 1004	Adjustment	Amounts under AASB 15 & 1058
Statement of Comprehensive Income			
Rates and Charges	(12,925,975)	122,661	(12,803,314)
Capital Grants	(1,339,989)	(719,196)	(2,059,185)
Statement of Financial Position			
Contract Liabilities	-	(347,834)	(347,834)
Opening Accumulated Surplus	(212,679,204)	944,368	(211,734,836)

(ii) AASB 16 Leases

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

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

a) Impact of the new definition of a lease

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

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

b) Impact of lessee accounting

i) Former operating leases

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

Applying AASB 16, for all leases, Council:

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

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

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

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), Council has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'other expenses' in profit or loss.

ii) Former finance leases

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

iii) Lessor accounting

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

Council's assessment is that there is no material change to the financial statements from the adoption of the standard. Therefore there has been no recognition made of either Right Of Use Assets or Lease liabilities.

(e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2020 reporting period. Council's assessment of the new standards and interpretations is that there is no material impact on the financial statements.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

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 2020 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 2020 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report 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*.

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
Valuation of property and infrastructure <i>Refer to note 7, 20 to 32 and 44</i>	
<p>Council's assets at 30 June 2020 included land, land under roads, buildings and material long-life infrastructure assets such as roads, bridges and stormwater valued at fair values totalling \$231.2m. The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>In 2019-20, Council revalued buildings based on an independent valuation and revalued stormwater assets based on current replacement cost valuations determined by internal experts. Land was revalued based on valuations provided by the Valuer-General and land under roads was revalued based on rates provided by the Valuer-General. These valuations are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none">• Assessing the scope, expertise and independence of experts involved in the valuation.• Assessing the appropriateness of the valuation methodology and the key assumptions used.• Testing, on a sample basis, the mathematical accuracy of the revaluation calculations.• Evaluating the adequacy of disclosures made in the financial report, including those regarding the key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

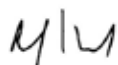
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

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

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

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



Rod Whitehead
Auditor-General

Tasmanian Audit Office

17 November 2020
Hobart

