



Meander Valley Council
Working Together

MINUTES

ANNUAL GENERAL MEETING

Tuesday 14 December 2021 at 3.00 pm

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ANNUAL GENERAL MEETING

In accordance with Section 72B of the *Local Government Act 1993*:

1. A council must hold an Annual General Meeting on a date that –
 - a. is not later than 15 December in each year; and
 - b. is not before 14 days after the date of the first publication of a notice under subsection (2).
2. A council must publish a notice in a daily newspaper circulating in the municipal area or other prescribed newspaper specifying the date, time and place of the Annual General Meeting.
3. If a quorum of the Council is not present at an Annual General Meeting –
 - a. the Annual General Meeting is to be reconvened and held within 14 days; and
 - b. a notice is to be published in a daily newspaper circulating in the municipal area specifying the date, time and place of the Annual General Meeting.
4. Only electors in the municipal area are entitled to vote at an Annual General Meeting.
5. A motion at an Annual General Meeting is passed by a majority of votes taken by a show of hands or by any other means of ascertaining the vote the Council determines.
6. A motion passed at an Annual General Meeting is to be considered at the next meeting of the council.
7. The General Manager is to keep minutes of the Annual General Meeting.

PRESENT

Chairperson Mayor Wayne Johnston,
Deputy Mayor Michael Kelly,
Councillors Stephanie Cameron, Michal
Frydrych, Tanya King, Andrew Sherriff,
Rodney Synfield, John Temple and
Deborah White

APOLOGIES

Nil

OFFICERS IN ATTENDANCE

John Jordan, General Manager
Chloe Durack, Executive Assistant
Dino De Paoli, Director Infrastructure Services
Jonathan Harmey, Director Corporate Services
Matthew Millwood, Director Works
Krista Palfreyman, Director Development &
Regulatory Services
Melissa Lewarn, Director Community Wellbeing
Jacqui Parker, Manager, Governance &
Performance
Jarred Allen, Team Leader Engineering
Justin Marshall, Team Leader Finance
Natasha Whiteley, Team Leader Town Planning

MEMBERS OF THE PUBLIC IN ATTENDANCE

Neville Scott

Mayor Wayne Johnston opened the meeting at 3.02pm and welcomed attendees to the Annual General Meeting.

AGM 1/21 CONFIRMATION OF MINUTES

Councillor King moved and Councillor Cameron seconded, ***“that the minutes of the Annual General Meeting of Council held on Tuesday 19 January 2021, be received and confirmed.”***

The motion was declared CARRIED with Councillors Cameron, Johnston, Kelly, King, Sherriff, Synfield and Temple voting for the motion.

Councillors Frydrych & White abstained from the vote.

Pursuant to S28(3) of the Local Government (Meeting Procedures) Regulations 2015, to abstain is to vote in the negative.

AGM 2/21 PRESENTATION OF 2020-2021 ANNUAL REPORT

The General Manager gave a presentation on the Annual Report which included an update on departmental projects that have been achieved in 2020-2021.

AGM 3/21 PUBLIC SUBMISSIONS RECEIVED

Nil

AGM 4/21 QUESTIONS OR MOTIONS FROM THE FLOOR

Nil

AGM 5/21 CLOSE OF MEETING

The meeting closed at 3.13pm.



Meander Valley Council
Working Together

Meander Valley Council **2020-21 Annual Report**



Disclaimer

The Meander Valley Council Annual Report 2020-21 has been prepared with all due care and diligence, using the best available information at the time of publication. Meander Valley Council holds no responsibility for any errors or omissions within the document. Any decisions made by other parties based on this report are the responsibility of those parties.

Photo credits: Sasha Lev (Cover) and Meander Valley Council

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Message from Mayor Wayne Johnston

Council's purpose is to provide residents of Meander Valley with the essential services and support to ensure strong, vibrant communities.

Despite the persistence of the pandemic into the 2021 financial year, Council has continued to serve the community and position itself as a financially sound and capable organisation.

The vibrancy and resilience of our community is built on community spirit.

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

I am also very proud of the support Council provides to these efforts through its community grants and sponsorships.

Throughout this year in particular, Council committed to, and has delivered, a number of grass-roots projects that provide real benefits to a number of our communities.

Completion of a new playground, with fitness stations, barbecue and toilets at the Hadspen Bullrun has transformed the space and, coupled

with the existing skate park and community garden; the Bull run is quickly becoming a hub of community recreational activity.

The new public playground at Mole Creek is another project that provides immediate benefit to the local community. Council is proud to have partnered with the Department of Education and the Mole Creek Progress Association to make this a reality and it has already become a popular destination for the local kids.

Council has also delivered a comprehensive works program this year. Projects included additional footpaths, road works, significant maintenance work to a number of halls and completion of 'Stage 2' of the foyer refurbishment at the Meander Valley Performing Arts Centre.

Of course, results cannot be achieved without effort. I am proud of the work Councillors and Council staff have undertaken and would like to thank the entire team for their efforts to provide exceptional service. 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

The shadow of the COVID-19 health crisis continues to linger and present new challenges to our community and operations of Council. Our region and Meander Valley have been more fortunate than other areas and while luck plays a part, we have managed the community and Council's response well.

With the exception of some aspects of our community program Council ended the financial year operating largely as normal, delivering a strong financial result in the face of headwinds from COVID, historically low interest rates and investment returns, and increasing costs. Our long term financial forecasts are on track to recover from the impacts of COVID much sooner than originally anticipated.

We have continued to lead in the support we provide to the community through our community grants and sponsorship programs. We are proud of the contribution and support Council provides to volunteers, not for profit organisations and others in their efforts to make Meander Valley an inclusive and great place to live.

As we look to the future we are now focused on positioning Council to meet the changing expectations of residents for services and infrastructure. This year, Council commenced a program to better configure the organisation to meet expectations and serve our community, and to make Council a better place to work.

This included a restructuring of our infrastructure, planning and compliance areas and increasing our overall staffing by five.

Work in this space is ongoing as we respond to a long term growth in demand for services driven by strong development, building and an increasing population.

Council also determined a way forward for the management of landfills and waste in the municipality, addressing the financial and infrastructure planning which will see kerbside collection contracts renewed in 2021-22 and the finalization of construction of expanded capacity for our landfill at Cluan.

We have worked hard to deliver a range of projects and an ambitious capital works program that was challenging because of market driven increases in the cost of materials and the availability of contractors. Despite this, we remain on track to deliver on priorities which will improve the amenity, lifestyle and wellbeing of our community.

Once again, Council staff have gone above and beyond in their support of the community and I thank them for the care and commitment they've shown throughout the year.

My thanks also extends to Mayor Wayne Johnston, Councillors and the executive team for their leadership throughout the year, the combined and collaborative efforts of all these people continue to make Council a resilient and capable organisation focused on servicing the community.

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



The Meander Valley is the “green” heart of Tasmania, bordered by the world heritage listed mountain range, the Great Western Tiers.

Our municipality is alive with gourmet food and agritourism ventures, historic and artistic communities, outstanding short walks, visually stunning road cycling routes and world class fly fishing.

We are situated in a central position between Launceston and Devonport. Investors, businesses and new residents find appeal in our easy commuting distance and ready access to all major air, land and sea transport routes.

\$20,079,299

Operating Revenue

\$20,612,521

Operating Expenditure

\$8,492,914

Capital Expenditure



13

Public Halls



36

Playgrounds and Fitness Stations



20,037

Residents



58

Parks and Reserves



10,391

Rateable Assessments



3,821

Square Kilometres of Land Area

8



Sporting Grounds



9
Elected
Members



6,600
Kerbside
Collection
Services



1,700
Local
Businesses



825
Kilometres of
Road Networks



41
Sporting
Facilities

2 Municipal
Swimming Pools

3 Municipal
Waste Facilities

193 Bridges



Meander Valley's 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 which next expires in October 2022.

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 2020-21

| Committee or Organisation | Representative/s |
|---|---|
| Audit Panel | Councillor Frank Nott Councillor Susie Bower |
| MVC Emergency Management and Social Recovery Committee | Councillor Andrew Sherriff |
| TasWater | Mayor Wayne Johnston Deputy Mayor Michael Kelly |
| Great Western Tiers Tourism Association | Councillor John Temple |
| 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. |
| Northern Tasmania Development Corporation (NTDC) Board | Mayor Wayne Johnston |



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.



John Jordan
General Manager



Krista Palfreyman
Director,
Development
& Regulatory Services



Matthew Millwood
Director, Works



Jonathan Harmey
Director, Corporate Services



Dino De Paoli
Director,
Infrastructure Services



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 2014-24 and celebrates a broad range of achievements. The Annual Report contains details about:

- Our key performance measures against targets established in the Annual Plan
 - Results achieved from the Annual Plan targets
 - Details of the services that have been provided to the community
 - Transparency and accountability
 - Reports delivered in accordance with legislation
 - Financial performance and financial reports
-

Key Measures of Performance 2020-21



80%

Annual Plan Targets Achieved
1% Cancelled, 10% Deferred,
9% In Progress



94.16%

Customer Service Request
Response Rate within
Service Standards



1,250

Customer Service
Requests Received



\$85.1m

Value of Building
Applications Processed



\$8.5m

Value of Capital Works Projects



\$63,302

Community Grants,
Sponsorships

Governance

Effective governance is critical to managing the business of Council, including its risks and prioritisation of opportunities.

The key responsibility of the General Manager's Office and Governance department within Council is to oversee both strategic direction and executive leadership within Council; and to liaise with elected representatives ensuring effective execution of Council policy.

This safeguards Council's trajectory on a path toward continual improvement and service excellence.

The Governance area also implements coordination and advocacy in regional and state level agendas, collaborating with a wide range of local authorities.

This department delivers high level communications to keep Council in tune with its community. By enhancing traditional methods such as the in-house produced Valley News publication, in conjunction with more future-focused communication methods (incorporating website, upgrades and an increased social media presence); Council has been better able to engage with its residents and provide access to our organisation and services.

The Governance team also delivered Council's Annual Plan and related quarterly reporting, the 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, Council's Australia Day celebration and providing oversight to the community programs team.

Community engagement was greatly impacted by COVID-19 and the ensuing state of emergency declaration. As a result, a range of scheduled activities were either cancelled or postponed.

Despite this, the community programs 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.

Officers also worked hard to administer a range of grant opportunities released as part of Council's \$1.7m COVID-19 Community and Business Support Package. Grants were well subscribed and provided immediate assistance that enabled businesses to re-open and the community to reconnect so economic and social recovery could begin.

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. | Achieved Achieved |
| Risk Management Minimise risk to our people and the public. | Update Risk Management Framework. | Achieved |
| Economic Development To create an investment ready environment in the Meander Valley Local Government Area. | Monitor and report monthly visitation statistics for the Visitor Centre. Promote investment in Meander Valley to support the growth of identified industry sectors. Develop economic recovery pathways and establish industry-specific priority actions Establish economic development structure plans for each population centre. Establish a structured list of investment vehicles and investment attraction policies. Establish a business media and communications plan. Support the progress of land developments including Valley Central and the Hadspen Urban Growth Area. | Achieved Deferred Achieved Deferred In Progress Deferred Achieved |
| Community Development Working with the community for the benefit of all. | Facilitate the operation of Council pop up meetings. Deliver the Community Grants Program. Renew the events program responsive to COVID-19. Conduct GWATAA Exhibition. Conduct a Festival of Small Halls concert. Produce a user-friendly Event Management Guide. Coordinate major event applications. Prepare Volunteer Management Policy and Procedures. Review Community Strategic Plan. Development of a Community Consultation Policy | Achieved Achieved Deferred Cancelled Cancelled Deferred Achieved Deferred Deferred Deferred |
| Services to Young People To address and support the needs of young people through responsive and participatory approaches. | Conduct youth liaison workshop with Council. | Deferred |

Corporate Services

The Corporate Services department provides the financial, administrative, customer service, human resources, information technology and workplace health and safety functions of Council.

This year, rates and charges were adopted in accordance with Council's rates and charges policy, based on property values provided by the Tasmanian Office of the Valuer General.

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.

All financial management and reporting targets were met, including monthly operating statements, monthly Business Activity Statements (BAS) and payroll tax returns being reported to Council.

Annual Plan Performance

| Activity | Action | Result |
|--|--|-----------------|
| Risk Management To comply with workplace health and safety requirements and internal audits processes. | Deliver the Internal Audit Program. Health & Safety Committee support. Coordinate functions of the Meander Valley Council Audit Panel. Review BCP and conduct test scenario. | Achieved |
| 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 and reconciliation of control accounts. | 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. | Update Long Term Financial Plan (LTFP). Develop budget estimates and rating recommendations in accordance with statutory timeframes. Annual external financial reporting. Submit BAS, FBT and payroll tax returns within legislative timeframes. Review and submit internal financial management reports. Review structure of internal financial management reports. Monitor Council's short-term expenditure commitments. Invest funds in accordance with Council's investment policy. | Achieved |
| Information Technology Provide reliable and effective information technology services for the organisation. | Maintenance and upgrade of IT infrastructure. Review server structure and system requirements to ensure stable IT architecture. | Achieved |
| Information Management Effectively manage and maintain Council's information resource. | Maintenance of Council's cemetery records in accordance with the Cemeteries Act. Maintain records management processes in line with requirements of the Archives Act, including annual archive disposal. | Achieved |
| Human Resources (HR) Effectively manage and support Council's human resources. | Comply with requirements of the 2019 Enterprise Agreement. Complete employee performance reviews. Review employee information manual. | Achieved |

2020-21 Snapshots



✓ Delivered



Recycled Road Resurfacing Projects • Prospect Vale



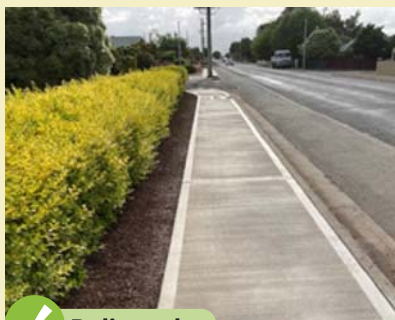
✓ Delivered

**Stormwater Upgrades
• Westbury**



✓ Delivered

New Playground • Mole Creek



✓ Delivered

New Footpath • Westbury



✓ Delivered

New Cricket Block • Westbury Recreation Ground

Development & Regulatory Services

Planning, Building and Plumbing

The Tasmanian Planning Commission approved the Meander Valley Local Provisions Schedule which commenced the operation of the Tasmanian Planning Scheme in the Meander Valley municipality on 19 April 2021. All development proposals are now assessed under the Tasmanian Planning Scheme.

The planning team processed 359 applications for planning permits during this financial year which is a significant increase in the number of planning permit applications processed by Council. Over the past 10 years Council has received an average of 258 planning applications per financial year and this year has seen a 30% increase on the previous 10 year average.

Of the planning applications processed 277 were discretionary applications. When no further information was required and the statutory clock did not stop, applications were processed, on average, within 35 days. This is 7 days shorter than the 42 day statutory period provided within the Land Use Planning and Approvals Act 1993. A total of 17 discretionary planning applications were presented to Council as the Planning Authority for determination. One appeal was lodged with the Resource Management and

Environmental Health Statement

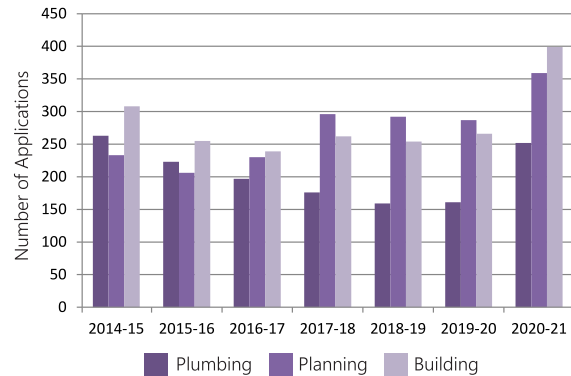
Council recognises the importance of protecting the health and safety of its residents and visitors. We are required to undertake numerous inspection and monitoring programs to ensure compliance with the Public Health Act 1997, Food Act 2003 and associated regulations and guidelines.

Approximately \$293K was spent on environmental health projects and services during 2020-21, including the employment of 2.0 FTE Environmental Health Officers, plus a full-time graduate Environmental Health Officer from March 2021.

Council's core Environmental Health functions are:

- Food safety, including registration and inspection of food businesses and education;

Annual Application Trends



Planning Appeals Tribunal which was resolved via consent agreement between parties.

The number of building applications received by Council's Permit Authority in 2020-21 has also seen a significant increase of 45% on the previous financial year. This increase in development has resulted in a 160% increase on the previous financial year on the value of building works completed in the municipality. This demonstrates the continued property growth that is occurring in Meander Valley.

- 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 2020-21: Activities under Public Health Act 1997:

- 4 Place of Assembly (Specific Events) Licences issued and 2 Place of Assembly (Specific Events) inspected;
- 4 recreational water sites sampled on a weekly basis from December to the end of March, totaling 81 samples;
- 6 public pools/spas were sampled on a monthly basis, totaling 74 samples;
- 33 private water suppliers/water carriers registered and 30 private water supplier samples undertaken;
- 3 premises where public health risk activities are carried out licenced and 4 premises where public health risk activities are carried out inspected;
- 4 regulated systems registered;
- 4 unhealthy premises investigations undertaken;
- 10 notifiable disease investigations completed;
- Immunisation sessions were held at Deloraine High School and Giant Steps Tasmania in September 2020, March 2021 and May 2021. 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. 126 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:

- 177 food premises and 35 statewide mobile businesses were registered and 65 food businesses notified under the Food Act 2003;
- 175 inspections were completed for premises registered or notified under the Food Act 2003;
- 61 temporary food stall applications were registered and 120 inspections of statewide mobile businesses or temporary food stalls were conducted, including 103 inspections at AGFEST 2021 and;
- 5 complaints relating to food premises investigated.

Other Activities:

- 105 environmental complaints investigated (e.g. noise, water quality and air pollution);
- 96 on-site wastewater management system assessments completed and 46 on-site wastewater management system installation inspections undertaken;
- 269 development application referrals completed;
- Regular attendance at Tamar Estuary and Esk Rivers (TEER) program meetings including the recreational water quality working group and Lake Trevallyn working group;
- Participation in the Sewage Intrusion Program coordinated by City of Launceston, removing sewage contamination from stormwater in Prospect Vale.

Annual Plan Performance

| Activity | Action | Result |
|--|---|-----------------|
| <p>Land Use and Planning Carry out planning duties and prepare policies for the sustainable development of the local government area.</p> | <p>Process development applications in accordance with delegated authority. Assess individual planning scheme amendment applications as they arise. Westbury residential rezoning. Undertake projects to support implementation of the Prospect Vale - Blackstone Heights Structure Plan including the Regional Land Use Strategy and planning scheme amendments. Manage Land Information Certificates.</p> | Achieved |
| <p>Building, Plumbing and Permit Authority Carry out statutory responsibilities for the administration and enforcement of the Building Act 2016 and the Building Regulations 2016.</p> | <p>Permit Authority – Issue Permits for Category 4 Building works. Permit Authority – process Notifiable Building Works (Category 3). Manage outstanding Building completions and illegal works. Permit Authority – issue permits for Plumbing Works (Category 4). Permit Authority – issue Notifiable Plumbing Works (Category 3).</p> | Achieved |
| <p>Environmental Health Manage Council's statutory obligations in relation to Environmental Protection and Preventative Health.</p> | <p>Manage public health risk through monitoring and sampling of recreational water. Undertake annual/periodic inspections of food premises consistent with Food Act Requirements. Co-ordinate immunisation clinics for Meander Valley Schools.</p> | Achieved |
| <p>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>.</p> | <p>Audit microchipping of registered dogs. Prepare and implement annual Fire Abatement Management Program. Investigate incidents and complaints regarding animal control.</p> | Achieved |

Infrastructure Services

Council's ongoing strategy to develop and improve the Prospect Vale Park precinct facilities continued during the financial year, with upgrades to training ground surfaces (\$750K) including new irrigation and drainage, and an upgrade to change room toilet facilities. These works ensure that the precinct remains one of the premier sporting facilities in the region.

Council officers continued to work closely with sporting club representatives during the period of COVID-19 uncertainty, ensuring safety plans were prepared and implemented in a timely manner to allow for clubs to recommence their activities and enable residents to engage in sporting and well-being activities.

Other building work undertaken during the year included the completion of the 'Stage 2' foyer refurbishment upgrade at the Meander Valley Performing Arts Centre in Deloraine; replacement of the timber floor at the Birrale Hall and; replacement of the roof at the Mole Creek Hall.

Council delivered the first public playground in Mole Creek this year and worked closely with the Mole Creek Progress Association and Department of Education to complete the project.

There was significant investment at the Bull run Reserve in Hadspen, providing a new playground

with fitness stations, a barbeque facility and public toilet (\$300K). This project was supported by Federal funding and also received significant support and input from the local community.

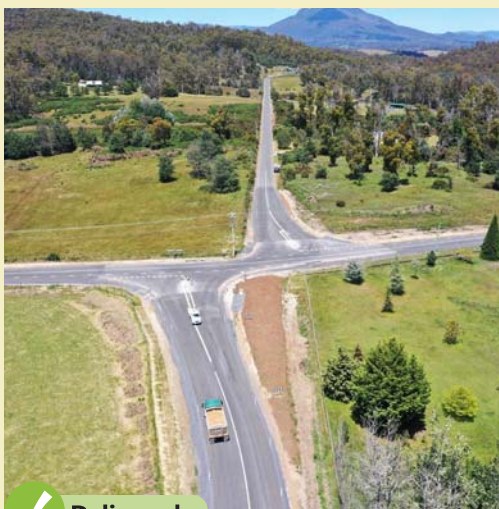
Storm water catchment improvements continued in Westbury, with the piping of open drains in Taylor Street (\$100K) and the completion of design for further works scheduled in William Street in 2021-22.

Officers finalised the storm water system action plans for the urban areas of the municipality which will be used to inform design and construction works in the future.

Major roadwork projects were completed during the year to improve safety for motorists. These included the reconstruction of the Osmaston Road/Exton Road/Bogan Road intersection at Osmaston (\$350K) to provide an offset-T arrangement; and the installation of a turn lane in Country Club Avenue for vehicles turning into Las Vegas Drive (\$190K).

Footpath work was undertaken in Deloraine and Bracknell, replacing and renewing existing pathways.

Three bridge renewal projects were completed during the year at a combined cost of \$750K. These included the Coiler Creek bridge on Railton Road, and two smaller structures at Liffey and Birrale.



Delivered

**Intersection Upgrade
• Osmaston Road**



Delivered

Major Upgrades • Hadspen Bull run Reserve

Annual Plan Performance

| Activity | Action | Result |
|---|--|--|
| Emergency Services Coordinate the Municipal Emergency Management & Recovery Committee (MEMRC). | Chair six monthly meetings. | Achieved |
| Support the operation of the Meander Valley SES unit through ongoing management of the Memorandum of Understanding (MOU). | Annual report and six month report on activities reported in briefing report. | Achieved |
| Conduct emergency management training exercise for Council staff, facilitated by Red Cross. | Conduct training. | Achieved |
| Sport & Recreation Develop and action a plan to promote indoor recreational facilities to current and prospective users to increase patronage and participation. | Finalise plan and present to Council workshop. Promote facilities. Report on usage trends. Promotion plan provided at June workshop. | In Progress Draft plan prepared for presentation to Workshop in July 2021. |
| Engage with community sport and recreation organisations to ascertain future needs and venue planning. | Present forum information to Council Workshop. Conduct forums and report on participation and feedback from clubs. | Achieved |
| Operate Deloraine Swimming Pool and provide support to community swimming pool at Caveside. | Commence review and extension of existing contract. Contract executed. Undertake pre-opening inspection and required maintenance. Open pool 1 December and operate to 1 March. Report on contract performance. | Achieved |
| Review and update User Guides for indoor facilities. | Review and update Guides. | Achieved |
| Asset Management Co-ordinate Asset Management Group and Strategic Asset Management Plan Improvement Plan actions. Review Strategic Asset Management Plan and Review Asset Management Plans. | Chair meetings and report on action improvement program. | Achieved |
| Update asset information including capitalisation of assets in Conquest and undertake bridge asset revaluation. | Capitalisation of assets and recording in Conquest and GIS, prior to finalisation of 2019-20 statutory reporting. Capitalisation of assets and recording in Conquest and GIS for 2020-21 financial year. | Achieved |
| Capital Works Prepare 2021-22 Capital Works Program and Forward Works Program. | Update proposed project list. Prioritise and undertake further design and cost estimation. Annual program prepared for approval by Council. | Achieved |

| Activity | Action | Result |
|--|---|--|
| Capital Works Design, procurement and contract management for projects listed in the 2020-21 Capital Works Program. | Report to Annual Plan review. | In Progress 78% non-provisional projects completed. |
| Infrastructure Undertake required proactive footpath defect inspections, parks and recreation asset inspections and condition assessments. | Undertake required inspections and comprehensive inspection of playgrounds. | Achieved |
| Development of stormwater system improvement plan and present to Council. | Review flood and risk study documents. Storm water Improvement plan presented to Council Workshop. Stormwater improvement plan endorsed by Council. Prepare project budget items for 2021-22 Capital Works Program. | Achieved |
| Coordinate reactive and programmed maintenance of building assets. | Undertake required maintenance, fire equipment testing and annual testing and tagging. | Achieved |
| Deliver the bridge inspection and maintenance program. | Quarterly performance review outcomes reported. Contractors engaged for maintenance works, and for inspection program. Prepare maintenance budget items for 2021-22. Maintenance works completed. | Achieved |
| Waste Management Waste Management Strategy review and implementation. | Undertake options analysis and feasibility. Strategy presented to Council. Council approval of waste strategy. Budget and implementation planning in place. | In Progress Implementation planning being finalised. |
| Provision of kerbside collection contracts to existing urban areas for waste, recyclables and organics. | Manage contract. | Achieved |
| Provision of landfill, waste transfer stations and resource recovery operations contract. | Quarterly performance review outcomes reported. | Achieved |
| Provision of hard waste collection. | Undertake collection. Report to Council in Annual Plan review. | Achieved |
| Operational compliance with Environment Protection Notice for Westbury and Deloraine landfill sites. | Undertake ground and surface water monitoring. Annual Report submission to EPA. | Achieved |

Department of Works

2020-21 presented both a challenging and a rewarding year for the Works Department team.

The COVID-19 pandemic resulted in changes for all. This meant adjustments to how we operated as a team and the level of access and servicing that public facilities received.

Changes also saw more of our community working from home and, along with a La Nina weather event we received a 20 percent increase in public enquiries through our customer service request system.

In terms of work achieved and financial management, the team completed 95 percent of the Capital Work projects committed to the department.

These projects were delivered within the allocated overall budget which totalled approximately \$3.5m.

Operationally, all service level commitments were achieved and the budget was 102 percent expended following unplanned road safety program improvements completed in June. This is an outstanding result in what was a challenging year.

In 2020-21, Council invested in our team through the purchase of land at Valley Central. This land will house a new Works Depot and will provide a united and contemporary workplace during 2023-24, consolidating our two Westbury and Deloraine based teams into one.

Annual Plan Performance

| Activity | Action | Result |
|---|---|---|
| Operations Undertake maintenance works to ensure safe and fit for purpose assets. | Provide Customer Service Request statistics and budget updates in briefing reports. | Achieved |
| Capital Works Plan and deliver capital works projects. | Provide program, project and budget updates in briefing reports. | Achieved |
| Management of Plant Manage plant to achieve effective and efficient use that minimises ownership costs. | Review plant utilisation and hire rates and update 10 year Plant Replacement Program. | Achieved |
| Undertake plant purchases in accordance with approved budget. | Provide program, project and budget updates in briefing report. | |
| Natural Resource Management Facilitate Natural Resource Management for Council and Community. | Review NRM strategy. Design and implement initiatives from the NRM strategy. Monitor and assess implementation of the Westbury Town Common Management Plan. | Deferred Deferred Achieved |

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

| Roads & Streets | Amount |
|--|-----------|
| Richardsons Rd, Chudleigh (Gravelling) | \$24,647 |
| Hill St, Elizabeth Town | \$21,958 |
| Coxs Rd, Lemana (Gravelling) | \$40,296 |
| Old Gads Hill Rd, Liena (Gravelling) | \$32,904 |
| Long Ridge Rd, Montana (Gravelling) | \$41,664 |
| Maloneys Rd, Parkham (Gravelling) | \$26,556 |
| Johns Rd, Reedy Marsh (Gravelling) | \$34,595 |
| Kellys Cage Rd, Weegen (Gravelling) | \$23,061 |
| Western Creek Rd, Western Creek (Gravelling) | \$30,057 |
| Louisa St, Bracknell | \$122,155 |
| Louisa St, Bracknell (Resealing) | \$37,313 |
| Henrietta St, Bracknell (Resealing) | \$22,093 |
| Barrack St East, Deloraine | \$50,633 |
| Tower Hill St, Deloraine | \$124,243 |
| Bowdens Rd, Hadspen (Resealing) | \$56,263 |
| Country Club Av, Prospect Vale | \$173,662 |
| Las Vegas Dr, Prospect Vale (Resealing) | \$105,294 |
| Atlantic Pl, Prospect Vale (Resealing) | \$36,929 |
| Harley Pd, Prospect Vale (Resealing) | \$65,828 |
| Monte Carlo Ct, Prospect Vale (Resealing) | \$26,824 |
| Burswood Tce, Prospect Vale (Resealing) | \$41,206 |
| Taylor St, Westbury | \$30,029 |
| Old Bass Highway, Westbury | \$23,163 |
| Old Bass Highway, Carrick | \$168,213 |
| Old Bass Highway, Exton | \$60,340 |
| Bridgenorth Rd, Bridgenorth | \$764,238 |
| Bridgenorth Rd, Bridgenorth (Resealing) | \$108,172 |
| Scotts St, Chudleigh (Resealing) | \$74,017 |
| Samuel St, Elizabeth Town (Resealing) | \$23,359 |
| Osmaston Rd, Osmaston | \$352,291 |
| Roseburn Rd, Rosevale | \$165,747 |
| Roseburn Rd, Rosevale (Resealing) | \$62,119 |
| Whitemore Rd Carrick To Whitemore, Whitemore (Resealing) | \$338,704 |
| Whitemore Rd Carrick To Whitemore, Whitemore (Resealing) | \$155,953 |
| Westbury Rd, PVP Entrance Roundabout | \$48,770 |
| Community Amenities | Amount |
| Meander Valley Rd, Westbury Bus Shelter | \$36,683 |

| Bridges | Amount |
|---|-----------|
| Coiler Creek, Railton Road | \$380,519 |
| Liffey River, Liffey Falls Road | \$214,702 |
| Black Sugarloaf Creek, Allens Road | \$159,341 |
| Storm Water Drainage | Amount |
| Meander Valley Rd, Carrick | \$52,105 |
| Henrietta St, Bracknell | \$92,524 |
| Taylor St, Westbury | \$103,228 |
| Mary St, Westbury | \$59,371 |
| Emma St, Bracknell | \$31,252 |
| Public Halls | Amount |
| Bracknell Hall - Bracing Building Structure | \$69,199 |
| Carrick Hall - Carpark Improvements | \$51,035 |
| Birralee Hall - Floor Replacement | \$44,020 |
| Recreation Grounds & Sports Facilities | Amount |
| Hagley Recreation Ground Septic Tank & Pump Replacement | \$34,817 |
| Deloraine Recreation Ground Drainage | \$57,176 |
| Prospect Vale Park Clubroom Toilet Upgrades | \$48,882 |
| Deloraine Community Complex Female Changeroom Refurbishment | \$47,867 |
| Prospect Vale Park Ugrades to Grounds 2, 3 & 4 | \$761,519 |
| DCC & Deloraine Football Club Grease Trap Installation | \$21,796 |
| Deloraine Community Complex Squash Courts | \$66,802 |
| Parks & Reserves | Amount |
| Hadspen Bull Run Play Area & Public Toilets | \$311,969 |
| Dog Exercise Area Improvements Various Locations | \$60,236 |
| Waste | Amount |
| Westbury Landfill Site - Cell Expansion | \$250,373 |
| Mobile Garbage Bin Replacements | \$37,310 |
| Cemeteries | Amount |
| Deloraine Lawn Cemetery Irrigation & Landscaping | \$22,008 |

| Management & Indirect Overheads | Amount |
|--|-----------|
| Works Depot Land Purchase | \$458,151 |
| Prospect Vale Park Works Depot Storage Shed | \$93,885 |
| Prospect Vale Park Works Depot Shed, Wash Down Bay & Roller Door | \$23,813 |

| Cultural | Amount |
|--|----------|
| MV Performing Arts Centre Foyer Improvements | \$24,346 |

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 |
|---|------------------|---|
| BridgePro Engineering Pty Ltd 19 Faulkner Drive, Latrobe Tas 7307 | \$359,700 | Design and construct, Bridge No. 1862, Coiler Creek, Railton Road |
| Fulton Hogan Industries Pty. Ltd. 11 Cavalry Road, Mowbray Tas 7248 | \$652,832 | 2020-21 asphalt resurfacing and bituminous resealing |
| The Baker Group (Tas) Pty Ltd 9 Hudson Fysh Drive, Western Junction Tas 7212 | \$659,874 | Prospect Vale Park training ground upgrades; irrigation, drainage and resurfacing |

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 | \$517,500 | Contract No.167-2015-2016; management and operation of the Deloraine and Cluan refuse disposal sites and the Mole Creek transfer station |
| J.J. Richards & Sons Pty Ltd 3 Grant Street, Cleveland Qld 4163 | \$912,600 | Contract No. 149-2014/15, kerbside waste and recycling collection and disposal |

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 |
|---|------------------|--|
| BridgePro Engineering Pty Ltd 19 Faulkner Drive, Latrobe Tas 7307 | \$200,700 | Design & Construct, Bridge No. 3041. Liffey River, Liffey Falls Road |
| | \$148,700 | Design & Construct, Bridge No. 5256 Black Sugarloaf Creek, Allens Road |
| The Trustee for C & K Walters Family Trust 11 East Goderich Street, Deloraine Tas 7304 | \$196,145 | Intersection upgrades, Osmaston, Exton and Bogan Roads, Osmaston |
| MPH Builders Pty. Ltd. 65 Meander Valley Road, Prospect Vale Tas 7250 | \$125,890 | Barbecue Shelter and Public Toilets, Hadspen Bullrun Reserve |
| Adventure Playgrounds Pty Ltd 72 Latitude Boulevard, Thomastown Vic 3074 | \$126,680 | Design & Construct, Playground and Outdoor Gym, Hadspen Bull run Reserve |

2020-21 Snapshots



✓ Delivered

**Foyer Upgrades
• Meander Valley Performing Arts Centre**



✓ Delivered

New Bus Shelter • Westbury



✓ Delivered

New Community Car • Westbury



✓ Delivered

**Training Ground Upgrades
• Prospect Vale Park**



✓ Delivered

Shelter Upgrade • Deloraine Cemetery



✓ Delivered

Kerb & Footpath Construction • Carrick

Reporting on Legislative Requirements

Councillor Meeting Attendance

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

The table below shows meeting attendance for all Councillors and the Mayor. During the 2020-21 financial year, Council held twelve Ordinary Meetings, twelve Closed Meetings and two Special Meetings. Nine elected members were in attendance at the Annual General Meeting.

Number of business items transacted by Council in 2020-21: 111

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

(Section 72(1)(ba)-(bb) Local Government Act 1993)

There have been two (2) code of conduct complaints received during the preceding financial year, under Division 3A of Part 3. One complaint was dismissed, a second was withdrawn. No costs associated with either complaint were met by the Council.

Elected Member Allowances and Expenses

(Section 72(1)(cb) Local Government Act 1993 and Council Policy No. 24)

In 2020-21 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 |
|------------|----------|
| \$193,446 | \$14,940 |

Enterprise Powers Statement

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

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.

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 NTDC membership fee for 2020-21 was \$66,244 (2019-20: \$66,244).

Environmental Health Statement

See page 16 of this report.

Grants and Sponsorships
 (Section 77), Local Government Act 1993

Grants and Sponsorships - Individuals

| Recipient | Amount |
|-------------|--------|
| McDermott | \$150 |
| L Shepherd | \$150 |
| I Kacarevic | \$150 |

Council Reimbursement Grant
 (Council Policy No.82)

| Recipient | Amount |
|---|---------|
| Mole Creek & District Community Shed Inc. | \$675 |
| Deloraine Agricultural & Pastoral Society | \$3,555 |
| Carrick Park Pacing Club | \$2,700 |



✓ Delivered

New Barbecue, Shelter & Seating • Westbury

Grants and Sponsorships - Organisations

| Recipient | Amount |
|---|---------|
| Launceston City Football Club: Community Grant Portable Goals | \$2,660 |
| Golden Opportunity Shop Inc: Community Grant Dumping Fees | \$250 |
| Deloraine House: Community Grant Rainwater Tank Project | \$832 |
| MV Mens Perform Group: Community Grant Meander Men on Tap | \$1,000 |
| Deloraine Tennis Club: Community Grant Recladding Clubhouse | \$2,500 |
| Make a Wish Foundation: Community Grant Childrens Christmas Party | \$360 |
| Meander Valley Community Radio: Community Grant Broadcasting Equipment | \$1,800 |
| Westbury RSLA: Community Grant Minor Kitchen Upgrade | \$3,000 |
| Westbury Shamrocks Cricket Club: Community Grant Coffee Machine | \$2,500 |
| NTFA: Grand Finals 2020 Live Stream | \$2,545 |
| Westbury Primary School: Community Grant Recycling Hub | \$3,000 |
| Northern Tasmanian Football Umpires Association: Community Grant Sports Chair Upgrade | \$2,719 |
| Rotary Club of Melbourne Passport Club: Grant Tech Help for Seniors | \$3,000 |
| Deloraine Community Band: Grant Funding Bass Drum | \$2,626 |
| Arts Deloraine: Grant Funding WOAD | \$1,500 |
| Whitemore Tennis Club: Community Grant Special Clean of Court | \$2,500 |
| Deloraine Pony Club: Community Grant DDPC Amenities Upgrade | \$3,000 |

Grants and Sponsorships - Schools

| Recipient | Amount |
|--|--------|
| Prospect High School Eagle Award Sponsorship | \$150 |
| Bracknell Primary School Presentation | \$100 |
| Hagley Primary School Presentation | \$100 |

| Recipient | Amount |
|---|---------|
| Deloraine House: Grant Baby Change Table | \$450 |
| Haemochromatosis Australia: Community Grant Overload Art Exhibition | \$500 |
| Deloraine Agricultural and Pastoral Society: Community Grant Gas Installation | \$3,000 |
| Mole Creek Progress Association: Grant to Repair Cenotaph Project | \$3,000 |
| Prospect Park Sports Club: Community Grant Storage Equipment | \$2,440 |
| Mole Creek Swimming Pool Centre Association: Signage Donation Community Grant | \$2,047 |
| Deloraine Creative Studios: 2 Pottery Wheels Community Grant | \$2,973 |
| AMWU Sponsorship Grant Women's Forum | \$500 |
| New Horizons: Facility Hire GWT Cycle Challenge | \$360 |
| Northern Tasmanian Darts: Council Grant Council Stand Replacement | \$3,000 |
| Carrick Community Committee: Grant Dishwasher Carrick Hall | \$1,254 |
| Prospect Junior Football Club: Sports Medicine Safety Equipment | \$2,323 |
| Rural Alive & Well: Community Grant Tool Box Talk | \$500 |
| Birralee Hall Committee: Community Grant Birralee Hall Equipment | \$2,678 |
| Deloraine Dramatic Society: Community Grant Cinderella The Musical | \$3,000 |

Overview of Financial Performance

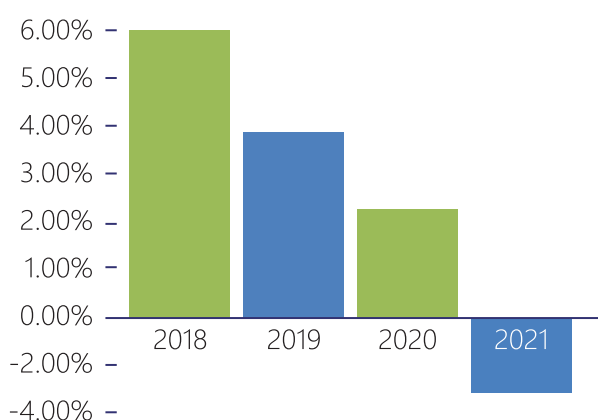
The following information is provided to assist readers of the Financial Report.

Statement of Comprehensive Income

Operating Result

Council reported a net surplus of \$3,454,928 in the 2021 financial year. However, after adjusting for non-operating items there was an Underlying Deficit of \$533,222. Notable items removed were Capital Grants totalling \$2,844,466 and Subdivision Assets taken over by Council totalling \$981,647. 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. The financial result in 2021 was significantly impacted by the delivery of the 'Community Care and Recovery Package', approved by Council in April 2020, to assist the Meander Valley community to both manage and recover from the impacts of the COVID-19 Pandemic.

Income

Rates and Charges

Income from Rates and Charges is slightly above budget, due to additional revenue related to supplementary rates on properties first rated and revalued during the year. As part of Council's Community Care and Recovery Package, in 2021 there was a zero per cent increase in the General Rate from 2020.

Interest

This includes interest from invested funds, loaned funds and interest on rate debtors. Overall interest was below budget, due to declining interest rates on offer from financial institutions.

Reimbursements and Contributions Monetary Assets

Revenue is higher than budget by \$62,767 (23%). Revenue 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 includes a range of services including property sales certificates, development application fees and use of the sport and recreation facilities. This item is significantly above budget (22%) primarily due to the high volume of development applications processed during the financial year.

Operational Grants

Operational Grants revenue is within budget. The Commonwealth Government prepaid \$2,178,177 (approximately 50%) of the 2022 Financial Assistance Grants in advance with the amount being received as income in 2021.

Investment Revenue from Water Corporation

This revenue is in the form of owners' distributions received from TasWater. Total received for the year was \$278,000, this was above budget as Council was not anticipating any distribution to be paid in the financial year.

Capital Grants

Includes \$874,333 from the Commonwealth Government for the Roads to Recovery program, \$762,000 from the Local Roads and Community Infrastructure program, \$700,000 towards the upgrade of grounds at Prospect Vale Park and a number of less substantial grants.

Subdivision Assets Taken Over

Includes road and stormwater infrastructure received from three separate subdivisions constructed in Deloraine, two in Carrick, one in each of Westbury and Meander and a significant subdivision in Hadspen.

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 a Council owned property in Deloraine.

Expenses

Employee Costs

Employee Costs were below budget by \$546,092 (-7%). This is primarily due to a number of staff departures during the year and some new positions not yet being filled.

Materials and Contracts

Expenditure was below budget by \$604,404 (-7%) due to a combination of variances across operational functions. Areas of note are as follows:

Economic Services: Expenses were under budget by \$432,464 largely due to the Meander Valley Road redesign work at Hadspen not progressing as budgeted.

Administration: Expenses were under budget by \$266,706 for a variety of reasons, notably Information Technology expenditure was \$85,651 under budget and Strategic Planning expenditure was \$39,901 under budget.

Area Promotion: Expenses were under budget by \$60,463, this includes Council's Visitor Information Centre at Deloraine. The impact of the COVID-19 pandemic was still affecting this area during the year.

Roads & Streets: Expenses were over budget by \$120,556, some additional Road maintenance work was undertaken during the year as part of the Safer Rural Roads Program. A corresponding grant was received by Council for this work.

Depreciation and Amortisation

Depreciation and amortisation overall was slightly below budget by \$49,438. Slight variances were recorded across a number of asset classes, with the most significant being Bridges (\$78,332 under budget) and Roads (\$53,236 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

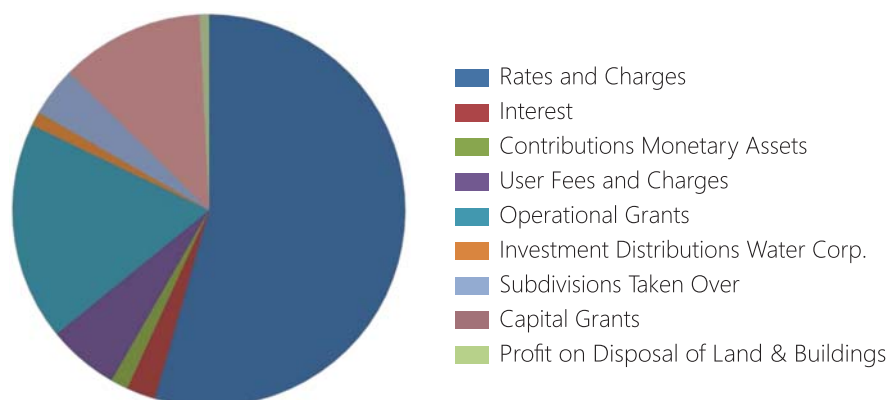
Other Expenses are grants provided to community organisations and external audit fees. Grants were under budget for the year, largely due to the cancellation and postponement of events due to COVID-19.

Loss on Disposal of Assets

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

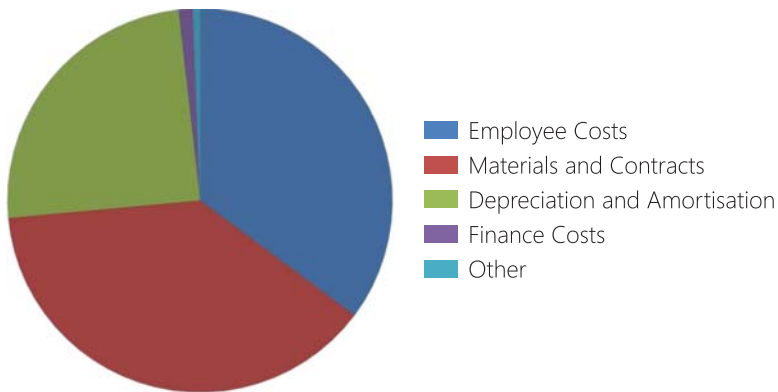
Sources of Income - Revenue Comparison

| Revenue Comparison | 2018 % | 2019 % | 2020 % | 2021 % | 2021 \$ |
|--|--------|--------|--------|--------|------------|
| Rates & Charges | 45.0 | 54.6 | 54.6 | 54.5 | 13,106,285 |
| Interest | 3.4 | 4.3 | 3.5 | 2.4 | 572,652 |
| Contributions Monetary Assets | 2.1 | 1.7 | 1.7 | 1.4 | 344,690 |
| User Fees & Charges | 5.0 | 5.8 | 5.4 | 5.8 | 1,407,531 |
| Operational Grants | 17.1 | 21.1 | 20.8 | 18.0 | 4,342,048 |
| Investment Distributions Water Corp. | 3.1 | 2.4 | 1.2 | 1.2 | 278,000 |
| Subdivisions Taken Over | 3.2 | 0.6 | 2.7 | 4.1 | 981,647 |
| Capital Grants | 9.0 | 7.9 | 8.8 | 11.8 | 2,844,466 |
| Natural Disaster Relief Grants | 12.0 | 1.1 | N/A | N/A | - |
| Profit on Disposal of Land & Buildings | N/A | N/A | 1.2 | 0.8 | 190,130 |
| Other | 0.1 | 0.5 | 0.1 | N/A | - |



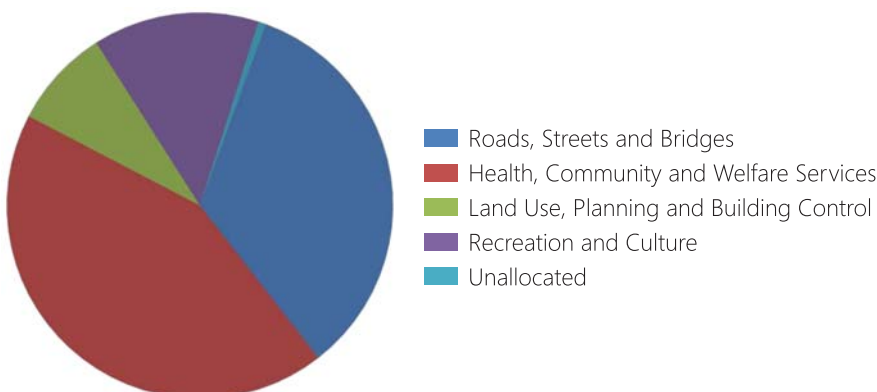
Application of Expenditure - Expense Comparison

| Expense Comparison | 2018 % | 2019 % | 2020 % | 2021 % | 2021 \$ |
|-----------------------------|--------|--------|--------|--------|-----------|
| Employee Costs | 32.6 | 32.2 | 34.4 | 35.2 | 7,259,508 |
| Materials & Contracts | 37.1 | 41.1 | 38.3 | 38.3 | 7,897,896 |
| Depreciation & Amortisation | 25.5 | 24.4 | 25.4 | 24.7 | 5,082,762 |
| Finance Costs | 2.3 | 1.1 | 1.3 | 1.2 | 244,036 |
| Construction Contracts | 2.1 | N/A | N/A | N/A | - |
| Other | 0.4 | 1.2 | 0.6 | 0.6 | 128,319 |



Application of Expenditure - Expense Comparison by Function

| Expense Comparison by Function <i>(refer note 2a in Financial Report)</i> | | 2021 % | 2021 \$ |
|---|---|--------|-----------|
| Roads, Streets and Bridges | Construction, maintenance and cleaning of roads, streets, footpaths, bridges & street lighting. | 33.9 | 6,995,417 |
| 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. | 43.3 | 8,897,113 |
| Land Use, Planning and Building Control | Administration of the town planning scheme, subdivisions and urban and rural renewal programs. The development and maintenance of building constructions standards. | 8.3 | 1,716,533 |
| 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. | 13.9 | 2,870,088 |
| Unallocated | General services & activities not identifiable with the functions above. | 0.6 | 133,370 |



Statement of Financial Position

Current Assets

Cash and Investments decreased from 2020 by \$410,788. It is noted that these assets are inflated by the inclusion of the Financial Assistance Grant prepayment of \$2,178,177 which relates to the 2022 financial year. Other Receivables increased from 2020 due to a loan transitioning from Non-Current to Current Assets.

Current Liabilities

Current Liabilities overall increased from 2020 by \$503,800 (15%). A decrease in Accounts Payable of \$308,065 was offset by an increase in Contract Liabilities of \$894,697. Contract Liabilities is grant funding received in advance of the related capital works projects being completed.

Non-Current Assets

Non-Current Assets increased by \$10,029,034 (3%) largely due to significant increases in the Land, Roads and Land Improvements asset classes. The Land and Bridges asset classes were revalued during the year. Council's investment in TasWater increased during the year by \$3,452,529 (8%), primarily due to a revaluation of land and non-infrastructure buildings owned by TasWater.

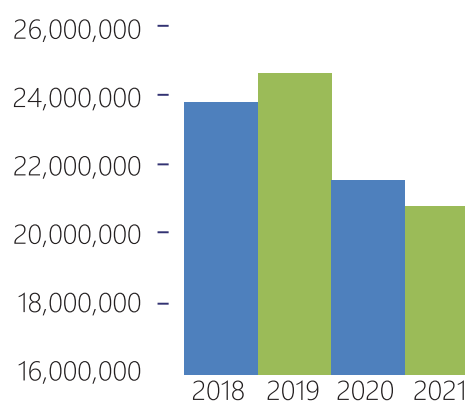
Non-Current Liabilities

Non-Current Liabilities increased by \$1,467,031 (18%), largely due to a provision for rehabilitation being raised for a new fill area at the Cluan Tip facility. The Provision for Long Service Leave decreased from 2020, due to several long serving employees leaving Council during the year.

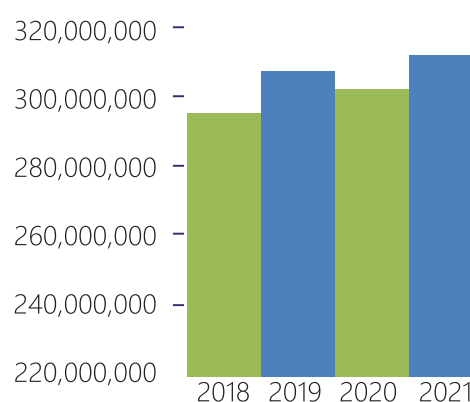
Equity

An increase in Accumulated Surplus reflects the operating profit for the year (\$3,454,928). Reserves increased by \$5,309,642 (6%) overall, due to the increase in value of Council's investment in TasWater noted above and the revaluation of Council assets by \$1,857,113 in total.

Cash and Investments



Net Assets



Financial Performance Ratios

| Financial Ratio | 2018 | 2019 | 2020 | 2021 |
|-------------------------------|---------|---------|---------|---------|
| Budget achievement - Revenue | 123.6% | 103.5% | 106.2% | 95.3% |
| Budget achievement - Expenses | 98.7% | 101.2% | 99.8% | 93.7% |
| Debt Servicing | 0.8% | 0.9% | 0.9% | 0.9% |
| Working Capital | 956.5% | 851.5% | 713.2% | 635.0% |
| Revenue Growth | 4.7% | -12.9% | 1.8% | 2.7% |
| Expenditure Growth | 4.3% | 3.2% | 0.5% | 3.3% |
| Revenue per Capita | \$1,356 | \$1,171 | \$1,191 | \$1,201 |
| Total Rates per Capita | \$611 | \$639 | \$650 | \$654 |
| General Rate per Capita | \$552 | \$577 | \$586 | \$590 |
| Year End Rates Outstanding | 4.6% | 5.1% | 5.7% | 6.2% |



Meander Valley Council
Working Together

Financial Report

Year Ended 30 June 2021

Certification of the Financial Report

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



John Jordan
General Manager

Date: 24 September 2021

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Statement of Comprehensive Income

For the Year Ended 30 June 2021

| | Note | Budget 2021 \$ | Actual 2021 \$ | Actual 2020 \$ |
|---|------|----------------------|----------------------|----------------------|
| INCOME FROM CONTINUING OPERATIONS | | | | |
| Recurrent Income | | | | |
| Rates and Charges | | 13,046,800 | 13,106,285 | 12,803,314 |
| Interest | 3 | 645,800 | 572,652 | 823,968 |
| Reimbursements and Contributions Monetary Assets | | 270,300 | 333,067 | 388,464 |
| User Fees and Charges | | 1,150,100 | 1,407,531 | 1,254,089 |
| Operational Grants | 4 | 4,350,400 | 4,342,048 | 4,883,869 |
| Investment Revenue from Water Corporation | | - | 278,000 | 278,000 |
| | | <u>19,463,400</u> | <u>20,039,583</u> | <u>20,431,704</u> |
| Capital & Non-Recurrent Income | | | | |
| Capital Grants | 4 | 5,481,600 | 2,844,466 | 2,059,185 |
| Subdivision Assets Taken Over | | 300,000 | 981,647 | 638,576 |
| Contributions Monetary Assets | | 10,000 | 11,623 | 13,119 |
| Profit/(Loss) on Disposal of Land & Buildings | 10 | - | 190,130 | 293,878 |
| | | <u>5,791,600</u> | <u>4,027,866</u> | <u>3,004,758</u> |
| TOTAL INCOME FROM CONTINUING OPERATIONS | | 25,255,000 | 24,067,449 | 23,436,462 |
| EXPENSES FROM CONTINUING OPERATIONS | | | | |
| Recurrent Expenditure | | | | |
| Employee Costs | 5 | 7,805,600 | 7,259,508 | 6,872,951 |
| Materials and Contracts | 6 | 8,502,300 | 7,897,896 | 7,642,231 |
| Depreciation and Amortisation | 7 | 5,132,200 | 5,082,762 | 5,068,152 |
| Finance Costs | 8 | 271,600 | 244,036 | 266,212 |
| Other Expenses | 9 | 142,500 | 108,097 | 113,606 |
| (Profit)/Loss on Disposal of Assets | 10 | 134,000 | 20,222 | (2,236) |
| | | <u>21,988,200</u> | <u>20,612,521</u> | <u>19,960,916</u> |
| TOTAL EXPENSES FROM CONTINUING OPERATIONS | | 21,988,200 | 20,612,521 | 19,960,916 |
| OPERATING RESULT FROM CONTINUING OPERATIONS | 2(a) | 3,266,800 | 3,454,928 | 3,475,546 |
| OPERATING RESULT FROM DISCONTINUED OPERATIONS | | - | - | - |
| NET OPERATING RESULT FOR THE YEAR | | 3,266,800 | 3,454,928 | 3,475,546 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified subsequently to net result | | | | |
| Fair value adjustments on equity investment assets | 18 | - | 3,452,529 | (13,021,159) |
| Revaluation Increment/(Decrement) for Land | 35 | - | 1,750,325 | 3,006,262 |
| Revaluation Increment/(Decrement) for Buildings | 35 | - | (160,231) | 1,218,012 |
| Revaluation Increment/(Decrement) for Stormwater | 35 | - | - | 972,311 |
| Revaluation Increment/(Decrement) for Bridges | 35 | - | 267,019 | - |
| TOTAL OTHER COMPREHENSIVE INCOME | | - | 5,309,642 | (7,824,574) |
| TOTAL COMPREHENSIVE RESULT | | 3,266,800 | 8,764,570 | (4,349,028) |

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

Statement of Financial Position

As at 30 June 2021

| | Note | Actual 2021 \$ | Actual 2020 \$ |
|--------------------------------------|------|----------------------|----------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 11 | 2,791,150 | 3,114,679 |
| Trade and Other Receivables | 12 | 2,091,250 | 958,739 |
| Investments | 13 | 18,382,609 | 18,469,868 |
| Other | 14 | 166,832 | 182,188 |
| Total Current Assets | 2(b) | 23,431,841 | 22,725,474 |
| NON-CURRENT ASSETS | | | |
| Investment in Water Corporation | 18 | 46,023,125 | 42,570,596 |
| Loans and Other Receivables | 19 | 3,762,000 | 4,686,887 |
| Work in Progress | 20 | 849,804 | 819,400 |
| Land | 21 | 10,842,751 | 8,600,000 |
| Land Under Roads | 22 | 29,031,368 | 28,994,771 |
| Land Improvements | 23 | 9,557,277 | 7,500,247 |
| Buildings | 24 | 21,820,321 | 21,466,143 |
| Roads and Streets | 25 | 125,230,206 | 122,080,776 |
| Bridges | 26 | 27,979,485 | 28,746,622 |
| Stormwater | 27 | 21,622,112 | 21,290,349 |
| Plant and Equipment | 28 | 3,080,836 | 2,958,462 |
| Heritage | 29 | 19,203 | 19,483 |
| Computer Software | 30 | 109,723 | 153,878 |
| Valuations | 31 | 136,231 | 147,794 |
| Total Non-Current Assets | 2(b) | 300,064,442 | 290,035,408 |
| TOTAL ASSETS | | 323,496,283 | 312,760,882 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 15 | 1,434,975 | 1,743,040 |
| Provisions | 16 | 1,360,514 | 1,443,346 |
| Contract Liabilities | 17 | 894,697 | - |
| Total Current Liabilities | | 3,690,186 | 3,186,386 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 33 | 3,600,000 | 3,600,000 |
| Provisions | 34 | 5,905,937 | 4,438,906 |
| Total Non-Current Liabilities | | 9,505,937 | 8,038,906 |
| TOTAL LIABILITIES | | 13,196,123 | 11,225,292 |
| NET ASSETS | | 310,300,160 | 301,535,590 |
| EQUITY | | | |
| Accumulated Surplus | | 218,665,310 | 215,210,382 |
| Reserves | 35 | 91,634,850 | 86,325,208 |
| TOTAL EQUITY | | 310,300,160 | 301,535,590 |

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 2021

| 2021 | Note | Total | Accumulated | Asset | Fair Value |
|--|------|--------------------|--------------------|-------------------|--------------------|
| | | 2021 | Surplus | Revaluation | Reserve |
| | | \$ | \$ | \$ | \$ |
| Balance at beginning of the financial year | | 301,535,590 | 215,210,382 | 95,441,688 | (9,116,480) |
| Net Operating Result for the Year | | 3,454,928 | 3,454,928 | - | - |
| Other Comprehensive Income: | | | | | |
| Fair Value adjustment to Investment in Water Corp. | 18 | 3,452,529 | - | - | 3,452,529 |
| Net asset revaluation increment/(decrement) | 35 | 1,857,113 | - | 1,857,113 | - |
| Balance at end of the financial year | | 310,300,160 | 218,665,310 | 97,298,801 | (5,663,951) |

| 2020 | | Total | Accumulated | Asset | Fair Value |
|--|----|--------------------|--------------------|-------------------|--------------------|
| | | 2020 | Surplus | Revaluation | Reserve |
| | | \$ | \$ | \$ | \$ |
| 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 | | (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) |

Statement of Cash Flows

For the Year Ended 30 June 2021

| | Note | Actual 2021 \$ Inflows (Outflows) | Actual 2020 \$ Inflows (Outflows) |
|---|------|---|---|
| Cash Flows from Operating Activities | | | |
| Receipts | | | |
| Rates and Charges | | 13,000,420 | 12,841,497 |
| Interest Received | | 541,308 | 853,450 |
| Reimbursements and Contributions | | 333,067 | 388,464 |
| User Fees and Charges | | 1,403,712 | 1,526,873 |
| Operational Grants | | 4,459,931 | 4,883,869 |
| Distributions from Water Corporation | | 278,000 | 278,000 |
| Refunds from Australian Tax Office | | 1,191,072 | 1,400,735 |
| | | 21,207,510 | 22,172,888 |
| Payments | | | |
| Employee Costs | | (7,452,368) | (6,864,823) |
| Materials and Contracts | | (9,552,293) | (9,413,594) |
| Interest Expense | | (211,320) | (211,320) |
| Other Expenses | | (108,097) | (113,606) |
| | | (17,324,078) | (16,603,343) |
| Net cash provided by Operating Activities | 39 | 3,883,432 | 5,569,545 |
| Cash Flows from Investing Activities | | | |
| Proceeds from | | | |
| Sale of Property, Plant and Equipment | | 461,771 | 762,010 |
| Loaned Funds Repaid | | 104,020 | - |
| Capital Grants | | 3,621,280 | 1,339,989 |
| Capital Contributions | | 11,623 | 13,119 |
| Investments | | 87,259 | 2,784,598 |
| | | 4,285,953 | 4,899,716 |
| Payments for | | | |
| Property, Plant and Equipment | | (8,492,914) | (10,742,199) |
| | | (8,492,914) | (10,742,199) |
| Net cash used in Investing Activities | | (4,206,961) | (5,842,483) |
| Net Increase/(Decrease) in cash held | | (323,529) | (272,938) |
| Cash at the beginning of the year | | 3,114,679 | 3,387,617 |
| Cash and Cash Equivalents at end of the financial year | 11 | 2,791,150 | 3,114,679 |

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

Introduction

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

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 | |
|------------------------------|--------------------------------|----------------|--|----------------|--|----------------|-------------------------|----------------|-------------------------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | Revenues | | | | | | | | | | | |
| Grants | 4,181,099 | 3,516,897 | 32,784 | 522,245 | - | - | 935,204 | 796,543 | 2,037,426 | 2,107,368 | 7,186,513 | 6,943,053 |
| Rates | - | - | 2,963,761 | 2,794,113 | - | - | - | - | 10,142,524 | 10,009,200 | 13,106,285 | 12,803,313 |
| Other | 680,371 | 544,830 | 1,016,216 | 758,674 | 744,625 | 531,602 | 231,406 | 440,489 | 1,102,033 | 1,414,501 | 3,774,651 | 3,690,096 |
| Total | \$ 4,861,470 | \$ 4,061,727 | \$ 4,012,761 | \$ 4,075,032 | \$ 744,625 | \$ 531,602 | \$ 1,166,610 | \$ 1,237,032 | \$ 13,281,983 | \$ 13,531,069 | \$ 24,067,449 | \$ 23,436,462 |
| Expenses | | | | | | | | | | | | |
| | \$ 6,995,417 | \$ 6,598,250 | \$ 8,897,113 | \$ 8,354,021 | \$ 1,716,533 | \$ 1,553,531 | \$ 2,870,088 | \$ 3,354,592 | \$ 133,370 | \$ 100,522 | \$ 20,612,521 | \$ 19,960,916 |
| | 33.94% | 33.06% | 43.16% | 41.85% | 8.33% | 7.78% | 13.92% | 16.81% | 0.65% | 0.50% | 100.00% | 100.00% |
| Net Surplus/(Deficit) | \$ (2,133,947) | \$ (2,536,523) | \$ (4,884,352) | \$ (4,278,989) | \$ (971,908) | \$ (1,021,929) | \$ (1,703,478) | \$ (2,117,560) | \$ 13,148,613 | \$ 13,430,547 | \$ 3,454,928 | \$ 3,475,546 |
| Assets Note 2(b) | \$ 152,940,183 | \$ 150,472,825 | \$ 33,871,488 | \$ 32,047,260 | \$ 25,755 | \$ 51,065 | \$ 30,964,352 | \$ 28,612,211 | \$ 105,694,505 | \$ 101,577,521 | \$ 323,496,283 | \$ 312,760,882 |

| Actual | Actual |
|---------------|---------------|
| 2021 | 2020 |
| \$ | \$ |

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 | 23,431,841 | 22,725,474 |
| Non-Current Assets | 300,064,442 | 290,035,408 |
| | <u>323,496,283</u> | <u>312,760,882</u> |
| | <u>323,496,283</u> | <u>312,760,882</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 2021 \$ | Actual 2020 \$ |
|---------------------------------------|-------------------------------|-------------------------------|
| 3. INTEREST | | |
| Interest on Cash and Financial Assets | 233,744 | 476,875 |
| Interest on Rate Debtors | 60,130 | 67,238 |
| Other Interest on Loans/Receivables | 278,778 | 279,855 |
| | <u>572,652</u> | <u>823,968</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 | 1,987,980 | 2,061,836 |
| Commonwealth Government Financial Assistance Grant: Roads & Bridges | 2,224,504 | 2,254,255 |
| Fuel Tax Funding | 49,447 | 45,533 |
| Safer Rural Roads Program | 70,117 | - |
| Deloraine Football Ground Demountable Change Rooms | 10,000 | - |
| Meander Valley Road, Hadspen | - | 500,000 |
| Westbury Flood Risk Study | - | 18,635 |
| Minor Grants Received | - | 1,360 |
| Carrick Cenotaph | - | 2,250 |
| Total Recurrent Grants | <u>4,342,048</u> | <u>4,883,869</u> |

Capital Grants received for new or upgraded assets

| | | |
|--|------------------|------------------|
| Commonwealth Government Roads to Recovery Capital Projects | 874,333 | 874,333 |
| Local Roads and Community Infrastructure Program | 762,145 | - |
| Prospect Vale Park Ground Upgrades | 700,000 | - |
| Hadspen Bull Run Reserve Upgrades | 225,000 | - |
| Osmaston Road, Exton Road and Bogan Road intersection | 115,000 | - |
| Black Spot funding, Country Club Avenue and Las Vegas Drive | 70,000 | - |
| Tower Hill Street, Deloraine | 40,000 | - |
| Meander Valley Road, Westbury - Bus Shelter | 32,784 | - |
| East Barrack Street, Deloraine | 25,000 | - |
| Minor Grants Received | 204 | - |
| Westbury Recreation Ground Clubrooms | - | 240,000 |
| Westbury Recreation Ground Clubrooms (2018-19 Received in Advance) | - | 492,090 |
| Westbury Road Intersection | - | 200,000 |
| Westbury Road Intersection (2018-19 Received in Advance) | - | 188,309 |
| Blackstone Heights Park Improvements (2018-19 Received in Advance) | - | 29,797 |
| Westbury Recreation Ground Cricket Pitch | - | 25,656 |
| Westbury Recreation Ground Cricket Pitch (2018-19 Received in Advance) | - | 9,000 |
| Total Capital Grants | <u>2,844,466</u> | <u>2,059,185</u> |
| Total Government Grants | <u>7,186,514</u> | <u>6,943,054</u> |

Unspent Grants and Contributions

Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:

Recurrent Grants

| | | |
|---|----------------|----------|
| Balance of unspent funds at 1 July | - | - |
| Add: Funds received and not recognised as revenue in the current year | 117,883 | - |
| Less: Funds received in prior year but revenue recognised in current year | - | - |
| Balance of unspent funds at 30 June | <u>117,883</u> | <u>-</u> |

Capital Grants

| | | |
|---|----------------|-----------|
| Balance of unspent funds at 1 July | - | 719,196 |
| Add: Funds received and not recognised as revenue in the current year | 776,814 | - |
| Less: Funds received in prior year but revenue recognised in current year | - | (719,196) |
| Balance of unspent funds at 30 June | <u>776,814</u> | <u>-</u> |
| Total Unspent Funds | <u>894,697</u> | <u>-</u> |

**Actual
2021
\$** **Actual
2020
\$**

Government funds received in relation to pensioner rates of \$725,986 (2019-20: \$705,211) 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.

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 2020-21 by \$2,178,177 (2019-20: \$2,217,893). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

5. EMPLOYEE COSTS

| | | |
|--|------------------|------------------|
| Wages and Salaries | 5,849,307 | 5,528,875 |
| Annual, Sick and Long Service Leave | 835,163 | 849,552 |
| Superannuation | 760,315 | 714,031 |
| State Government Payroll Tax | 365,920 | 347,731 |
| Total Employee Expenses | <u>7,810,705</u> | <u>7,440,189</u> |
| Less Capital & Non-Recurrent Expenditure | | |
| Labour Capital Assets constructed by Council | (551,197) | (567,238) |
| | <u>(551,197)</u> | <u>(567,238)</u> |
| | <u>7,259,508</u> | <u>6,872,951</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 | 1,264,848 |
| Councillor Allowances | 193,444 | 191,464 |
| Computer Licences and Support | 187,602 | 203,359 |
| Insurance | 319,968 | 312,060 |
| Street Lighting | 198,913 | 212,157 |
| Household Waste | 1,484,012 | 1,401,159 |
| Road Maintenance | 1,218,556 | 1,242,440 |
| Bridge Maintenance | 131,686 | 141,673 |
| Consultants | 405,825 | 420,971 |
| Electricity | 100,185 | 87,812 |
| Motor Vehicles | 140,438 | 134,849 |
| Publications and Subscriptions | 169,992 | 96,869 |
| Recreation Grounds, Parks and Reserves | 637,597 | 920,421 |
| Plant Expenses | 525,678 | 517,773 |
| Other | 919,152 | 494,376 |
| | <u>7,897,896</u> | <u>7,642,231</u> |

| | Actual 2021 \$ | Actual 2020 \$ |
|--|-------------------------------|-------------------------------|
| 7. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation and amortisation was charged in respect of: | | |
| Land Improvements | 632,118 | 658,142 |
| Buildings | 424,650 | 396,350 |
| Roads and Streets | 2,532,136 | 2,484,965 |
| Bridges | 428,668 | 466,847 |
| Stormwater | 409,090 | 388,212 |
| Plant and Equipment | 581,102 | 601,677 |
| Heritage | 280 | 282 |
| Computer Software | 44,155 | 44,952 |
| Valuations | 30,563 | 26,725 |
| | <u>5,082,762</u> | <u>5,068,152</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 | 32,716 | 54,892 |
| Interest Charges | 211,320 | 211,320 |
| | <u>244,036</u> | <u>266,212</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 2021 \$ | Actual 2020 \$ |
|---------------------------------|----------------------|----------------------|
| 9. OTHER EXPENSES | | |
| Other Expenses includes: | | |
| External Auditor's Remuneration | 32,070 | 31,884 |
| Community Grants | 75,275 | 80,621 |
| Donations and Other | 752 | 867 |
| Bad Debts | - | 234 |
| | <u>108,097</u> | <u>113,606</u> |

10. DISPOSAL & DERECOGNITION OF ASSETS

Total

| | | |
|--|------------------|------------------|
| Proceeds from sales/disposal | (461,771) | (762,010) |
| Written down value of assets sold/disposed | 291,863 | 465,896 |
| (Profit)/Loss on Disposal of Assets | <u>(169,908)</u> | <u>(296,114)</u> |
| Recurrent write-off/disposal of infrastructure and plant & equipment | 20,222 | (2,236) |
| One-off disposals of Land & Buildings | (190,130) | (293,878) |
| | <u>(169,908)</u> | <u>(296,114)</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 | 2,789,700 | 3,113,229 |
| Cash on Hand | 1,450 | 1,450 |
| | <u>2,791,150</u> | <u>3,114,679</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 | 2,791,150 | 3,114,679 |
| Balance per Statement of Cash Flows | <u>2,791,150</u> | <u>3,114,679</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 | 806,066 | 727,951 |
| Other Debtors | 403,363 | 230,788 |
| Assessed Contributions - Westbury Industrial Development | 881,821 | - |
| | <u>2,091,250</u> | <u>958,739</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 2021 \$ | Actual 2020 \$ |
|--|-------------------------------|-------------------------------|
| 13. CURRENT ASSETS - Investments | | |
| Term Deposits | <u>18,382,609</u> | <u>18,469,868</u> |
| Market value of investments as at the reporting date | <u>18,382,609</u> | <u>18,469,868</u> |

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 | 82,252 | 67,439 |
| Accrued Revenue | 84,580 | 114,749 |
| | <u>166,832</u> | <u>182,188</u> |

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

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

15. CURRENT LIABILITIES - Trade and Other Payables

| | | |
|---------------------------------------|------------------|------------------|
| Employee Costs | 135,290 | 104,982 |
| Materials and Contracts | 802,152 | 1,101,970 |
| Other Creditors | 177,449 | 188,254 |
| Rates and Charges Received in Advance | 320,084 | 347,834 |
| | <u>1,434,975</u> | <u>1,743,040</u> |

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.

16. CURRENT LIABILITIES - Provisions

| | | |
|----------------------------------|------------------|------------------|
| Provision for Annual Leave | 632,791 | 669,221 |
| Provision for Long Service Leave | 575,031 | 614,603 |
| Employee Provisions oncosts | 152,692 | 159,522 |
| | <u>1,360,514</u> | <u>1,443,346</u> |

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

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

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

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

| | Actual 2021 \$ | Actual 2020 \$ |
|---|----------------------|----------------------|
| 17. CURRENT LIABILITIES - Contract Liabilities | | |
| Grant Funds Received in Advance | 894,697 | - |
| | <u>894,697</u> | <u>-</u> |

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. Revenue is expected to be recognised in the next 12 months.

18. NON-CURRENT ASSETS - Investment in Water Corporation

| | | |
|--|-------------------|-------------------|
| Opening balance | 42,570,596 | 55,591,755 |
| Fair Value adjustments on equity investment assets | 3,452,529 | (13,021,159) |
| Carrying value of investment at end of year | <u>46,023,125</u> | <u>42,570,596</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 2021, Council holds a 2.92% (2019-20: 2.95%) 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 |
| Assessed Contributions - East Deloraine Industrial Development | - | 103,087 |
| Loan Receivable - Aged Care Deloraine | 3,600,000 | 3,600,000 |
| Vendor Finance - Aged Care Deloraine | 162,000 | 162,000 |
| | <u>3,762,000</u> | <u>4,686,887</u> |

20. NON-CURRENT ASSETS - Work in Progress

| | | |
|----------------------------|----------------|----------------|
| Work in Progress - at cost | <u>849,804</u> | <u>819,400</u> |
|----------------------------|----------------|----------------|

21. NON-CURRENT ASSETS - Land

| | | |
|--------------------|-------------------|------------------|
| Land at Fair Value | <u>10,842,751</u> | <u>8,600,000</u> |
|--------------------|-------------------|------------------|

22. NON-CURRENT ASSETS - Land Under Roads

| | | |
|-------------------------------|-------------------|-------------------|
| Land Under Roads at Fair Vaue | <u>29,031,368</u> | <u>28,994,771</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 | 16,940,763 | 14,546,818 |
| Less Accumulated Depreciation | (7,383,486) | (7,046,571) |
| | <u>9,557,277</u> | <u>7,500,247</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. Also includes assets recognised in respect of the Tip Rehabilitation Provision.

24. NON-CURRENT ASSETS - Buildings

| | | |
|-------------------------------|-------------------|-------------------|
| Buildings at Fair Value | 22,488,605 | 21,715,905 |
| Less Accumulated Depreciation | (668,284) | (249,762) |
| | <u>21,820,321</u> | <u>21,466,143</u> |

| | Actual 2021 \$ | Actual 2020 \$ |
|---|-------------------------------|-------------------------------|
| 25. NON-CURRENT ASSETS - Roads and Streets | | |
| Roads and Streets at Fair Value | 178,316,534 | 173,141,603 |
| Less Accumulated Depreciation | <u>(53,086,328)</u> | <u>(51,060,827)</u> |
| | <u><u>125,230,206</u></u> | <u><u>122,080,776</u></u> |
| Roads and streets include earthworks, substructures, seals and kerbs relating to roads, roundabouts, driveways, footpaths, nature strips and parking areas. | | |
| 26. NON-CURRENT ASSETS - Bridges | | |
| Bridges at Fair Value | 37,799,357 | 38,955,188 |
| Less Accumulated Depreciation | <u>(9,819,872)</u> | <u>(10,208,566)</u> |
| | <u><u>27,979,485</u></u> | <u><u>28,746,622</u></u> |
| 27. NON-CURRENT ASSETS - Stormwater | | |
| Stormwater at Fair Value | 30,981,494 | 30,240,640 |
| Less Accumulated Depreciation | <u>(9,359,382)</u> | <u>(8,950,291)</u> |
| | <u><u>21,622,112</u></u> | <u><u>21,290,349</u></u> |
| 28. NON-CURRENT ASSETS - Plant and Equipment | | |
| Plant and Equipment at Cost | 7,116,498 | 6,925,334 |
| Less Accumulated Depreciation | <u>(4,035,662)</u> | <u>(3,966,872)</u> |
| | <u><u>3,080,836</u></u> | <u><u>2,958,462</u></u> |
| 29. NON-CURRENT ASSETS - Heritage | | |
| Heritage at Cost | 139,854 | 139,854 |
| Less Accumulated Depreciation | <u>(120,651)</u> | <u>(120,371)</u> |
| | <u><u>19,203</u></u> | <u><u>19,483</u></u> |
| 30. NON-CURRENT ASSETS - Computer Software | | |
| Computer Software at Cost | 755,900 | 755,900 |
| Less Accumulated Amortisation | <u>(646,177)</u> | <u>(602,022)</u> |
| | <u><u>109,723</u></u> | <u><u>153,878</u></u> |
| 31. NON-CURRENT ASSETS - Valuations | | |
| Valuations at Cost | 193,642 | 174,642 |
| Less Accumulated Depreciation | <u>(57,411)</u> | <u>(26,848)</u> |
| | <u><u>136,231</u></u> | <u><u>147,794</u></u> |

32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

| 2021 | Opening Balance | Recognition & Acquisition of Assets | Revaluation Increments / (Decrements) (Note 35) | Depreciation & Amortisation (Note 7) | Written Down Value of Disposals | Reclassification of Assets | Transfers | Year End Balance |
|--------------------------------|-----------------|-------------------------------------|---|--------------------------------------|---------------------------------|----------------------------|-------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Works In Progress | | | | | | | | |
| Total Works In Progress | 819,400 | 8,492,914 | - | - | - | - | (8,462,510) | 849,804 |
| | 819,400 | 8,492,914 | - | - | - | - | (8,462,510) | 849,804 |
| Property | | | | | | | | |
| Land | 8,600,000 | - | 1,750,325 | - | (14,125) | - | 506,551 | 10,842,751 |
| Land Under Roads | 28,994,771 | 36,597 | - | - | - | - | - | 29,031,368 |
| Land Improvements | 7,500,247 | 1,544,343 | - | (632,118) | - | - | 1,144,805 | 9,557,277 |
| Buildings | 21,466,143 | - | (160,231) | (424,650) | (78,642) | - | 1,017,701 | 21,820,321 |
| Total property | 66,561,161 | 1,580,940 | 1,590,094 | (1,056,768) | (92,767) | - | 2,669,057 | 71,251,717 |
| Infrastructure | | | | | | | | |
| Roads & Streets | 122,080,776 | 629,449 | - | (2,532,136) | (111,101) | 1,363,995 | 3,799,223 | 125,230,206 |
| Bridges | 28,746,622 | - | 267,019 | (428,668) | - | (1,363,995) | 758,507 | 27,979,485 |
| Stormwater | 21,290,349 | 315,600 | - | (409,090) | - | - | 425,253 | 21,622,112 |
| Total infrastructure | 172,117,747 | 945,049 | 267,019 | (3,369,894) | (111,101) | - | 4,982,983 | 174,831,803 |
| Plant & Equipment | 2,958,462 | - | - | (581,102) | (87,994) | - | 791,470 | 3,080,836 |
| Heritage | 19,483 | - | - | (280) | - | - | - | 19,203 |
| Computer Software | 153,878 | - | - | (44,155) | - | - | - | 109,723 |
| Valuations | 147,794 | - | - | (30,563) | - | - | 19,000 | 136,231 |
| Total | 241,958,525 | 2,525,989 | 1,857,113 | (5,082,762) | (291,862) | - | 8,462,510 | 249,429,513 |

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

| 2020 | Opening Balance | Recognition & Acquisition of Assets | Revaluation Increments / (Decrements) (Note 35) | Depreciation & Amortisation (Note 7) | Written Down Value of Disposals | Reclassification of Assets | 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.)

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 2021 \$ | Actual 2020 \$ |
|---|----------------------|----------------------|
| 33. NON-CURRENT LIABILITIES - Borrowings | | |
| Borrowings - Secured | <u>3,600,000</u> | <u>3,600,000</u> |
| Later than one year and not later than five years | <u>3,600,000</u> | <u>3,600,000</u> |
| | <u>3,600,000</u> | <u>3,600,000</u> |

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 2021 no borrowings have been required by Council.

34. NON-CURRENT LIABILITIES - Provisions

| | | |
|----------------------------------|------------------|------------------|
| Provision for Long Service Leave | 140,898 | 243,374 |
| Employee Provisions - oncosts | 10,215 | 17,766 |
| Provision for Tip Rehabilitation | <u>5,754,824</u> | <u>4,177,766</u> |
| | <u>5,905,937</u> | <u>4,438,906</u> |

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 | 4,177,766 | 4,117,984 |
| Unwinding of Discount | 32,716 | 54,892 |
| Reassessment of Estimate | <u>1,544,342</u> | <u>4,890</u> |
| Closing Balance | <u>5,754,824</u> | <u>4,177,766</u> |

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 2024-25 and the landfill site at Deloraine will also begin restoration work in 2024-25. There is also a new fill site at Cluan commencing from 2021-22, which will be due for restoration work in 2028-29. 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) 3.6% 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 | | 2021 | 2020 |
| | Permanent FTE staff | 82 | 80 |
| | Casual staff | - | 2 |

35. RESERVES

| 2021 | Opening Balance | Increment / (decrement) | Closing Balance |
|---------------------------------|------------------------|--------------------------------|------------------------|
| Asset Revaluation Reserve | | | |
| Land | 8,274,721 | 1,750,325 | 10,025,046 |
| Buildings | 9,135,205 | (160,231) | 8,974,974 |
| Roads and Streets | 49,515,292 | - | 49,515,292 |
| Bridges | 16,692,524 | 267,019 | 16,959,543 |
| Stormwater | 11,823,946 | - | 11,823,946 |
| Total Asset Revaluation Reserve | <u>95,441,688</u> | <u>1,857,113</u> | <u>97,298,801</u> |
| Fair Value Reserve | | | |
| Investment in Water Corporation | (9,116,480) | 3,452,529 | (5,663,951) |
| Total Fair Value Reserve | <u>(9,116,480)</u> | <u>3,452,529</u> | <u>(5,663,951)</u> |
| | <u>86,325,208</u> | <u>5,309,642</u> | <u>91,634,850</u> |
| 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 | <u>90,245,103</u> | <u>5,196,585</u> | <u>95,441,688</u> |
| Fair Value Reserve | | | |
| Investment in Water Corporation | 3,904,679 | (13,021,159) | (9,116,480) |
| Total Fair Value Reserve | <u>3,904,679</u> | <u>(13,021,159)</u> | <u>(9,116,480)</u> |
| | <u>94,149,782</u> | <u>(7,824,574)</u> | <u>86,325,208</u> |

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

36. SPECIAL COMMITTEES

The statements include transactions for the following Special Committees:

| 2021 | Receipts | Payments | Net Assets |
|--|---------------|---------------|----------------|
| Birralee Memorial Hall | 3,779 | 3,960 | 7,104 |
| Bracknell Public Hall & Recreation Ground | 425 | 39 | 10,557 |
| Carrick Community Hall | 5,089 | 3,176 | 2,738 |
| Caveside Recreation Committee | 2,734 | 950 | 15,589 |
| Chudleigh Memorial Hall | 10,932 | 11,037 | 19,051 |
| Dairy Plains Memorial Hall | 4,101 | 2,495 | 15,065 |
| Deloraine Community Car | 15,318 | 8,481 | 33,410 |
| Meander Hall & Recreation Ground | 16,778 | 10,337 | 37,185 |
| Mole Creek Memorial Hall | 4,350 | 7,781 | 17,949 |
| Rosevale Memorial Hall & Recreation Ground | 1,643 | 1,118 | 23,936 |
| Selbourne Memorial Hall | 324 | 699 | 40,770 |
| Weegenah Hall | 477 | 185 | 9,437 |
| Westbury Community Car | 11,348 | 4,877 | 8,522 |
| Westbury Historical Society | 1,133 | 1,488 | 16,395 |
| Westbury Recreation Ground | - | - | 1,472 |
| Whitemore Recreation Ground | 1,328 | 1,328 | 3,245 |
| | <u>79,759</u> | <u>57,951</u> | <u>262,425</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).

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Capital Expenditure Commitments: Works In Progress | | |
| Buildings | 26,469 | 178,316 |
| Roads | 185,600 | 175,573 |
| Stormwater | - | 18,487 |
| Land Improvements | 40,990 | 43,460 |
| | <u>253,059</u> | <u>415,836</u> |

38. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub-fund of the Tasplan Superannuation Fund up to 31 March 2021. On 1 April 2021, the Tasplan Superannuation Fund merged (via a Successor Fund Transfer) into the MTAA Superannuation Fund to become Spirit Super. 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 2021 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 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. 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 | 3.75% p.a. |
| Salary Inflation | 2.75% 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 2020.
- 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 2020.
- 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 2020.

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 2021 to 30 June 2024.

The Actuary will continue to undertake a brief review of the financial position of 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 2023 and is expected to be completed late in 2023.

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 2020 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 2017. 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 Dependants 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, (2019-20: Nil) due to the contribution holiday as prescribed by Tasplan, and the amount paid to accumulation schemes was \$760,315 (2019-20: \$714,031).

- 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 \$878,900.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. 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 2023.
- 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 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the Fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

| | Actual 2021 \$ | Actual 2020 \$ |
|---|-------------------------------|-------------------------------|
| 39. RECONCILIATION OF SURPLUS/ (DEFICIT) FOR THE PERIOD TO NET CASH INFLOW FROM OPERATING ACTIVITIES | | |
| Net Surplus/(Deficit) | 3,454,928 | 3,475,546 |
| Items not involving Cash | | |
| Subdivisions Taken Over | (981,647) | (638,576) |
| Interest Accrued on Receivables | (60,954) | (60,070) |
| Depreciation and Amortisation Expense | 5,082,762 | 5,068,152 |
| Adjustment for Prior Year Rates Received in Advance | - | (225,173) |
| | <u>4,040,161</u> | <u>4,144,333</u> |
| Investing Activity | | |
| (Profit)/Loss on Disposal of Assets | (169,908) | (296,114) |
| Proceeds from Capital Grants | (3,621,280) | (2,059,185) |
| Proceeds from Capital Contributions | (11,623) | (13,119) |
| Changes in Operating Assets and Liabilities | | |
| (Increase)/Decrease in Receivables | (250,690) | 15,946 |
| (Increase)/Decrease in Inventories | (14,813) | 10,797 |
| (Increase)/Decrease in Accrued Revenue | 30,169 | 89,099 |
| Increase/(Decrease) in Payables | (308,065) | (208,612) |
| Increase/(Decrease) in Provisions | (160,144) | 63,020 |
| Increase/(Decrease) in Contract Liabilities | 894,697 | 347,834 |
| | <u>191,154</u> | <u>318,084</u> |
| Net Cash Inflow from Operating Activities | <u><u>3,883,432</u></u> | <u><u>5,569,545</u></u> |

40. CREDIT STANDBY ARRANGEMENTS

Council has a Direct Debit Facility with the Commonwealth Bank with a \$50,000 limit (2019-20: \$50,000). Council has Business Cards with a limit of \$55,000 (2019-20: \$55,000). The balance is cleared monthly. There were no other credit standby arrangements or unused loan facilities at 30 June 2021.

41. RELATED PARTY DISCLOSURES

(a) Councillor Remuneration

2021

| | Allowances \$ | Vehicles ² \$ | Total Compensation AASB 124 \$ | Expenses \$ | Total allowances and expenses section 72 \$ |
|--------------|------------------|-----------------------------|---|----------------|--|
| Mayor | 55,124 | 2,442 | 57,566 | 435 | 58,001 |
| Deputy Mayor | 30,712 | - | 30,712 | 1,518 | 32,230 |
| Councillors | 107,609 | - | 107,609 | 6,035 | 113,644 |
| Total | 193,445 | 2,442 | 195,887 | 7,988 | 203,875 |

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 |

(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.

2021

| 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 \$ | | |
| \$80 001 - \$100 000 | 1 | 60,410 | 2,896 | 5,599 | 52,508 | (32,813) | 88,600 |
| \$120 001 - \$140 000 | 1 | 97,467 | 3,008 | 12,821 | - | 15,208 | 128,504 |
| \$180 001 - \$200 000 | 2 | 318,261 | 12,308 | 41,028 | - | (684) | 370,913 |
| \$200 001 - \$220 000 | 1 | 156,640 | 5,629 | 20,285 | - | 18,846 | 201,400 |
| \$220 001 - \$240 000 | 1 | 184,509 | 7,639 | 23,986 | - | 12,031 | 228,165 |
| Total | | 817,287 | 31,480 | 103,719 | 52,508 | 12,588 | 1,017,582 |

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 |

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 | \$3,146 | Supplier of plumbing services under normal commercial terms and conditions. |
| Cr F Nott | Councillor | No interest declared | - | |
| Cr A Sherriff | Councillor | Business: Deloraine Signs | \$4,907 | 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 | - | 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 | - | |
| 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 | - | |
| K Palfreyman | 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% (2019-20: 0%) and 0.75% (2019-20: 1.75%). The interest rate at balance date was 0%-0.20% (2019-20: 0%-0.75%). |
| 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 0.42% (2019-20: 1.45%), and 2.00% (2019-20: 2.95%) net of fees. Funds returned a weighted average interest rate of 1.18% (2019-20: 2.10%). |
| Receivables - Rate Debtors | | | |
| | 12 | An impairment loss is not recognised on rates receivable. | Unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. Arrears attract interest of 6.81% (2019-20: 8.10%). |
| 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 5.87% 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:

2021

| | 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 | 2,789,700 | - | - | - | 1,450 | 2,791,150 |
| Investments | - | 18,382,609 | - | - | - | 18,382,609 |
| Rates Receivable | - | 806,066 | - | - | - | 806,066 |
| Loans, Trade and Other Receivables | - | 881,821 | 3,600,000 | 162,000 | 403,363 | 5,047,184 |
| Accrued Revenue | - | - | - | - | 84,580 | 84,580 |
| Investment in Water Corporation | - | - | - | - | 46,023,125 | 46,023,125 |
| Total Financial Assets | 2,789,700 | 20,070,496 | 3,600,000 | 162,000 | 46,512,518 | 73,134,714 |
| Financial Liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 1,434,975 | 1,434,975 |
| Trust funds and deposits | - | - | - | - | - | - |
| Borrowings | - | - | 3,600,000 | - | - | 3,600,000 |
| Total Financial Liabilities | - | - | 3,600,000 | - | 1,434,975 | 5,034,975 |
| Net Financial Assets (Liabilities) | 2,789,700 | 20,070,496 | - | 162,000 | 45,077,543 | 68,099,739 |

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 | - | - | - | - | 1,743,040 | 1,743,040 |
| Trust funds and deposits | - | - | - | - | - | - |
| Borrowings | - | - | 3,600,000 | - | - | 3,600,000 |
| Total Financial Liabilities | - | - | 3,600,000 | - | 1,743,040 | 5,343,040 |
| Net Financial Assets (Liabilities) | 3,113,229 | 19,197,819 | 821,800 | 265,087 | 41,174,543 | 64,572,478 |

(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

| | 30 June 2021 | | 30 June 2020 | |
|------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Carrying Amount \$ | Net Fair Value \$ | Carrying Amount \$ | Net Fair Value \$ |
| <i>Financial Assets</i> | | | | |
| Cash and Cash Equivalents | 2,791,150 | 2,791,150 | 3,114,679 | 3,114,679 |
| Term Deposits: Maturity > 3 months | 18,382,609 | 18,382,609 | 18,469,868 | 18,469,868 |
| Trade and Other receivables | 5,853,250 | 5,853,250 | 5,645,626 | 5,645,626 |
| Accrued Revenue | 84,580 | 84,580 | 114,749 | 114,749 |
| Investment in Water Corporation | 46,023,125 | 46,023,125 | 42,570,596 | 42,570,596 |
| <i>Total Financial Assets</i> | 73,134,714 | 73,134,714 | 69,915,518 | 69,915,518 |
| <i>Financial Liabilities</i> | | | | |
| Trade and Other payables | 1,434,975 | 1,434,975 | 1,743,040 | 1,743,040 |
| Borrowings | 3,600,000 | 3,935,736 | 3,600,000 | 4,072,752 |
| <i>Total Financial Liabilities</i> | 5,034,975 | 5,370,711 | 5,343,040 | 5,815,792 |
| Net Financial Assets | 68,099,739 | 67,764,003 | 64,572,478 | 64,099,726 |

(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:

| | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Current (not yet due) | 5,023,194 | 4,905,947 |
| Past due by up to 30 days | 4,394 | (154) |
| Past due between 31 and 180 days | 8,714 | 1,978 |
| Past due between 181 and 365 days | 158 | 5,707 |
| Past due by more than 1 year | 10,724 | 4,197 |
| Total Trade Receivables | 5,047,184 | 4,917,675 |
| Rates Receivable | 806,066 | 727,951 |
| Total Trade & Other Receivables | 5,853,250 | 5,645,626 |

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 (i.e. principal only).

| 2021 | Less than 1 year \$ | 1-5 years \$ | >5 years \$ | Contracted Cash Flow \$ | Carrying Amount \$ |
|------------------------------------|------------------------------------|-----------------------------|-------------------------------|--|-----------------------------------|
| Trade and other payables | 1,434,975 | - | - | 1,434,975 | 1,434,975 |
| Borrowings | - | 3,600,000 | - | 3,600,000 | 3,600,000 |
| Total financial liabilities | 1,434,975 | 3,600,000 | - | 5,034,975 | 5,034,975 |

| 2020 | Less than 1 year \$ | 1-5 years \$ | >5 years \$ | Contracted Cash Flow \$ | Carrying Amount \$ |
|------------------------------------|------------------------------------|-----------------------------|-------------------------------|--|-----------------------------------|
| Trade and other payables | 1,743,040 | - | - | 1,743,040 | 1,743,040 |
| Borrowings | - | 3,600,000 | - | 3,600,000 | 3,600,000 |
| Total financial liabilities | 1,743,040 | 3,600,000 | - | 5,343,040 | 5,343,040 |

(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 1.89%.

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.

| 2021 | \$ | Interest rate risk | | | |
|---------------------------|-----------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | | + 1 % + 100 basis points | | - 1 % - 100 basis points | |
| | | Profit \$ | Equity \$ | Profit \$ | Equity \$ |
| Financial assets: | | | | | |
| Cash and cash equivalents | 2,789,700 | 27,897 | 27,897 | (27,897) | (27,897) |

| 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) | (31,132) |

43. MANAGEMENT INDICATORS

| | Benchmark | 2021 | 2020 | 2019 | 2018 |
|--|-----------|------------------|----------------|----------------|------------------|
| (a) Underlying surplus or deficit | | \$ | \$ | \$ | \$ |
| Recurrent income* | | 20,079,299 | 20,394,700 | 20,661,823 | 20,054,865 |
| Recurrent expenditure | | (20,612,521) | (19,960,916) | (19,858,477) | (18,833,454) |
| Underlying surplus/(deficit) | 0 | <u>(533,222)</u> | <u>433,784</u> | <u>803,346</u> | <u>1,221,411</u> |

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

Consistent underlying surpluses reflect Councils stable financial performance.

(b) Underlying surplus ratio

| | | | | | |
|-------------------------------|----|------------------|----------------|----------------|------------------|
| Underlying surplus or deficit | | <u>(533,222)</u> | <u>433,784</u> | <u>803,346</u> | <u>1,221,411</u> |
| Recurrent income* | | 20,079,299 | 20,394,700 | 20,661,823 | 20,054,865 |
| Underlying surplus ratio % | 0% | -3% | 2% | 4% | 6% |

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 | | 23,265,009 | 22,543,286 | 25,616,768 | 24,561,845 |
| Total liabilities | | <u>13,196,123</u> | <u>11,225,292</u> | <u>11,018,160</u> | <u>10,219,049</u> |
| Net financial liabilities | 0 | <u>10,068,886</u> | <u>11,317,994</u> | <u>14,598,608</u> | <u>14,342,796</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> | | <u>10,068,886</u> | <u>11,317,994</u> | <u>14,598,608</u> | <u>14,342,796</u> |
| Recurrent income* | | 20,079,299 | 20,394,700 | 20,661,823 | 20,054,865 |
| Net financial liabilities ratio % | 0% to -50% | 50% | 55% | 71% | 72% |

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 | 2021 | 2020 | 2019 | 2018 |
|-------------------------------------|--------------|--------------------|--------------------|--------------------|--------------------|
| <i>Bridges</i> | | \$ | \$ | \$ | \$ |
| <u>Fair value (Carrying amount)</u> | | <u>27,979,485</u> | <u>28,746,622</u> | <u>27,910,212</u> | <u>26,771,637</u> |
| Current replacement cost (Gross) | | 37,799,357 | 38,955,188 | 38,268,210 | 37,487,577 |
| Asset consumption ratio % | At least 60% | 74% | 74% | 73% | 71% |
| <i>Stormwater</i> | | | | | |
| <u>Fair value (Carrying amount)</u> | | <u>21,622,112</u> | <u>21,290,349</u> | <u>19,876,162</u> | <u>19,770,109</u> |
| Current replacement cost (Gross) | | 30,981,494 | 30,240,640 | 28,041,503 | 27,564,088 |
| Asset consumption ratio % | At least 60% | 70% | 70% | 71% | 72% |
| <i>Roads and Streets</i> | | | | | |
| <u>Fair value (Carrying amount)</u> | | <u>125,230,206</u> | <u>122,080,776</u> | <u>118,199,041</u> | <u>116,221,404</u> |
| Current replacement cost (Gross) | | 178,316,534 | 173,141,603 | 168,260,026 | 165,303,601 |
| Asset consumption ratio % | At least 60% | 70% | 71% | 70% | 70% |

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 | 2021 | 2020 | 2019 | 2018 |
|--|-------------|------------|------------|------------|------------|
| (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> | | | | | |
| <u>Projected capital funding outlays**</u> | | 6,025,000 | 7,640,000 | 6,341,000 | 8,212,000 |
| Projected capital expenditure funding*** | | 6,025,000 | 7,640,000 | 6,341,000 | 8,212,000 |
| Asset renewal funding ratio % | 90% to 100% | 100% | 100% | 100% | 100% |
| <i>Buildings</i> | | | | | |
| <u>Projected capital funding outlays**</u> | | 7,211,000 | 10,565,000 | 5,649,000 | 3,983,000 |
| Projected capital expenditure funding*** | | 7,211,000 | 10,565,000 | 5,649,000 | 3,983,000 |
| Asset renewal funding ratio % | 90% to 100% | 100% | 100% | 100% | 100% |
| <i>Stormwater</i> | | | | | |
| <u>Projected capital funding outlays**</u> | | 4,784,000 | 4,667,000 | 4,996,000 | 4,894,000 |
| Projected capital expenditure funding*** | | 4,784,000 | 4,667,000 | 4,996,000 | 4,894,000 |
| Asset renewal funding ratio % | 90% to 100% | 100% | 100% | 100% | 100% |
| <i>Roads & Streets</i> | | | | | |
| <u>Projected capital funding outlays**</u> | | 39,090,000 | 38,494,000 | 39,640,000 | 37,870,000 |
| Projected capital expenditure funding*** | | 39,090,000 | 38,494,000 | 39,640,000 | 37,870,000 |
| 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 | 2021 | 2020 | 2019 | 2018 |
|--|-----------|-----------|-----------|-----------|-----------|
| (g) Asset sustainability ratio | | \$ | \$ | \$ | \$ |
| <u>Capex on replacement/renewal of existing assets</u> | | 5,538,681 | 5,721,861 | 5,136,691 | 8,108,043 |
| Annual depreciation expense | | 5,082,762 | 5,068,152 | 4,868,786 | 4,931,099 |
| Asset sustainability ratio % | 100% | 109% | 113% | 106% | 164% |

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.)

| 2021 | Capital renewal expenditure | Capital new expenditure | Total capital expenditure |
|---------------------|-----------------------------------|-------------------------------|---------------------------------|
| Asset Class | \$ | \$ | \$ |
| Land | 405,241 | 101,310 | 506,551 |
| Land Improvements | 418,587 | 726,218 | 1,144,805 |
| Buildings | 682,548 | 335,153 | 1,017,701 |
| Roads and Streets | 2,467,705 | 1,331,518 | 3,799,223 |
| Bridges | 758,507 | - | 758,507 |
| Stormwater | 4,367 | 420,886 | 425,253 |
| Plant and Equipment | 782,726 | 8,744 | 791,470 |
| Valuations | 19,000 | - | 19,000 |
| | <u>5,538,681</u> | <u>2,923,829</u> | <u>8,462,510</u> |

| 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> |

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 2021 | Note | Level 1 | Level 2 | Level 3 | Total |
|--|-------------|----------------|----------------|----------------|--------------|
| | | \$ | \$ | \$ | \$ |
| Recurring fair value measurements | | | | | |
| Land | 21 | - | 10,842,751 | - | 10,842,751 |
| Land Under Roads | 22 | - | - | 29,031,368 | 29,031,368 |
| Buildings | 24 | - | - | 21,820,321 | 21,820,321 |
| Roads and Streets | 25 | - | - | 125,230,206 | 125,230,206 |
| Bridges | 26 | - | - | 27,979,485 | 27,979,485 |
| Stormwater | 27 | - | - | 21,622,112 | 21,622,112 |
| Investment in Water Corporation | 18 | - | - | 46,023,125 | 46,023,125 |
| | | - | 10,842,751 | 271,706,617 | 282,549,368 |

| 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 |

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

(b) Highest and best use

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

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

Land (Level 2)

Land fair values were determined by the Tasmanian Valuer General on 26 February 2021. 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.

There is a revaluation decrement of \$160,231 recorded against Buildings for 2020-21. This is the reversal of prior year revaluation adjustments recognised for the Council owned buildings located at 6-8 Emu Bay Road, Deloraine. The property was disposed of by Council during the financial year.

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 TasSpan effective 29 July 2020. 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 | 46,023,125 | 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 2021 reporting period. Council's assessment of the impact of new standards and interpretations are set out below:

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

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.

(e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 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 2021 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) present fairly, in all material respects, Council's financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report 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 |
|---|--|
| <p>Valuation of property and infrastructure <i>Refer to notes 21 to 22, 24 to 27, 32 and 44</i></p> | |
| <p>At 30 June 2021, Council’s assets included land, land under roads, buildings, and infrastructure assets, such as roads and streets, bridges and stormwaters assets valued at fair value totalling \$236.53m. The fair values of these assets are based on market values and current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>During 2020-21, Council undertook a full revaluation of bridges and land assets. The valuations were determined by external experts and are highly dependent upon a range of assumptions and estimated unit rates.</p> | <ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs in the valuation models. • Testing the mathematical accuracy of valuation model calculations. • Testing the accuracy of recording independent values in Council’s asset register and general ledger. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used. |

Responsibilities of the General Manager for the Financial Report

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

In preparing the financial report, the General Manager is responsible for assessing Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by

an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



Stephen Morrison
**Assistant Auditor-General – Audit
Delegate of the Auditor-General**
Tasmanian Audit Office

24 September 2021
Hobart