



# DERWENT VALLEY COUNCIL

Annual Report 2019/2020

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## Introduction

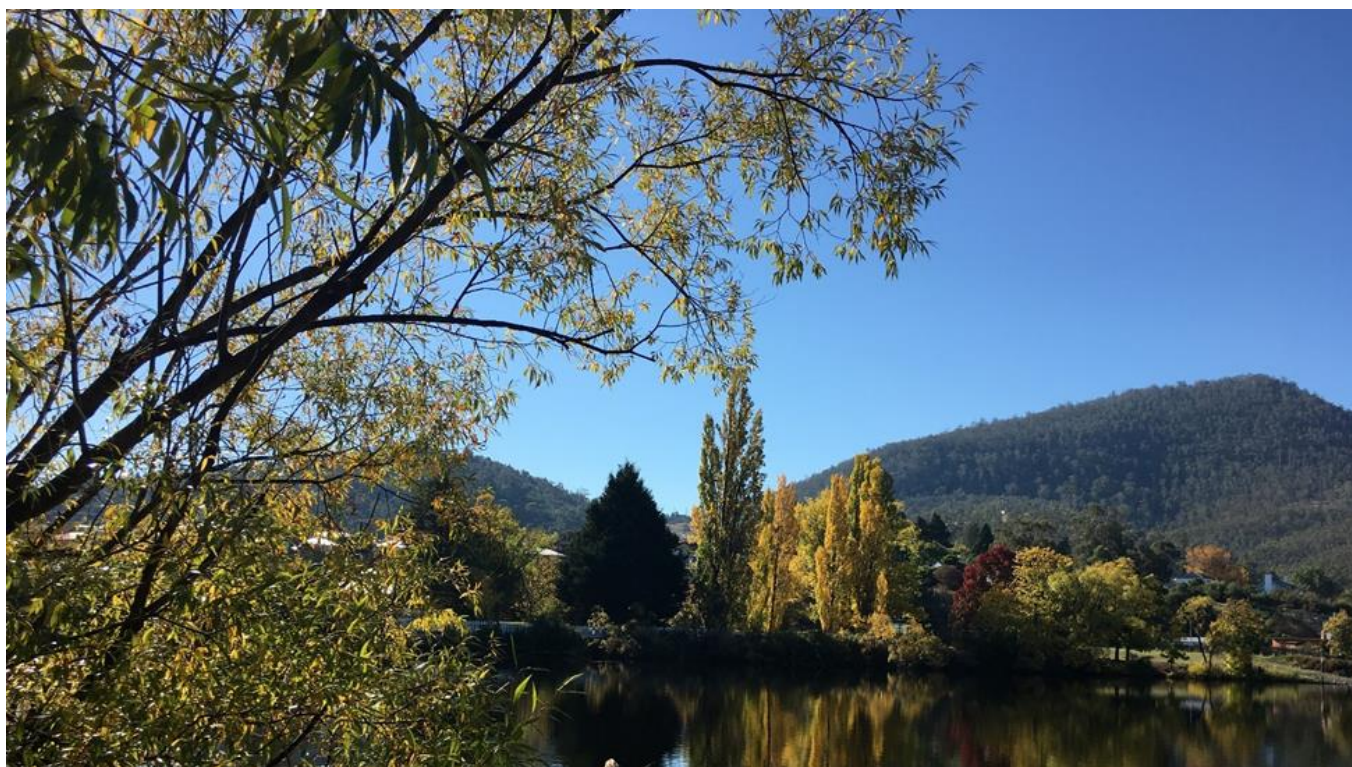
The *Local Government Act 1993* requires every Council in Tasmania to produce an Annual Report. This gives an opportunity for the Council to inform the community of achievements and challenges in the last year, and review areas to be improved upon. This includes the annual corporate planning and reporting cycle of the Derwent Valley Council each year. This report covers the period of the 2019/2020 financial year.

This report contains a series of chapters, each devoted to a function of Council, and an explanation of how these functions interact within the Derwent Valley Council structure.

The report also includes as an attachment the audited standard, financial, and performance statements. This shows how monies raised via rates, charges, fees and grants received have been expended.

Each year the Council, in consultation with the community, prepares an Annual Budget within the context of the actions identified in the Strategic Plan – Our Valley 2030. The Strategic Plan and Budget are used to inform the decisions and actions of Council for the coming year.

Derwent Valley Council values the input of the community. Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at the RSL, New Norfolk on Tuesday 9 March 2021 at 5.30 pm.



## Message from the Mayor



It is my pleasure to present the Derwent Valley Council's Annual Report for 2019/2020.

This report provides insight into the Council's achievements for the year ending 30 June 2020, as well as outlining future plans and information on the Council's current financial position.

Ongoing investment in our region has been a highlight of this financial year with \$29 Million in Planning Applications approved, the commencement of upgrades to the Bryn Estyn Water treatment facility and progress on the Bridgewater Bridge replacement.

For our region, this year has been a challenging one. Unprecedented change with the effects of the global pandemic placed uncertainty and for many within our community. It has been humbling for me to see our community come together to support local businesses and industry throughout this time and it is my hope that this support and understanding continues.

The pandemic highlighted the need for Council to adapt and change the way services were delivered to our community. The

administration building was closed to the public to ensure services could be provided and our staff remained safe, our childcare centre also adapted while providing mandated free childcare to essential workers during the year.

There has been challenges with technology, however the experience and ability to undertake virtual Council Meetings and Councillor Workshops has allowed the continuation of plans in a safe way to support our community.

While the pandemic impacted the last part of the financial year, Council still achieved for a number of actions from our Community Strategic Plan including work on the Recreation, Play and Open Space Strategy and Branding Strategy.

As key action items in our Strategic Plan, the branding strategy will promote awareness of our region as well as ultimately defining a consistent approach to the marketing of our region.

This year we have continued on the journey to activate the Council owned portion of the Willow Court Precinct. The endorsement of the Willow Court Prospectus clarity to messaging and builds on prior decisions of the Council around the proposals for the adaptive reuse of Willow Court.

Council's Capital Works infrastructure program for 2019/2020 delivered fantastic projects for the community including the much-anticipated Glenora Road upgrades, road improvements to the Malbina Cemetery, improvements to Britten Street, Shooebridge Place, Matterson Court, Downie Circle, Glebe Road footpath, Wyre Forest Creek and Plenty

Valley Road bridges, as well as the installation of new play equipment at Tynwald Park.

Successful grant applications also provided the installation of new cricket wickets for Boyer Oval and Tynwald Park.

Community celebrations and events supported by the Council this year included International Women's Day, Seniors Week, Australia Day. While these events were held many of our planned events were cancelled due to the pandemic including the 20<sup>th</sup> Anniversary of the Autumn Festival, ANZAC Day commemorations.

The New Norfolk Rowing Club facility at the Esplanade has been completed. This facility built by the New Norfolk Rowing Club through grant funding has been supported by Council

and provides users with a purpose built facility within the Derwent Valley.

Planning works continued throughout the year to expend the \$2.1 million worth of Election commitments for the PCYC redevelopment, The Avenue, Tynwald Park and The Esplanade stage 2. These works will provide stimulus to the local economy through construction.

In closing, I would like to acknowledge the work of our staff, volunteers and contractors.

A handwritten signature in blue ink, appearing to read "Ben Shaw".

**Ben Shaw**  
**Mayor**

## Message from the General Manager



What an interesting start to a great job. I commenced the role by spending 14 days in quarantine and getting to know the Mayor, Deputy Mayor, Councillors and staff via online meetings. This was a great way to get up to speed and start to prioritise the first few months in the role. I took the reins with only a few weeks remaining in the 2019 – 2020 year and helped close out a year of controversy, challenges and transitions. You

will see from our financial result that we have some work to do to ensure we continue to be financially prudent, and with the enduring backdrop of the COVID 19 pandemic, we will need to work hard within a range of constraints to deliver value for rate payers. A key deliverable I have been tasked with is to get to know all aspects of the passionate community throughout the Derwent Valley. Doing so will help me lead the organisation to deliver the Council's strategic Plan, Our Valley 2030. This is a clearly articulated plan, built on community consultation, and I look forward to working with all of you to make it a reality.

A handwritten signature in blue ink, appearing to read 'D Griggs'.

**Dean Griggs**  
**General Manager**



## Council in Focus

Working together, the Derwent Valley will become known for the beauty of its preserved natural environment and the produce and lifestyle it provides for a prosperous and proud community. The Valley will be inviting for visitors, investors and families alike, while remaining very much local as growth is balanced

against preserving what is special about what we have already. We celebrate our history and our successes as we unite to deliver a sustainable future for the next generation.

### Natural. Inviting. Local.

#### Natural

By 2030, we have retained our sense of space and the peace that comes with that. While close to Hobart, we will never cease to be amazed at how that sense of space makes us feel like we are “a world away”.

The Valley will continue to be known for its stunning landscape. But we will not rest on that achievement; collaborations will have furthered real improvements in the “health” of the environment. As leaders in environmental management, water quality of the Derwent will be good, and weeds will be much less of a problem.

Our community understands that our natural environment is an important part of our identity as is our link to our past. But it is also our future as we and others value our preserved natural history and beauty.

#### Inviting

We are seen as a very inviting place to work, live and visit due to our unique blend of friendliness, space, natural beauty and vibrancy.

Farming, tourism and sustainable industry remain as large employers of local people. New businesses – and subsequently contributing residents - are being attracted particularly to New Norfolk, which will grow.

Businesses will be attracted to the collective “sense of purpose” that existing and diverse businesses have created as they too, have a real desire to contribute to the future of the community. This collective way of thinking and doing will lead to new ideas and create opportunities for the next generation.

#### Local

The people of the Valley value what we have here – the sense of community.

With steady growth in New Norfolk and ongoing improvements to the look and feel of the central business district, the town is vibrant. This attracts locals and visitors alike.

The smaller towns of Westerway, Glenora, Bushy Park, Molesworth, Lachlan and Maydena are lively centers contributing to the lifestyle and services in the valley. Our community spirit is still strong, and our towns feel peaceful. In these communities, access to transport is easy, with good links to Hobart and beyond.

Across the valley educational facilities and after-hours medical services are readily available as well as shops and entertainment. Improvements sought by the community are now visible and seen with much pleasure and pride.

We understand that our history is something that we should own. We should be proud of who we are – put simply, a community that cares

## Our Valley



4,103 km<sup>2</sup>

MUNICIPAL AREA

Area of world heritage area 2,789 sq km

Total area of Public Reserves 3,266 sq km

333 km

TOTAL LENGTH OF COUNCIL  
MAINTAINED ROADS

Sealed roads 97 km

Unsealed roads 236 km



10,424

TOTAL POPULATION OF THE MUNICIPALITY<sup>1</sup>

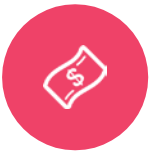


5,346

RATEABLE PROPERTIES

25.3%

HOUSEHOLDS WITHOUT INTERNET  
CONNECTION



\$15.6M

COUNCIL ANNUAL OPERATING  
INCOME (ACTUAL)

\$380M

GROSS REGIONAL PRODUCT<sup>2</sup>



2,854

JOBS IN THE VALLEY<sup>3</sup>

446

LOCAL BUSINESSES

NB: Gross Regional Product (as of 30 June 2018). GRP is the amount of the nation's wealth, which is generated by businesses, organisations and individuals working in the Derwent Valley.

<sup>1</sup> <https://profile.id.com.au/derwent-valley>

<sup>2</sup> <https://economy.id.com.au/derwent-valley/population>

<sup>3</sup> <https://economy.id.com.au/derwent-valley>

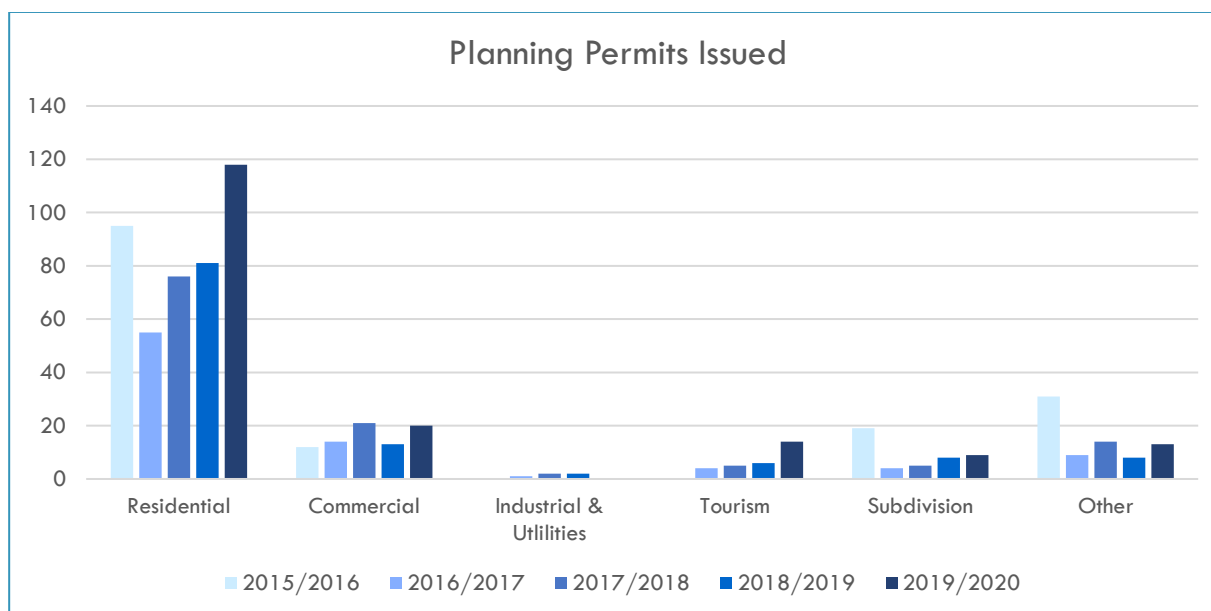
Did you know...?	This year 2019/2020	Last year 2018/2019
<b>Building Permits issued*</b>	87	58
<b>Development Applications</b>	223	189
<b>Planning Permits issued</b>	174	118

(\*Building Act 2016 - effective 1 January 2017)

Below is the breakdown in planning permits issued for the 2019/2020 financial year.

	2019/2020	2019/2020	2018/2019	2018/2019
Category	Amount	Value	Amount	Value
<b>Residential</b>	118	\$19,641,246	81	\$14,330,977
<b>Commercial</b>	20	\$2,412,519	13	\$5,047,750
<b>Industrial &amp; Utilities</b>	0	\$0	2	\$20,000
<b>Tourism</b>	14	\$100,000	6	\$285,000
<b>Subdivision</b>	9	\$0	8	\$0.00
<b>Other</b>	13	\$7,644,407	8	\$133,000
<b>Total</b>	<b>174</b>	<b>\$29,798,172</b>	<b>118</b>	<b>\$19,816,727</b>

The below provides a graphical representation of the permits that have been issued for the 2019/2020 financial year in comparison to the previous four financial years.



## Council Profile

The Derwent Valley Council is established under the provisions of the *Local Government Act 1993*. Council is made up of eight Councillors who each serve a four-year term, with elections held on an 'all in all out' basis. The term for elected Mayor and Deputy Mayor is also four years.

## Mayor and Councillors



**Mayor**  
Ben Shaw



**Deputy Mayor**  
Jessica Cosgrove



**Councillor**  
Luke Browning



**Councillor**  
Martyn Evans



**Councillor**  
Frank Pearce



**Councillor**  
Julie Triffett



**Councillor**  
Natasha Woods

## Decision making Structures of Council

The Council makes decisions based on a majority decision by the Councillors present at monthly meetings. Council meetings are held on the third Thursday of each month.

Councillors cannot make decisions individually. It is the role of Councillors to provide strategic leadership for the community and set the policy direction for the Council. Council makes decisions about the budget and determines planning applications under state legislation.

Councillors are also required to effectively represent and act in the best interests of their community. Councillors also facilitate communication between Council and members of the community.

Council recognises that its community will only continue to support its policies and actions if they are transparent and accountable.

Council is further supported by an Audit Panel. The Audit Panel is an independent advisory Committee to the Council, established in compliance with Part 8 of Division 4 of the *Local Government Act 1993* and the Local Government (Audit Panels) Order 2014. The Audit Panel's objective is to review the Council's performance under section 85A of the Act and report to the Council its conclusions and recommendations.

Members of the community have the opportunity to influence Council decision making through avenues such as community consultation and engagement, tabling of petitions and public question time at Council meetings.

The General Manager and Council Officers make operational decisions through delegated authority under Section 22 of the *Local Government Act 1993*. Delegations allow for timely and efficient decision making at an operational level. Council ensure authority is exercised appropriately by controls such as policies, procedures, supervision and audits.





## Council Meetings

Council meetings are open to the public (except where an item is considered to be of a confidential nature in accordance with the Local Government (Meeting Procedures) Regulations 2015. Meeting schedules are available on Councils' website and at the Council Administration Office.

Agendas and attachments are available from Council Administration Office on the Friday prior to meetings or on Council's website [www.derwentvalley.tas.gov.au](http://www.derwentvalley.tas.gov.au). Council's website also contains confirmed minutes and audio recordings from previous Council Meetings.

There was a total of 19 Council Meetings. Included in this total was one meeting held away from New Norfolk (Bushy Park) these meetings included a community forum.

Meeting	No. of Meetings	Open Session Items	Closed Session Items	Total Items	% Items dealt with in Closed Session
<b>Council</b>	24	209	69	278	24.82%
<b>Special Meetings</b>	6	7	1	8	12.50%
<b>Annual General Meeting</b>	1	2	0	2	
<b>Total</b>	31	218	70	288	

## COVID-19 Response to attendance at Council Meetings

From April 2020 Council Meetings were closed to the public and held in accordance with the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020, by which an electronic recording of the meeting is available for members of the public as far as reasonably practicable on Council's website. The use of technology to conduct these meeting was a challenge due to internet connectivity however meetings were facilitated in accordance with the requirements.

Members of the public were encouraged to continue to submit their public questions to Council via email. Public questions received in writing were tabled in the Agenda and minutes together with a response.

## Record of Council Meeting attendance

The below table provides the attendance of Councillors at the Council meetings and Audit Panel meetings for the 2019/2020 financial year.

Where a Councillor was not in attendance at a particular meeting, a leave of absence for a specific purpose may have been granted by Council pursuant to Section 39 of the Local Government (Meeting Procedures) Regulations 2015.

Councillors were permitted to attend virtually while the state of emergency was declared in accordance with the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020.

Councillor	Ordinary Meeting	Closed Meeting	Special Ordinary	Special Closed	AGM	Audit Panel	Total
<b>Ben Shaw</b>	11	11	2	3	1	0	28
<b>Frank Pearce *</b>	5	6	1	2	1	0	15
<b>Jessica Cosgrove</b>	10	10	3	3	0	0	26
<b>Julie Triffett</b>	12	12	3	2	1	4	34
<b>Luke Browning</b>	12	12	3	3	1	4	35
<b>Martyn Evans</b>	10	10	3	3	1	0	27
<b>Natasha Woods</b>	10	10	3	3	1	0	27
<b>Paul Belcher</b>	8	7	2	3	1	0	21
<b>Rachel Power*</b>	3	3	2	1	0	0	9

\*Elected October 2019

\*Resigned October 2019

### Councillor Allowances and Expenses Statement

Statement of Allowances and expenses paid to elected members Section 72 (1)(cb) of the *Local Government Act 1993*:-

Total allowances paid to the Mayor, Deputy Mayor and Councillors:

Total expenses paid to all Councillors:

Allowances, telephone and travel paid to elected members for 2019/2020 were as follows:-

Councillor	Allowance	Telephone	Travel
<b>Ben Shaw</b>	44,988.28	425.40	2,587.74
<b>Jessica Cosgrove</b>	25,156.68	0	0
<b>Martyn Evans</b>	12,853.64	0	0
<b>Julie Triffett</b>	12,853.64	0	0
<b>Natasha Woods</b>	12,853.64	0	0
<b>Paul Belcher</b>	12,853.64	0	0
<b>Rachel Power*</b>	3,162.75	0	0
<b>Luke Browning</b>	12,853.64	0	0
<b>Frank Pearce*</b>	9,191.20	0	0
<b>Total</b>	<b>146,767.11</b>	<b>425.40</b>	<b>2,587.40</b>

\*Elected October 2019

\*Resigned October 2019

## Council Values

We recognise that the best way to deliver service as a Council is through valuing our people and intentionally developing a positive workplace culture. Accordingly, our staff is the driving force for excellence and assisting the organisation to achieve its strategic goals.

Our values have been created collaboratively with Staff and Councillors, they are what is most important to us and are the common touchstones for those that represent Derwent Valley Council.

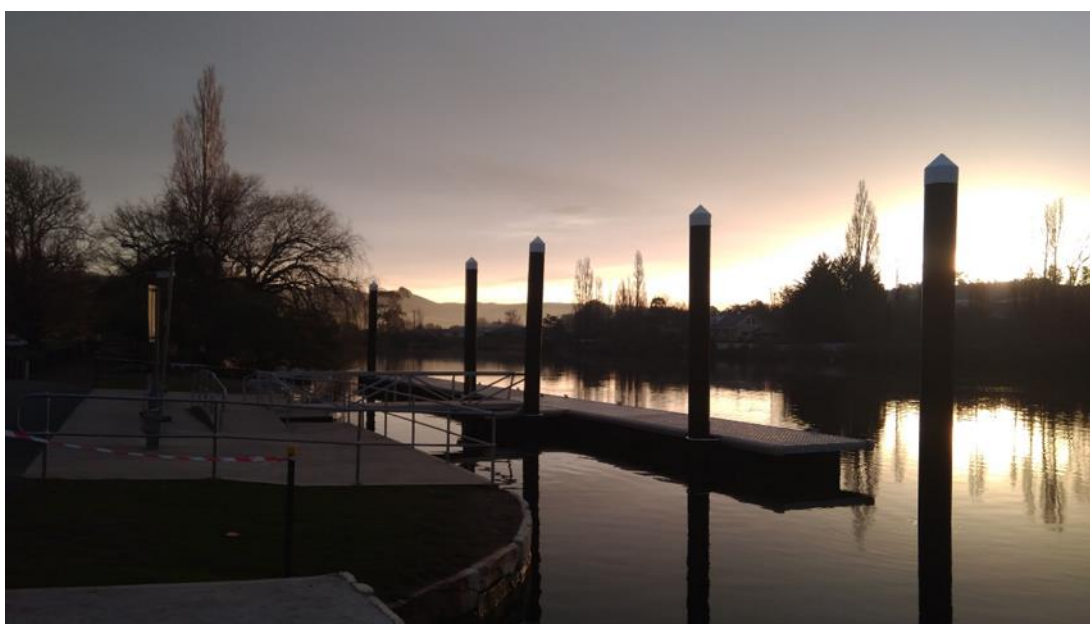
**Quality Service:** *We work to serve our community, to make a difference in what we do every day.*

**Collaboration:** *We listen to and respect each other; we are supportive and work co-operatively and inclusively to achieve great results.*

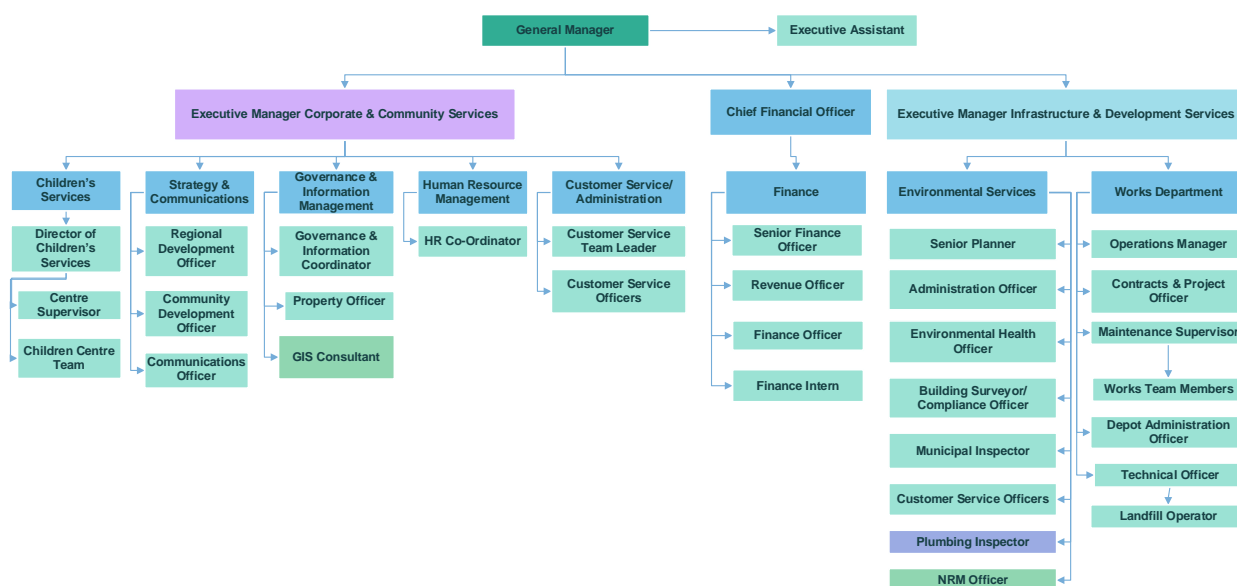
**Growth:** *We grow and succeed through learning. We foster an environment that values the individual contribution of our people by providing them with opportunities to develop and grow their skills and knowledge to reach their potential.*

**Integrity:** *We strive to be valued and trusted by our community by being accountable and objective in our role as a local government.*

**Wellbeing:** *We demonstrate duty of care for ourselves, our teammates and our community in all that we do. We value the health and wellbeing of our staff and community.*



## Council Organisational Chart



Council's Workforce Profile for 2019/2020 is as follows:

	Full-Time	Part-Time	Casual	Total
Indoor (Admin Office)	13	10	8	31
Outdoor (Operations)	23	1	0	24
Children's Services	0	16	9	25
<b>Total</b>	<b>36</b>	<b>27</b>	<b>17</b>	<b>80</b>

## Committees of Council

The *Local Government Act 1993* provides Council with the authority to create Committees made up of only Councillors or Special Committees made up of Councillors and members of the community. At Derwent Valley Council Special Committees are mainly comprised of members of the community with an interest in the objectives of that committee.

Derwent Valley Council has standard 'Terms of Reference for Special Committees' of the Council. Copies of these are available to the public upon request.

From time-to-time Council may also create working groups. Usually created for a specific project, these groups generally run less formally than Special Committees.

The below table provides an overview of the Council's Special Committees and the minutes received by the Council for the 2019/2020 Financial Year. A list of the Councillor Representative on each of the Special Committees is available via Council's website.

Action 8.6 from Council's Strategic Plan (*review the structure and effectiveness of Council's Special Committees in consideration of the Plan's future delivery*) is to review the Special Committees of Council. The principles of this review were endorsed by Council in March 2020 including the opportunity for the Special Committees to undertake a self-assessment process against the principles of the review.

Due to COVID-19 delays in reaching the outcome of this review have been delayed. Additionally, it is important to note that groups were unable to meet for many months due to the pandemic and social distancing requirements.

Special Committee	Purpose	Minutes Noted by Council in 2019/2020
<b>Access Advisory Committee</b>	Advises Council on access issues, particularly in relation to those people with a disability.	0
<b>Boyer Oval Management Committee</b>	Assists in the management and upgrading of Boyer Oval.	1
<b>Bushy Park War Memorial Swimming Pool</b>	Assists in the safe and efficient operation of the Bushy Park Swimming Pool.	4
<b>Derwent Valley Youth Future Action Team (D'FAT)</b>	Derwent Valley Council's youth advisory committee.	12
<b>Economic Development and Growth Special Committee</b>	To aid in the implementation of the STEP's Plan.	2



Special Committee	Purpose	Minutes Noted by Council in 2019/2020
<i>(This Special Committee was placed in hiatus in November 2019)</i>		
<b>Friends of Frascati Community Garden</b>	Aides in the restoration of the gardens at Frascati House.	0
<b>Friends of Willow Court Committee</b>	Has a special interest in the restoration of Willow Court	2
<b>Historical Information Centre Committee</b>	Operates the Historical Information Centre.	11
<b>Molesworth Recreation Reserve Committee</b>	Assists in the management of the Molesworth Reserve.	0
<b>New Norfolk Business Alliance</b>	Assists in the promotion of the central business district.	5
<b>New Norfolk Swimming Pool Committee</b>	Assists in the safe and efficient operation of the New Norfolk Swimming Pool.	1
<b>Tidy Town Committee</b>	Undertakes projects to help beautify and keep the municipal area tidy.	3

Authorities and Associations	Purpose
<b>TasWater Authority</b>	Water supplies related issues in regard to TasWater.
<b>Southern Tasmania Council Authority (STCA)</b>	A grouping of 12 Southern Councils.
<b>Local Government Association of Tasmania (LGAT)</b>	Tasmania's peak Local Government body.

Other Committees and Organisations	Purpose
<b>Community Grants</b>	Administers and assesses applications to Council's Community Grants program.
<b>Derwent Catchment Natural Resource Management</b>	Monitors environment within the Derwent Catchment area.
<b>Derwent Valley Autumn Festival</b>	Plans the annual Autumn Festival.

Other Committees and Organisations	Purpose
<b>Derwent Valley Council Audit Panel</b>	The objective of the Panel is to assist Council and the General Manager in providing an independent process in its financial and risk management practices to ensure accountability to the community in the governance, management and allocation of resources.
<b>Derwent Valley Visitor Information Centre</b>	Provides volunteers for the running of the Council funded Visitor Information Centre.
<b>Maydena Community Association</b>	An association of members of the Maydena Community that has the support of Council.

Below are the working groups formed by Council to assist in 2019/2020.

Working Groups	Purpose
<b>Waste Management Taskforce</b>	The Waste Management Taskforce was created to address the issues of waste management and to look at creating an overall Derwent Valley Council Waste Management Strategy in accordance with the Our Valley, Our Vision Derwent Valley Community Strategic Plan 2030. The outcome of the taskforce was the requirement for further progression of ideas, creation of a roadmap for council and the community to follow, and greater progression towards reduce, reuse and recycle of waste. The roadmap could potentially deliver Peppermint Hill waste refuse site a lengthened lifespan, reducing the increasing impact of waste charges should transfer to a State-wide facility be required.
<b>Graffiti and Beyond</b>	

## Financials

The Annual Financial Report, including notes to the accounts is provided as an Appendix to this Annual Report. The Annual Financial Report meets the requirements of the *Local Government Act 1993* and Australian Accounting Standards and has been audited by the Tasmanian Audit Office.

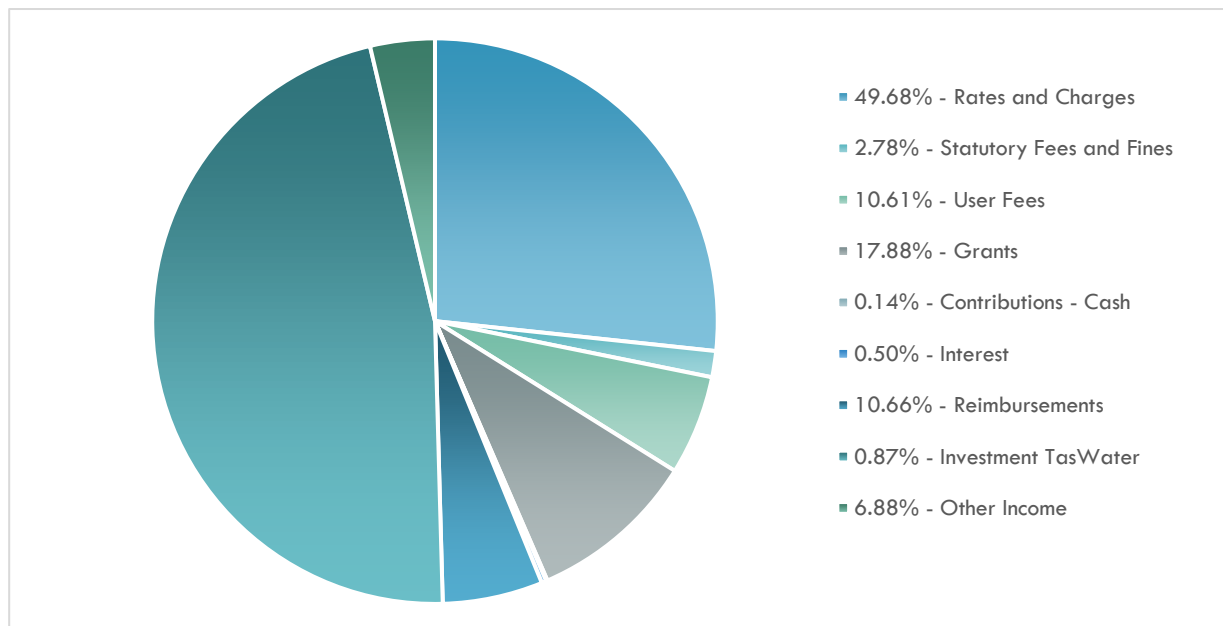
The following information aims to provide a brief summary of Council's 2019/2020 financial result.

## Sources of Income

The Council receives revenue from a wide range of sources, including rates, user fees, fines, grants, contributions and other income. The total income for 2019/2020 was \$15.6M. The main source of revenue for the Council comes from rates and charges, which represents 49.68% of the Council's income. The below table provides a summary of operating revenue for 2019/2020 and the comparison as a percentage of total operating revenue over the last four financial years.

Revenue Comparison	2016/2017 %	2017/2018 %	2018/2019 %	2019/2020 %	2019/2020 \$
<b>Rates and Charges</b>	48.13	53.03	54.51	49.68	7,754,013
<b>Statutory Fees and Fines</b>	2.18	2.60	3.05	2.78	433,823
<b>User Fees</b>	10.16	11.65	10.98	10.61	1,655,969
<b>Grants</b>	32.99	27.17	18.06	17.88	2,791,706
<b>Contributions - Cash</b>	0.18	0.00	0.09	0.14	21,650
<b>Interest</b>	0.81	1.17	1.23	0.50	78,711
<b>Reimbursements</b>	1.22	0.80	0.00	10.66	1,664,209
<b>Investment Revenue - TasWater</b>	2.89	3.10	1.95	0.87	136,000
<b>Other Income</b>	1.44	0.48	10.13	6.88	1,074,896

**Where the Funds came from:** Total income from continuing operations \$15,610,977.



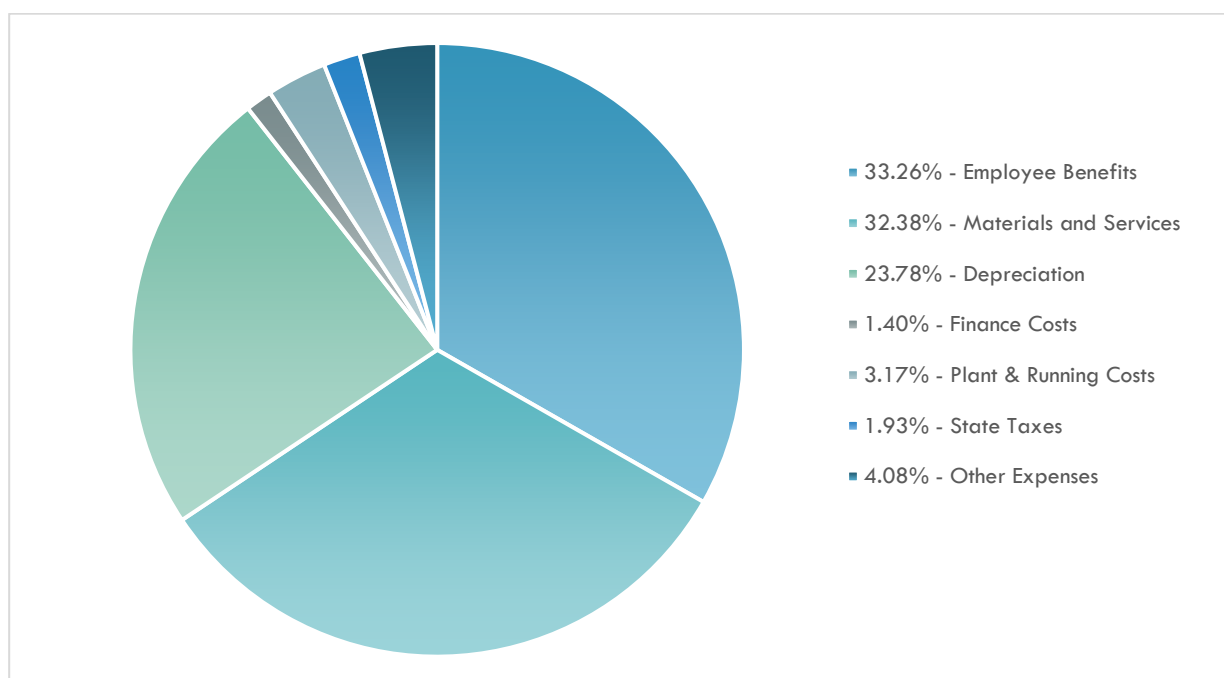
### Sources of Expenditure

The Council's total expenditure for 2019/2020, including depreciation, was \$15.9M. The majority of the Council's expenditure relates to delivering services that benefit the community. Other expenditure categories include employee costs, depreciation, and other expenses.

The below table provides a summary of operating expenditure for 2019/2020 and the comparison as a percentage of total operating expenditure over the last four financial years.

Expenditure Comparison	2016/2017 %	2017/2018 %	2018/2019 %	2019/2020 %	2019/2020 \$
Employee Benefits	32.45	32.80	33.12	33.26	5,279,600
Materials and Services	35.23	38.15	35.73	32.38	5,140,853
Impairment of Receivables	0.00	0.00	1.59	0.00	(1,602)
Depreciation	21.27	19.16	18.86	23.78	3,774,908
Finance Costs	1.44	1.28	1.34	1.40	222,542
Plant and Vehicle Running	3.26	2.81	2.78	3.17	502,579
State Taxes	2.35	2.19	2.25	1.93	305,582
Other Expenses	4.00	3.61	4.33	4.08	648,303

**Where the Funds were spent:** Total expenses from continuing operations \$15,872,765.



### Senior Employee Total Remuneration Statement

This statement is in accordance with Section 72 (1)(cd) of the *Local Government Act 1993*. The Council is required to report on the total annual remuneration paid to employees who hold senior positions.

Total Remuneration including salary, superannuation and private use of any motor vehicle as required under the *Local Government Act 1993* is below, further information is outlined in the Financial Report.

Salary Band	Number of Employees
\$00,001- \$20,000	1
\$140,001 - \$160,000	2
\$160,001 - \$180,000	1
\$280,001 - \$300,000	1



## Grant Assistance and Benefits

This statement is in accordance with Section 77(1) of the *Local Government Act 1993*. A total of \$118,161.00 was granted/donated during the 2019/2020 financial year.

Description	Amount
<b>Community Donation</b>	\$3,979.00
<b>Community Grants Program</b>	\$20,000.00
<b>Youth Support</b>	0.00
<b>DV Sport and Recreation Centre</b>	\$87,182.00
<b>Tourism Support</b>	\$7,000.00
<b>Total</b>	<b>\$118,161.00</b>

This is expanded upon below.

## Donations

Derwent Valley Council made the following donations to individuals and organisations in the 2019/2020 financial year:-

Description	Funds Allocated
Lions Club of Hobart - Sponsorship – Circus Quirkus	\$109.09
L. Burn - Attend ASA Inaugural Conference	\$300.00
C. Zabel - Australian representative – Futsal	\$500.00
Derwent Valley State Emergency Service – Tow bus to NN Tip	\$450.00
T. Nossiter – State Gymnastics Trans Bass Challenge	\$300.00
A. Browning – GKR Karate Nationals 2019	\$300.00
L. Browning – GKR Karate Nationals 2019	\$300.00
S. Williams – National Underwater Hockey Championships	\$250.00
S. Williams – National Youth Science Forum	\$250.00
Log a Load for Kids - Donation	\$500.00
New Norfolk Distillery – Near Horizon Spiced Rum	\$90.00
St. Brigid's School – Derwent Dollars donation	\$100.00
Magra Fire Brigade – Derwent Dollars donation	\$100.00
T. Croswell – Cheerleading Championships	\$500.00
W. Watts – Tasmanian Boys U16 Water Polo Team	\$200.00
M. Riley – reversal 2018 never presented	-\$270.00
<b>Total</b>	<b>\$3,979.09</b>

## Community Grants Program

This statement is in accordance with Section 77(1) of the *Local Government Act 1993*. A total of \$20,000.00 was granted/donated during the 2019/2020 financial year. Under Council's Grants Program, all amounts are GST exclusive:-

Organisation	Funds Utilised for	Funds Allocated
Derwent Valley Concert Band	Purchase new synthesizer	\$2,500.00
Derwent Valley Horse Riders Association	Resurfacing of arena	\$1,689.00
Lachlan Craft Circle	Residential Design Worksop	\$620.00
Recklink Australia	Purchase sporting equipment	\$1,000.00
Epona's Horse Archers	Purchase new equipment and site work	\$4,492.00
New Norfolk Fire Brigade	Purchase smoke machine	\$519.00
New Norfolk Neighbourhood Watch	Purchase IT Equipment and toolkit	\$2,290.00
New Norfolk High School	Purchase sewing machine and overlocker	\$999.00
Derwent Valley SES	Purchase training equipment	\$2,000.00
Upper Derwent United Hall Inc.	Purchase whipper snipper	\$500.00
Westerway Primary School Parents Association	Events activities	\$1,000.00
Lachlan Community Hall Association	Kitchen floor coverings	\$792.00
Derwent Valley Arts Inc.	Purchase data projector	\$1,199.00
Derwent Valley Choir	New music scores	\$400.00
<b>Total</b>		<b>\$20,000.00</b>

## Photocopying Services – Community Groups

The Council maintains a register of the photocopying undertaken by community groups and special committees. The cost to the Council for the period 2019/2020 was \$487.11.

## Contracts for Supply of Goods and Services

For the purposes of compliance with the *Local Government Act 1993*, the following contracts are for the supply or provision of goods or services valued at or exceeding \$100,000 that have been entered into or extended during this financial year.

The following statement is made in accordance with Section 29 of the Local Government (General) Regulations 2015.

Contract	Contract Period	Extension Option	Contract Sum (inc. extension options)
<b>2017/006 - Town Maintenance Maydena &amp; Westerway</b> Stornoway Maintenance 1/37 Tasma Street North Hobart TAS 7000	06/11/2017- 06/11/2022	+ 5 years	\$222,960.00
<b>2017/010 – Waste Management &amp; Resource Recovery</b> Bennett’s Mowing Services 9 Moores Road, Lachlan TAS 7140	01/04/2018- 30/03/2023	+ up to 5y	\$222,100.00/yr.
<b>2018/001 – Kerbside Waste Services</b> Veolia Environmental Services (Australia) Pty Ltd 95 Kennedy Drive Cambridge TAS 7170	01/07/2018- 30/06/2023	+1 +1	\$284,628 /yr.
<b>2018/013 - Supply &amp; Delivery of Gravel for the Peppermint Hill Landfill Site</b> MSD Construction 1 Daniels Road, Magra TAS 7140	30/10/2018- 30/06/2020	NA	\$113,040.00 (based on 6000T)
<b>2018/014 Green Waste Management</b> BG & JM Barwick Pty Ltd Lyell Hwy Granton, TAS 7030	01/03/2019– 28/02/2022	NA	\$180,000.00 (based on 18000m <sup>3</sup> )
<b>2019/001 Internal Cleaning Services – Council Buildings</b> Cleaning Wizard Australia Pty Ltd 8/27 Swift Way, Dandenong South, VIC	01/07/2019- 30/06/2022	+2	\$209,510.70

Contract	Contract Period	Extension Option	Contract Sum (inc. extension options)
<b>Branding Strategy</b> For the People Ground Floor, 30 O'Conner Street Chippendale NSW 2008	27/09/2019- 30/04/2020	NA	\$130,130.00
<b>2019/005 Bridge Replacement Program</b> BridgePro 117 Wilson Street Burnie TAS 7320	15/08/2019- 06/12/2019		\$705,400
<b>2019/009 Malbina Cemetery Improvements</b> MSD Construction 1 Daniels Road, Magra TAS 7140	17/08/2019- 31/03/2020		\$284,928
<b>2019/008 Road Rehabilitation Program – Britten Street</b> Stabilised Pavements of Australia Pty Ltd 1/10 Central Avenue, Derwent Park TAS 7009	17/08/2019- 31/02/2020		\$698,395
<b>2019/010 Glenora Road Improvements</b> Stabilised Pavements of Australia Pty Ltd 1/10 Central Avenue, Derwent Park TAS 7009	04/09/2019- 30/04/2020		\$2,100,000
<b>2019/013 Footpath Construction Program</b> Stabilised Pavements of Australia Pty Ltd 1/10 Central Avenue, Derwent Park TAS 7009	01/03/2020- 19/06/2020		\$106,909
<b>2019/003 Integrated Business System</b> Open Office Holdings Pty Ltd Level 1, 253 Wellington Road Mulgrave VIC 3170			\$809,500

## **Audit Panel**

Report dated 7 December 2020 from the Co-Chairpersons, Derwent Valley Council Audit Panel on the operations of the Panel for the period July 2019 to June 2020, as required under the Derwent Valley Audit Panel Charter. The presentation of this report has been delayed due to difficulties and delays caused by the COVID-19 pandemic.

### **Purpose of Report**

The Audit Panel Charter adopted by Council requires that the Panel through the Chairperson report annually on its operations and activities. This report covers the period July 2019 to June 2020. The report provides a background to the establishment of the Audit Panel, its membership, operation during the last year and areas for attention in 2020/2021. Prior to its presentation to Council the report was reviewed and endorsed by the members of the Audit Panel.

### **Background / Introduction**

Derwent Valley Council's Audit Panel was formally established by Council in February 2016. The Charter for the Panel is based on the requirements of the Local Government (Audit Panels) Order issued by the Minister for Local Government under section 85 B(1) of the *Local Government Act 1993*. The Audit Panel Charter sets out the roles and responsibilities of the Panel, its authority, membership and the tenure of its members, the operation of its meetings, how decisions are made and its reporting responsibilities.

Membership of the Audit Panel comprises two Councillors and two independent members. The independent members of the Panel were originally selected following an expression of interest process and were subsequently reappointed by Council in May 2019.

### **Audit Panel Membership and Meetings**

During 2019/2020, the Panel was made up of the following members:

#### *Councillor members:*

- Councillor Triffett
- Councillor Browning

#### *Independent members:*

- Mr Gary McCarthy
- Mr Robert Hogan

During 2019/2020 the Audit Panel was attended by and received support from Council's General Managers (there were three appointed or acting General Managers during the period of this report), Council's Chief Financial Officer and Council's Senior Financial Officer as well as administrative support from other Council staff.



During 2020 meetings of the Audit Panel have been impacted by the outbreak of COVID-19 pandemic and the inability to hold meetings. Meetings of the Panel were also impacted by the significant changes in senior staff during 2019 and into 2020.

A list of Panel meeting dates and attendances by Panel members in 2019/2020 is set out in Table 1 below.

*Table 1 Summary of Panel Meetings and Member Attendance*

Meeting Date	Councillor Triffett	Councillor Browning	Mr Gary McCarthy	Mr Robert Hogan
<b>3 September 2019</b>	✓	✓	✓	✓
<b>16 December 2019</b>	✓	✓	✓	✓
<b>18 February 2020</b>	✓	✓	✓	✓
<b>23 June 2020</b>	✓	✓	✓	✓
<b>Meetings Attended</b>	4	4	4	4

## Role of the Panel

The role of the Audit Panel is to support the elected Council by providing independent assurance and advice in relation to Council's financial reporting and controls, risk management framework and practices, internal controls, legislative compliance, long term planning, fraud control and corruption prevention. Its role is complemented by both internal and external auditors.

The main responsibilities of the Audit Panel include:

- ✦ whether the annual financial statements of the council accurately represent the state of affairs of the council;
- ✦ whether and how the Part 7 plans (these include the Strategic Plan, Long Term Financial Plan and Strategic Asset Management Plan) are integrated and the processes by which, and assumptions under which, those plans were prepared;
- ✦ the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the council has in relation to safeguarding its long-term financial position;
- ✦ whether the council is complying with the provisions of the Act and any other relevant legislation;
- ✦ whether the council has taken any action in relation to previous recommendations provided by the audit panel to the council and, if it has acted, what that action was and its effectiveness.

## External Audit

As legislated, Council's external audit service is provided by the Tasmanian Audit Office (TAO). Because of the pandemic staff from the TAO attended only one Audit Panel meetings during the year. At this meeting, the Panel and TAO officers reviewed and discussed Council's interim and final Financial Report for 2018/2019 including the TAO completion report.

Including findings from the 2018/2019 audit there were eight findings that needed to be addressed by Council. The Audit Panel has followed up progress on these matters during 2019/2020. The delay in addressing audit recommendations has been and remains of concern to the Audit Panel. It is clear that some issues can only be addressed with the purchase of a new finance software package and an upgrade of Council's IT system.

Because of the pandemic, and unlike their normal operating procedure, the TAO did not provide an external audit program for the 2019/2020 year until after 30 June 2020 and did not commence auditing until after the close of the financial year. As a consequence, the Audit panel were unable to discuss audit planning, progress or any issues identified.

### **Panel Activities during the Reporting Period**

In its 2018/2019 Annual Report the Audit Panel identified a range of issues it aimed to addressed in 2019/2020. These issues included:

- Overseeing the 2019/2020 External Audit planning process;
- Continuing to monitor outstanding audit recommendations as well as progress with recommendations from the Division of Local Government report;
- Reviewing the Panel's Charter to ensure compliance;
- Monitoring progress with the development of a risk management framework;
- Working with council staff to develop an agreed legislative compliance process.
- Discuss with Council staff the development of a long-term financial plan and its integration with Council's asset management plans;
- Discuss and agree how the Panel can gain the necessary assurance in relation to internal controls.

The Panel were able to achieve some of these objectives but were unable to adequately address the issues of assurance in relation to internal controls and legislative compliance, the development of a risk management framework or a timeline for the completion of asset management plans and their incorporation into a long-term financial management plan.

In addition, during the year the Audit Panel:

- Met with TAO staff to discuss the 2018/2019 audit and issues that arose, and recommendations made;
- Discussed Council's insurance and insurance policy renewals;
- Following the self-assessment survey of the Panel's operations and performance, the Panel discussed areas for improvement on the basis of the results obtained and developed a reporting framework;
- Reviewed the Audit Panel Charter and recommended changes to the Charter to Council for adoption. The Panel also discussed how the Panel could meet the requirements of the Charter;

- As required by the charter, developed, implemented and monitored progress with a workplan for 2019/2020. The Panel also discussed a revised or more comprehensive workplan for 2020/2021;
- Discussed the operation of Council's waste facility including its operational life, environmental approval and the setting of the waste levy for its use;
- Discussed the continued operation of Council's childcare facility including the issues raised by a government compliance report;
- Reviewed expenditure on the credit card held by Council's General Manager and examined expense claims submitted by the Mayor

### **Future Directions**

The Audit Panel Charter requires that the Panel provide assurance and advice in a range of areas including risk management framework and practices, internal controls, legislative compliance, long term planning, fraud control and corruption prevention. As indicated in previously Annual Reports, this can be difficult without an internal audit/review function and the lack of some relevant policies and plans. In addition, the Panel has again noted on going delays in addressing recommendations from external audits.

Of particular concern to the Panel are delays in compiling with legislative requirement in relations to asset management plans and the long-term financial management plan as well as the lack of a strategic risk management framework, endorsed by Council, and an up to date and comprehensive operational risk plan.

The Panel has also sought improved and more timely provision of information from Council staff.

The 2019/2020 has seen a range of challenges for the Council (COVID-19, changes in senior management) and as a consequence the Audit Panel. In 2020/2021 the Panel aims to focus on seeing improvements in legislative compliance, risk management, long term planning and the provision of better information to assist the Panel's deliberations.

In addition, during 2020/2021 the Audit Panel will;

- Review the 2019/2020 financial report and meet with TAO staff to discuss the 2019/2020 audit and any issues that arose, and recommendations made;
- Oversee the 2020/2021 External Audit planning process;
- Continue to monitor outstanding audit recommendations including those from the Procurement audit reported in November 2020 as well as any outstanding recommendations from the Division of Local Government report;
- Review and provide comment on relevant new or amended Council policies.

The Audit Panel would like to thank Council management and staff for their support, advice and assistance.

## Community Strategic Plan - Our Valley 2030

The Plan provides direction and guidance to the Council in the allocation of resources and priority actions for the next 12 years and will work in conjunction with the Council's Annual Plan, Long-Term Financial Plan, Asset Management Plan and a range of other strategies and programs that are the result of project implementation and development.

Our Valley 2030 includes a number of actions across eight (8) strategy streams that reflect the values of Natural, Inviting and Local.

The Plan includes timelines for delivery of actions as well as lead organisations and stakeholders who will be involved in the delivery of actions.



The next section of this report provides an update on the action items within the Strategic Plan.

Strategic Action 1 – A regionally diverse, competitive and innovative Valley that is attractive to all.

***Educational support for our local workforce needs***

Action	Results
<b>1.1 Facilitate partnerships and discussions to identify education and training opportunities required to meet the valley's future economic needs.</b>	<p>Council as a member of the South-Central Sub-Region was successful in a Tasmanian Community Fund to establish a Workforce Development Coordinator program to service the region.</p> <p>In partnership a draft strategic plan for the sustainable growth of tourism and agriculture in the Derwent Valley.</p>
<b>1.2 Advocate for affordable education or learning facilities to be based in the Valley.</b>	<p>Advocacy for affordable education or learning facilities based in the Derwent Valley is an ongoing process with stakeholders.</p> <p>Additionally, the objectives of the Workforce Development Coordinator in engaging with potential employers, employees and organisations active in the space such as TasCOSS, Trade Training Centre, TasTafe and Councils to continue to provide outcomes.</p>
<b>1.3 Facilitate business development workshops for our small businesses.</b>	<p>Council Officers have been playing a dynamic role in supporting activities across the valley; these include assistance during the recent COVID-19 crisis period, promotion of strategic work in collaboration with other organisations and participation in a number of programs and projects such as Journey to Jobs and the Collaboration Forum.</p>
<b>1.4 Facilitate development sessions suitable for the Valley's tourism professionals.</b>	<p>Council Officers have been working with external providers to facilitate opportunities for industry to come together and discuss their requirements. Budget limitations and COVID-19 restrictions have prevented Council from developing and delivering further public engagement sessions at this time.</p>

*Turning Willow Court into something even more special*

Action	Results
<b>1.5 Facilitate a viable adaptive reuse for Willow Court.</b>	<p>The process of leasing some of the buildings in Willow Court to the New Norfolk Distillery has been the culmination of much hard work by both the Council and proponents.</p> <p>The establishment of the distillery is the first component of a multistage development for that part of the site; ultimately, plans will lead to increased visitation to the area and a better visitor experience. This includes the leasing of sections of the Barracks building to Salamanca Arts and Derwent Arts.</p> <p>The Council endorsed Willow Court Partnership Prospectus has been created to bring clarity to messaging and builds on prior decisions of the Council around the proposals for the adaptive reuse of Willow Court.</p>
<b>1.6 Develop and implement a masterplan for the Willow Court precinct.</b>	<p>Council endorsed the Willow Court Partnership Prospectus in August 2020 to provide a consistent advocacy document for use when looking and public and philanthropic funding opportunities. The prospectus provides base level information on each of the current partnerships with a focus on how future funding will provide ongoing benefit to the community through the flow on effects on employment, economic activity and community capacity building.</p>

### ***Allowing Social Enterprises, Artist and Performers to contribute to the valley***

Action	Results
<b>1.7 Facilitate the instigation of a social enterprise forum for local businesses.</b>	The timeline for completion of this action is 2023, subject to budget allocations.
<b>1.8 Investigate opportunities to provide spaces for artists, performers and social enterprises.</b>	Council is working to progress a proposal from the Salamanca Arts Centre and Derwent Valley Arts to utilise spaces within Willow Court and the Memorial Hall to showcase artists and performers. Council is also continuing to identify grant opportunities to assist with the redevelopment of these sites.

### ***Making the valley an inviting place to visit***

Action	Results
<b>1.9 Develop and implement a masterplan for High Street's future (including improved lighting).</b>	The Master Plan for the Urban Design for the Town Centre and Town Precincts including the High Street, Burnett Street and the Avenue is underway. The implementation of these plans will provide improved lighting, the installation of trees and landscaping as well as future plans for the upgrades to toilets and parking infrastructure.
<b>1.10 Enhance the physical appearance of the gateways to our Valley.</b>	The Urban Design for the Town Centre and Town Precincts includes improvements to the appearance for the New Norfolk town entrance gateways. Additional improvements to boundary signage for the region incorporating the Community Branding is to occur as part of a larger signage strategy.
<b>1.11 Improve directional signage to the New Norfolk Town Centre.</b>	The Urban Design for the Town Centre and Town Precincts includes improvements to directional signage within the town centre. These placemaking signs will incorporate the community brand.
<b>1.12 Improve tourism signage within each town, highlighting the popular</b>	Identified as part of the Recreation Play and Open Space Strategy and to be incorporated as



Action	Results
<b>destinations (food, wine, heritage, environment).</b>	part of the larger signage strategy to enhance place finding within the region.  Completion of the Community Branding Strategy has enabled this to commence.
<b>1.13 Enhance visitor services to become a key asset in the Derwent Valley that provides quality information on passive (including self-guided) and active touring activities and our food, heritage and environment assets.</b>	Due to COVID 19 the Visitor Information Centre ceased operations indefinitely. As a result of the uncertainty in visitor numbers caused by both international and domestic boarder closures this work was not undertaken and will be revisited in 2020 – 21.
<b>1.14 Advocate for increased private transport options to major tourism attractions during peak tourism season.</b>	Advocacy for improved private transport options is an ongoing process.
<b>1.15 Improve signage and access to Peppermint Hill and Pulpit Rock lookouts.</b>	Identified as part of the Recreation Play and Open Space Strategy, improvements to signage incorporating the community brand will provide visibility of these lookouts.
<b>1.16 Investigate demand for food caravans at key Valley destinations during peak seasons.</b>	Council is yet to commence due to the impacts of COVID-19, however ongoing leases of space at the Granton Reserve. Policy development and enhancement of available spaces is part of the considerations.
<b>1.17 Support the implementation of the Western Wilds Tourism Journey.</b>	Council Officers sit on the Journey's Working Group, which includes the Western Wilds, and liaise regularly with tourism operators about implementation.  COVID-19 has prevented Council from committing to funding to enhance the Western Wilds presence in the Derwent Valley.
<b>1.18 Develop and implement a master plan to improve access to the Derwent and Tyenna Rivers (at The Esplanade and Westerway, for example) for recreation and tourism.</b>	The Recreation Play and Open Space Strategy has identified a number of master plans for improved access.  The timeline for completion of this action is 2026, subject to budget allocations.

## Strategic Action 2 – A well-planned and supported infrastructure to meet the growing demands of the region.

### *Improving the quality of our telecommunications*

Action	Results
<b>2.1 Advocate on behalf of the community for access to new and existing phone and internet technologies for the entire Valley.</b>	Advocacy for improved communications networks as well as highlighting the blackspot areas for mobile coverage remains a key priority. Grant funding opportunities with telecommunication providers has also been explored.
<b>2.2 Promote community response to Federal Black Spot Eradication Programs as they become available.</b>	Council continues to promote and apply for funding through the Black Spot Eradication Program.

### *Improving our infrastructure*

Action	Results
<b>2.3 Advocate for sealed road access to connect us to the Huon Valley</b>	Derwent Valley and Huon Valley Councils have been successful in advocating for funding to undertake a feasibility study into this. The feasibility study has been completed and determined that the sealing of Jefferies Track was not viable.
<b>2.4 Advocate for improved tourist road quality, especially sealed all-year roads, e.g. Lake Dobson Road</b>	Advocacy for this is an ongoing process reliant upon stakeholder input.
<b>2.5 Promote community understanding of infrastructure needs and priorities</b>	Council continues to progress works on its Asset Management Plan. Consultation on Councils Recreation Play and Open Space Strategy and Urban Design concept plan has assisted in the community's input and understanding of needs. Further work is required on the hierarchy of maintenance and intervention within budget allocations.

### ***Improving access to public toilets***

Action	Results
<b>2.6 Install public toilets in the Upper Derwent Valley.</b>	Council has been successful in a grant through the Building Better Regions fund and is working with the Westerway Hall committee to install toilets and other improvements to the hall. This project was delayed due to contractor availability and funding however it is now due for completion as part of the 2020/21 Capital Works program.

### **Strategic Action 3 – We preserve, protect and promote our lived, built and natural environment for the next generation.**

#### ***Promoting and preserving our lived, built and natural environment***

Action	Results
<b>3.1 Promote community understanding of the benefits of environmental activities.</b>	Through Derwent Catchment support and advice is provided on restoration and weed management.  Developed the flood education package for landholders.
<b>3.2 Develop a sustainable land use strategy that facilitates considered growth and tourism while preserving and protecting our natural and built environment and strategic farming land</b>	Council officers are working with Derwent Catchment to implement a Building Better Regions Grant that will result in a sustainable land use strategy. Work and consultation with the tourism and agricultural sectors has been undertaken.

## Reducing our rubbish going to the tip

Action	Results
<b>3.3 Develop and manage a Waste Management Strategy that considers increased recycling and reuse opportunities, the reduction of single use plastics and an improved tip shop.</b>	<p>This Waste and Resource Recovery Strategy started development in early 2020 in partnership with the Derwent Valley Council, Optimum Standard, and RMCG. Originally, a period of face-to-face consultations in combination with an on-line survey to capture feedback from individuals who wanted to contribute and were more confident with this method. Unfortunately, this initial consultation phase coincided with the period of COVID-19 social isolation restrictions. This limited the ability of the Project Team to conduct a face-to-face consultation and we needed to rely on a combination of the on-line survey and specific stakeholder conversations via telephone. This feedback helped to form the basis of the draft Waste Management and Resource Recovery Strategy that was presented at two community consultation sessions were held in December 2020. The final strategy is now complete and is just awaiting further input from the Waste Taskforce with regards to the timing and priority of the actions agreed upon.</p>

***Continuing the management of weeds, willow and biosecurity***

Action	Results
<b>3.4 Build on the outcomes achieved from the Willow Warriors Willow Control Program.</b>	<p>Derwent Catchment with support from Council and a growing team of volunteers has continued the Willow Warriors Program, including at publicly accessible areas of the Tyenna River in Westerway.</p> <p>Undertaken Willow Warriors working bees and received \$60,000 of funding from the Fisheries Habitat Improvement Fund to develop a plan for willow eradication from the Tyenna over a 10-year timeframe and undertake primary willow control of priority infestation in the upper reaches. Environmental grants to support works on the Tyenna. Works are complete for reaches 1-3 of the Program. Working bees recommenced Sept 2020.</p>
<b>3.5 Continue the efforts of the Weed Management Plans to eradicate priority weeds through best practice weed management.</b>	<p>Planned works undertaken and completed with additional resources allocated by State Growth to the Lyell Highway. Successful applications to the weed action fund to support activities in the Derwent including control of two priority weed species African feather grass and Elisha's tears.</p>
<b>3.6 Encourage Biosecurity Tasmania to implement strategies as required, ensuring our agricultural sector is protected.</b>	<p>Derwent Catchment and Council Officers have successfully worked together to receive grant funding to develop a strategy around biosecurity as impacted by climate change. This will also involve local farmers and Biosecurity Tasmania.</p>

### *Improving water quality within our rivers*

Action	Results
<b>3.7 Support and encourage sustainable agricultural programs.</b>	Implementing Dairy Cares for the Derwent, regular farmer information sessions, pasture hub and information services; shelterbelts and planting support, farm planning and targeted grant applications.

### *Expanding our native vegetation and animal habitat*

Action	Results
<b>3.8 Collaborate to connect remnant vegetation patches to create green corridors.</b>	The timeline for completion of this action is 2020, subject to budget allocations.

## **Strategic Action 4 – Services are integrated to maximise opportunities and participation**

### *Helping the disadvantaged and marginalised*

Action	Results
<b>4.1 Facilitate and coordinate efforts to assist disadvantaged and marginalised members of our community</b>	Council Officers are involved in a number of networking groups and assisting in creating a collaborative cross-agency approach to numerous projects. Throughout the COVID-19 pandemic Council has been able to 40facilitate groups to assist with these members of our community including food services, book and library services etc.
<b>4.2 Promote awareness within the community of external funding opportunities for home energy efficiency schemes</b>	This action is subject to the availability of schemes.
<b>4.3 Facilitate the holding of financial literacy workshops through the valley and increase coordination of provision of literacy and numeracy services</b>	The timeline for completion of this action is 2021, subject to budget allocations.

***Providing the best medical, health and State Government services possible***

Action	Results
<b>4.4 Facilitate increased coordination of effort to provide collaborative and improved health services, allied health services, mental health services, aged and palliative care services</b>	Throughout the COVID-19 pandemic this increased need for support and improved services has been highlighted. Council continues working across government departments to assist with the facilitation of recourses and the promotion of available networks.
<b>4.5 Advocate for health, allied health, mental health, aged and palliative care services required and access to 24/7 services</b>	Ongoing advocacy for services required throughout the valley.
<b>4.6 Advocate for a one-stop shop for State government services</b>	The Derwent Valley has retained a Service Tasmania office. There will be further activities undertaken over the life of the plan.

***Providing the best sports, recreation, arts and cultural services possible***

Action	Results
<b>4.7 Facilitate the establishment of a Derwent Valley arts and culture body to more effectively coordinate offerings</b>	Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. This will be an ongoing process to some extent dependent upon action 8.6.
<b>4.8 Facilitate the establishment of a Derwent Valley sports and recreation body</b>	Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. Grant application in partnership with sports groups has been achieved this year with improvements to the Boyer Oval and Tynwald Park precincts.



***Empowering our younger people to be all they wish to be***

Action	Results
<b>4.9 Facilitate the establishment of a Derwent Valley youth and family services body</b>	<p>Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group.</p> <p>This will be an ongoing process to some extent dependent upon action 8.6.</p> <p>Ongoing partnerships with providers have been highlighted throughout the COVID-19 pandemic to ensure youth and families have access to support and services.</p>
<b>4.10 Increase connections between schools and local services/businesses to support the Children's University project</b>	<p>The timeline for completion of this action is 2023, subject to budget allocations.</p>

***Improving management of the Derwent Valley's built and community heritage***

Action	Results
<b>4.11 Facilitate the establishment of a Derwent Valley heritage body</b>	<p>Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. This will be an ongoing process to some extent dependent upon action 8.6.</p>
<b>4.12 Explore the feasibility of locating the Historical Information Centre with the Visitor Information Centre</b>	<p>The feasibility of relocation is underway to determine what a colocation may look like and service the community. Both the Visitor Information Centre and Historical Information Centre have been closed due to the COVID-19 pandemic.</p>

### *Growing our volunteer pool*

Action	Results
<b>4.13 Facilitate events, activities and forums requiring collaboration between older and younger generations to connect and work together</b>	The timeline for completion of this action is 2023, subject to budget allocations.
<b>4.14 Explore the expansion of a community learn to drive program utilising community mentors</b>	The timeline for completion of this action is 2021, subject to budget allocations.
<b>4.15 Partner with schools to mentor and build resilience within our younger people</b>	The timeline for completion of this action is 2020, subject to budget allocations.

### **Strategic Action 5 – The Valley has a range of activities to improve physical or mental wellbeing**

#### *Increasing the number of tracks and trails available*

Action	Results
<b>5.1 Investigate feasibility of a walking/cycling path between the school and shop at Bushy Park</b>	The timeline for completion of this action is 2025, subject to budget allocations. This has also been Identified as part of the Recreation Play and Open Space Strategy actions.
<b>5.2 Investigate the feasibility of walking tracks that allow dogs, e.g. The Esplanade, Tynwald Park, New Norfolk Bicentennial Track, The Wetlands, around Molesworth and along the Tyenna at Westerway</b>	Preliminary work commenced on clearing a Council owned section of Tyenna bank. A group of volunteers are undertaking this work. This has also been Identified as part of the Recreation Play and Open Space Strategy actions.  The timeline for completion of this action is 2026, subject to budget allocations.
<b>5.3 Based on an outcome of engineering assessment, create a future strategy for the use of the Derwent Valley Line corridor</b>	Engineering report presented to Council June 2019. Council endorsed a proposal to consider in-kind support to Derwent Valley Railway.
<b>5.4 Investigate feasibility of a walking/cycling path between Lachlan and New Norfolk</b>	The timeline for completion of this action is 2026, subject to budget allocations.

***Keeping people of all ages stimulated throughout the year***

Action	Results
<b>5.5 Collaborate with relevant organisations to establish a range of activities or events for all of the community to participate in throughout the year</b>	The timeline for completion of this action is 2026, subject to budget allocations. Events Calendar on Council's website allows for entries by members of the public and community groups wishing to promote community events. Print version not undertaken at this time.
<b>5.6 Investigate feasibility of establishing community gardens throughout the valley</b>	Council has commenced planting of vegetables and herbs outside the Court House and Historical Information Centre in High Street. These vegetables are available for the community to pick as needed and is promoted through Councils social media page.
<b>5.7 Develop secure playground areas in each town</b>	The timeline for completion of this action is 2024, subject to budget allocations. This has also been Identified as part of the Recreation Play and Open Space Strategy actions.
<b>5.8 Support the community to identify ways to increase the use of community halls and activities for all</b>	<p>Council has been successful in obtaining a grant through the Building Better Regions fund and is working with the Westerway Hall committee to install toilets and other improvements to the hall.</p> <p>Additionally, Council provides support to community halls by assisting with the costs associated with annual insurance.</p> <p>Council is investigating ongoing grant funding to improve facilitates.</p>
<b>5.9 Sporting infrastructure encourages community wellbeing and participation</b>	Council has been successful in obtaining grant funding to assist with the improvement of facilities at Boyer Oval, Tynwald Park and PCYC. Council is also continuing to investigate and apply for ongoing grant funding to improve facilitates. Key priorities have been identified as part of the Recreation Play and Open Space Strategy.

**Strategic Action 6 – The Valley has highly liveable and engaged communities, supported by access to its needs.**

***Increasing our community assets***

Action	Results
<b>6.1 Investigate the development of year-round, multi-purpose sporting facility</b>	Key priorities have been identified as part of the Recreation Play and Open Space Strategy. This strategy identifies key locations that could facilitate a sporting precinct. Funding would be incumbent on State and Federal commitments.
<b>6.2 Explore feasibility of developing a centre for arts and performances</b>	Ongoing feasibility of a centre for arts and performance is underway. Council continues to seek funding to support the redevelopment of existing assets. The partnership with Salamanca Arts and Derwent Valley Arts will assist in determining core requirements.
<b>6.3 Investigate the establishment of a suitable community meeting space at Maydena</b>	The establishment of a community meeting space alternate to the Maydena School site has been raised by the Maydena Community Association. The timeline for completion of this action is 2025, subject to budget allocations.
<b>6.4 Install a community noticeboard in Molesworth.</b>	<b>This action has been completed installation of a community notice board at the Molesworth Community Hall.</b>
<b>6.5 Facilitate the development of an action plan for Maydena</b>	The development of a plan and objectives to achieve has not yet commenced. In understanding the potential future growth for the region and what infrastructure is required an economic impact statement is needed.  The timeline for completion of this action is 2020, subject to budget allocations.

### *Enhancing access for people*

Action	Results
<b>6.6 Develop and implement a targeted approach to the creation of footpaths in the Derwent Valley</b>	Council continues to work to develop its Asset Management system with the identification of existing and potential assets. Currently the Councils asset hierarchy provides for a footpath to be installed to be provided on one side of a street. Within this year's budget the completion of the Glebe Road footpath has been achieved.  The creation of new assets as well as the maintenance of existing assets will require additional funding.
<b>6.7 Facilitate conversations with the community to establish the case for increased public transport and advocate for increased funding for public transport to employment and educational opportunities and community services and events</b>	Council Officers successfully lobbied Department of State Growth to ensure that there were no reductions in bus services provided by that Department in 2019. Changes have occurred to services to allow better servicing

### *Improving the appearance of our communities*

Action	Results
<b>6.8 Develop and publish a program to regularly mow our roadside verges</b>	Council has published a program of when it will mow the roadside verges on its website. Ongoing development and refinement of Council maintenance programs is underway to provide better information for residents.
<b>6.9 Educate the community about roadside littering</b>	Captured as part of the Waste Management Strategy the need to better educate the community regarding litter has been identified. This has also been raised as part of the graffiti and beyond working group.

### *Improving housing opportunities for diverse needs*

Action	Results
<b>6.10 Facilitate partnerships with private and NGO housing providers to understand housing and rental needs of our community</b>	Ongoing facilitation and advocacy have provided additional housing in New Norfolk.
<b>6.11 Develop and implement a sustainable housing strategy which considers housing and rental options (including cooperative housing)</b>	The timeline for completion of this action is 2024, subject to budget allocations.

### *Supporting opportunities for businesses in our smaller towns*

Action	Results
<b>6.12 Assist the community to investigate the viability of re-opening of the shops at Molesworth and Lachlan</b>	This action is ongoing and requires significant stakeholder consultation. Private Investment in the community to purchase and operate these entities is required.

### *Changing perspectives of community safety*

Action	Results
<b>6.13 Collaboratively communicate accurate crime statistics to inform and engage the community</b>	<p>Ongoing partnerships with Tasmania Police have provided opportunities for presentations at Council meetings on key statistics and outcomes affective the region.</p> <p>PCYC are located at the Derwent Sports Centre and are providing support and programs for young people within our community.</p>
<b>6.14 Ensure that master plans for public areas contribute to the community feeling of safety</b>	The timeline for completion of this action is 2022, subject to budget allocations.

## Strategic Action 7 – The Derwent Valley brand shapes our story and reputation

### *Educational support for our local workforce needs*

Action	Results
<b>7.1 Facilitate the development of a Derwent Valley brand strategy reflecting who we are (green, organic and our heritage)</b>	<b>Branding strategy completed and implementation has commenced.</b>
<b>7.2 Implement the Derwent Valley brand strategy</b>	<p>Council endorsed the brand strategy in March 2020.</p> <p>Brand and style guide developed and made available to users of the Derwent Valley Brand as part of the Registration process. Banners and wraps produced and used at community events. More to be developed as part of Derwent Valley Brand implementation.</p>
<b>7.3 Work in partnership with artists, social enterprises and others to innovatively explore our story to establish events and media coverage that celebrate us and our diversity</b>	Council has partnered with Salamanca Arts and Derwent Valley Arts. Due to COVID-19 the hosting and establishment of events has been challenging.
<b>7.4 Champion stories that celebrate our young people's achievements</b>	Through Councils Australia Day Awards, school prizes and donations program, the Council is able to recognise our young people's achievements.

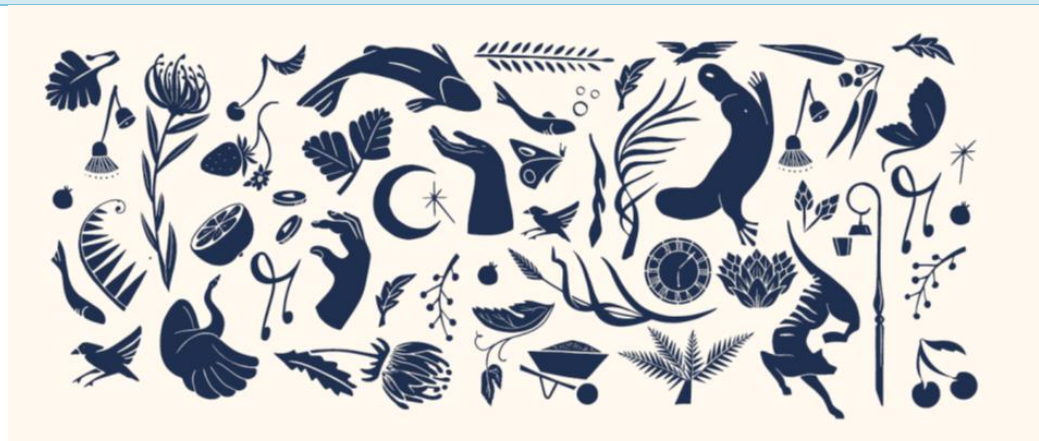


### *Increasing pride in what the community offers*

Action	Results
<b>7.5 Champion stories of the community's talents and how they are being used to promote pride in the valley</b>	The Urban Design Plan for the Town Centre and Town Precincts Connections identifies Arthur Square as a space to install a walk of Achievers.
<b>7.6 Facilitate tourism events in High Street, The Esplanade and Willow Court that showcase local produce, fashion, arts, musicians, photography, patchwork quilts, artisan furniture and social enterprises</b>	Council continues to facilitate the New Norfolk Market through lease arrangements for High Street. In May Council endorsed a Partnership to provide financial and in-kind support for the upcoming Ten Days on the Island event 'Derwent Valley Intimate Epics' to be hosted at Council owned facilities including Willow Court, High Street and the Esplanade.
<b>7.7 Host a forum to explore how the talents within our community can be used to contribute to the economy or community, e.g. amateur beekeepers who would love to share their skills or produce with the community</b>	The timeline for completion of this action is 2021, subject to budget allocations.

### *Increasing the Value We Place on Education*

Action	Results
<b>7.8 Pilot events and festivals that celebrate learning and education such as writers' festivals, school students' achievements</b>	The timeline for completion of this action is 2024, subject to budget allocations.



## Strategic Action 8 – The Plan is implemented through effective and transparent governance and partnerships.

### *Ensuring council effectively delivers on the Plan and business as usual*

Action	Results
<b>8.1 Integrate monitoring of the plan's progress into Council's governance processes</b>	<p>Inclusion of action items within Council Reports provides a connection between decisions of Council and the Strategic Plan.</p> <p>Monitoring of Council's Strategic Plan actions and results is incorporated into Council's governance process with reporting to occur through the Annual Plan, Annual Report and progress updates as required.</p>
<b>8.2 Communicate 12-monthly, easy to read monitoring reports to the community</b>	<p>Update on actions developed as part of Annual Report. Specific items updated as appropriate via various communications channels.</p>
<b>8.3 Develop a Plan Delivery Communications Strategy which considers media and face-face options to communicate how the Plan is being progressed</b>	<p>Council adopted the Communications plan in December 2018. The implementation of this strategy is ongoing.</p> <p>Council liaises with multiple media outlets for promotion of Council and local activities as appropriate.</p>
<b>8.4 Explore the feasibility of establishing portfolios for councillors</b>	<p>Councillor profiles on website including listing of Special Committees and contact details. Councillors are invited to attend community events and engagement opportunities as appropriate.</p>
<b>8.5 Ensure that Council takes a prudent approach to budget development and delivery</b>	<p>A review of the Council's Long Term Financial Management Strategy to align with the Strategic Plan is underway.</p>

## Identifying partnerships to deliver parts of the Plan

Action	Results
<b>8.6 Review the structure and effectiveness of Council's Special Committees in consideration of the Plan's future delivery</b>	A review of the structure and scope of Council's special committees is being undertaken. The principles of this review were endorsed by Council in March 2020 including the opportunity for the Special Committees to undertake a self-assessment process against the principles of the review.
<b>8.7 Facilitate the development of a committee, with State involvement, to take us beyond 2030</b>	As part of its review of special committees, Council will consider this committee and establishing relevant and appropriate advisory groups.
<b>8.8 Explore the benefits of diverse citizen juries when implementing strategies and plans of a complex nature</b>	The timeline for completion of this action is 2021, subject to budget allocations.
<b>8.9 Council will partner with other government organisations and the community to deliver benefits to the community</b>	Council partners with a number of organisations on an ad hoc and ongoing basis to deliver support programs.
<b>8.10 Continually improve whole-of-government communications with the community</b>	Communications is delivered in line with the Communications strategy. This process is continuously improved and incorporates the whole-of-government channels where appropriate.
<b>8.11 Develop and implement a roads hierarchy that is communicated to the public</b>	Communications have focus on increasing visibility of upcoming capital works in advance. An Infrastructure and Development Projects Map has been developed and published on Council's website showing projects mapped across the Derwent Valley. Council provides individual project updates of its website and Facebook page. In addition, the use of a roadside Variable Message Board has increased community visibility to road users on upcoming works.

## 2019/2020 Highlights

The 2019 /2020, Annual Plan provided an appraisal of the current issues and identified key areas of focus for the financial year. These areas included monies allocated in the budget to address some long-term projects including:

### Derwent Valley Brand

How do we tell a Derwent Valley Tale?

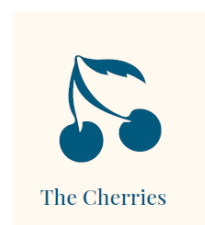
No one story is ever the same, and the way we tell stories is always changing, but here is our guide on how to best collate and narrate the stories of the Derwent Valley and create a unique verbal identity.

We understand the Derwent Valley to be a region full of larger-than-life characters, dramatic locations and wonderfully exaggerated tales; these make for great stories and give them their own unique spin - we like to call them our Derwent Valley Truths.

Much like there are many different people and places in the Derwent Valley, there are different ways in which we can tell these stories. Some are classical and fable-like, others are word-of-mouth and hearsay. And whether they are six syllables, six words, or six paragraphs, they all aim to entertain, evoke emotion and create a unique sense of place. To feel Unquestionably Derwent Valley.

As every Derwent Valley story is based on a starting truth, we are always grounded in some kind of reality. However, the way we expand on this truth, to tell a Derwent Valley tale, is the art of good storytelling.

### The Cherries



#### Flash story:

The cherries that engaged the world.

#### Shorter story:

It is said our cherries are more valuable than diamonds. Maybe it is because they are often counterfeited and sold on the black market for \$50 a pop? Or that we fan them with helicopters? Or serenade them with orchestras? Or whisper love sonnets into their delicate, ruby skins? Either way, Norway has oil and Tassie has cherries. Only in the Derwent Valley can a cherry become the new gold standard.

### The Platypus



#### Flash story:

The platypus that bumbles towards infamy.

#### Shorter story:

The platypus here are big, some say the biggest in the world. Why so big? That's something we ask ourselves often. Maybe it is because of the pure Derwent waters? The fertile banks? Or maybe it is just some weird hangover from the time of the dinosaurs? Either way, they are everywhere, piling up in backyards and carparks, bumbling across roads, causing traffic jams and grinding towns a halt. Only in the Derwent Valley can the weirdest animal in the world be that little bit weirder.

## The River



The River

### Flash story:

The river that babbles secrets and gossip.

### Shorter story:

It is said the River Derwent has the purest water on Earth. Many travel from far and wide to sample its fabled powers - some say (well, mainly Roz) that it even holds the secrets to eternal youth. We are not so sure about that, but what we do know is that it is a terrible gossip. Up and down the Valley, secrets are babbled and laid bare like a rolling news report. Only in the Derwent Valley can a river be so clean yet harbour dirty secrets.

## The Trout



The Trout

### Flash story:

Where you cannot see the water for the trout.

### Shorter story:

If you have gazed into the mighty Derwent, you would know the waters are overflowing with trout. Perhaps too much trout. It has been known for kayakers to be marooned on islands of silvery scales. For locals to walk across the river as if on water. For fishing competitions to be cancelled (because where is the competition if everyone wins?). Only in the Derwent Valley can you catch a trout by accident.

## The Swan



The Swan

### Flash story:

The swans that sung in chorus and inspired an opera.

### Shorter story:

Swansongs are not just final performances; they can be first impressions as well. And no finer first impression was there than witnessed by the famed Irish composer, William Vincent Wallace. It was 1838, and young Bill was gazing over the Derwent Valley. Suddenly, the river of swans before him banked and broke out into song. So moved was Bill by the scene, it inspired him to write 'Scenes That Are Brightest'. And to this day when the swans sing together the Valley becomes an opera.

## The Eucalyptus



The Eucalyptus

### Flash story:

The trees that brush the stars.

### Shorter story:

Some trees grow tall. And then there are the Derwent Valley eucalypts. Some argue they are the tallest trees in the world, but who is measuring - we literally cannot. They have been known to shape weather systems. Their branches have been found in satellites. Every year, a festival of locals gathers with (really long) sticks to stir the uppermost reaches for stranded treasures. One year they found a hot air balloon. Another year a plane's engine. Only in the Derwent Valley can one climb a tree and touch the moon.

## The Tiger



### Flash story:

The Tiger that never was but always is.

### Shorter story:

Some say the Tasmanian Tiger is extinct. But speak to anyone in the Derwent Valley, and they will say otherwise. Because, without gloating or anything, we see them all the time. In fact, we are getting a little sick of them to be quite frank. Their high pitch screaming at night... Good luck trying to find earplugs in the chemist. Only in the Derwent Valley can a supposedly extinct animal become a nuisance.

being a shameless exhibitionist, it lives in the most isolated corners of the Derwent, shedding its exotic unmentionables to the groupies worshipping at its tangled roots. Only in the Derwent can something so flamboyant be so reclusive.

## The Hops



### Flash story:

The weeds that brewed a nation.

### Shorter story:

As you nurse your beer, take pause and give thanks to one Ebenezer Shoobridge.

Not many people do - in fact, not many people know who ol' Ebenezer is at all. But we do. Because Ebenezer's the godfather of Derwent Valley hops, and, with over 70% of all Australian beer brewed using hops from the Valley, possibly Australia's greatest ever hero. Only in the Derwent Valley can a farmer's son turn a weed into the world's favourite flower.

## The Fagus



### Flash story:

The trees that paint the landscape auburn and gold.

### Shorter story:

The Derwent Valley is known as an enclave for artists. And there is none more colourful and flamboyant than The Fagus. Despite



## Capital Works

### Key Achievements

- Britten Street / Benjamin Terrace – 450 l/m pavement renewal and reseal, reconstruction of kerb & channel and footpaths and upgrades to stormwater infrastructure
- Downie Circle – 75 l/m pavement renewal and reseal, reconstruction of kerb & channel and footpaths and upgrades to stormwater infrastructure
- Shoobridge Place – 90 l/m pavement renewal and reseal, reconstruction of kerb & channel and footpaths and upgrades to stormwater infrastructure
- Matheson Court – 100 l/m pavement renewal and reseal, reconstruction of kerb & channel and footpaths and upgrades to stormwater infrastructure.
- Malbina Cemetery Improvements – pavement renewal and reseal, reconstruction of kerb & channel and footpaths and upgrades to stormwater infrastructure.
- Asphalt resurfacing of Dean / Blair Street Intersection
- Glebe Road – 500 l/m construction of new footpath and kerb ramps.
- Expansion of network of CCTV cameras at various Council properties.



### *Bridge Replacement*

This year included the full replacement of two bridges jointly funded through the Commonwealth Bridges Renewal Program and four others identified for major repair works in AusSpan's inspection reports. Repair works also undertaken to the abutment on the lower Tynwald Park Footbridge (closest to wetlands) which was the final project remaining from the May 2018 storm event damage.

The Wyre Forest Creek Bridge on Molesworth was the first major capital project completed for the year and with great efficiency by our contractors. Our aim was to cause minimal disruption to residents, and we feel we achieved this by timing the works during school holidays and providing a temporary bypass bridge for the duration of the two-day project.



*Completed Wyre Forest Creek Bridge*

The Plenty Valley Road Bridge over the Plenty River was certainly much more of a logistical challenge as this required the complete removal of the bridge for a period of approximately six weeks with no practical option for a vehicle bypass. Council tried to provide as much notice as possible to affected residents and organised the installation of pedestrian footbridge to allow those fortunate enough to be able to leave a car on the other side. The patience of local residents, some of which were forced to undertake a significant detour via Bushy Park to get to New Norfolk, was much appreciated and fortunately, the works were completed with no delays or issues.



*Old versus new – Plenty Valley River Bridge*

Other bridge works included the re-decking of Hydehurst Road bridge #14 and Barretts Road bridge #20 as well as abutment repair works to the of lower Tynwald Park footbridge, Glen Dhu Bridge #6 and Lachlan Road Bridge #10



*Barretts Road Bridge (Humboldt River) after re-decking*





*Before and after – Tynwald Park Footbridge*

### *Glenora Road*

The Tasmanian Government, through the office of the Department of State Growth provided Council funding through its 'Roads Package to support Tasmania's visitor economy' grant funding for improvements to Glenora Road.

Council has implemented a partnering approach with its contracted suppliers. This approach invites active participation from both suppliers and Council personnel to ensure decisions are objective and not driven by subjective views. This approach has provided numerous opportunities to ensure the best value for money from the grant funding.

The initial design proposed was for circa 3km of the 17km long Glenora Road to be upgraded/improved but through working together we have been able to complete improvement works of circa 10km. By use of in-situ stabilisation, targeted drainage improvements and sealing works and the implementation of significant safety improvements (previously non-existent) including line marking, RPMs, trees and general vegetation removal, new signage, improved site distance measures and applicable speed reductions for bends and other identified hazardous areas.



*Council Staff potholing Glenora Road at Plenty earlier in the year versus completed road*



*Stabilisation works on Glenora Road approaching New Norfolk*

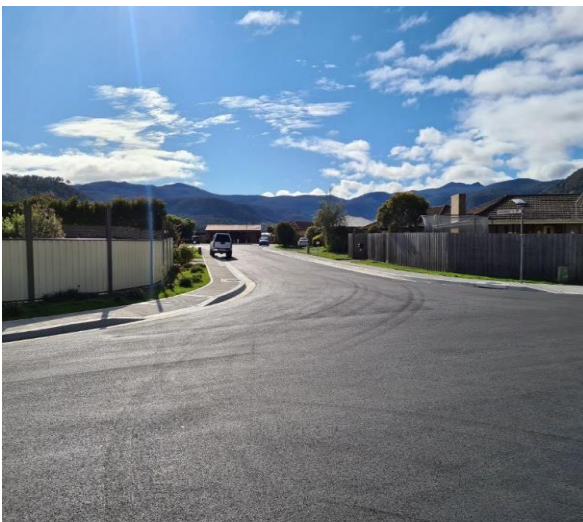


### Roads Projects

Major reconstruction works were undertaken on Britten Street and Benjamin Terrace including pavement renewal and stabilisation, resealing, reconstruction of kerb, channel and footpaths and upgrade and installation of new storm water infrastructure. By incorporating savings from this and several other capital projects and taking advantage of the already mobilised crew, Council was able to undertake additional, much needed rehabilitation on the three nearby cul-de-sacs Shoobridge Place, Matheson Court and Downie Circle.



*Britten Street – Before and After*



*Shoobridge Place – Before and After*



### Cricket Pitches

New “drop in” cricket pitch systems were installed at Boyer Oval and Tynwald Park to reduce the changeover time between cricket and football seasons. Different synthetic turf mats can be interchanged to suit cricket and football greatly reducing the amount of preparation required to the surface.



*Staff finishing off the reinstatement of the cricket pitch turf post installation*

### Eiszeles Track

Through support from the Tasmanian Bushfire Mitigation Grants Program, staff upgraded and widened approximately 500m of fire track connecting Eiszeles Road to Moss Road in Lachlan. This now allows Tasmanian Fire to take larger vehicles up the track and provides a more reliable evacuation point for local residents.



*Upgraded Eiszeles Road Fire Track*



### *Malbina Cemetery*

This year Council made a number of improvements to better cater to the existing needs of visitors of Malbina Cemetery and prepare for its future expansion. This included the construction of a new access road to the rear of the cemetery, new pedestrian refuges and pathways, new sealed parking areas and replacement and upgrade of stormwater, kerb and channel.



*New sealed car park and stormwater works at Malbina Cemetery*



*New access road and sealed parking bay at rear of Malbina Cemetery*



Through grant funding received from the Department of Communities, Sports and Recreation and a contribution from Marine & Safety Tasmania (MAST), Council was able to continue the upgrade of its CCTV surveillance system. This is a deterrent to increasing vandalism, ensures that major road arteries and Council assets are visible, and reduces the reliance on manned security patrols. These upgrades included new cameras overlooking the Esplanade and pontoon, Millbrook Rise boat ramp and Tynwald Park as well as pan, tilt, zoom (PTZ) units overlooking Glebe Road, Rocks Road, Blair Street and George Street, Tas Police can directly control these units.

#### *New solar powered camera at Millbrook Rise Boat Ramp*

This year Council used almost 250 tonnes of hot-mix asphalt for potholing and major patching works. In addition to road maintenance staff also carried out bitumen seal resurfacing works to the basketball court at Ellis Dean Reserve.

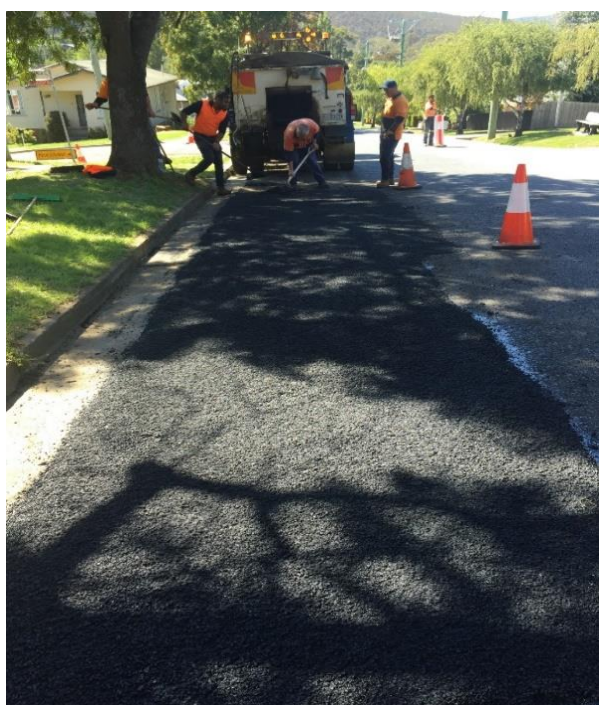




*Resurfacing of basketball court at Ellis Dean Reserve*



*Major patching on Glenfern Road*



*Major Patching on Pioneer Avenue*



*Clearing table drain on Glenfern Road*

Each year Council staff clean and reshape approximately 80km of roadside table drains on our rural roads. 2019/2020 included a added focus on maintenance of drainage easements through private properties which we were to achieve with good success with much appreciated co-operation from residents on Back River Road and Lachlan Road.



One of the more significant stormwater projects undertaken in-house was the extension and upgrade to a major culvert on Hobart Road. Previously this undersized culvert had been creating a bottle-neck for all stormwater runoff coming from the Gateway Estate and former Royal Derwent areas that resulted in semi-regular flooding of the Tynwald Park Playground. The new drain will mean this only occurs in extreme rainfall events as designed.



*Culvert upgrade on Hobart Road*



*Staff preparing footings for installation of fitness equipment at the Esplanade*



A significant weather event on 22/23 June provided rainfall in excess of 150mm over a 48-hour period over the Derwent Valley side of the Wellington Ranges. This resulted in high flows in the Lachlan River causing extended inundation of Tynwald Park and in the Glen Dhu Rivulet causing significant damage to certain sections of Glen Dhu Road and Stinging Nettle Gully Road. Council staff and trapped residents waited patiently for water levels to drop before Stinging Nettle Gully road access could be reinstated.



*Before and after of Stinging Nettle Gully Road post flood*



There was a fair bit of clean-up work for staff at Tynwald Park after this event with significant quantities of debris washing out of the Lachlan River as well as gravel from the car park. Apart from trying to get the park open again for the community there was also some added urgency as sporting groups were finally beginning to recommence training on the fields after the Covid-19 shutdown.





*Tynwald Park during and immediately post flood - June 2020*

Derwent Valley Council began implementing a number of safety improvements along Collins Cap Road this year, most notably the installation of 180m of guardrail and benching and vegetation reduction at the switchback section at the bottom of the hill where the gradient increases to over 15%.



*Collins Cap Road before and after safety improvements*

## Australia Day

Council celebrated Australia Day at the Esplanade on 26 January 2020

Council again held this popular free public event at the Esplanade, with assistance from its Australia Day Committee and numerous community partners. This year's Australia Day Ambassador was Rosalie Martin, 2017 Tasmanian Australian of the Year and founder of Chatter Matters. Four people took the Australian Citizenship pledge at the Australia Day Ceremony. Each year the Council seeks nominations for Australia Day Awards. The recipients of 2020 Australia Day Awards:



**Derwent Valley Citizen of the Year** Justin Derksen and Craig Youd

**Derwent Valley Young Citizen of the Year** Kady Morgan

**Derwent Valley Senior Citizen of the Year** John Geraghty

**Derwent Valley Sportsperson of the Year** Anna Blackwell

**Derwent Valley Community Event of the Year** Relay for Life

Entertainment included a Fun Run organised by Tasmanian Road Runners, music by the Derwent Valley Concert Band and live duo, food vans, free Lion's BBQ, face painting, lawn games with D'FAT, youth activities with PCYC, Salvation Army jumping castle, Council listening post, Guardian pharmacy tent and a Colour Run. This year saw a printed program introduced to better communicate proceedings and acknowledge supporters.

With Council's support, the Bushy Park Pool and New Norfolk Pool opened free of charge and held BBQs on Australia Day. A bushfire threat delayed Maydena's community celebration however proceeded a few weeks later.

## International Women's Day Breakfast, 5 March 2020

Council hosted this catered event to inspire and connect the community on International Women's Day. The impressive program of speakers included Severine Demanet (Co-Founder of the Agrarian Kitchen Cooking School and Eatery), Alderman Debra Thurley (Australian Local Government Women's Association), Rosalie Martin (2017 Tasmanian Australian of the Year) and Nicola Rouleston (Chair of the New Norfolk Business Alliance).





### **Dragon Boat Tasmania State Championships, 8-9 March 2020**

This event took place over two days at the Esplanade, pontoon and Derwent River. Sunday was the State Championships and involved 110 competitors and 5 boats. Monday was a fundraiser for the Maddie Riewoldt Foundation.

### **Senior's Week 14-20 October 2019**

The Mayor's Annual Seniors Week Afternoon Tea event held at the New Norfolk Football Club on 14 October 2019. Sally Wise (2018 Tasmanian Senior Citizen of the Year, and Derwent Valley resident) was the guest speaker. Ninety senior citizens and representatives from the Aged Care sector attended.



### **Remembrance Day, 11 November 2019**

The New Norfolk Sub-branch of the Returned Services League (RSL), in partnership with Council, marked Remembrance Day with a commemorative service at the New Norfolk Cenotaph. Attendees included students from local schools, Council staff, RSL members, church leaders and members of the public. A lunch followed at the RSL.



### **Day for People with Disabilities, 3 December 2019**

A BBQ lunch with activities was held in Council Social Rooms (relocated from Arthur Square due to inclement weather) celebrating people of all abilities living in the Derwent Valley.



### **Carols by Candlelight, 13 December 2019**

With funding and in-kind support from Council, New Norfolk Lions Club again ran the popular Carols by Candlelight at Tynwald Park. Involving food vans and children's entertainment, all funds raised by this family-focused event go back into local Lions Club projects to benefit the Derwent Valley Community.

### **New Norfolk Christmas Parade and Rotary Christmas Fair, 14 December 2019**

Funded by the New Norfolk Business Alliance and Council, Rotary Club of the Derwent Valley delivered the annual Christmas parade in New Norfolk's CBD. There were 32 floats featuring many of our local clubs, organisations and businesses. With approximately 3000 participants, this year's parade enjoyed increased attendance numbers and a new by-line was coined i.e. 'the best regional Christmas celebration in Tasmania'. Rotary simultaneously delivered a fair in Arthur Square, featuring stalls, food vans, children's activities and entertainment. Both the Fair and the Christmas Parade are a major highlight on the Derwent Valley calendar, attracting locals and visitors to spend time and support businesses in the region.



### **Derwent Valley events cancelled/postponed due to COVID-19**

On 13 March 2020 Australia's Chief Medical Officer advised events for more than 500 people should not proceed due to the risk of spreading COVID-19. Cancellation of all public events quickly followed. Events being planned that were discontinued include:

- Freedom Bike Ride, 18 April 2020
- 2020 Autumn Festival, 19 April 2020
- ANZAC Day ceremonies, 25 April 2020
- Targa Tasmania, 1 May 2020
- D'FAT Youth Week events, 4 May 2020
- Dark MOFO Derwent Valley spin-offs, June 2020

## **Governance**

This year the Council continued reviewing policies. As part of this process, the public are encouraged to provide feedback by way of a written submission within the 42-day consultation period.

Council internal reviews of the way in which services are delivered for the community continues to be undertaken. The intent of the reviews is to identify areas of improvement and to ensure that the services provided are consistent and transparent. Policy changes made in the course of this review are:

The Council is welcoming of community input and encourages the public to contribute through active involvement in Special Committees of Council and making submissions to the budget process and other public documents.

## **Children's Services**

The year of 2019-2020 has been an immensely busy time. The WT3 programme as it unfolded showed where there were changes required to improve the service to meet the needs of all children. The Willow room was not overly suitable for the younger three-year old children with toilets and sinks that were not easily accessible, tables that were too high and limitations within the environment that did not support children's learning and development as well as it could. Upon critical reflection by management, staff and with a number of early learning professional's changes were discussed, a plan formed and implemented. Resources were purchased that would support the inclusion of all children in a more diverse and open-ended manner. Adjustments were made to the age ranges and two rooms moved spaces to support an improved flow across the service.

The centre embraced the rating and assessment, and everyone was very disappointed when the service received an overall rating of working towards. The rating and assessment process identified improvements were required in the areas of Health and Safety, Programme and Practice, Governance and Leadership. Unfortunately, due to the rating and assessment outcome the service was unable to continue to offer places in 2020 to support the WT3 government initiative rollout. Management and staff with support from Council, continue to work together to improve the practice and provide a professional, quality early childhood education and care service.

Significant maintenance and improvements have started at the centre, new decks, carpet and a fresh coat of paint in Wisteria and linoleum in Poppies.

### **'Snake! Snake! Snake!'**

What a terrifying time that was for the educator who came across the snake in the Wisteria storeroom. Due to quick action and notification the immediate danger was recognised, children moved away from the area and the door was blocked off with blankets. Thank you to Council who very promptly organised the snake's removal from the service and in collaboration have



continued to work toward more long-term snake prevention measures. In the meantime, a risk assessment and minimisation plan has been put in place that the service follows to reduce the risk of snakes entering the building and outdoor areas have had several changes made to reduce areas snakes may be able to hide or enter.

### COVID-19

The Covid-19 pandemic came to Australia and Tasmania was not out of the clutches of this life changing virus. As parents lost their work our numbers declined dramatically over a short period of time. The government made changes and the service remained open to all essential workers. Permanent staff reduced hours and to be able to access the benefits available casual staff ceased work temporarily until numbers of children climbed and things went to our new normal. Practices changed and parents were no longer able to enter rooms. Educators supported and encouraged children to learn about social distancing by discussions and marking out tables and floor spaces. Educators teach children more stringent hygiene practices, and children's self-serving of food practice became asking children what they would like and staff serving.



Children's drink bottles were separated to reduce risk and common sensory activities such as clay, dough, even drawing and writing equipment needed to be organised to be removed or single use only. There were opportunities to teach and help children to understand what was happening especially for the elder children at the service. Educators showed their skills in adaptation to support a new way of centre life. It was very important to support children's emotional wellbeing and understanding of COVID-19 and this photo is of a child who undertook a

stem challenge and created a COVID-19 molecule. Educators also supported each other during this scary and stressful time. We thank Council for their efforts to ensure staff kept their employment and for the provision of clear communication about health and safety practices, procedures and new government protocols to ensure safety of all in the environment.

Uniting moved away from the management of the service at the end of June 2020 with the Council choosing to appoint a Centre Director.

## Development and Environmental Services

Much of the work undertaken by this department is governed by the legislative requirements of Council; this is detailed in this report. This department is divided into several discrete areas, with information on each contained below.

### Planning Control

Planning control provides strategic and statutory planning in accordance with the requirements of various pieces of State legislation.

Council receives and determines applications for development or land use in accordance with the Derwent Valley Interim Planning Scheme 2015 (the Scheme) and the *Land Use and Planning Approvals Act 1993*.

### Types of Planning Applications

#### No Permit Required (NPR):

An NPR use or development means that the use or development applied for complies with the relevant Acceptable Solutions of the Planning Scheme and does not require a Planning Permit.

Lodgment of a planning application (in particular, a site plan outlining all existing and proposed structures on the land) is still required to determine whether the proposed development falls into the NPR category.

#### Permitted (no public notification):

A permitted application means that Council must grant approval if all provisions of the Scheme are complied with however, may impose conditions on the permit.

Council has 14 days to request additional information that may be required to decide and 28 days to determine an application. Any additional information request will stop the assessment timeframe.

#### Discretionary (public notification required):

A discretionary application can be either approved with or without conditions or alternatively refused by Council. Council has 21 days to request additional information that may be required to decide and 42 days to determine an application. Any additional information request will stop the assessment timeframe.

A discretionary application requires a 14-day public notification period during which any person may make a written representation to Council in support or opposition of your proposal.

Of the 223 permit applications submitted to Council, 174 were approved.

There were 21 subdivision applications submitted of which 9 were approved.

## Building and Plumbing Control

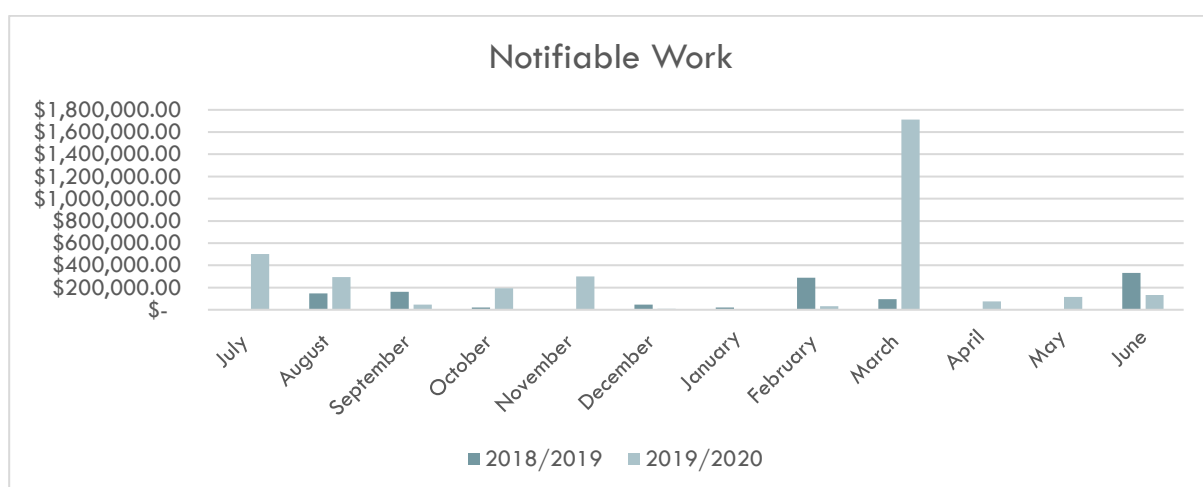
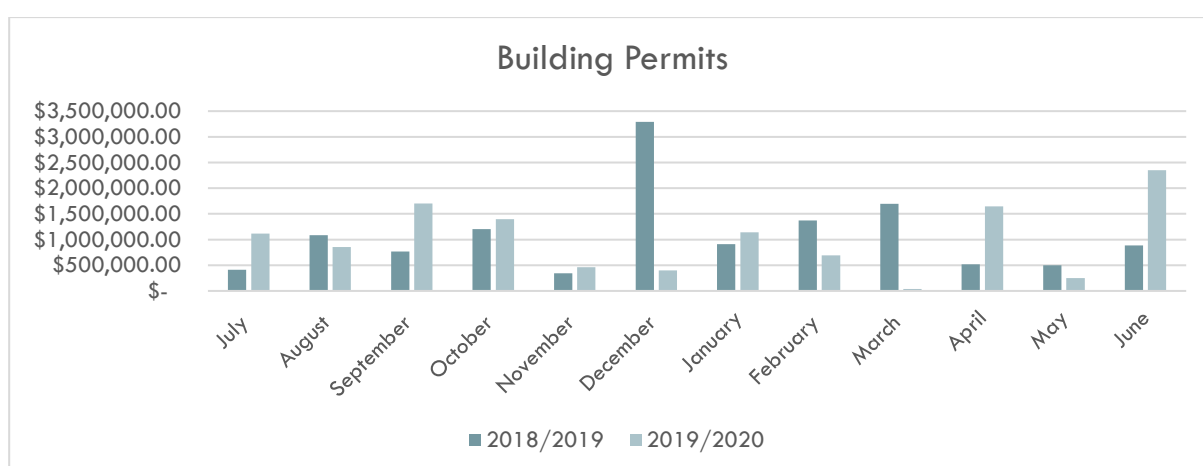
Building and plumbing control form part of the team that work to ensure compliance with legislative requirements in relation to new and existing structures. This includes checking plans, applications, works under construction and completed works for compliance under the *Building Act 2016*.

Council shares our Plumbing Inspector/Permit Authority for 1-2 days a week with Southern Midlands.

Administration staff have commenced follow-ups on all old Building and Plumbing permits as directed by Consumer Building and Occupational Services (CBOS), which will cross over until the middle of next financial year.

Council received 111 building applications and granted 87 building approvals for projects in the same period, with a total value of \$15.5 million.

The following two graphs illustrate the extent of 'Notifiable Building Work' compared to 'Building Permit Work'. Notifiable work increased by \$2,229,251 this financial year. The combined value of Building Permit and Notifiable Works is \$15,449,108 up \$1,355,299 on last year.



## Immunisation

Immunisations is an ongoing key project in this area is to improve the immunisation uptake. Council provides Immunisation sessions for children aged birth to 4 years once a month and delivers a school program annually to year 7, 10.

Monthly Baby Clinics are held at Ptunarra Child and Family Centre in Blair Street, New Norfolk for children aged between birth and four years, the vaccines provided are part of the Adult and Children immunisation schedule 2019 provided free from State Government.

Council's School Program was undertaken in conjunction with New Norfolk High School and Glenora District School to ensure high immunisation rates among students.

The over 65 flu clinic, run annually, was fully booked this year and Council are likely to increase the number of vaccines for next year.

Council Officers are working with the Department of Health and Human Services to ensure the community has immediate access to all Government Funded Vaccines.

The Council is committed to providing the residents of the Derwent Valley a high level of service to maintain a happy healthy population.

## Animal Control

Council has statutory and legislative requirement under the *Dog Control Act 2000* to ensure that all dogs are registered and managed in a responsible manner.

As a result of Councils on going Animal Control Program:

Description	2019/2020	2018/2019
<b>Registered dogs</b>	2658	2567
<b>Kennel Licence</b>	70	66
<b>Impounded dogs</b>	91	76
<b>Impounded reclaimed</b>	68	53
<b>Relinquished to Council</b>	3	0
<b>Unclaimed dogs transferred to the Tasmanian Dogs Home</b>	20	23
<b>Caution Notices issued</b>	105	275
<b>Infringement Notices issued</b>	70	130

## **Records Management**

Records management ensures that the internal filing, retrieval and disposal of hard copy Council Documents, maps and records are completed in a timely and efficient manner.

The Council as a custodian of public records is required to comply with the Archive Act 1983. Council uses the Disposal Schedule for functional records of Local Government to advise retention and disposal dates for Council records.

Over the financial year, Records Management Staff have continued to implement improved records storage and archiving techniques by re packing, re labelling, adding retention dates, and disposing of old records that had reached their preservation dates. All records destroyed were disposed of via security shredding provided by Council's contractor.

Records management staff have also undertaken in consultation with a contracted records management company the digitisation of over 5000 plans and maps relating to the Derwent Valley, Willow Court and Royal Derwent complex's that have been previously stored. The benefits of digitisation of these records support good decision-making, effective business practice and improve accountability and efficiency as records are the foundation of good governance, whilst also promoting the preservation of original and valued paper records by using digital images. This has also freed up a large amount of space within the records storage area to provide and preserve space for future records.

## **Environmental Planning and Management**

### **Derwent Valley Weed Management Program**

The Derwent Catchment Project completed all priority control within the Derwent Valley Weed Management Plan for the season. It has also recommenced mapping of weeds to update and review the current plan. The resurvey will allow the team to assess the effectiveness of past control efforts and they were excited to see tangible results with a reduction in weed species and density in all eradication zones.

Using brush-cutters to reduce the biomass and follow up brush cutting on some areas was trialled with success. We believe this will allow for more thorough karamu control and will increase accessibility for future efforts. Derwent Catchment Project staff undertook twenty days of control this season and Parks Tasmania gave an increase in time with 8 days of boat control undertaken.

### **New Norfolk Riparian Natural Area Plan**

This plan was prepared in 2017 to provide guidance for restoration of the natural riparian areas around the township of New Norfolk. The plan consists of a guide to target areas for weed control to improve the amenity of the area for residents and visitors, and to work in a more planned way to improve the natural values. Progress is being made along riparian areas in New Norfolk with a focused effort being placed on the high value visual regions such as bridge crossings. Crack willows still propose a management issue especially in relation to the ability to safely treat and remove from within public access areas. Ongoing maintenance is being performed within Tynwald Park focusing on the revegetated banks and garden beds.



### **Building Resilience in the Derwent – Department of Premier and Cabinet (flood recovery funds)**

A flood recovery support grant was received in 2018, which continued to run through until March 2020. The program, designed to help landholders to improve the flood resilience of their properties and help in the response to future flood events in Lachlan and Sorrell Rivers and Glen Dhu Rivulet. We surveyed these three rivers and produced a plan for each river about how to build resilience into these systems and reduce impacts in future flood events. We also prepared a flood recovery series, which includes four note sheets and short videos available on YouTube. The videos include:

1. Responsibilities of landholders;
2. Immediate recovery actions after a flood;
3. Revegetation after a flood and;
4. Why are willows bad?

These resources are designed to be a longer-term support to improve the community's capacity to respond to flood events. It is anticipated that Council's will also use them across Tasmania.



## **Building Better Regions Grant – Strategic Plan for the development of Agriculture and Tourism**

The aim of the project is to develop a community plan for sustainable growth in agriculture and tourism in the Derwent Catchment. Content for this plan has been developed through a series of workshops and one-on-one interviews with representatives of these industries across the Derwent Valley and Central Highlands.



## Statutory Obligations

### Public Interest Disclosure Statement

Section 86 of the *Public Interest Disclosures Act 2002* requires a public body to report on the following for the period covered by this Annual Report:-

Reporting Requirement	Outcome
<b>How persons may obtain, or access copies of the current procedures established under the Act.</b>	Procedures may be obtained through the Council website or by request at the Council office.
<b>Number and types of disclosures made to the Derwent Valley Council and number of disclosures determined to be a public interest disclosure.</b>	No disclosure was made and determined to be a public interest disclosure.
<b>Number of disclosures determined by the Derwent Valley Council to be public interest disclosures that the Council investigated.</b>	No public interest disclosure was investigated by the Council.
<b>Number and type of disclosed matters referred to the Derwent Valley Council by the Ombudsman.</b>	No public interest disclosure made by a public officer was referred to the Ombudsman.
<b>Number and types of disclosed matter referred during the year by the Derwent Valley Council to the Ombudsman to investigate.</b>	No public interest disclosure made by a public officer was referred to the Ombudsman
<b>The number and types of disclosed matters taken over by the Ombudsman from the Derwent Valley Council during the year.</b>	No public interest disclosures were taken over by the Ombudsman during the year
<b>The number and types of disclosed matters that the Derwent Valley Council declined to investigate during the year.</b>	No public interest disclosures were declined by the Derwent Valley Council.
<b>The number and type of disclosed matters that were substantiated upon investigation and action taken on completion of the investigation.</b>	Not applicable
<b>Any recommendations made by the Ombudsman that relate to the Derwent Valley Council.</b>	Not applicable



## **Right To Information**

The Council has a statutory responsibility to provide the public with access to Right to Information applications and to have a resource available to process those applications.

The 2019/2020 financial year saw five assessed disclosures accepted for determination under the *Right to Information Act 2009*; numerous other enquiries were resolved without the need for an application. The processing of these applications, gathering of information to respond to queries and providing a response requires a significant use of Council resources.

## **Customer Service Charter**

In accordance with Section 339F of the *Local Government Act 1993*, Council is required to disclose the number of complaints it received under the provisions of the Customer Service Charter. In 2019/2020 one complaint was received. Council is in the process of updating its Customer Service Charter.

## **Integrity Commission**

There were five complaints relating to Derwent Valley Council received by the Integrity Commission for the 2019/2020 Financial Year. Information received from the Integrity Commission notes that these complaints were dismissed.

## **Complaints**

### **Code of Conduct**

The Council is required to report the number of code of conduct complaints that were upheld either wholly or in part, by the Code of Conduct Panel during the preceding financial year and the total costs met by the council during the preceding financial year in respect to all code of conduct complaints.

In accordance with Section 72(1)(ba) of the *Local Government Act 1993*, it is reported that one Code of Conduct complaints were partly upheld against Councillors of the Derwent Valley Council during the 2019/2020 financial year.

In accordance with Section 72(1)(bb) of the *Local Government Act 1993*, it is reported that the total cost met by the Council in respect to the code of conduct complaints was \$0.00.

## **Enterprise Powers Statement**

This report is made pursuant to Section 72 of the *Local Government Act 1993*. Council has not resolved to exercise any powers or undertaken any activities in accordance with Section 21 of the *Local Government Act 1993* during the 2019/2020 year.

## **Donated Land Statement**

Derwent Valley Council has not resolved to donate any lands in accordance with Section 177 of the *Local Government Act 1993*.

## Public Health Statement

Council fulfilled all its obligations under the *Environmental Management and Pollution Control Act 1994*, *Food Act 2003*, *Public Health Act 1997* and the *Local Government Act 1993*.

One of the roles of the Environmental Health Department and an objective of Council is to protect public health and safety and to ensure food prepared and sold within the municipal area is safe for human consumption and complies with relevant legislation, in particular the Australian New Zealand Food Standards Code. This objective is achieved through educational programs and regular food inspections of food premises. There were 163 food premises registered in the municipal area during 2019/2020 financial year.

Council has an obligation to provide food education/awareness training to members of the community, who work with food in various capacities. The goal of food education/awareness training is to ensure persons undertaking or supervising food handling operations have the appropriate skills and knowledge in food safety and food hygiene matters, to protect public health and safety.

In accordance with the *Building Act 2016*, the Environmental Health Department is also responsible for assessing on-site wastewater systems and to issue certificates of likely compliance, for the installation of any new/amended on-site wastewater systems. A total of 86 Certificate of Likely Compliance Plumbing Permits were issued during the financial year.

Under the *Public Health Act 1997* – Recreational Water Quality Guidelines 2007, Council has a responsibility to monitor its recreational and public pools. The recreational water sampling site was the Derwent River, near Fitzgerald Jetty. Monitoring of recreational waters was conducted by the Derwent Valley Council, principally on a weekly basis, through the months of December 2019 to March 2020. Samples were analysed for the microbiological indicator of Enterococci bacteria. A total of 14 recreational samples were taken.

The water quality rating at the Esplanade maintains a long-term rating of good.

An additional site was included in the water quality sampling in the 2019/2020 financial year. Millbrook Rise was included as an Environmental site. The water quality at Millbrook Rise was also rated as good.

There are two public pools owned by the Council in the Derwent Valley municipality. They include:-

New Norfolk Main Swimming Pool and New Norfolk Baby Swimming Pool, situated at the Esplanade, New Norfolk; and

Bushy Park Swimming Pool, situated at 601 Gordon River Road, Glenora.

Pool samples were analysed for Heterotrophic Plate Count 36°cfu/mL; E. Coli cfu/100mL and Pseudomonas aeruginosa cfu/100mL. A total of 8 pool samples were taken. The results of the recreational and pool samples are included in a report required by the Director of Public Health.

In accordance with the Drinking Water Quality Guidelines under the Public Health Act 1997, Council is required to keep a register of private water suppliers and water carriers in the municipal area. There are currently 2 private water suppliers and 1 water carter operating in the municipal area. The details of the private water suppliers and water carter are compiled in a report as required by the Director of Public Health.

### Public Health Act 1997

The below table provides a summary of the activity undertaken by the Council in relation to the *Public Health Act 1997*.

Type	Premises 2018/2019	Inspections 2018/2019	Premises 2018/2019	Inspections 2018/2019
<b>Places of Assembly for Specific Events</b>	2	0	2	2
<b>Pool Water Samples</b>	3	8	2	13
<b>Recreational Water Samples</b>	1	14	1	13
<b>Regulated Systems</b>	0	0	0	0
<b>Commercial Water Carters</b>	1	0	1	1
<b>Public Health Risks</b>	0	0	0	0
<b>Unhealthy Housing</b>	N/A	2	0	0
<b>Notifiable Disease Investigations</b>	N/A	2	3	3
<b>Private Burial Permits</b>	1	1	0	0
<b>Private Water Suppliers</b>	2	1	2	0

### Food Act 2003

The below table provides a summary of the activity undertaken by the Council in relation to the *Food Act 2003*.

Type of Premises	Premises 2019/2020	Inspections 2019/2020	Premises 2018/2019	Inspections 2018/2019
<b>Registered food businesses</b>			115	121
<b>Food Notification</b>	1	1	5	5
<b>Registered Mobile state-wide (Annual)</b>			31	24
<b>Registered Mobile (Once off)</b>	0	0	12	3
<b>Seizure of food items</b>	0	0	0	0
<b>Approval of plans for new or alterations to existing food premises</b>	4	2	5	5

## **Appendix: Annual Financial Report for the year ended 20 June 2020**

# Derwent Valley COUNCIL

## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020



## **Independent Auditor's Report**

### **To the Councillors of Derwent Valley Council**

### **Report on the Audit of the Financial Report**

#### **Opinion**

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

In my opinion the accompanying financial report:

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

#### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5(f), nor the Significant Business Activities disclosed in note 1.4 to the financial report and accordingly, I express no opinion on them.

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

## Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<b>Infrastructure assets</b> <i>Refer to notes 6.1 and 9.10</i>	
<p>Council's non-current assets includes land, buildings and material long-life infrastructure assets, such as roads, bridges, drainage, footpaths and cycle ways, recreational, leisure and community facilities and waste management structures assets valued at fair value totalling \$118.67m. The fair value of these assets are based on market values and current replacement cost. Council undertakes revaluations on a regular basis to ensure valuations represent fair value.</p> <p>In 2019-20 Council revalued its land under roads, bridges and drainage assets. The valuations were determined by internal and external experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"><li>• Assessing the scope, expertise and independence of experts involved in the valuations.</li><li>• Assessing the appropriateness of the valuation methodology and the key assumptions used.</li><li>• Evaluating unit rates applied to assets subject to valuation.</li><li>• Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations.</li><li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li></ul>

## Responsibilities of the General Manager for the Financial Report

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

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



## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



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

**Tasmanian Audit Office**

22 February 2021  
Hobart

**Derwent Valley Council**  
**Financial Report**  
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**Derwent Valley Council**  
**Financial Report**  
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## Statement of Comprehensive Income For the Year Ended 30 June 2020

	Note	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
<b>Income from Continuing Operations</b>				
<b>Recurrent Income</b>				
Rates and Charges	2.1	7,757	7,754	7,587
Statutory Fees and Fines	2.2	366	434	424
User Fees	2.3	1,563	1,656	1,528
Grants	2.4	2,750	2,792	2,514
Contributions - Cash	2.5	-	22	12
Interest	2.6	86	79	172
Other Income	2.7	1,011	2,737	1,410
Investment Revenue from Water Corporation	2.9, 4.1	272	136	272
		<b>13,806</b>	<b>15,610</b>	<b>13,920</b>
<b>Capital Income</b>				
Capital grants received specifically for new or upgraded assets	2.4	3,601	2,860	1,392
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	41	(412)
Assets brought to account		-	-	204
		<b>3,601</b>	<b>2,901</b>	<b>1,184</b>
<b>Total Income from Continuing Operations</b>		<b>17,407</b>	<b>18,511</b>	<b>15,104</b>
<b>Expenses from Continuing Operations</b>				
Employee Benefits	3.1	(5,067)	(5,280)	(4,386)
Materials and Services	3.2	(6,521)	(5,949)	(5,397)
Impairment of Receivables	3.3	-	2	(211)
Depreciation and Amortisation	3.4	(2,782)	(3,775)	(2,498)
Finance Costs	3.5	(170)	(223)	(178)
Other Expenses	3.6	(727)	(648)	(574)
		<b>(15,267)</b>	<b>(15,873)</b>	<b>(13,244)</b>
<b>Result from Continuing Operations</b>		<b>2,139</b>	<b>2,638</b>	<b>1,860</b>
<b>Result from Discontinued Operations</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Result for the Year</b>		<b>2,139</b>	<b>2,638</b>	<b>1,860</b>
<b>Other Comprehensive Income</b>				
Fair value adjustments on equity investment assets	9.1a	-	(5,657)	3,111
Net asset revaluation increment/(decrement)	9.1b	-	2,285	1,400
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(3,372)</b>	<b>4,511</b>
<b>Total Comprehensive Result</b>		<b>2,139</b>	<b>(734)</b>	<b>6,372</b>

The above statement should be read in conjunction with the accompanying notes.

## Statement of Financial Position As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5.1	5,833	6,538
Trade and Other Receivables	5.2	999	1,009
Other Assets	5.3	44	77
<b>Total Current Assets</b>		<b>6,876</b>	<b>7,624</b>
<b>Non-Current Assets</b>			
Investment in Water Corporation	4.1	18,327	23,984
Property, Infrastructure, Plant and Equipment	6.1	120,287	114,990
<b>Total Non-Current Assets</b>		<b>138,614</b>	<b>138,974</b>
<b>Total Assets</b>		<b>145,490</b>	<b>146,598</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	7.1	846	1,023
Other Current Liabilities	7.2	248	292
Provisions	7.3	1,835	1,674
Contract liabilities	7.4	551	507
Interest-Bearing Loans and Borrowings	8.1	528	539
<b>Total Current Liabilities</b>		<b>4,008</b>	<b>4,035</b>
<b>Non-Current Liabilities</b>			
Provisions	7.3	5,293	5,111
Interest-Bearing Loans and Borrowings	8.1	2,930	3,458
<b>Total Non-Current Liabilities</b>		<b>8,223</b>	<b>8,569</b>
<b>Total Liabilities</b>		<b>12,231</b>	<b>12,604</b>
<b>Net Assets</b>		<b>133,259</b>	<b>133,994</b>
<b>EQUITY</b>			
Accumulated Surplus		53,277	51,342
Reserves	9.1	79,982	82,652
<b>Total Equity</b>		<b>133,259</b>	<b>133,994</b>

The above statement should be read in conjunction with the accompanying notes.

## Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
<b>Cash Flows from Operating Activities</b>			
Rates		7,637	7,511
User Charges and Statutory Fees (inclusive of GST)		2,686	2,001
Grants		2,792	2,514
Interest		88	172
Investment Revenue from Water Corporation	2.9	136	272
Other Receipts which includes Reimbursements		2,713	1,423
Net GST Refund/Payment		888	753
Payments to Suppliers (inclusive of GST)		(7,583)	(6,623)
Payments to Employees (including Redundancies)		(4,830)	(4,309)
Finance Costs		(223)	(178)
Other Payments		(648)	(574)
<b>Net Cash Provided by (Used in) Operating Activities</b>	9.2	<b>3,656</b>	<b>2,962</b>
<b>Cash Flows from Investing Activities</b>			
Payments for Property, Infrastructure, Plant and Equipment		(7,006)	(4,681)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		334	72
Capital Grants (inclusive of GST)		2,847	1,392
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>(3,825)</b>	<b>(3,217)</b>
<b>Cash Flows from Financing Activities</b>			
Trust Funds and Deposits		3	464
Proceeds from Interest Bearing Loans and Borrowings		-	500
Repayment of Interest Bearing Loans and Borrowings	9.3	(539)	(487)
<b>Net Cash Provided by (Used in) Financing Activities</b>		<b>(536)</b>	<b>477</b>
Net Increase (Decrease) in Cash and Cash Equivalents		(705)	222
Cash and Cash Equivalents at the Beginning of the Financial Year	9.4	6,538	6,316
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	5.1, 9.4	<b>5,833</b>	<b>6,538</b>
<b>Restrictions on Cash Assets</b>	5.1	<b>5,568</b>	<b>4,462</b>

\*\* Reimbursements are now included under Other Income

The above statement should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

			Asset	Fair	Asset		
	Note	Total	Accumulated Surplus	Value Revaluation Reserve	Replacement Reserve	Other Reserves	
2020		2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	
Balance at beginning of the financial year		133,994	51,342	80,955	(744)	1,638	803
Surplus / (Deficit) for the year		2,638	2,638	-	-	-	-
Other Comprehensive Income:							
Fair value adjustments for financial assets at fair value		-	-	-	-	-	-
Financial assets available for sale reserve							
Fair value adjustment on equity investment assets	4.1	(5,657)	-	-	(5,657)	-	-
Net asset revaluation increment/(decrement)	9.1(a)	2,285	-	2,285	-	-	-
Transfers between Reserves	9.1(b)	-	(703)	-	-	857	(154)
Balance at end of the financial year		133,259	53,277	83,240	(6,401)	2,495	649

			Asset	Fair	Asset		
		Total	Accumulated Surplus	Value Revaluation Reserve	Replacement Reserve	Other Reserves	
2019		2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	
Balance at beginning of the financial year		127,623	49,794	79,555	(3,855)	1,362	767
Adjustment due to compliance with revised accounting standard		-	-	-	-	-	-
Adjustment on change in accounting policy		-	-	-	-	-	-
Surplus / (Deficit) for the year		1,860	1,860	-	-	-	-
Other Comprehensive Income:		-	-	-	-	-	-
Fair value adjustments for financial assets at fair value		-	-	-	-	-	-
Financial assets available for sale reserve		-	-	-	-	-	-
— Fair Value adjustment on Available for Sale Assets	4.1	3,111	-	-	3,111	-	-
Net asset revaluation increment/(decrement)	9.1(a)	1,400	-	1,400	-	-	-
Transfers between Reserves	9.1(b)	-	(312)	-	-	276	36
Balance at end of the financial year		133,994	51,342	80,955	(744)	1,638	803

The above statement should be read with the accompanying notes.



**Note 1 Overview**

**1.1 Reporting Entity**

- (a) The Derwent Valley Council (formerly New Norfolk Council) was established in 1863 and is a body corporate with perpetual succession and a common seal. Council's main office is located at Circle Street, New Norfolk.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the Municipality.

**1.2 Basis of Accounting**

These financial statements are a general purpose financial report that consists of a Statement of Profit and Loss and Other Comprehensive Income, 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.

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

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Council, and material subsidiaries or joint ventures, have been included in this financial report.

**1.3 Use of Judgements and Estimates**

*Judgements and Assumptions*

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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The 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.

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 7.3a.

*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 9.5.

*Fair Value of Property, Infrastructure, Plant & Equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, infrastructure, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Note 6.1.

*Investment in Water Corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in Note 4.1.

*Landfill / Tip Rehabilitation*

Assumptions and judgements are utilised in determining Council's landfill close-down and restoration costs. These are discussed in Note 7.3(b).

1.4 Functions/Activities of the Council

(a) Revenue, expenditure and assets attributable to each function as categorised in (c) below:

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
<b>Government and Administration</b>						
2019 - 2020	1,477	6,907	8,384	2,267	6,117	5,743
2018 - 2019	1,432	6,799	8,231	2,305	5,926	5,099
<b>Roads, Streets, Bridges &amp; Footpaths</b>						
2019 - 2020	3,809	1,434	5,243	3,147	2,096	90,545
2018 - 2019	1,977	(113)	1,864	2,998	(1,134)	86,220
<b>Drainage</b>						
2019 - 2020	-	-	-	464	(464)	26,821
2018 - 2019	-	12	12	569	(557)	31,434
<b>Waste Management</b>						
2019 - 2020	-	1,457	1,457	2,750	(1,293)	4,982
2018 - 2019	-	1,500	1,500	1,121	379	6,174
<b>Environmental Health</b>						
2019 - 2020	-	224	224	531	(307)	302
2018 - 2019	-	201	201	343	(142)	389
<b>Planning Services</b>						
2019 - 2020	-	158	158	302	(144)	-
2018 - 2019	-	137	137	303	(166)	-
<b>Building Control</b>						
2019 - 2020	-	72	72	89	(17)	-
2018 - 2019	-	83	83	154	(71)	-
<b>Community Amenities</b>						
2019 - 2020	-	73	73	685	(612)	-
2018 - 2019	-	305	305	516	(211)	-
<b>Community Services</b>						
2019 - 2020	348	1,357	1,705	1,943	(238)	86
2018 - 2019	119	1,209	1,328	1,744	(416)	6
<b>Recreation Facilities</b>						
2019 - 2020	18	443	461	1,527	(1,066)	9,889
2018 - 2019	18	526	544	1,506	(962)	9,409
<b>Economic Development</b>						
2019 - 2020	-	1	1	347	(347)	248
2018 - 2019	360	1	361	239	122	243
<b>Other - Not Attributable</b>						
2019 - 2020	-	735	735	1,823	(1,088)	6,875
2018 - 2019	-	537	537	1,447	(910)	7,624
<b>TOTAL</b>						
2019 - 2020	5,652	12,860	18,512	15,874	2,638	145,490
2018 - 2019	3,906	11,198	15,104	13,244	1,860	146,598

1.4 Functions/Activities of the Council (continued)

(b) Reconciliation of Assets above with the Statement of Financial Position at 30 June:

	2020 \$'000	2019 \$'000
Current Assets	6,876	7,624
Non-Current Assets	138,614	138,974
	<b>145,490</b>	<b>146,598</b>

(c) The Council has adopted the following functional area by which it manages the Municipality:

*Governance and Administration*

Operation and maintenance of council chambers, administration offices, and councillors.

*Roads, Streets and Bridges*

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

*Drainage*

Operation and maintenance of open or deep drainage systems in urban areas, including the lining of piping of creeks but excludes drainage associated with road works, flood mitigation and agriculture.

*Waste Management*

Collection, handling, processing and disposal of all waste materials.

*Environmental Health/Environmental Management*

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

Environmental Management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

*Planning Services*

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

*Building Control*

The development and maintenance of building constructions standards.

*Community Amenities*

Operation and maintenance of housing for aged persons and persons of limited means, Civic Centre, Council halls (excluding indoor sports complexes).

*Community Services*

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation of the Child Care Centre, operation and support of the performing arts, museum and the presentation of festivals. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

*Recreation Facilities*

Operation and maintenance of sporting facilities (includes swimming pools, active and passive recreation and recreation centres).

*Economic Development*

Maintenance and marketing of tourist facilities, property development and operation of caravan parks.

*Other - Not Attributable*

Rates and charges and work not attributed elsewhere.

	2020 \$'000	2019 \$'000
<b>Note 2 Revenue</b>		
<b>Note 2.1 Rates and Charges</b>		
Council uses Assessed Annual Values (AAV) as the basis of valuation of all properties within the Municipality. The AAV of a property is the anticipated annual rental return of the property.		
The valuation base used to calculate general rates for 2019-20 was \$83,173,260 (2018-19 \$74,145,218). The 2019-20 rate in the AAV dollar was \$0.07903382 (2018-19 \$0.08490584).		
General Rate	6,427	6,150
General Land Fire Levy	114	127
Volunteer Brigade Fire Levy	192	165
Garbage/Recycling Services	603	569
Waste Management Charge	291	447
Waste Treatment Services	109	113
Businesses Levy	17	17
<b>Total Rates and Charges</b>	<b>7,754</b>	<b>7,587</b>

The date of the latest general revaluation of land for rating purposes within the Municipality was 1 July 2017, with 1 July 2019 adjustment factors applied.

<b>Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019</b>
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.
Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.
<b>Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative</b>
<b>Rates and charges income</b>
Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.
Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

<b>Note 2.2 Statutory Fees and Fines</b>		
Infringements and Costs	33	43
Planning Control Fees	158	150
Land Information Certificates	86	93
Building Control Fees	157	139
<b>Total Statutory Fees and Fines</b>	<b>434</b>	<b>424</b>

<b>Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019</b>
Fees and fines are recognised when or as the performance obligation is completed, or when the taxable event has been applied and Council has an unconditional right to receive payment.
Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.
<b>Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative</b>
<b>Statutory fee and fine income</b>
Fees and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

<b>Note 2.3 User Fees</b>		
Child Care/Children's Program Fees	402	357
Dog Registration Fees	80	81
Cemetery Fees	209	181
Caravan Park Fees	358	360
Refuse Disposal Fees	567	470
Buildings & Property Rentals	37	47
Other Fees and Charges	3	34
<b>Total User Fees</b>	<b>1,656</b>	<b>1,528</b>

<b>Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019</b>
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.
<b>Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative</b>
<b>User fee income</b>
Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

	2020 \$'000	2019 \$'000
<b>Note 2.4 Grants</b>		
Grants were received in respect of the following:		
<b>Summary of Grants</b>		
Federally Funded Grants	3,165	3,486
State Funded Grants	2,487	420
<b>Total Grants</b>	<b>5,652</b>	<b>3,906</b>
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	1,477	1,432
Commonwealth Government Financial Assistance Grants - Roads	963	945
Children Services	346	117
Parks and Reserves	-	18
Roads	4	-
Youth Services	2	2
<b>Total Recurrent Grants</b>	<b>2,792</b>	<b>2,514</b>

**Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019**

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.

The performance obligations are varied based on the agreement, but include the provision of Boyer Oval Grandstand, PCYC accessible bathroom facilities and Tynwald Park improvements.

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.

**Accounting policy under AASB 1004 - applicable for 2019 comparative**

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

**Grant income - recurrent and capital**

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

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed.

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

**Note**

**Capital Grants Received Specifically for New or Upgraded Assets**

Commonwealth Government - Roads to Recovery	379	632
Commonwealth Government - River Revitalisation	-	360
State Government - Boyer Oval & Tynwald Cricket Wickets	18	-
State Government - Bridge Renew Program	363	-
State Government - Upgrade to Glenora Road	2,100	400
<b>Total Capital Grants</b>	<b>2,860</b>	<b>1,392</b>

**Conditions on grants**

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

Unexpended at the close of the previous reporting period	-
Less: expended during the current period from revenues recognised in previous reporting periods	-
	-
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions	
Department of Communities Tasmania - Boyer Grandstand Plan and works	100
Department of Communities Tasmania - Tynwald Park Sport & Recreation Major Grants Program	80
Department Premier and Cabinet - PCYC accessible bathroom facilities	52
	232
<b>Unexpended at the close of this reporting period</b>	<b>232</b>
<b>Net increase (decrease) in non-reciprocal grant revenues for the year:</b>	<b>7.4 232</b>

	2020 \$'000	2019 \$'000
<b>Note 2.5 Contributions</b>		
<b>(a) Cash</b>		
Recreational, leisure and community facilities	22	12
<b>Total</b>	<b>22</b>	<b>12</b>
<b>Total Contributions</b>	<b>22</b>	<b>12</b>

**Accounting policy under AASB 15 - applicable from 1 July 2019**

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.

**Accounting policy under AASB 1004 - applicable for 2019 comparative**

**Contribution Income**

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

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

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets.

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

Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year.

**Note 2.6 Interest**

Interest on Financial Assets	48	136
Interest on Rates	30	35
<b>Total</b>	<b>79</b>	<b>172</b>

**Accounting Policy**

**Interest Income**

Interest is recognised progressively as it is earned.

**Note 2.7 Other Income**

Regional Renewal	1	3
Community and Social Development	34	18
Children Services	819	698
Stormwater	-	12
Roads	5	60
Plant Operations	30	31
Reimbursements	1,664	545
Reversals of impairment losses	100	-
Other	84	44
<b>Total Other Income</b>	<b>2,737</b>	<b>1,410</b>

**Accounting Policy**

**Rental Income**

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

**Reversal of impairment income**

Reversals of impairment losses are recognised when revenue received.

**Operating Leases as Lessor**

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.



	2020	2019
	\$'000	\$'000
<b>Note 2.8 Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment</b>		
Proceeds of Sale	335	72
Write Down Value of Road Assets Disposed	(73)	(261)
Write Down Value of Plant Assets Disposed	(80)	(58)
Write Down Value of Land Assets Disposed	(140)	(165)
Write Down Value of Building Assets Disposed	-	-
<b>Total</b>	<b>41</b>	<b>(412)</b>

#### Accounting Policy

##### Gains and Losses on Asset Disposals

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

<b>Note 2.9 Investment Revenue from Water Corporation</b>		
Dividend Revenue Received	114	143
Tax Equivalent Received	22	93
Guarantee Fee Received	-	37
<b>Total Investment Revenue from Water Corporation</b>	<b>136</b>	<b>272</b>

#### Accounting Policy

##### Investment Revenue

Dividend revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

<b>Note 3 Expenses</b>		
<b>Note 3.1 Employee Benefits</b>		
Wages and Salaries	4,055	3,474
Workers Compensation	196	138
Annual Leave and Long Service Leave	466	382
Superannuation	511	453
Fringe Benefits Tax	16	17
Redundancy	112	-
	<b>5,356</b>	<b>4,464</b>
Less Amounts Capitalised	(77)	(78)
<b>Total Employee Benefits</b>	<b>5,280</b>	<b>4,386</b>

#### Accounting Policy

##### Employee Benefits

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.

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

<b>Note 3.2 Materials and Services</b>		
Contract Payments	1,340	1,133
Building Maintenance	178	149
Consultants	215	403
Utilities (Telephones, Electricity & Water Charges)	582	547
Plant and Vehicle Running Costs	503	368
State Fire Levies	306	297
Other	2,826	2,500
<b>Total Materials and Services</b>	<b>5,949</b>	<b>5,397</b>

#### Accounting Policy

##### Materials and Services Expense

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.

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.

	2020	2019
	\$'000	\$'000
<b>Note 3.3 Impairment of Receivables</b>		
Other Debtors	(2)	211
<b>Total Impairment of Receivables</b>	<b>(2)</b>	<b>211</b>

#### Accounting Policy

##### Impairment Expense

Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Councils policy and events giving rise to impairment losses are disclosed in note 5.2

#### Note 3.4 Depreciation and Amortisation

##### Property

##### Buildings

Buildings	77	73
Heritage Buildings	1	14

##### Plant and Equipment

Plant, Machinery and Equipment	246	218
Computers and Telecommunications	22	21

##### Infrastructure

Roads and Streets	1,454	1,454
Bridges	242	257
Footpaths and Cycleways	156	156
Drainage	182	177
Recreational, Leisure and Community Facilities	90	60
Waste Management	1,306	69

##### Total

<b>3,775</b>	<b>2,499</b>
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#### Accounting Policy

##### Depreciation and Amortisation Expense

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.

Buildings, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. 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, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets 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.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
<b>Buildings</b>	
Buildings	50 years
Heritage Buildings	50 years
<b>Leasehold Improvements</b>	
Leasehold Building Improvements	50 years
<b>Plant and Equipment</b>	
Light Vehicles	5-10 years
Plant, Machinery and Equipment	7 years
Fixtures, Fittings and Furniture	5 years
Computers and Telecommunications	5 years
<b>Roads**</b>	
<b>Road Pavements</b>	
Urban Sealed	80 years
Rural Sealed	80 years
Urban Unsealed	100 years
Rural Unsealed	100 years

	2020	2019
	\$'000	\$'000

**Note 3.4 Depreciation and Amortisation (continued)**

<b>Accounting Policy (continued)</b>		
<b>Depreciation and Amortisation Expense (continued)</b>		
Road Surface		
Urban Spray Seal		18 years
Rural Spray Seal		18 years
Urban Asphalt		30 years
Rural Asphalt		30 years
Urban Unsealed Gravel		10 years
Rural Unsealed Gravel		10 years
Road Formation and Earthworks		Nil years
Road Kerb and Channel		75-80 years
Street Furniture		50 years
Bridges		
Bridges Deck - Concrete		80 years
Bridges Deck - Timber		20 years
Bridges Substructure		80 years
Drainage		
Pipes Concrete		80 years
Pipes Upvc		80 years
Pipes Earthenware		80 years
Pipes Cast Iron		80 years
Manholes		80 years
Pits		80 years
Headwalls		80 years
Footpaths and Cycleways**		
Asphalt Footpath		25 years
Brick Paving Footpath		40 years
Concrete Footpath		80 years
Gravel Footpath		18 years
Bituminouse Seal Footpath		18 years
Other Infrastructure		
Recreational, Leisure and Community Facilities		50 years
Waste Management Structures		20 years
Landfill Restoration		5 years
Intangible assets		5 years

**Note 3.5 Finance Costs**

Interest - Borrowings	223	178
<b>Total</b>	<b>223</b>	<b>178</b>
Less Capitalised Borrowing Costs on Qualifying Assets	-	-
<b>Total Finance Costs</b>	<b>223</b>	<b>178</b>

<b>Accounting Policy</b>	
<b>Finance Expense</b>	
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.	
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).	
Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.	

	2020 \$'000	2019 \$'000
<b>Note 3.6 Other Expenses</b>		
External Auditors' Remuneration (Tasmanian Audit Office)	43	40
Payments Relating to Elected Members		
Councillors' Allowances	147	141
Other Allowances & Expenses	6	10
Election Costs	7	57
Local Government Association of Tasmania Subscription	39	38
General Insurance Costs	290	237
Community Grants and Donations	118	52
<b>Total</b>	<b>648</b>	<b>574</b>

#### Accounting Policy

##### Other Expenses

Expenses are recognised in the Statement of Profit or Loss and Other 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.

#### Note 4 Investments

##### Note 4.1 Investment in Water Corporation

Opening Balance	23,984	20,873
Fair Value adjustments on equity investment assets	(5,657)	3,111
<b>Total investment in Water Corporation</b>	<b>18,327</b>	<b>23,984</b>

Council has derived returns from the Water Corporation as disclosed at Note 2.9.

#### Accounting policy

##### Equity Investment

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 (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2020, Council continues to hold a 1.27% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

#### Note 5 Current Assets

##### Note 5.1 Cash and Cash Equivalents

Cash on Hand	1	1
Cash at Bank		
Trading Account	2,832	1,624
Westpac Account	-	13
At Call and Short Term Deposits	3,000	4,900
<b>Total Cash and Cash Equivalents</b>	<b>5,833</b>	<b>6,538</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

- Security Deposits and Bonds (Note 7.2)	248	292
- Leave Provisions (Note 7.3)	1,943	1,729
- Cashed Backed Reserves (Note 9.1)	3,144	2,442
- Grants received in advance (Note 7.4)	232	245

##### Restricted Funds

<b>5,568</b>	<b>4,463</b>
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##### Total Unrestricted Cash and Cash Equivalents

<b>265</b>	<b>2,076</b>
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#### Accounting Policy

##### Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

##### Restricted funds

- Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- Represents funding required to meet Council's leave entitlement obligations to its employees.
- Represents funding required to be set aside to meet Council's asset replacement and community reserves obligations.
- Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.

	2020 \$'000	2019 \$'000
<b>Note 5.2 Trade and Other Receivables</b>		
<b>Current</b>		
Rates Debtors	811	637
Sundry Debtors	141	504
Other Debtors	27	35
Provision for expected credit loss - other debtors	(3)	(215)
Provision for Impairment - Sundry Debtors	-	-
Net GST Receivable	23	48
<b>Total Trade and Other Receivables</b>	<b>999</b>	<b>1,009</b>
<b>Reconciliation of movement in expected credit loss</b>		
<b>Carrying amount at 1 July</b>	215	4
Amounts written off during the year	(111)	-
Amounts recovered during the year	(100)	-
Increase / (decrease) in provision recognised in profit or loss	(2)	211
<b>Carrying amount at 30 June</b>	<b>2</b>	<b>215</b>

For ageing analysis of the financial assets, refer to note 9.9

#### Accounting Policy

##### Trade and other receivables

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.

#### Note 5.3 Other Assets

##### Current

Prepayments	44	44
Accrued Investment Interest	-	9
Accrued Income	-	24
<b>Total Other Assets</b>	<b>44</b>	<b>77</b>

	2020 \$'000	2019 \$'000
<b>Note 6 Non-Current Assets</b>		
<b>Note 6.1 Property, Infrastructure, Plant and Equipment</b>		
<b>Summary</b>		
At Cost	4,852	5,104
Less Accumulated Depreciation	3,239	4,342
	<b>1,613</b>	<b>762</b>
At Fair Value as at 30 June	186,404	175,352
Less Accumulated Depreciation	67,730	61,124
	<b>118,674</b>	<b>114,228</b>
<b>Total</b>	<b>120,287</b>	<b>114,990</b>
<b>Property</b>		
<b>Land</b>		
At Fair Value as at 30 June	8,113	8,095
	<b>8,113</b>	<b>8,095</b>
<b>Land Under Roads</b>		
At Fair Value at 30 June	5,540	4,446
	<b>5,540</b>	<b>4,446</b>
<b>Total Land</b>	<b>13,653</b>	<b>12,541</b>
<b>Buildings</b>		
At Fair Value as at 30 June	4,086	3,790
Less Accumulated Depreciation	871	792
	<b>3,215</b>	<b>2,999</b>
<b>Heritage Buildings</b>		
At Fair Value as at 30 June	763	664
Less Accumulated Depreciation	5	65
	<b>758</b>	<b>599</b>
<b>Total Buildings</b>	<b>3,973</b>	<b>3,598</b>
<b>Total Property</b>	<b>17,626</b>	<b>16,139</b>
<b>Plant and Equipment</b>		
<b>Plant, Machinery and Equipment</b>		
At Cost	3,211	3,140
Less Accumulated Depreciation	2,220	2,045
	<b>991</b>	<b>1,095</b>
<b>Fixtures, Fittings and Furniture</b>		
At Cost	200	200
Less Accumulated Depreciation	200	200
	<b>-</b>	<b>-</b>
<b>Computers and Telecommunications</b>		
At Cost	951	906
Less Accumulated Depreciation	818	797
	<b>132</b>	<b>110</b>
<b>Total Plant and Equipment</b>	<b>1,123</b>	<b>1,204</b>



	2020 \$'000	2019 \$'000
<b>Note 6.1 Property, Infrastructure, Plant and Equipment (continued)</b>		
<b>Infrastructure</b>		
<b>Roads</b>		
At Fair Value as at 30 June	111,070	106,871
Less Accumulated Depreciation	42,076	40,717
	<b>68,994</b>	<b>66,154</b>
<b>Bridges</b>		
At Fair Value as at 30 June	15,860	15,199
Less Accumulated Depreciation	6,671	7,279
	<b>9,189</b>	<b>7,920</b>
<b>Footpaths and Cycleways</b>		
At Fair Value as at 30 June	9,550	9,590
Less Accumulated Depreciation	4,169	4,035
	<b>5,382</b>	<b>5,555</b>
<b>Drainage</b>		
At Fair Value as at 30 June	19,023	14,971
Less Accumulated Depreciation	10,529	7,523
	<b>8,494</b>	<b>7,448</b>
<b>Recreational, Leisure and Community Facilities</b>		
At Fair Value as at 30 June	4,950	4,393
Less Accumulated Depreciation	804	713
	<b>4,145</b>	<b>3,680</b>
<b>Waste Management Structures</b>		
At Fair Value as at 30 June	2,320	2,277
Less Accumulated Depreciation	1,371	1,300
	<b>950</b>	<b>976</b>
<b>Landfill Restoration</b>		
At Fair Value as at 30 June	5,130	5,056
Less Accumulated Depreciation	1,235	-
	<b>3,895</b>	<b>5,056</b>
<b>Total Infrastructure</b>	<b>101,049</b>	<b>96,789</b>
<b>Works in Progress</b>		
Roads at Cost	201	205
Bridges at Cost	-	603
Buildings at Cost	58	-
Computers and Telecommunications at Cost	188	13
Drainage at Cost	-	2
Recreational, Leisure and Community Facilities	43	35
<b>Total Works in Progress</b>	<b>490</b>	<b>858</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>120,287</b>	<b>114,990</b>

Notes to the Financial Report  
For the Year Ended 30 June 2020

Note 6.1 Property, Infrastructure, Plant and Equipment and Infrastructure (continued)

Reconciliation of Property, Infrastructure, Plant and Equipment

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (Note 9.1)	Recognition of new asset	Depreciation and amortisation (Note 3.4)	Written down value of disposals (Note 2.8)	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>									
Land	8,095	-	158	-	-	(140)	-	-	8,113
Land Under Roads	4,446	-	1,094	-	-	-	-	-	5,540
<b>Total Land</b>	<b>12,541</b>	<b>-</b>	<b>1,252</b>	<b>-</b>	<b>-</b>	<b>(140)</b>	<b>-</b>	<b>-</b>	<b>13,653</b>
Buildings	2,999	213	81	-	(77)	-	-	-	3,216
Heritage Buildings	599	-	160	-	(1)	-	-	-	758
<b>Total Buildings</b>	<b>3,597</b>	<b>213</b>	<b>241</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,974</b>
<b>Total Property</b>	<b>16,138</b>	<b>213</b>	<b>1,493</b>	<b>-</b>	<b>(78)</b>	<b>(140)</b>	<b>-</b>	<b>-</b>	<b>17,628</b>
<b>Plant and Equipment</b>									
Plant, Machinery and Equipment	1,095	222	-	-	(246)	(80)	-	-	991
Fixtures, Fittings and Furniture	-	-	-	-	-	-	-	-	-
Computers and Telecommunications	110	32	-	-	(22)	-	-	13	133
<b>Total Plant and Equipment</b>	<b>1,205</b>	<b>254</b>	<b>-</b>	<b>-</b>	<b>(268)</b>	<b>(80)</b>	<b>-</b>	<b>13</b>	<b>1,124</b>
<b>Infrastructure</b>									
Roads	66,154	4,146	-	-	(1,454)	(56)	-	205	68,995
Bridges	7,920	1,431	(524)	-	(242)	-	-	603	9,189
Footpaths and Cycleways	5,555	-	-	-	(156)	(17)	-	-	5,382
Drainage	7,448	25	1,200	-	(182)	-	-	2	8,494
Recreational, Leisure and Community Facilities	3,680	426	94	-	(90)	-	-	35	4,146
Waste Management Structures	(4,080)	22	21	-	(70)	-	-	-	(4,107)
Landfill Restoration	5,056	-	74	-	(1,235)	-	-	-	3,895
<b>Total infrastructure</b>	<b>91,734</b>	<b>6,050</b>	<b>866</b>	<b>-</b>	<b>(3,429)</b>	<b>(73)</b>	<b>-</b>	<b>845</b>	<b>95,994</b>
<b>Works in Progress</b>									
Roads	205	201	-	-	-	-	-	(205)	201
Bridges	603	-	-	-	-	-	-	(603)	-
Buildings	-	58	-	-	-	-	-	-	58
Drainage	2	-	-	-	-	-	-	(2)	-
Information Technology	13	188	-	-	-	-	-	(13)	188
Recreational, Leisure and Community Facilities	35	43	-	-	-	-	-	(35)	43
<b>Total Works in Progress</b>	<b>858</b>	<b>490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(858)</b>	<b>490</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>109,934</b>	<b>7,006</b>	<b>2,359</b>	<b>-</b>	<b>(3,775)</b>	<b>(293)</b>	<b>-</b>	<b>(0)</b>	<b>115,231</b>

Notes to the Financial Report  
For the Year Ended 30 June 2020

Note 6.1 Property, Infrastructure, Plant and Equipment (continued)

Reconciliation of Property, Infrastructure, Plant and Equipment

2019	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (Note 9.1)	Recognition of new asset	Depreciation and amortisation (Note 3.4)	Written down value of disposals (Note 2.8)	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>									
Land	7,798	-	258	204	-	(165)	-	-	8,095
Land Under Roads	4,446	-	-	-	-	-	-	-	4,446
<b>Total Land</b>	<b>12,244</b>	<b>-</b>	<b>258</b>	<b>204</b>	<b>-</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>12,541</b>
Buildings	2,765	195	110	-	(72)	-	-	-	2,999
Heritage Buildings	592	-	21	-	(14)	-	-	-	599
<b>Total Buildings</b>	<b>3,357</b>	<b>195</b>	<b>131</b>	<b>-</b>	<b>(86)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,597</b>
<b>Total Property</b>	<b>15,601</b>	<b>195</b>	<b>389</b>	<b>204</b>	<b>(86)</b>	<b>(165)</b>	<b>-</b>	<b>-</b>	<b>16,138</b>
<b>Plant and Equipment</b>									
Plant, Machinery and Equipment	982	389	-	-	(218)	(58)	-	-	1,095
Fixtures, Fittings and Furniture	-	-	-	-	-	-	-	-	-
Computers and Telecommunications	108	23	-	-	(21)	-	-	-	110
<b>Total Plant and Equipment</b>	<b>1,090</b>	<b>412</b>	<b>-</b>	<b>-</b>	<b>(237)</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>1,205</b>
<b>Infrastructure</b>									
Roads	65,689	1,374	-	-	(1,454)	(211)	-	756	66,154
Bridges	7,493	185	499	-	(257)	-	-	-	7,920
Footpaths and Cycleways	5,546	214	-	-	(156)	(50)	-	-	5,555
Drainage	6,520	608	382	-	(177)	-	-	115	7,448
Recreational, Leisure and Community Facilities	2,247	835	95	-	(60)	-	-	563	3,680
Waste Management Structures	1,011	-	34	-	(69)	-	-	-	976
Landfill Restoration	-	-	-	5,056	-	-	-	-	5,056
<b>Total Infrastructure</b>	<b>88,506</b>	<b>3,216</b>	<b>1,010</b>	<b>5,056</b>	<b>(2,171)</b>	<b>(261)</b>	<b>-</b>	<b>1,434</b>	<b>96,789</b>
<b>Works in Progress</b>									
Roads	756	205	-	-	-	-	-	(756)	205
Bridges	-	603	-	-	-	-	-	-	603
Buildings	-	13	-	-	-	-	-	-	13
Drainage	115	2	-	-	-	-	-	(115)	2
Recreational, Leisure and Community Facilities	563	35	-	-	-	-	-	(563)	35
<b>Total Works in Progress</b>	<b>1,434</b>	<b>858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,434)</b>	<b>858</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>106,631</b>	<b>4,681</b>	<b>1,399</b>	<b>5,260</b>	<b>(2,496)</b>	<b>(484)</b>	<b>-</b>	<b>-</b>	<b>114,990</b>

Note 6.1 Property, Infrastructure, Plant and Equipment (continued)

**Accounting Policy**

**Recognition and Measurement of Assets**

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Property, infrastructure, plant and equipment 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.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised. In accordance with Council's Policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$'000
<b>Land</b>	
Land Improvements	10
<b>Buildings</b>	
Buildings	10
Building Improvements	10
Heritage Buildings	10
<b>Plant and Equipment</b>	
Light Vehicles (After 40,000kms or 2 years)	5
Plant, Machinery and Equipment	5
Fixtures, Fittings and Furniture	5
Computers and Telecommunications	5
<b>Roads</b>	
Road Pavement - Asphaltic	10
Road Pavement - Chip Seal	10
Road Pavement - Reinforced Concrete	
Road Formation and Earthworks	10
Road Kerb, Channel and Minor Culverts	10
Road Base Sealed	10
Road Base Unsealed	10
Gravel	10
<b>Bridges</b>	
Concrete Deck	10
Timber Deck	10
Bridge Substructure	10
<b>Drainage</b>	
Pipes Concrete	10
Pipes Upvc	10
Pipes Earthenware	10
Pipes Cast Iron	10
Manholes	10
Pits	10
Headwall	10
<b>Other Infrastructure</b>	
Footpaths and Cycleways	10
Recreational, Leisure and Community Facilities	10
Waste Management Structures	10
Swimming Pool Pumps	10
Swimming Pool Chlorinators	10
<b>Intangible Assets</b>	
Intangible Assets	5

**Note 6.1 Property, Infrastructure, Plant and Equipment (continued)**

**Revaluation**

Council has adopted the following valuation bases for its Non-Current Assets:

Land	Fair Value
Plant and Machinery	Cost
Furniture, Fittings and Office Equipment	Cost
Stormwater and Drainage Infrastructure	Fair Value
Roads and Streets Infrastructure	Fair Value
Bridges	Fair Value
Buildings	Fair Value
Intangibles	Cost
Parks, Recreation Facilities and Community Amenities	Cost
Heritage	Cost
Waste Management Structures	Fair Value
Investment in Water Corporation	Fair Value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, 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 class 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 land, buildings and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council Officers or independent experts.

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.

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**

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

**Land Under Roads**

Land under roads acquired after 30 June 2008 have been brought to account at cost and subsequently revalued on a fair value basis in 2019-20 financial year. Council does not recognise land under roads that it controlled prior to 30 June 2008.

	2020 \$'000	2019 \$'000
<b>Note 7 Current Liabilities</b>		
<b>Note 7.1 Trade and Other Payables</b>		
Trade Payables	122	220
Accrued Expenses	417	729
Accrued Payroll	307	74
<b>Total Trade and Other Payables</b>	<b>846</b>	<b>1,023</b>

**Accounting policy**

**Trade and other payables**

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

<b>Note 7.2 Other Current Liabilities</b>		
Security Deposits and Bonds	248	292
<b>Total Other Current Liabilities</b>	<b>248</b>	<b>292</b>

**Accounting policy**

**Tender deposits**

Amounts received as security deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited.

**Note 7.3 Provisions**

	Annual Leave \$ '000	Long Service \$ '000	Sick Leave Benefit \$ '000	Other Benefits \$ '000	Landfill Restoration	Total \$ '000
<b>2020</b>						
Balance at beginning of the financial year	729	615	271	114	5,056	6,785
Additional provision required	101	94	12	9	74	291
Unwinding of discounting	-	-	-	-	55	55
<b>Balance at the end of the financial year</b>	<b>831</b>	<b>709</b>	<b>283</b>	<b>123</b>	<b>5,185</b>	<b>7,130</b>

**2019**

Balance at beginning of the financial year	708	538	240	121	-	1,607
Additional provision required	21	22	31	(7)	5,056	5,123
<b>Balance at the end of the financial year</b>	<b>729</b>	<b>560</b>	<b>271</b>	<b>114</b>	<b>5,056</b>	<b>6,730</b>

**(a) Employee Benefits**

**(i) Current**

Annual Leave	829	729
Long Service Leave	601	560
Sick Leave	283	271
Other Benefits	123	114
	<b>1,835</b>	<b>1,674</b>

**(ii) Non-Current**

Long Service Leave	109	55
	<b>109</b>	<b>55</b>

Aggregate carrying amount of employee benefits:

Current	1,835	1,674
Non-Current	109	55
	<b>1,943</b>	<b>1,729</b>



	2020 \$'000	2019 \$'000
<b>Note 7.3 Provisions (continued)</b>		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.25%	2.25%
Weighted average discount rates	0.49%	1.04%
Weighted average settlement period	12	12
<b>(iii) Current</b>		
All Annual Leave and the Long Service Leave entitlements representing 7 or more years of continuous service.		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	951	843
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	884	831
	<b>1,835</b>	<b>1,674</b>
<b>(iv) Non-Current</b>		
Long service leave representing less than 7 years of continuous service measured at present value.	109	55
<b>(v) Employee Numbers</b>	83	70

#### Accounting Policy

##### Employee Benefits

###### i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating 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.

###### ii) 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.

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.

###### iii) Sick Leave

An accrual is made for sick leave in accordance with Council's Enterprise Agreement. Currently, Council pays 65% of sick leave in excess of current entitlements on termination.

###### iv) Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, 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.

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

###### v) Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

	2020 \$'000	2019 \$'000
<b>Note 7.3 Provisions (continued)</b>		
<b>(b) Land fill restoration</b>		
Current	-	-
Non-current	5,185	5,056
<b>Total</b>	<b>5,185</b>	<b>5,056</b>

**Accounting policy**

**Land fill restoration**

Council is obligated to restore the Peppermint Hill Landfill site to a particular standard. Council's latest engineering projections indicate that the landfill site will cease operation in 2024 and restoration work is expected to commence shortly thereafter. The forecast life of the landfill site is 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 has been estimated based on the 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.

Council does not expect to receive reimbursement from a third party.

**Note 7.4 Contract Liabilities**

**Current**

Rates and charges in advance	318	262
Grants received in advance	232	245
	<b>551</b>	<b>507</b>

**Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019**

Council recognised the following contract liabilities with customers:

i) 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.

ii) Grants received in advance includes funding for the Boyer Oval Grandstand, PCYC accessible bathroom facilities and Tynwald Park improvements. The funds received are 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.

Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.

**Note 8 Non-Current Liabilities**

**Note 8.1 Interest-Bearing Loans and Borrowings**

**Current**

Borrowings - Secured	528	539
	<b>528</b>	<b>539</b>

**Non-Current**

Borrowings - Secured	2,930	3,458
	<b>2,930</b>	<b>3,458</b>

<b>Total</b>	<b>3,458</b>	<b>3,997</b>
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**Borrowings**

Borrowings are secured over the general rates of the Council.

The maturity profile for Council's borrowings is:

Not later than one year	44	40
Later than one year and not later than five years	843	904
Later than five years	2,571	3,053
<b>Total</b>	<b>3,458</b>	<b>3,997</b>

2020	2019
\$'000	\$'000

Note 8.1 Interest-Bearing Loans and Borrowings (continued)

**Accounting Policy**

**Interest Bearing Liabilities**

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.

Note 9 Other Financial Information

Note 9.1 Reserves

	Balance at Beginning of Reporting Year \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Year \$'000
<b>(a) Asset Revaluation Reserve</b>			
<b>2020</b>			
<b>Property</b>			
Land	6,331	158	6,489
Land Under Roads	-	1,094	1,094
Buildings	(1,657)	241	(1,418)
	<b>4,674</b>	<b>1,493</b>	<b>6,166</b>
<b>Infrastructure</b>			
Roads	64,561	-	64,561
Bridges	6,202	(524)	5,679
Footpaths and Cycleways	-	-	-
Drainage	5,985	1,200	7,185
Recreation	(502)	94	(406)
Waste Management Structures	34	21	55
	<b>76,281</b>	<b>792</b>	<b>77,074</b>
<b>Total Asset Revaluation Reserve</b>	<b>80,955</b>	<b>2,285</b>	<b>83,241</b>

<b>2019</b>			
<b>Property</b>			
Land	6,073	258	6,331
Buildings	-	-	-
Heritage Buildings	(1,878)	221	(1,657)
	<b>4,196</b>	<b>479</b>	<b>4,674</b>
<b>Infrastructure</b>			
Roads	64,561	-	64,561
Bridges	5,703	499	6,202
Footpaths and Cycleways	-	-	-
Drainage	5,603	382	5,985
Recreation	(507)	5	(502)
Waste Management Structures	-	34	34
	<b>75,360</b>	<b>921</b>	<b>76,281</b>
<b>Total Asset Revaluation Reserve</b>	<b>79,555</b>	<b>1,400</b>	<b>80,955</b>

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

**(b) Fair Value Reserve**

**2020**

**Equity Investments assets**

Investment in Water Corporation	(743)	(5,657)	(6,401)
<b>Total Fair Value Reserve</b>	<b>(743)</b>	<b>(5,657)</b>	<b>(6,401)</b>

**2019**

**Equity Investments assets**

Investment in Water Corporation	(3,854)	3,111	(743)
<b>Total Fair Value Reserve</b>	<b>(3,854)</b>	<b>3,111</b>	<b>(743)</b>

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

**(c) Other Reserves**

**Asset Replacement Reserves**

**2020**

Plant Replacement	117	-	117
Capital Works	149	888	1,036
Cemetery Replacement	365	(299)	65
Landfill Restoration & Establishment of Transfer Station*	1,008	268	1,276
	<b>1,638</b>	<b>856</b>	<b>2,494</b>

Note 9.1 Reserves (continued)

\* Council is obligated to restore the Peppermint Hall Landfill site to a particular standard. Council's latest engineering projections indicate that the landfill site will cease operations in 2022 and restoration work is expected to commence shortly thereafter. The forecast life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. Council has established a reserve account for this specific purpose and a Waste Management Service Charge on all ratepayers was introduced during 2016-17. The Waste Management Service Charge per property for 2019-20 was \$55.00 (2018-19 \$85.00).

	Balance at Beginning of Reporting Year \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Year \$'000
<b>2019</b>			
Plant Replacement	200	(83)	116
Capital Works	200	(51)	149
Cemetery Replacement	400	(35)	365
New Norfolk Landfill Restoration	561	447	1,008
	<b>1,361</b>	<b>277</b>	<b>1,637</b>

**Community Reserves**

<b>2020</b>			
Public Open Space	183	22	205
Autumn Festival	25	-	25
CBD Levy	64	(4)	61
Children Services	74	(74)	-
Derwent Valley Scholarship	4	(4)	-
Regional Renewal	179	-	179
Computer	31	(31)	-
Home and Community Care (HACC)	79	(79)	-
Historical Information Centre	51	(1)	51
Visitor Information Centre	3	-	3
Public Relations	34	(5)	29
Quarry Rehabilitation	75	-	75
PCYC Reserve	-	23	23
<b>Total Other Reserves</b>	<b>804</b>	<b>(154)</b>	<b>650</b>

<b>2019</b>			
Public Open Space	171	12	183
Autumn Festival	25	-	25
CBD Levy	45	20	64
Children Services	74	-	74
Derwent Valley Scholarship	4	-	4
Regional Renewal	179	-	179
Computer	72	(41)	31
Derwent Valley Elections	26	(26)	-
Home and Community Care (HACC)	79	-	79
Historical Information Centre	51	-	51
Visitor Information Centre	3	-	3
Public Relations	38	(4)	34
Quarry Rehabilitation	-	75	75
<b>Total Other Reserves</b>	<b>768</b>	<b>36</b>	<b>804</b>

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total Reserves</b>	<b>79,983</b>	<b>82,652</b>

	2020 \$'000	2019 \$'000
<b>Note 9.2 Reconciliation of Cash Flows From Operating Activities to Surplus (Deficit)</b>		
Result from Continuing Operations	2,638	1,860
Depreciation/Amortisation	3,775	2,498
(Profit)/Loss on Disposal of Property, Plant, Equipment and Infrastructure	(41)	412
Impairment Losses	2	211
New provision for Tip Rehabilitation	-	(5,056)
Capital Grants Received Specifically for New or Upgraded Assets	(2,860)	(1,392)
Assets brought to account	-	(204)
<i>Change in Assets and Liabilities:</i>		
Decrease/(increase) in Trade and Other Receivables	10	(195)
Decrease/(Increase) in Other Assets	33	(13)
Increase/(Decrease) in Trade and Other Payables	(248)	(281)
Increase/(Decrease) in Other Liabilities	(44)	-
Increase/(Decrease) in Provisions	344	5,122
Increase/(Decrease) in Contract Liabilities	46	-
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>3,656</b>	<b>2,962</b>
<b>Note 9.3 Reconciliation of Liabilities Arising from Financing Activities</b>		
Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.		
<b>Opening Liabilities Arising from Financing Activities</b>	<b>3,997</b>	<b>3,984</b>
Changes from Financing Cash Flows:		
Cash Received	-	500
Cash Repayments	(539)	(487)
<b>Closing Liabilities Arising from Financing Activities</b>	<b>3,458</b>	<b>3,997</b>
<b>Note 9.4 Reconciliation of Cash and Cash Equivalents</b>		
Cash and Cash Equivalents (See Note 5.1)	5,833	6,538
Less Bank Overdraft	-	-
<b>Total Reconciliation of Cash and Cash Equivalents</b>	<b>5,833</b>	<b>6,538</b>



**Note 9.5 Superannuation**

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

For the year ended 30 June 2020 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency. Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position 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 2020 and is expected to be completed late in 2020.

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

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

- The 2017 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.

Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).  
The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2018-19, \$0), and the amount paid to accumulation schemes was \$16,455 (2018-19, \$23,826).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$17,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2019, showed that the Fund had assets of \$56.64 million and members' Vested Benefits were \$47.32 million. These amounts represented 0.6% and 0.5% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2019 the fund had 107 members and the total employer contributions and member contributions for the year ending 30 June 2019 were \$1,000,322 and \$221,484 respectively.

	2020 \$'000	2019 \$'000
<b>Note 9.5 Superannuation (continued)</b>		
<b>Accumulation Funds</b>		
Employer contributions to:		
Quadrant Superannuation Scheme	156	167
TasPlan Limited	257	241
Vision Super	17	13
First State Superannuation	0	12
Host Plus	21	4
Australian Super	7	4
Commonwealth Bank Group Super	9	3
Captain Pugwash Superannuation Fund	17	2
Retail Employees Superannuation Trust (REST)	7	3
Uni Super	6	3
Hesta Super	3	-
Settlers Super	6	-
AMP Super	3	-
HUB24 Super	1	-
TWUSUPER	1	-
	<b>511</b>	<b>453</b>
<b>Note 9.6 Commitments</b>		
<b>Capital Expenditure Commitments</b>		
Bridges	-	571
Information Technology	708	-
<b>Total Capital Expenditure Commitments</b>	<b>708</b>	<b>571</b>
<b>Contractual Commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Maydena & Westerway Town Maintenance Contract (Commenced 6 November 2017 for a term of 5 years)	115	165
Waste Management & Resource Recovery Contract (Commenced 1 April 2018 for a term of 5 years)	692	936
Kerbside Garbage & Recycling Collection Contract (Commenced 1 July 2018 for a term of 5 years)	1,027	1,357
Green Waste Management Contract (Commenced 1 March 2019 for a term of 3 years)	113	180
Council Buildings Internal Cleaning Services Contract (Commenced 1 July 2019 for a 3 year term)	155	233
<b>Total Contractual Commitments</b>	<b>2,104</b>	<b>2,869</b>
All amounts stated in this Note include GST		
<b>Note 9.7 Operating Leases</b>		
<b>(a) Operating Lease Commitments</b>		
Council entered into operating leases during 2017-18 for the use of five Konica Minolta photocopy machines.		
At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for		
Not later than one year	10	15
Later than one year and not later than five years	13	23
Later than five years	-	-
	<b>23</b>	<b>38</b>
<b>Note 9.8 Contingent Liabilities and Contingent Assets</b>		
<b>Contingent Liabilities</b>		
Council does not have any contingent liabilities at the date of this report.		
<b>Contingent Assets</b>		
Council does not have any expected contingent assets to be received.		

## Note 9.9 Financial Instruments

### (a) Interest Rate Risk

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

#### 2020

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	0.08%	5,833	-	-	-	-	5,833
Trade and other receivables	8.10%	-	341	290	180	188	999
Investment in water corporation		-	-	-	-	18,327	18,327
<i>Total Financial Assets</i>		5,833	341	290	180	18,515	25,158
<b>Financial Liabilities</b>							
Trade and other payables		-	724	-	-	122	846
Contract liabilities		-	551	-	-	-	551
Trust funds and deposits		-	-	-	-	248	248
Interest-bearing loans and borrowings	4.42%	-	528	1,606	1,324	-	3,458
<i>Total financial liabilities</i>		-	1,803	1,606	1,324	369	5,102
Net financial assets (liabilities)		5,833	(1,462)	(1,316)	(1,144)	18,146	20,056

#### 2019

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	1.37%	6,538	-	-	-	-	6,538
Trade and other receivables	8.81%	-	228	151	258	372	1,009
Investment in water corporation		-	-	-	-	23,984	23,984
<i>Total financial assets</i>		6,538	228	151	258	24,356	31,531
<b>Financial Liabilities</b>							
Trade and other payables		-	1,065	-	-	220	1,285
Revenue received in advance		-	245	-	-	-	245
Trust funds and deposits		-	-	-	-	292	292
Interest-bearing loans and borrowings	4.42%	-	538	1,840	1,619	-	3,997
<i>Total financial liabilities</i>		-	1,848	1,840	1,619	512	5,819
Net financial assets (liabilities)		6,538	(1,620)	(1,689)	(1,361)	23,844	25,712

## Note 9.9 Financial Instruments (continued)

### (b) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial Assets</i>				
Cash and Cash Equivalents	5,833	6,538	5,833	6,538
Trade and Other Receivables	999	1,009	999	1,009
Investment in Water Corporation	18,327	23,984	18,327	23,984
<i>Total Financial Assets</i>	25,158	31,531	25,158	31,531
<i>Financial Liabilities</i>				
Trade and Other Payables	846	1,023	846	1,023
Contract liabilities	551	245	232	245
Trust Funds and Deposits	248	292	248	292
Interest-Bearing Loans and Borrowings	3,458	3,997	3,698	4,261
<i>Total Financial Liabilities</i>	5,102	5,557	5,024	5,821

### (c) 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.

### (d) 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 Tasmanian Public Finance Corporation (Tascorp) and major Australian banks by a tender process.

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.

**Note 9.9 Financial Instruments (continued)**

*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 which have a recognised credit rating specified in 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 policy 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.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our Contingent Liabilities are disclosed in Note 9.8.

**Credit quality of contractual financial assets that are neither past due nor impaired**

	<b>Financial Institutions</b> (AAA credit rating)	<b>Government agencies</b> (BBB credit rating)	<b>Other</b> (min BBB credit rating)	<b>Total</b>
<b>2020</b>				
Cash and Cash Equivalents	5,833	-	-	5,833
Trade and Other Receivables	-	-	999	999
<b>Total Contractual Financial Assets</b>	<b>5,833</b>	<b>-</b>	<b>999</b>	<b>6,832</b>
<b>2019</b>				
Cash and Cash Equivalents	6,537	-	1	6,538
Trade and Other Receivables	-	-	1,009	1,009
<b>Total Contractual Financial Assets</b>	<b>6,537</b>	<b>-</b>	<b>1,010</b>	<b>7,547</b>

**2020**  
**\$'000**

**2019**  
**\$'000**

**Movement in Provisions for Expected Credit Losses of Trade and Other Receivables**

Balance at the beginning of the year	215	4
New Credit Losses recognised during the year	1	211
Adjustment of general provision	(3)	
Amounts already provided for and written off as uncollectible	(111)	-
Amounts provided for but recovered during the year	(100)	-
Balance at end of year	<b>2</b>	<b>215</b>

	2020 \$'000	2019 \$'000
<b>Note 9.9 Financial Instruments (continued)</b>		
<i>Credit risk (continued)</i>		
<b>Ageing of Trade and Other Receivables</b>		
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 and Other Receivables was:		
Current (not yet due)	122	90
Past due by up to 30 days	12	19
Past due between 31 and 180 days	18	25
Past due between 181 and 365 days	11	228
Past due by more than 1 year	836	647
<b>Total Trade &amp; Other Receivables</b>	<b>999</b>	<b>1,009</b>

#### Ageing of individually impaired Trade and Other Receivables

At balance date, receivables representing financial assets with a nominal value of \$1,508 (2018-19: \$215,491) were provided for plus a \$3,110 reduction of the provision. The amount of the provision raised against these receivables in the current year was decreased by \$212,729 following the writing off of a large impaired debt \$111,127, the recovery of \$100,000 of previously impaired debt and a \$1,602 reduction of the provision during the year (2018-19: increased by \$211,127). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	1	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	215
<b>Total Trade &amp; Other Receivables</b>	<b>1</b>	<b>215</b>

#### 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 a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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



**Note 9.9 Financial Instruments (continued)**

*Liquidity risk (continued)*

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent the discounted cash flow payments (ie principal only).

2020	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	846	-	-	-	-	846	846
Contract liabilities	551	-	-	-	-	551	551
Trust funds and deposits	248	-	-	-	-	248	248
Interest-bearing loans and borrowings	264	264	503	1,102	1,325	3,458	3,458
<b>Total financial liabilities</b>	<b>1,909</b>	<b>264</b>	<b>503</b>	<b>1,102</b>	<b>1,325</b>	<b>5,102</b>	<b>5,102</b>

2019	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,023	-	-	-	-	1,023	1,023
Other Current Liabilities	537	-	-	-	-	537	537
Interest-bearing loans and borrowings	266	273	523	1,285	1,650	3,997	3,997
<b>Total financial liabilities</b>	<b>1,826</b>	<b>273</b>	<b>523</b>	<b>1,285</b>	<b>1,650</b>	<b>5,557</b>	<b>5,557</b>

**Note 9.9 Financial Instruments (continued)**

**(e) 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 + .5% and -.5% in market interest rates (AUD) from year-end rates of 4.42%.

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.

		Interest rate risk			
		-.5%		+.5%	
		-50 basis points		+50 basis points	
		Profit	Equity	Profit	Equity
2020	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	5,833	(29)	(29)	29	29
Trade and other receivables	999	(5)	(5)	5	5
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	3,458	(17)	(17)	17	17

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2019	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	6,538	(65)	(65)	65	65
Trade and other receivables	1,009	(10)	(10)	10	10
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	3,997	(40)	(40)	40	40

**Note 9.10 Fair Value Measurements**

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

- Investment in Water Corporation
- Property, Infrastructure, Plant and Equipment
  - Land
  - Land Under Roads
  - Buildings
  - Roads, including Footpaths and Cycleways
  - Bridges
  - Drainage
  - Waste Management Structures
  - Other Infrastructure

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

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

**As at 30 June 2020**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring Fair Value Measurements</b>					
Investment in Water Corporation	4.1	-	-	18,327	18,327
Land and Land Under Roads	6.1	-	8,113	5,540	13,653
Buildings	6.1	-	-	3,973	3,973
Roads, including footpaths & cycleways	6.1	-	-	74,377	74,377
Bridges	6.1	-	-	9,189	9,189
Drainage	6.1	-	-	8,494	8,494
Other Infrastructure	6.1	-	-	5,095	5,095
		-	8,113	124,994	133,107

**As at 30 June 2019**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring Fair Value Measurements</b>					
Investment in Water Corporation	4.1	-	-	23,984	23,984
Land and Land Under Roads	6.1	-	8,095	4,446	12,541
Buildings	6.1	-	-	3,598	3,598
Roads, including Footpaths & Cycleways	6.1	-	-	71,709	71,709
Bridges	6.1	-	-	7,920	7,920
Drainage	6.1	-	-	7,448	7,448
Other Infrastructure	6.1	-	-	8,736	8,736
		-	8,095	127,842	135,934

**Transfers Between Levels of the Hierarchy**

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

**Note 9.10 Fair Value Measurements (continued)**

**(b) Highest and Best Use**

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

**Investment Property and Investment in Water Corporation**

Refer to Note 4.1 for details of valuation techniques used to derive fair values.

**Land**

Land fair values were determined by the Valuer-General's Assessment effective 1 July 2017 with 1 July 2019 adjustment factors applied. 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. Sale prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size.

**Land Under Roads**

Land under roads is based on the unit rate provided by the Valuer-General as at 1 July 2019 - this unit rate has been multiplied by the m2 road data held in Council's asset management system.

**Buildings**

The fair value of buildings were also determined by the Valuer-General's Assessment effective 1 July 2017 with 1 July 2019 adjustment factors applied. Where there is a market for Council building assets, fair value has been derived from the sale 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.

Where Council buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides.

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

**Infrastructure Assets**

All Council infrastructure assets were fair valued using written down current replacement cost. Roads, bridges, footpaths and cycleways, and drainage assets have all been revalued by external parties within the last three financial years, 1 July 2017 - 30 June 2020. 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 "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

**Note 9.10 Fair Value Measurements (continued)**

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 and residual values are disclosed in Note 6.1.

The calculation of DRC 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, Including Footpaths & Cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments of 1,000m, while rural roads are managed in 1,000m segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). 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 price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 10 cms for high traffic areas and 8 cms for lower traffic locations. 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

A full valuation of bridges assets was undertaken by independent valuers, Aus Span, effective 30 June 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.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's appointed Engineer during the financial year. Similar to roads, drainage 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 price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Landfill Restoration

This asset was recognised for the first time last year, based on a valuation by an external construction company. In the current year, the asset and Council's Landfill Restoration Provision (Note 7.3) have been incremented to reflect increased estimated restoration and rehabilitation costs.

Depreciation of Waste Management Structures is determined by reference to the estimated remaining life of Council's Peppermint Hill Landfill site plus a ten year allowance for on-going rehabilitation costs.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

**(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	18,327	Refer to note 4.1 for a description of the valuation basis.		

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

**Note 9.10 Fair Value Measurements (continued)**

**(e) Changes in Recurring Level 3 Fair Value Measurements**

The changes in Level 3 property plant and equipment assets with recurring fair value measurements are detailed in Note 6.1 (Property, Infrastructure, Plant and Equipment). Heritage buildings, which are classified as Level 3 are separately disclosed in Note 6.1. Investment in Water Corporation, which is classified as Level 3 has been separately disclosed in Note 4.1

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 Property, Infrastructure, Plant and Equipment, Investment in Water Corporation and Investment Property (recurring fair value measurements) is set out in Notes 4.1 and 6.1 respectively.

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

**(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 other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 9.9(b) is provided by Tascorp (Level 2).

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



**Note 9.11 Events Occurring After Balance Date**

There have been no events occurring after balance date which effect these financial statements.

**Note 10 Other Matters**

**Note 10.1 Related Party Transactions**

**(i) Responsible Persons**

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

**Councillors**

Ben Shaw (Mayor 01/11/2018 to 30/06/2020)  
Jessica Cosgrove (Deputy Mayor 01/11/2018 to 30/06/2020)  
Paul Belcher (Councillor 01/11/2018 to 30/06/2020)  
Luke Browning (Councillor 01/11/2018 to 30/06/2020)  
Martyn Evans (Councillor 01/11/2018 to 30/06/2020)  
Julie Triffett (Councillor 01/11/2018 to 30/06/2020)  
Natasha Woods (Councillor 09/07/2019 to 30/06/2020)  
Frank Pearce (Councillor 14/10/2019 to 30/06/2020)  
Rachel Power (Councillor 01/11/2018 to 02/10/2019)

**General Manager**

Dean Griggs (25/5/2020 to 30/06/2020)  
Greg Winton (01/07/2015 to 28/2/2020)

**Acting General Manager**

Bill Richardson (09/04/2020 to 24/05/2020)  
Brian Barrett (18/11/2019 to 08/04/2020 and 08/11/2019 to 10/11/2019)  
Richard Blackwell (11/11/2019 to 17/11/2019)  
Margaret Johns (16/09/2019 to 06/11/2019)  
Daniel Smee (04/07/2019 to 26/07/2019)

**Executive Manager**

Richard Blackwell (24/07/2017 to 30/06/2020)

**Acting Executive Managers**

Amanda McCall (26/11/2019 to 30/06/2020)  
Margaret Johns (05/09/2019 to 15/09/2019)

**Chief Financial Officer**

Bill Richardson (06/05/2019 to 30/06/2020)

**(ii) Councillor Remuneration**

**2020**

	Allowances \$	Vehicles <sup>1</sup> \$	Total Compensation AASB 124 \$	Expenses <sup>2</sup> \$	Total allowances and expenses section 72 \$
Mayor	44,988	-	44,988	3,013	48,001
Deputy Mayor	25,157	-	25,157	-	25,157
Councillors	76,622	-	76,622	-	76,623
<b>Total</b>	<b>146,767</b>	<b>-</b>	<b>146,767</b>	<b>3,013</b>	<b>149,780</b>

**2019**

	Allowances \$	Vehicles <sup>1</sup> \$	Total Compensation AASB 124 \$	Expenses <sup>2</sup> \$	Total allowances and expenses section 72 \$
Mayor	43,936	-	43,936	5,105	49,041
Deputy Mayor	24,568	-	24,568	-	24,568
Councillors	72,229	-	72,229	482	72,711
<b>Total</b>	<b>140,733</b>	<b>-</b>	<b>140,733</b>	<b>5,587</b>	<b>146,321</b>

<sup>1</sup> 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).

<sup>2</sup> Section 72(1)cb of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

Note 10.1 Related Party Transactions (continued)

(iii) Key Management Personnel Remuneration

2020	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>8</sup>	Total
		Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Other Long-term Benefits <sup>6</sup>	Termination Benefits <sup>7</sup>		
\$ 1 - \$ 20 000	1	15,001	-	-	-	2,025	-	-	1,410	18,436
\$140 001 - \$160 000	2	240,228	-	-	-	31,448	-	-	27,974	299,649
\$160 001 - \$180 000	1	126,536	-	-	-	16,161	-	-	21,450	164,147
\$280 001 - \$300 000	1	124,002	-	15,563	4,173	15,653	-	156,829	(32,912)	283,309
Total		505,767	-	15,563	4,173	65,287	-	156,829	17,922	765,541

2019	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits <sup>8</sup>	Total
		Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Other Long-term Benefits <sup>6</sup>	Termination Benefits <sup>7</sup>		
\$ 20 001 - \$ 40 000	1	16,277	-	-	-	2,197	-	-	1,832	20,306
\$ 40 001 - \$ 60 000	1	57,249	-	6,403	-	5,729	-	-	(16,225)	53,156
\$140 001 - \$160 000	2	257,917	-	13,942	-	27,484	-	-	674	300,017
\$220 001 - \$240 000	1	173,363	-	12,868	-	21,536	-	-	14,894	222,661
Total		504,806	-	33,213	-	56,946	-	-	1,175	596,140

As disclosed in Note 10.1(i), Brian Barrett, Margaret Johns and Daniel Smee acted in the position of a Responsible Person at the Council during the year. Mr Barrett's services were obtained via a labour hire arrangement with an executive leadership consultancy while Ms Johns and Mr Smee were seconded to the Council from respectively Hobart City Council and Kingborough Council. As a consequence of these arrangements, these Key Management Personnel received no remuneration from the Council.

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

<sup>2</sup> Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

<sup>3</sup> 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).

<sup>4</sup> Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

<sup>5</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>6</sup> Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

<sup>7</sup> Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

<sup>8</sup> Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

**Note 10.1 Related Party Transactions (continued)**

**(iv) Remuneration Principles**

***Councillors***

Councillors allowances and other expenses are paid in accordance with the *Local Government Act 1993* and are indexed annually by the State Government in November each year.

***Executives***

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

**(v) Transactions with Related Parties**

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.

**(vi) Loans and Guarantees to/from Third Parties**

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a third party.

**Note 10.2 Special Committees and Other Activities**

The *Local Government Act 1993* provides Councils with the authority to create Committees made up of only Councillors or Special Committees. Derwent Valley Council has established the following Special Committees and Organisations which have revenue and/or expenditure contained within these Financial Statements:

- Derwent Valley Council Scholarship Trust Fund
- Historical Information Centre Committee
- New Norfolk Business Alliance Committee
- Derwent Valley Autumn Festival Committee
- Derwent Valley Visitor Information Centre

**Note 10.3 Other significant accounting policies and pending accounting standards**

**(a) Taxation**

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

*Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(b) Impairment of non-financial 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 Other 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, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

**(c) 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.

**(d) Financial guarantees**

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

**(e) Contingent assets, contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

**(f) Budget**

The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent revised budget amounts and are not audited.

**(g) Adoption of new and amended accounting standards**

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

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

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

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

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

**Note 10.3 Other significant accounting policies and pending accounting standards (continued)**

**(g) Adoption of new and amended accounting standards (continued)**

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

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

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

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

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

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

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council has previously voluntarily adjusted recognised income for prepaid rates received prior to the beginning of a rating period. Under AASB 1058, income is now required to be recognised when the taxable event has occurred. This new requirement has had little impact for Council, other than the reclassification of "Rates Debtors Paid in Advance" in "Trade and Other Payables" at 30 June 2019 to "Rates and charges in advance" in "Contractual Liabilities" at 30 June 2020.

For further details on individual revenue streams refer to their accompanying policy note.

**(ii) AASB 16 Leases**

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

While Council is required to apply this standard from 1 July 2019, an assessment of the applicability of the standard from a lessee perspective has revealed that Council has only no leases where the underlying asset is of high value, therefore, exemption noted above applies.

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

**(h) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is that all other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

**Note 10.4 Significant Business Activities**

Council has assessed and identified no Significant Business Activities.

**Accounting Policy**

**Significant business activities**

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that as defined above that no significant business activities need to be considered.

Note	10.5 Management Indicators	Benchmark	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
(a)	<b>Underlying surplus or deficit</b>					
	Net result for the year		2,638	1,861	4,747	2,802
	Less non-operating income:					
	Capital grants received specifically for new or upgraded assets		2,860	1,392	476	544
	Assets brought to Account		-	204	-	-
	Recognition of Land Under Roads Asset		-	-	4,446	-
	Adjustment of FAG Grants received in advance		48	57	91	1,057
	Insurance claim and contribution		-	-	-	108
	Underlying Surplus/(Deficit)	0	(270)	209	(266)	1,093

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

(b)	<b>Underlying Surplus Ratio</b>					
	<u>Underlying surplus or deficit</u>		(270)	209	(266)	1,093
	Recurrent Income*		15,562	13,863	13,077	12,954
	Underlying Surplus Ratio %	0%	-1.73%	1.50%	-2.03%	8.44%

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

Council's performance in regard to this ratio is considered satisfactory.

(c)	<b>Net Financial Liabilities</b>					
	Liquid Assets Less		6,832	7,547	7,341	5,416
	Total Liabilities		12,231	12,604	7,286	5,762
	Net Financial Liabilities	0	(5,399)	(5,057)	55	(346)

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.

(d)	<b>Net Financial Liabilities Ratio</b>					
	<u>Net Financial Liabilities</u>		(5,399)	(5,057)	55	(346)
	Recurrent income*		15,562	13,863	12,875	12,954
	Net Financial Liabilities Ratio %	0% - (50%)	-34.69%	-36.48%	0.43%	-2.67%

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

(e) **Asset Consumption Ratio**

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

<i>Transport Infrastructure</i>						
	<u>Depreciated Replacement Cost</u>		83,566	79,629	78,728	61,742
	Current replacement cost		136,480	131,660	129,321	89,120
	Asset consumption ratio %		61.23%	60.48%	60.88%	69.28%
<i>Buildings</i>						
	<u>Depreciated Replacement Cost</u>		3,973	3,597	3,357	3,109
	Current replacement cost		4,849	4,455	4,124	3,797
	Asset consumption ratio %		81.94%	80.74%	81.40%	81.88%
<i>Drainage</i>						
	<u>Depreciated Replacement Cost</u>		8,494	7,448	6,520	6,372
	Current replacement cost		19,023	14,971	13,782	13,139
	Asset consumption ratio %		44.65%	49.75%	47.31%	48.50%

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

Council's performance in regard to this ratio is considered satisfactory.

		2020	2019	2018	2017
		\$'000	\$'000	\$'000	\$'000
<b>Note 10.5 Management Indicators (continued)</b>					
<b>(f) Asset Renewal Funding Ratio</b>					
An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
<i>****Transport Infrastructure</i>					
Projected capital funding outlays**		-	-	-	17,307
Projected capital expenditure funding***		-	-	-	13,330
Asset renewal funding ratio %	90-100%	0.00%	0.00%	0.00%	129.83%
<i>****Buildings</i>					
Projected capital funding outlays**		-	-	-	84
Projected capital expenditure funding***		-	-	-	511
Asset renewal funding ratio %	90-100%	0.00%	0.00%	0.00%	16.44%
<i>****Drainage</i>					
Projected capital funding outlays**		-	-	-	3,140
Projected capital expenditure funding***		-	-	-	1,564
Asset renewal funding ratio %	90-100%	0.00%	0.00%	0.00%	200.77%

\*\* Current value of projected capital funding outlays for an asset identified in Council's long-term financial management 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 currently in the process of compiling an up-to-date long-term financial management plan and long-term strategic asset management plans for its Transport Infrastructure, Building and Drainage Assets which, when complete, will enable accurate projections to be provided for this ratio.

**(g) Asset Sustainability Ratio**

Capex on replacement/renewal of existing assets		6,019	3,934	2,506	2,444
Annual depreciation expense		3,775	2,498	2,518	2,523
Asset sustainability ratio %	100%	159.45%	157.49%	99.52%	96.87%

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

Council's performance in regard to this ratio is considered satisfactory.



## **Certification of the Financial Report**

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



*Dean Griggs*  
**General Manager**

**Date :** 19/02/2021



**Derwent  
Valley  
COUNCIL**