



ANNUAL REPORT

2019 - 2020

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Feedback

Feedback or questions relating to the annual report are welcome via phone or email.

Front Cover Photo
Squeaking Point © Kelly Slater

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ABOUT THIS ANNUAL REPORT

The Latrobe Council is pleased to present its annual report for 2019/2020

Audience for this Report

This report is intended to provide open, accurate and transparent information to a broad range of stakeholders, including our residents and rate payers, local businesses, non-government organisations, our partners and government departments and agencies.

It also fulfils Council's statutory responsibilities under the *Local Government Act 1993* and other legislation.

Aims of this Report

This report outlines how Council is meeting its objectives identified and prioritised in the strategic plan *Our Place, Our Plan* which was developed through consultation with the community. The Strategic Plan guides all Council's decision making, particularly on the provision of major infrastructure and services within the community.

The report details the extent of Council's operations and services delivered to the community throughout the 2019/20 financial year. It also details how Council is governed and managed; it introduces our Councillors and staffing structures and provides detailed information on the financial performance of Council.

How to use this Annual Report

This annual report begins with an overview detailing the highlights of the 2019/20 financial year, set-backs and its challenges.

The report looks at *Our Council* including a municipal profile. We review *Our People* - who make up our Council, their responsibilities and general staffing information. We assess *Our Performance* in relation to community engagement, planning and accountability.

Corporate Governance which details statutory information, and the 2019/20 *Financial Reports* round out this Annual Report.

The Report includes several tables and graphs for the ease of presenting information as well as useful and informative facts, providing a snapshot of our Council and the local community.

Council has established a vision and set of values which form the foundation of Council and its planning for the future.

Our Vision

Our vision is for the Latrobe Council area to be known as a friendly and welcoming community which is recognised for:

- The high quality of life that is enjoyed by our residents and visitors within an attractive built environment including the historic town of Latrobe.
- The preservation of the rural character and rich soils of the area which have secure the rural economy as an essential part of the wider economic base.
- The uniquely beautiful natural environment including the serene and picturesque seaside settlement areas of Port Sorell which are responsibly managed and safeguarded for future generations.
- The well-managed, responsive and adaptive local government which provides strong, visionary and consultative leadership.

Our Values

The values which will guide Council's choices and actions as we implement our vision for the future:

Leadership – Council is committed to provide the highest standard of community leadership and performance.


Community participation – Council encourages community participation and values the contribution made by each person.

Lifestyle and Environment – Council is committed to provide, encourage and promote the area's natural and developed attributes to enhance the quality of life within the community.

Employee Management – Council values the contribution of its team and is committed to the ongoing well-being and development of its employees.

Asset Management – Council is committed to the effective and efficient management of its physical assets.

Regional Co-operation – Council advocates regional cooperation.

A scenic landscape featuring a lush green field in the foreground with two sheep grazing. The background shows rolling hills and mountains under a clear blue sky with scattered white clouds. A semi-transparent green banner is overlaid across the middle of the image, containing the text "2019/2020 - THE YEAR IN REVIEW".

2019/2020 - THE YEAR IN REVIEW



Mayor
Peter Freshney

A message from the Mayor

The 2019-20 financial year started full of promise and opportunity but none of us could have been prepared for what eventuated in early 2020. Our community's early exposure to the impact of COVID-19 was certainly an unprecedented experience and provided much angst and concern across all walks of life.

As I reflect on the financial year it is impossible not to have my thoughts impacted by COVID-19 and all things related, but as we moved into the 2020-21 financial year it was certainly an opportunity to reflect and be proud of the way in which our community responded to the onset of this worldwide pandemic. Despite the outbreak at the North West Regional Hospital and associated lockdowns we have, together, fought back and there is no doubt in my mind that as long as we continue that preparedness to work together, we will prevail and respond to any and all issues that arise.

I am proud of the way Council staff in particular, have continued to serve our community during what must be one of the most difficult periods of their working lives. They deserve full credit for their commitment and preparedness to adjust and adapt to the new normal whilst still maintaining the service levels expected.


It would be erroneous not to acknowledge and pay respect to the work done by Premier Peter Gutwein and his team along with our State's public health officials who have led the response to COVID-19 thus far and it would also be inappropriate not to reflect on, and show appreciation of, the enormous contribution of our health professionals and associated service providers who have worked

tirelessly for extended periods to keep our community safe.

Together, their efforts have minimised the impact on our community and the State as a whole, but having said that, many families have been directly impacted by loss, illness and isolation that have been by-products of the pandemic and the unavoidable response.

Council adopted support packages tailored to lessen the impact on those affected by the pandemic and similarly, Council decided to waive any rate increase for the 2020/21 financial year. Our Council's 2020-21 is very much in keeping with the Premier's clear expectation, that councils lead from the front, and wherever possible, provide an economic stimulus to the local communities they serve. I am proud that our Council have heeded that call and basically tripled the amount we would normally allocate in the annual Capital Works Program. Many of the projects included in the program have been long in the making and will not only provide the economic stimulus, but also provide the infrastructure which will serve our ever-growing population in both the short and longer term.

In closing, I would like to acknowledge and thank the many individuals, organisations and businesses who continue to support community members and I encourage residents across the board to do what we can as neighbours, as friends and as community members to help others through these unprecedented times.


Peter Freshney
MAYOR



*General Manager
Gerald Monson*

A message from the General Manager

I would like to take this opportunity to thank all Council employees for the manner in which we worked together to address the daily challenges that were forced upon us and the community by the outbreak of COVID-19 on the north west coast of Tasmania.

Several Council facilities were closed almost overnight in the March/April period 2020. There was great angst and uncertainty within the community and in the Council office, however we supported each other and continued to provide the day-to-day services expected and required by our residents and visitors to the area. I believe our COVID-19 Incident Management Team did an outstanding job in keeping not only employees and elected members notified of the day-to-day changes in restrictions being imposed, but also provided a very reliable source of information to the community through Council's Facebook page and website.

I also wish to pay particular thanks to Council's outdoor workforce who continued to work throughout the COVID-19 lockdown by strictly adhering to the restrictions of social distancing, one person per vehicle and increased hygiene standards. Their work enabled community infrastructure to operate as close to normal as possible.

Another challenge to the Council staff throughout the year was the continued refinement of the new IT system. While I am very confident that the new system will provide great benefits to the operation of the Council and the community when it is fully implemented, it has been a very challenging time particularly with the loss of some key staff in some areas.

The prudent financial management of the Council over many years placed the Council in a strong position to respond to the challenges encountered as a result of COVID-19. Council agreed to have a zero rate increase for the 2020/21 financial year and also joined with other Councils across the State by adopting a Financial Hardship Policy where businesses could apply for up to a six month rebate of their rates and charges based on eligibility criteria.

The Council finished the financial year with an underlying deficit of \$216,000 which is the first time Council has incurred a deficit in the last decade.

Council has adopted a ten year financial plan and while an operating deficit is likely to be incurred in the 2020/21 and 2021/22 financial year, Council is forecast to return to surplus in 2022/23.

Council is very fortunate to have loyal and dedicated employees which has been particularly evident this year and I acknowledge their efforts and thank them for their passion and commitment to serve their community.

Once again, I believe the Mayor, Councillors and everyone working for the Council can be proud of our achievements detailed in this report, particularly given the very difficult year that we have all been through.

A handwritten signature in black ink that reads "Gerald Monson".

Gerald Monson
GENERAL MANAGER
FLGMA; B.Bus (Pub Admin) JP

OUR ACHIEVEMENTS



Latrobe and Kentish Councils have continued to progress the development of Wild Mersey Mountain Bike (MTB) Trails.

The trails opened at Warrawee have been very successful and greatly appreciated by users. The new trailhead facility at Warrawee provides toilets, showers and a bike washdown area.



Coastal Pathway Between Devonport and Latrobe

Great progress was made during the year on the design and commencement of works for the coastal pathway along River Road, between Ambleside, East Devonport and Bells Parade at Latrobe.

The project when completed, will greatly enhance the attraction of the Bells Parade area, and complement the circular walking track at Pig Island.

Minimising Flood Risk in Latrobe

A significant amount of effort was made throughout the year to progress the proposed Latrobe Flood Mitigation Project.

Projects of this nature are generally developed over several years and this major initiative is no exception.

Council appointed consultants, Entura, completed a Detailed Design and at a Council Workshop in April 2020, provided an updated estimated cost for the project of \$9.5 million. These costs excluded supervision and contract management, internal overheads, and any potential variations during construction.

This estimate is significantly more than the previous \$5 million. Council continues to seek additional funding from the State and Commonwealth Governments to allow this project to proceed.

Australia Day Awards

Each year, Council invites the community to think about who has made a significant contribution to our area and nominate them for recognition in the annual Australia Day Awards.

There are three categories open for nomination each year includes- Citizen of the Year; Young Citizen of the Year and Community Event of the Year.

Nominations for the Citizen of the Year Award are commonly of very high quality and reflective of the impact of the person's contribution; how long they

have been involved in the community and the level of excellence demonstrated in their chosen field.

This 2020 recipient, Mrs Carolyn McLennan, is a stalwart in the community and very popular recipient of the award.

Born and raised in Latrobe, Carolyn has spent her entire life living and promoting the town.

After her Latrobe Primary and Latrobe High School days, she became involved in numerous sporting and community clubs including the Latrobe Basketball Club, Sassafra Cricket Club and Latrobe Girl Guides.

Carolyn has been integral in many fundraising activities including a "Day for Butt", the McGrath Foundation, Rotary Car Boot Sale, "Changing Someone's Tomorrow" charity dinner and community trivia nights, just to name a few in recent times.

She is a volunteer community representative on the Latrobe Sport and Recreation Committee and member of the Latrobe Business Network, all while operating her own hair salon business.

The award for the Young Citizen of the Year went to Miss Tess Horton. The qualities sought in this category are based on the impact of contribution, the level of excellence and time committed to their pursuits; all qualities that Tess possesses.

Tess has demonstrated a capacity to lead from the front with her maturity, leadership, teamwork and ability to connect with adults and students being of the highest order.

Volunteering on Latrobe High School's School Association for two years, Tess was instrumental in setting the meeting NORMS (confidentiality, consultative decision making, expectations, listening, participation and time management).

As a highly regarded member of the 2019 Student Leadership Team, she demonstrated resilience and rose above issues encountered through being a successful athlete and teenage leader.

Tess worked tirelessly for Gold September, the Children's Cancer Awareness Month, and has

2019/2020 - THE YEAR IN REVIEW

represented Tasmania in Athletics, achieving many person bests.

The Community Event of the Year Award seeks to recognise an event held in Latrobe over the past year that has had a significant, positive impact; involved the community and exemplifies those attributes and values that underpin our way of life.

The 2019 Award was presented to Port Sorell Parkrun.

Port Sorell Parkrun is part of a worldwide organisation with volunteers organising free, weekly, 5km timed run/walks along the picturesque Port Sorell foreshore.

First held on 16 June 2018, Port Sorell Parkrun relies solely on volunteers and, in a little over 18 months, has seen a total of 152 individuals volunteer over 575 times. Port Sorell parkrun has had over 356 registrations and that number continues to grow.



Pictured: Dayna Dennison and Deb Hicks of Port Sorell parkrun (Community Event of the Year); Tess Horton (Young Citizen) with Carolyn McLennan (Citizen of the Year) in front.

OUR CHALLENGES

COVID-19

The community was materially impacted by the COVID-19 pandemic. As a result, Council by necessity adjusted its future financial projections and plans to ensure it could positively respond to the recovery effort. Due to past prudent financial management, the Council was in a financial position where it was able to respond positively by bringing forward a number of capital projects while at the same time providing financial measures and incentives to assist particularly the business community moving forward. The effects of the pandemic will continue to influence Council's financial performance during the next ten years.

Shared Services

The Latrobe and Kentish Councils' have developed a shared services model which has seen the former separate workforces of both Councils' consolidated into a single focused service delivery entity. Significant efficiencies have been achieved through this arrangement which places both Councils' on a more sustainable trajectory moving forward. Through prudent financial management in recent years both Councils' have been able to consistently achieve operating surpluses. Latrobe Council is committed to building on the successes achieved to date through the shared services model. Both Councils' understand they are stronger together and can achieve more when working in collaboration. The challenge continues

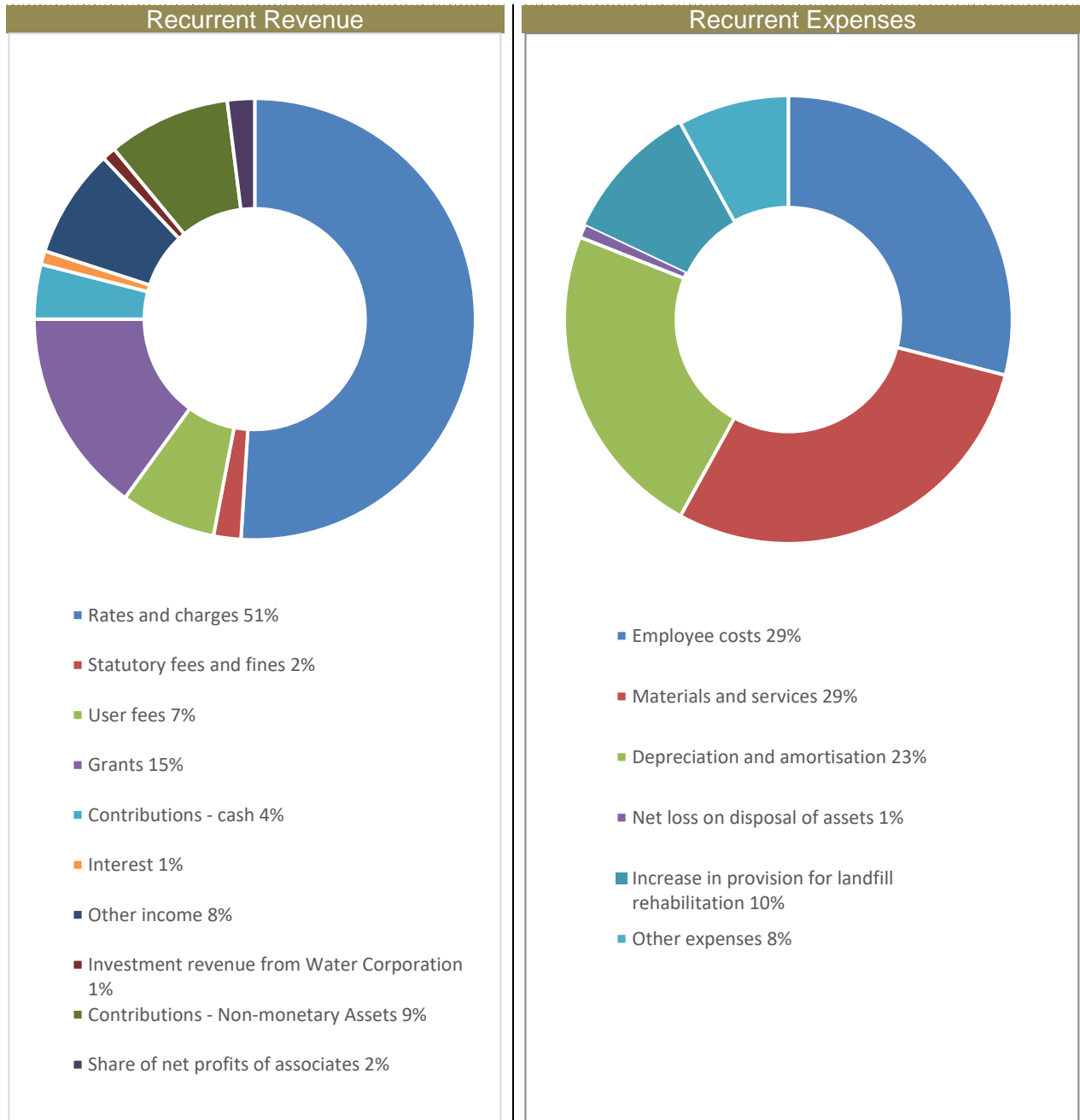
to be the delivery of outcomes and ensuring through cooperation, all initiatives provide a shared benefit to both communities.

Former Port Sorell Landfill Rehabilitation

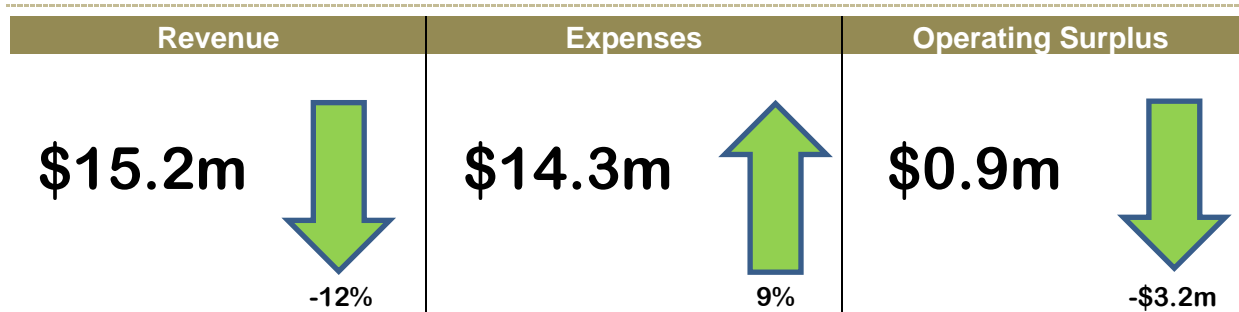
The 15-hectare site was the local landfill accepting household garbage and industrial waste from 1973 until 1995. Due to the elevated levels of contaminants and pollutants, Council engaged consultants to prepare a *Detailed Site Investigation Report* to prepare cost estimates related to the required rehabilitation and remediation works required and to identify future possible uses for the site. The rehabilitation of the site is likely to be the largest capital project ever undertaken by the Council and will require continued and considerable external expert assistance and advice to deliver. Future site solutions will need to be flexible to enable a successful long-term outcome to be identified, funded, and implemented. The estimated cost to rehabilitate the site ranges between \$10 and \$20 million and therefore has the potential to materially impact the future financial sustainability of the Council. Council will seek a State Government contribution to assist with the project on the basis that the former tip site was largely impacted by its use by industry from outside of the municipal area. Council's priority is to complete the *Detailed Site Investigation Report* and to manage any identified risks, as it works towards identifying future funding opportunities to progress the rehabilitation.

Financial Overview

REVENUE & EXPENDITURE SOURCES



FINANCIAL RESULT COMPARED TO BUDGET



2019/2020 - THE YEAR IN REVIEW

Council's underlying operating deficit was -\$216,000 after adjustments for capital grants received specifically for new or upgraded assets, non-recurring or one-off items.

UNDERLYING RESULT

	Actual 2019/20 \$'000	Budget 2019/20 \$'000	Actual 2018/19 \$'000
Recurrent revenue	12,510	13,040	13,960
Recurrent expenditure	12,726	13,044	13,160
Underlying Surplus	-216	-4	800

The calculation of Council's underlying result is shown at note 10.5 to the Financial Report.

Comparison of Income Statement to Original Budget

	Actual 2020 \$'000	Original Budget 2020 \$'000	\$Variance \$'000	% Variance	Comments
Income					
Rates and charges	7,745	7,781	-36	0%	Minor unfavourable variance.
Statutory fees and fines	330	645	-315	-49%	Unfavourable variance due to building permits and levies income being reclassified to User fees, away from the original budget for statutory fees and fines.
User fees	1,118	1,560	-442	-28%	Unfavourable variance due to Port Sorell Caravan Park income being reclassified to Other income, away from the original budget for user fees.
Grants	1,733	1,729	4	0%	Minor favourable variance.
Contributions - cash	639	165	474	287%	Contributions received not anticipated at time of budget preparation.
Interest	164	238	-74	-31%	Unfavourable variance due to lower than expected interest rates.
Other income	1,168	489	679	139%	Favourable variance due to Port Sorell Caravan Park income being reclassified to Other income, away from the original budget for user fees.
Investment revenue from Water Corporation	191	382	-191	-50%	Unfavourable variance due to the pausing of TasWater dividends due to COVID-19.
Capital grants received specifically for new or upgraded assets	158	88	70	80%	Favourable variance mainly due to the receipt of the Latrobe Bus Stop Upgrade Grant not anticipated at the time of budget preparation.
Capital grants received specifically for renewal of assets	311	366	-55	-15%	Unfavourable variance due to Council receiving a Road Safety Grant late in

2019/2020 - THE YEAR IN REVIEW

	Actual 2020	Original Budget 2020	\$Variance	%	Comments
	\$'000	\$'000	\$'000	Variance	
					2018/19 rather than in 2019/20 as originally expected.
Contributions - non-monetary assets	1,309	3,450	-2,141	-62%	Unfavourable variance mainly due to the delay of the completion of the Coastal Pathway project along River Road, Latrobe and delays in the transfer of subdivision assets to Council.
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	290	232	58	25%	Favourable variance due to increased returns from the Dulverton Regional Waste Management Authority.
Total revenue	15,156	17,125	-1,969	-12%	Overall unfavourable variance

	Actual 2020	Original Budget 2020	\$Variance	%	Comments
	\$'000	\$'000	\$'000	Variance	
Expenses					
Employee costs	4,133	3,366	767	23%	Unfavourable variance due to movements in leave provisions and reduced capitalised wages compared to the prior year, resulting in increased operational wages for 2019/20.
Materials and services	4,069	4,454	-385	-9%	Favourable variance due to a new method of calculating internal overheads. A larger than budgeted portion of overheads was allocated to the capital program therefore reducing the costs allocated to the operational program.
Impairment of debts	-134	0	-134	-100%	Favourable variance due a decrease in the provision for potentially uncollectable debts.
Depreciation and amortisation	3,327	3,748	-421	-11%	Favourable variance due to a revaluation and review of useful lives of the majority of Council's property, infrastructure, plant and equipment assets.
Finance costs	9	0	9	100%	Minor unfavourable variance due to timing of reimbursements. Interest on borrowings has been subsequently reimbursed by the State Government under the Accelerated Local Government Capital Program.
Other Expenses	1,187	1,476	-289	-20%	Favourable variance due to reclassifying the State Fire Commission-Fire Levy to Materials

2019/2020 - THE YEAR IN REVIEW

	Actual 2020 \$'000	Original Budget 2020 \$'000	\$Variance \$'000	% Variance	Comments
					and Services away from the original budget for Other expenses.
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	207	0	207	100%	Unbudgeted loss on infrastructure assets written off.
Increase in provision for landfill rehabilitation	1,475	0	1,475	100%	Increase in provision for Port Sorell Landfill rehabilitation.
Total expenses	14,273	13,044	1,229	9%	Overall favourable variance

Comparison of Capital Expenditure to Budget

Capital Works Areas	Original Budget	Adjustment to Carry Forward	Q1 Budget Review	Final Budget	Actual Expenditure	Carried Forward to 2020/2021	Budget Variance
Roads, bridges & street infrastructure	3,017,939	122,348	42,552	3,182,839	1,761,000	1,315,698	106,141
Stormwater & drainage	310,000	56,131	340,000	706,131	558,894	119,968	27,269
Buildings	680,186	129,820	200,780	1,010,786	1,171,174	203,748	-364,136
Land improvements	2,137,753	-63,696	60,240	2,134,297	1,305,380	282,579	546,337
Plant, equipment & other	1,206,320	404,289	16,610	1,627,219	704,849	182,976	739,394
Total Capital Works	7,352,198	648,893	660,182	8,661,273	5,501,296	2,104,970	1,055,006
Represented by:							
Asset renewal	1,764,207	183,534	35,122	1,982,863	1,310,362	305,612	466,888
New/upgraded assets	5,587,991	465,359	625,060	6,678,410	4,190,935	1,799,357	588,118
Total Capital Works	7,352,198	648,893	660,182	8,661,273	5,501,296	2,104,970	1,055,006

CAPITAL BUDGET VARIANCES EXPLANATION

Total favourable capital expenditure budget variance

\$1.055m

12.2% less than budget



\$739 thousand



Plant, equipment & other

The favourable budget variances are mainly due to deferring the second stage of the Technology One project to 2020/21 (\$582K) and deferring or cancelling the purchase of a number of plant items (\$166K).

\$546 thousand



Land Improvements

This favourable budget variance is mainly due to the change of scope to the Port Sorell Tennis Club (\$250K), carrying forward preliminary costs for the rehabilitation on the Port Sorell Landfill Site (\$179K) and Wild Mersey Mountain Bike Trails (\$105K).

\$106 thousand



Roads, bridges & streets

This favourable budget variances are mainly due to unneeded budgets carried forward from 2018/19 for Hamilton St – Kerb and Channel and Benny St – Footpath (\$261,000). This was offset by an overspend on Gilbert St – Parking Lane Sealing (\$154,000).

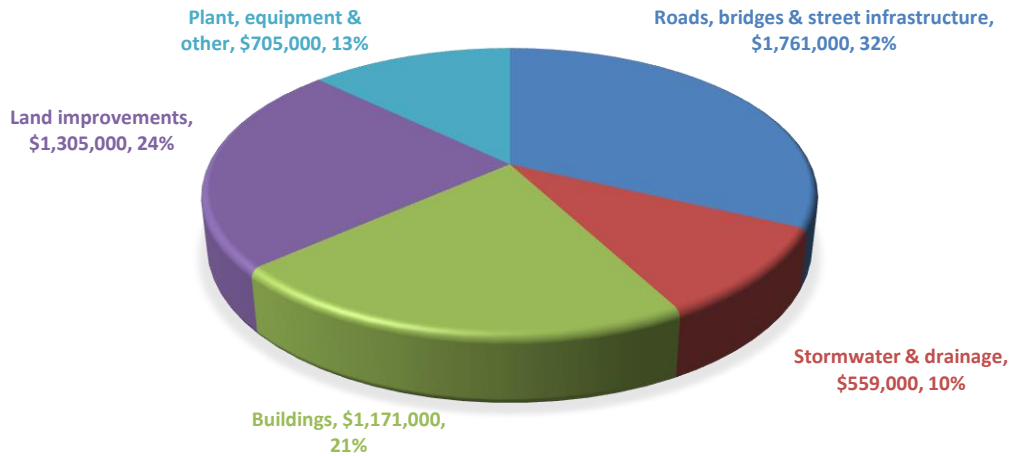
\$364 thousand



Buildings

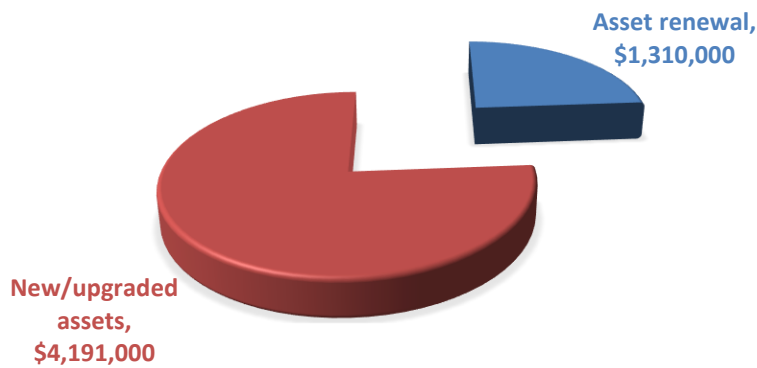
This overall unfavourable result is made up of a variance to Perkins Park - Lighting & Drainage of \$242K, this was offset by grant funding received in 2018/19.

Capital Expenditure by Asset Class

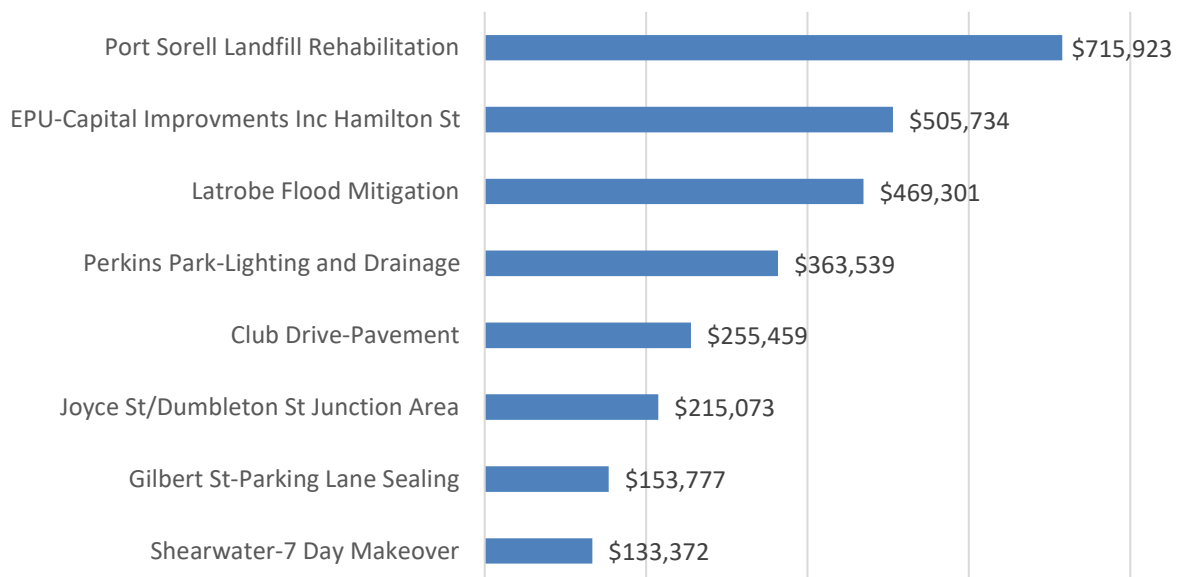


In measuring financial sustainability, it is important to distinguish between expenditure on new and upgraded assets and expenditure on existing assets. This distinction is graphically represented below;

Capital Expenditure by New and Existing Infrastructure



MAJOR CAPITAL EXPENDITURE



Management Indicators

The *Local Government (Management Indicators) Order 2014* (S.R. 2014, No. 36) prescribes and defines the financial and asset management sustainability indicators that councils must report on in their annual financial statements. The calculation of these management indicators is outlined in Note 10.5 of the Annual Financial Report included in this Annual Report.

The following graphs and commentary show Council's performance against these indicators over the past four years compared to recommended benchmarks.

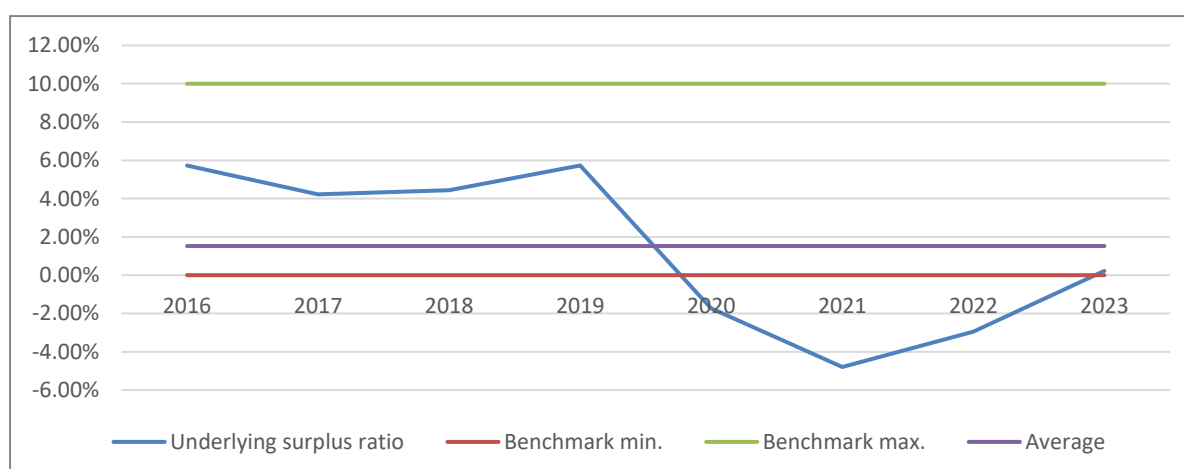
Underlying Surplus Ratio

This ratio measures the percentage by which Council's 'controllable' income sources and 'operating' grants vary from day to day expenses (including depreciation). It serves as an overall measure of financial operating effectiveness.

Sustainability should be assessed over a medium to long-term timeframe, so it is the average ratio that is the most relevant measure of Council's performance. On average, over the past four years, Council's results were within the benchmark range however this year and the projected results over the next two years are trending downwards until 2022/23 where Council is expected to return to small underlying surplus.

	2016	2017	2018	2019	2020	2021	2022	2023	Av.
Underlying surplus ratio	5.73%	4.22%	4.45%	5.73%	-1.73%	-3.26%	-2.94%	0.23%	1.74%
To assess sustainability									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying surplus (excluding income to fund new or upgraded assets)	666	516	594	800	-216	-395	-365	30	204
Recurrent Income	11,628	12,227	13,365	13,960	12,510	12,111	12,394	12,919	12,639

Projected
Actual



Management Indicators

Net Financial Assets/(Liabilities) Ratio

This ratio indicates Council’s capacity to meet its financial obligations from its operating activities. Council’s trend of maintaining positive ratios indicates that it has no net debt and therefore its ability to sustain additional debt is significant.

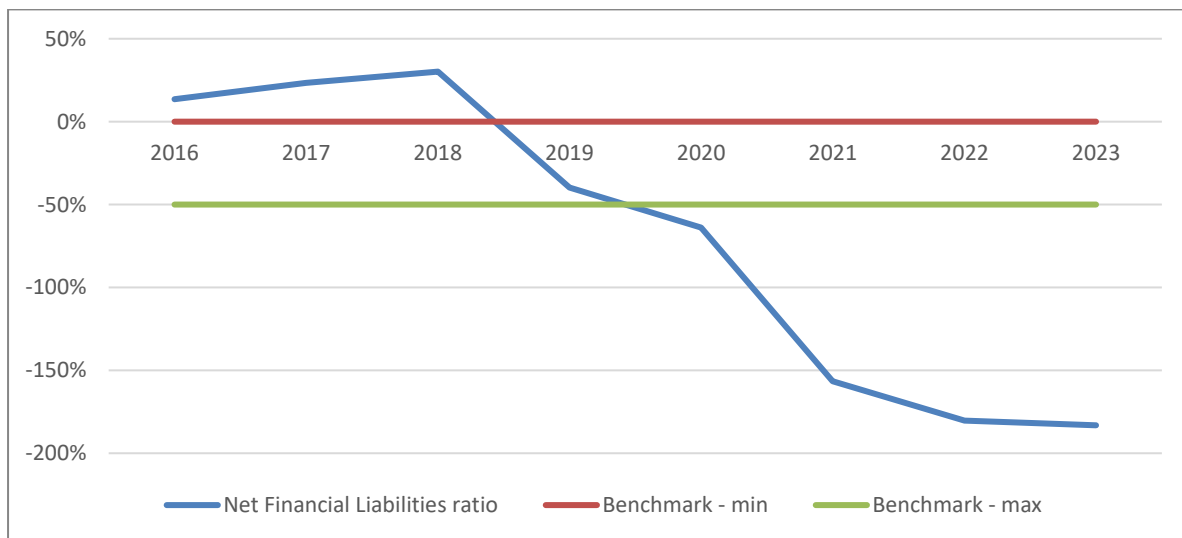
Council’s ratio for this measure reduced during the 2020 financial year due to an increase in the provision for rehabilitation of the site of the former Port Sorell Landfill. The projections for 2021 to 2023 show the potential for this ratio to further deteriorate to be below the benchmark level due to loan borrowings to fund an increased capital program in future years. It is expected to remain below the benchmark until the rehabilitation works have been completed on the landfill site, thus reducing the provision. Works are not expected to begin until 2030/31.

	2016	2017	2018	2019	2020	2021	2022	2023	Av.
Net Financial Liabilities ratio	14%	23%	30%	-40%	-64%	-154%	-180%	-183%	-53%

To assess the level of debt held by Council

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Financial Assets (Liabilities)	1,575	2,850	4,034	-5,541	-8,000	-18,696	-22,355	-23,660	-8,724
Recurrent Income	11,628	12,227	13,365	13,960	12,510	12,111	12,394	12,919	12,599

Projected
Actual

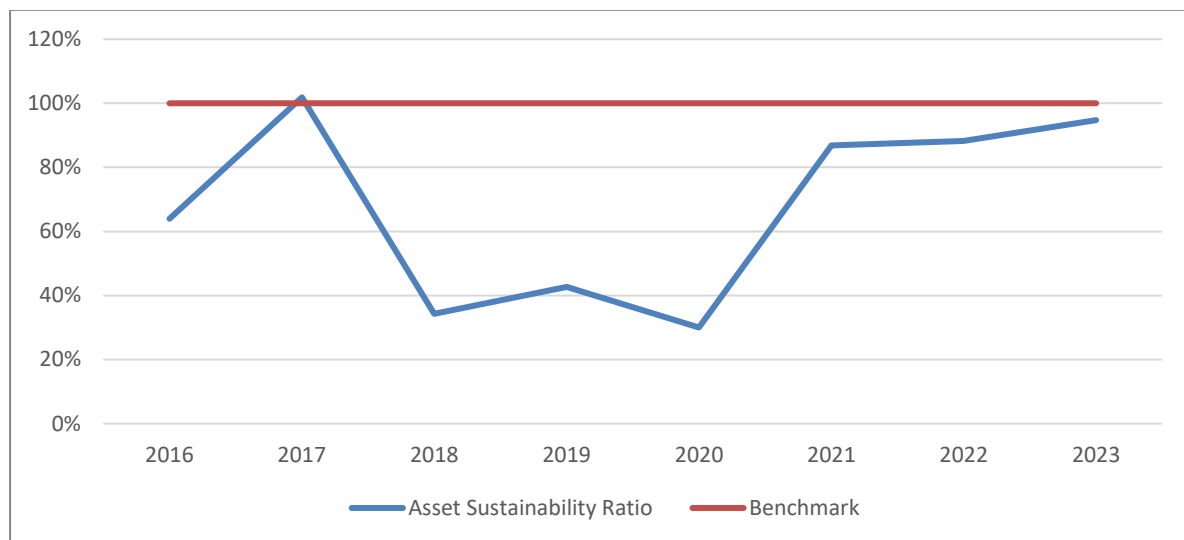


Asset Sustainability Ratio

This ratio measures whether assets are being replaced at the rate they are wearing out. Council’s projected average ratio of 64% for the 8 years ending in 2023 has increased from 56% in the prior year. Council aims to match its asset renewal expenditure with actual asset renewal demand as identified by its asset management plans. It is expected to reach 95% by 2022/23.

	2016	2017	2018	2019	2020	2021	2022	2023	Av.
Asset Sustainability Ratio	64%	102%	34%	43%	30%	85%	88%	95%	64%
Indicates if assets are being renewed at the same rate as they are being consumed									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure on renewal of existing assets	1,696	3,022	1,178	1,495	998	3,001	3,242	3,577	2,276
Depreciation expense	2,651	2,967	3,438	3,508	3,327	3,516	3,675	3,776	3,357

Projected
 Actual



Asset Consumption Ratio

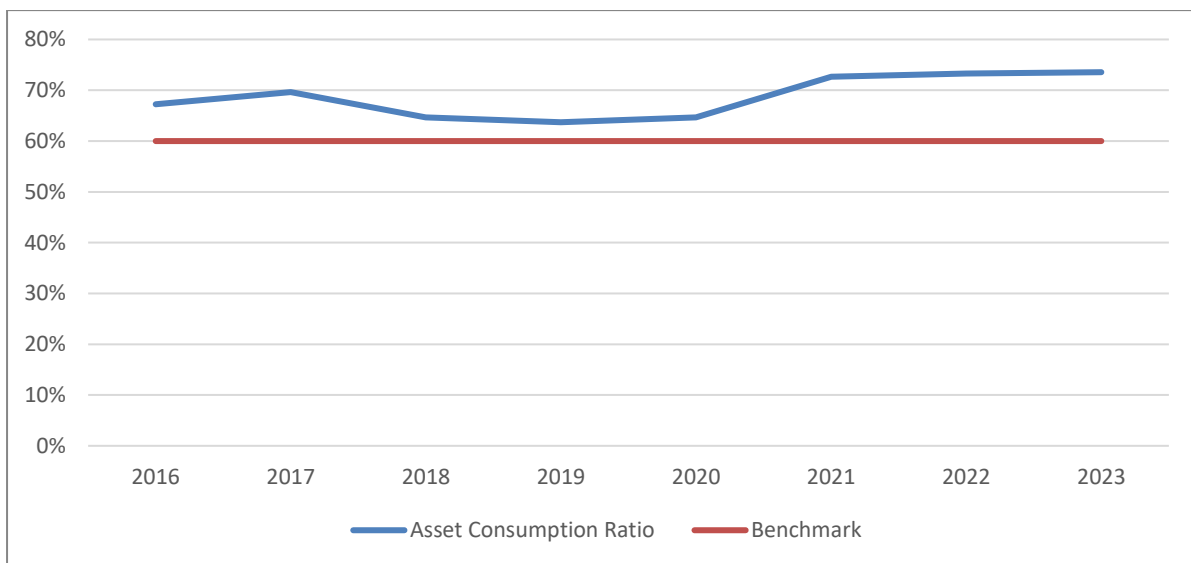
This indicator shows the average proportion of 'as new' condition left in Council's infrastructure assets. When used in conjunction with the asset sustainability ratio, Council's asset consumption ratio indicates that on average the Council's infrastructure is only around 35% into its expected useful life which explains why there may not currently be a high demand for asset renewals.

	2016	2017	2018	2019	2020	2021	2022	2023	Av.
Asset Consumption Ratio	67%	70%	65%	64%	65%	73%	73%	74%	68%

Indicates the average proportion of as new condition left in assets

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciated replacement cost of assets	118,333	127,071	128,708	128,242	141,149	198,108	205,522	208,804	156,992
Current replacement cost of assets	176,000	182,411	199,116	201,310	218,184	272,528	280,375	283,856	226,723

Projected
 Actual



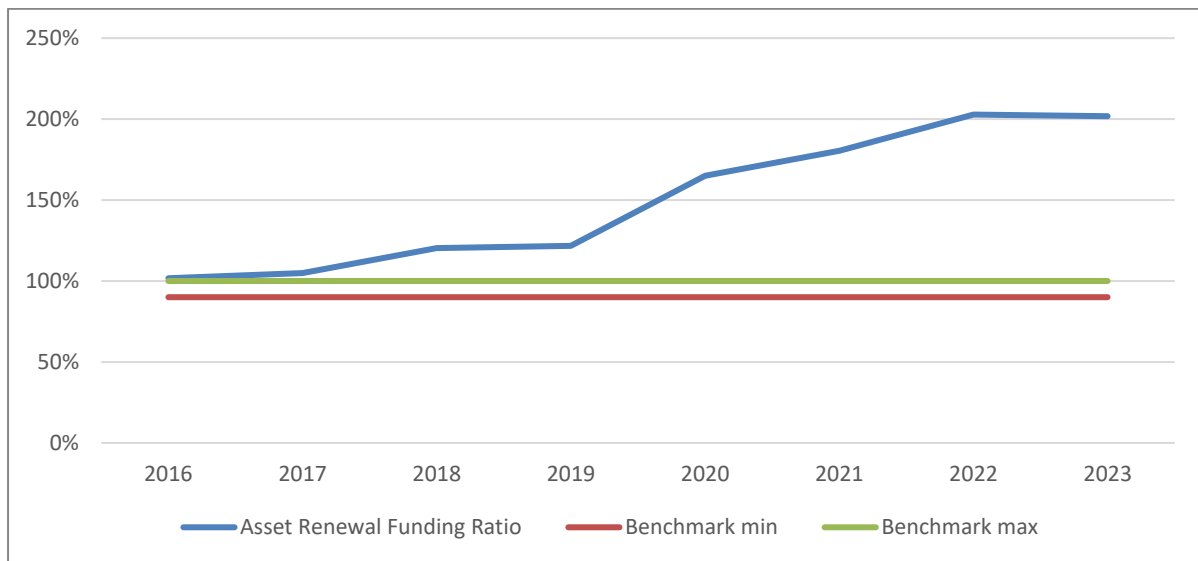
2019/2020 - THE YEAR IN REVIEW

Asset Renewal Funding Ratio

The current projected capital renewal outlays in Council’s Long-Term Financial Plan are more than the projected expenditure demand as reflected by Council’s Asset Management Plans. Asset Management Plans are due for review and it is expected to be more in line with the Long-Term Financial Plan moving forward.

	2016	2017	2018	2019	2020	2021	2022	2023	Av.
Asset Renewal Funding Ratio	102%	105%	120%	122%	165%	180%	203%	202%	142%
Indicates financial capacity to continue to provide existing levels of asset-based services									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Present Value of ten year projected capital renewal outlays	9,200	9,492	10,878	10,025	19,429	19,571	19,870	19,370	14,066
Net Present value of ten year projected capital renewal expenditure demand	9,045	9,044	9,044	8,235	11,770	10,851	9,798	9,598	9,684

Projected
 Actual





Calendar of Events

July	August	September	October	November	December
Rubicon River Arts Annual Exhibition	Latrobe Federal Band Winter Spectacular Concert	Northern Tasmania Cavy Show	Port Sorell Spring Fair	Freecycle Pop Up Shop	Port Sorell Lions Carols
Sassafras Winter Concert	Chocolate Winterfest, Latrobe	Apex Teenage Fashion Awards	Sacred Circle Dancing (Oct – Mar)	Shearwater 7 Day Makeover	Sassafras Christmas Community Concert
	The Rise and Fall of Little Voice production by Devonport Choral Society	Soup and Sandwich Luncheon	Mindfulness Program	Truly Tasmanian Craft Exhibition and Sale	Latrobe Lions Christmas Parade and Carols
	2019 Women’s Forum	Community Information Exchange - Latrobe	Speedway Racing (Oct-Mar)	Hobart Hurricanes Indigenous Game	St Luke’s Festival of Carols
		I’ve Got the Music In Me Concert	Community Information Exchange - Wesley Vale/Moriarty	Remembrance Day Services	Handcrafters Christmas Market
		Mersey Cat Fanciers Show	Blades of the Coast Gaming Convention	Boxing Tasmania Tournament - Latrobe	Port Sorell Christmas Shopping Night
		NWFL Grand Final	Aussie Backyard Bird Count	“Urquhart Keep” Open Day	Latrobe Carnival
		Moriarty Roubaix		Hamilton House Open Garden	Hobart Hurricanes Junior Super Clinic
		Junior Angling Club Fish Out (Sept to Mar)		Tasmanian Rock Challenge Young Guns (North West)	
January	February	March	April	May	June
PSSLSC Market by the Beach	Hobart Hurricanes Junior Super Clinic	Port Sorell Community Information Evening			
Wesley Vale Eat and Greet	Port Sorell Family Fun Day				
Port Sorell Fiesta	Latrobe Playgroup commenced				
North West Dressage Competition	Latrobe Flower and Vegetable Show (CWA)				
Henley-on-Mersey Australia Day Festival	Van Diemen Antiques & Collectable Expo				
Port Sorell History Display	Concert in the Vines				
Latrobe Lilium Show	Early Days of Wesley Vale Exhibition				
Port Sorell Waterslide and Car Show					

Due to the COVID-19 Pandemic, all events were cancelled from 16 March

A photograph of a park. In the foreground, there is a large, vibrant rose bush with several large, multi-petaled flowers in shades of yellow, orange, and red. The leaves are green and some are showing signs of aging or damage. In the middle ground, a white statue of a man in a military uniform stands on a tall, rectangular stone pedestal. The pedestal has some inscriptions and decorative elements. The background is filled with lush green trees and a clear blue sky with some light clouds. To the right, a portion of a modern building with large windows is visible. The overall scene is bright and sunny, suggesting a pleasant day in a well-maintained park.

OUR COUNCIL



MUNICIPALITY PROFILE

Our municipality

The Latrobe Municipality covers an area of 600 square kilometres and is at the eastern end of the North West Coast of Tasmania. The Council area has abundant natural attributes ranging from golden beaches extending from Wesley Vale, through to Port Sorell and across the Rubicon River to the Narawntapu National Park; the parkland setting of Latrobe's Bells Parade and adjoining Mersey River/Pig Island precinct; Warrawee Reserve and the rolling farmlands which dominate the landscape.

Our Population

As at 30 June 2019, the Australian Bureau of Statistics estimated population of the municipal area was 11,638.

Our History and Heritage

Latrobe township is named after Charles Joseph La Trobe who in 1846 was Lieutenant-Governor of Van Diemen's Land (Tasmania) before becoming the first Governor of Victoria in 1851. Latrobe boasts the country's oldest continuously playing brass band (established in 1872), the famous annual Latrobe Bicycle Race Club Wheel Race and is the birthplace of competitive wood chopping.

The Latrobe township was proclaimed as an Australian Historic Town in 1988, during the Bicentennial, by the Governor-General Sir Ninian Stephen.

Port Sorell located on the Rubicon River, was established in the early 1820's and gained its name from Lieutenant-Governor William Sorell who arrived in Hobart Town in 1817. Originally developed as a fishing and sealing port by the Van Dieman's Company, Port Sorell is the site of the oldest European settlement on Tasmania's north coast and by the 1840's, had grown to be the largest town on the North West coast. It declined with the development of Devonport and most of its early history was wiped out by bushfires.

Today during the summer period the population of this picturesque area doubles with visitors taking advantage of swimming, fishing and boating.

The rich farmland in Sassafras, Wesley Vale and Moriarty provide poppies, fruit and vegetables and livestock for both the local and overseas market.

Our municipality includes the Warrawee Reserve and Narawntapu National Park, a home to many types of Tasmanian wildlife in its native habitat.

2020 SNAPSHOT



228 KM
LENGTH OF SEALED
ROADS



8,724
ELECTORS



600 KM²
COUNCIL LAND AREA



11,638
POPULATION



6,547
PROPERTIES



35
BRIDGES

OUR COUNCILLORS

The Latrobe Council is established under the provisions of the *Local Government Act 1993*. Council is made up on nine elected members who each serve a four year term, with elections held on an 'all in all out' basis. The term for the popularly elected Mayor and Deputy Mayor is also four years. Local Government elections were held in October 2018.



Mayor Peter Freshney

Term of Office:
2011 – 2022

Committee Membership:

- Port Sorell Advisory Committee
- Cradle Coast Authority Representatives Group
- LGAT Annual and General Meeting Representative
- Mersey Leven Emergency Management Committee
- TasWater Owner Representatives Committee
- General Manager's Evaluation Group
- Municipal Alliances Committee
- Latrobe High School Liaison Officer
- St Patrick's School Liaison Officer

M: 0417 287 006

E: mayorfreshney@latrobe.tas.gov.au



Deputy Mayor Graeme Brown AFSM

Term of Office:
2014 – 2022

Committee Membership:

- Axeman's Hall of Fame Management Committee
- Latrobe Cemetery Committee
- Latrobe and Districts Youth Centre Management Committee
- Latrobe Council Audit Panel Member
- Australia Day Awards Committee
- General Manager's Evaluation Group
- Municipal Alliances Committee
- Wild Mersey Mountain Bike Trails Advisory Committee
- Review of Council Owned Land Committee
- Pardoe District Fire Committee
- Latrobe Primary School Liaison Officer

M: 0417 598 116

E: crbrown@latrobe.tas.gov.au



Councillor Michael McLaren

Term of Office:
1999 – 2002 &
2003 – 2022

Committee Membership:

- Axeman's Hall of Fame Management Committee
- Bells Parade Development Committee
- Elderly Persons Units Advisory Committee
- Latrobe Tree Planting Committee
- Dulverton Regional Waste Management Authority Representative Committee
- General Manager's Evaluation Committee
- Municipal Alliances Committee
- Review of Council Owned Land Committee
- Latrobe National Trust
- Latrobe Neighbourhood Watch
- Rubicon Coast and Landcare Group

P: 6426 2777

E: crmcclaren@latrobe.tas.gov.au



Councillor Garry Sims

Term of Office: 1994 – 2022

Committee Membership:

- Banksia Facilities Management Committee
- Port Sorell Performing Arts Development Hub
- Elderly Persons Units Advisory Committee
- Moriarty Hall Committee
- Australia Day Awards Committee
- Community Development Grants Committee
- Andrews Creek Primary School Liaison Officer

M: 0419 139 053

E: crsims@latrobe.tas.gov.au



Councillor Gerrad Wicks

Term of Office: 2014 – 2022

Committee Membership:

- Bells Parade Development Committee
- Latrobe Cemetery Committee
- Latrobe Sport and Recreation Committee
- Port Sorell Caravan Park Management Committee
- Australia Day Awards Committee
- Community Development Grants Committee
- Kings Park Working Group

M: 0488 325 590

E: crwicks@latrobe.tas.gov.au



Councillor Lesley Young AO

Term of Office: 2009 – 2022

Committee Membership:

- Banksia Facilities Management Committee
- Latrobe and Districts Youth Centre Committee
- Latrobe Council Audit Panel Member
- Community Development Grants Committee
- Kentish and Latrobe Community Road Safety Partnership Committee
- Kings Park Working Group
- Sassafras Primary School Liaison Officer
- Latrobe Council Economic Development Committee

M: 0419 326 250

E: cryoung@latrobe.tas.gov.au



Councillor Vonette Mead
Term of Office: 2018 – 2022

Committee Membership:

- Latrobe Sport and Recreation Management Committee
- Port Sorell Caravan Park Management Committee
- Wild Mersey Mountain Bike Trails Advisory Committee
- Review of Council Owned Land Committee
- Geneva School Liaison Officer
- Latrobe Council Economic Development Committee

M: 0407 055 180
E: crmead@latrobe.tas.gov.au



Councillor Sommer Metske
Term of Office: 2018 – 2022

Committee Membership:

- Banksia Facilities Management Committee
- Latrobe Tree Planting Committee
- Port Sorell Memorial Hall Controlling Authority
- Australia Day Awards Committee
- Port Sorell Primary School Liaison Officer
- Latrobe Council Economic Development Committee

M: 0409 622 710
E: crmetske@latrobe.tas.gov.au



Councillor Shayne Allison
Term of Office: 2018 – 2022

Committee Membership:

- Port Sorell Performing Arts Development Hub
- Port Sorell Advisory Committee
- Community Development Grants Committee
- Kentish and Latrobe Community Road Safety Partnership Committee
- Review of Council Owned Land Committee
- Cement Australia Railton Community Consultation Committee
- Port Sorell History Group Liaison Officer
- Port Sorell Men's Shed Liaison Officer

M: 0409 792 648
E: crallison@latrobe.tas.gov.au



OUR PEOPLE

SENIOR LEADERSHIP TEAM

Council’s organisation structure was reviewed during 2017/18 and after significant consultation with elected members and staff, a new structure was agreed upon to deliver efficient, effective and continually improving services across both Latrobe and Kentish Councils in a customer focussed way.

Latrobe Council’s new organisational structure consists of three departments – Operations, Infrastructure and Assets and Customer & Business Services. Each department is led by a Manager who reports directly to the General Manager. The General Manager is directly accountable to the Mayor and Councillors. Transition to this new structure began in June 2018 and is continuing to be refined.

Senior Leadership Team

The General Manager, together with three service managers deliver high level leadership to the organisation. The General Manager and Senior Leadership positions are resource shared with Kentish Council.

General Manager – Gerald Monson

Areas of responsibility include; organisation leadership, Council’s operational and service delivery performance, strategic planning, organisational support for elected members.

* Customer and Business Services Manager – Andrew Cock

Areas of responsibility include; statutory planning services and building and plumbing control, environmental and public health services, animal control, community development, tourism and economic development, finance, rates, information technology, records management, risk management coordination, business administration support and customer service.

Infrastructure & Assets Manager – Jonathan Magor

Areas of responsibility include; emergency management, natural resource management, infrastructure including roads, bridges, drainage, parks, reserves and buildings.

* Operations Manager – Jason Bellchambers

Areas of responsibility include; maintenance and renewal of infrastructure including roads, bridges, drainage, parks, reserves and buildings.

* Employed by Kentish Council

Remuneration of Senior Employees

Section 72 (1) (cd), 72 (4) & 72 (5) Local Government Act 1993

Annual Remuneration	No. of Latrobe Council Employees
\$160,001 - \$180,000	1
\$240,001 - \$260,000	1

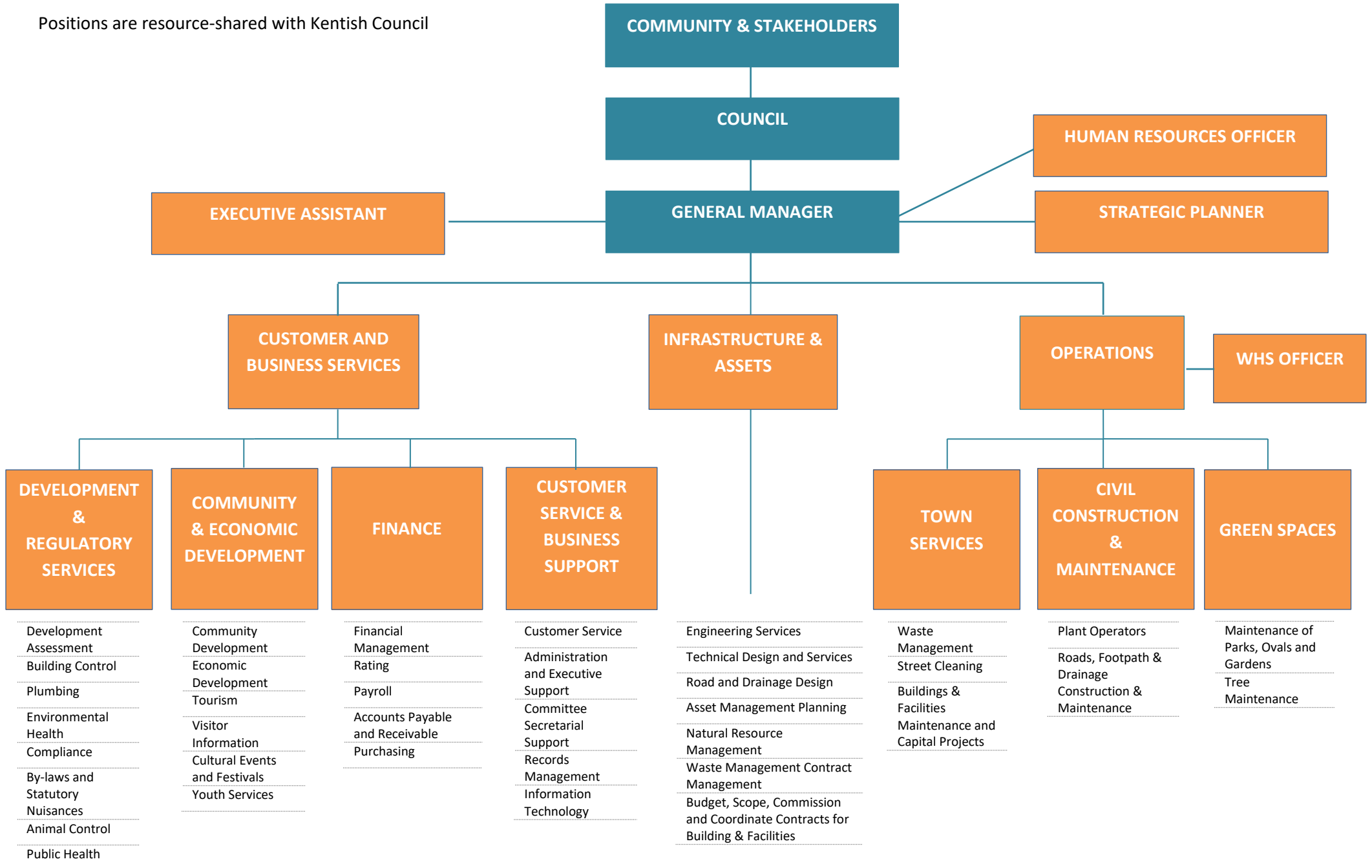
Total annual remuneration is defined as the total of the:

- base salary payable to the employee
- amount of employer superannuation contributions to the employee’s contribution
- gross value for the use of a fully-maintained motor vehicle provided to the employee
- value of any other allowances or benefits paid or payable to, or provided for, the benefit of the employee.

Kentish Council reimburses Latrobe Council for an appropriate portion of the cost of Latrobe senior employees who also provide management services to Kentish Council. Where senior employees are employed by Kentish Council and hired to Latrobe Council, they are not included in the above table, but are included in the equivalent table in the Kentish Council Annual Report.

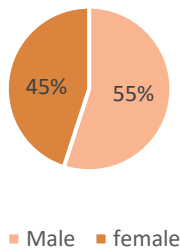
ORGANISATION STRUCTURE – 2019-2020

Positions are resource-shared with Kentish Council

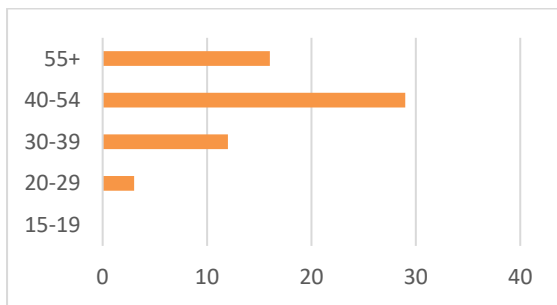


Council is committed to ensuring staff are well supported, highly skilled and professional to deliver quality services.

Percentage of Employees by Gender



Percentage of Employees by Age



Professional Development

Council staff have undertaken various training sessions and attended professional development forums throughout the year. Council is also an advocate for supporting staff in obtaining and upgrading qualifications. In 2019-20, a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their positions at Latrobe Council.

Flexible Family Work Arrangements

Council is committed to best practice by fostering flexibility to achieve a better balance between work and family responsibilities for all employees. Some examples of family friendly workplace initiatives of Council include:

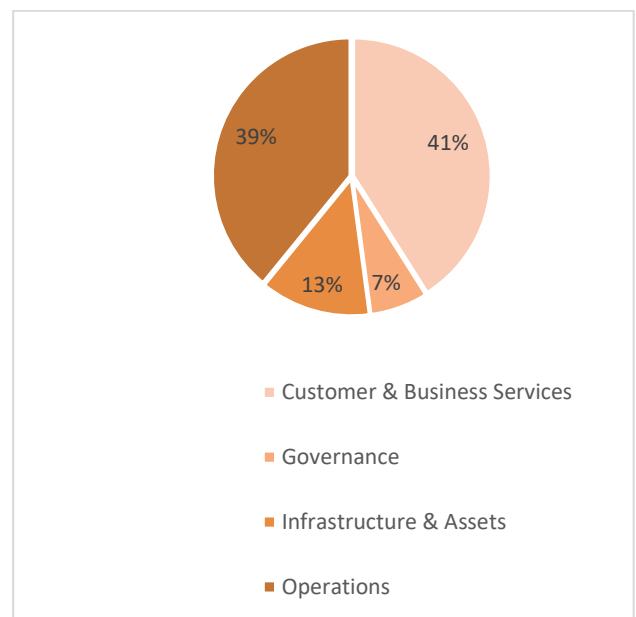
- offering an employee assistance program
- accessing annual leave in single or part day periods
- taking time off in lieu of overtime payments
- working additional hours to make up for time taken off
- rostered day off system
- working part-time or creating part-time work opportunities
- job share arrangements.
- work from home arrangements

Full Time Equivalent Employees

Department	FTE
Customer & Business Services	18.0
Governance	3.0
Infrastructure & Assets	5.7
Operations	17.1
Total	43.8

Employees are hired to and from Kentish Council as required.

Percentage of Employees (FTEs) by Department



VOLUNTEERS

Latrobe Council values the wonderful contribution that volunteers make in our community. Volunteers provide valuable assistance and enrich the lives of the people and groups they are helping.

There are many community volunteer organisations that Council assists by providing advice, grants and assistance with Council manpower. Those organisations receiving grants from Council are listed under the Corporate Governance section of this Annual Report.

There are other community organisations that provide advice to Council like Latrobe Landcare who assist to maintain Pig Island within the Bells Parade Precinct and Rubicon Coast & Landcare who work to improve vegetation in coastal and inland reserves in the Port Sorell Area in accordance with relevant management plans.

Council is fortunate to have volunteers assisting in several areas supporting its capacity to deliver a range of services and programs from looking after Council sporting and hall facilities to providing information to visitors at the Latrobe Visitor Information Centre.

There are many ways that people can volunteer within the Latrobe area including the Council managed activities described below.

Visitor Information Centre

Volunteers at the Latrobe Visitor Information Centre (LVIC) provide a welcome to our visitors, sharing their local knowledge of the community and tourism experiences in the area. The LVIC offers volunteers familiarisation tours and training opportunities. Currently there is a team of 16

volunteers who attend to the many visitors and their enquiries. Due to COVID-19 LVIC was closed for face-to-face contact from 27 March 2020.

Special Committees of Council

Special Committees of Council are established by Council under the *Local Government Act 1993* to carry out specific functions on behalf of Council. Council has a number of special committees that assist with the management of many of the municipal facilities including:

- Australian Axeman's Hall of Fame Management Committee
- Banksia Facilities Management Committee
 - Port Sorell Performing Arts Development Hub Sub-committee
- Bells Parade Development Committee
- Elderly Persons Units Advisory Committee
- Latrobe Cemetery Committee
- Latrobe & Districts Youth Centre Management Committee
- Latrobe Council Economic Development Committee
- Latrobe Sport & Recreation Management Committee
- Latrobe Tree Planting Committee
- Moriarty Hall Committee
- Port Sorell Advisory Committee
- Port Sorell Caravan Park Committee
- Port Sorell Memorial Hall Controlling Authority
- Mersey Leven Emergency Management Committee

Council appreciates the significant contribution volunteers make to the above listed special committees.



OUR PERFORMANCE

COMMUNITY CONSULTATION

Community conversations continue to be at the heart of Council's operations and are a driving factor of our success and performance.

Community Engagement

In considering appropriate issues and opportunities for Council, the potential impact on those we serve is always at the forefront of our decision making.

Council is committed to developing strong links with its community through local conversations. To ensure Council engage with as many people as possible it holds community meetings, administers various committees made up of local community members, clubs and organisations and offers, attends, and participates in local events.

Council encourages feedback and views this as an opportunity to improve our practices, efficiency, and service delivery. Council also produces a bi-monthly newsletter which is delivered to every household in the municipality. This is used to promote the activities within the area,

achievements of local volunteer organisations and to provide regular opportunity for them to report to the community on activities within their group/club. A weekly Mayor's Message on Council's Facebook page and 7AD radio also provides another avenue for Council decisions to be communicated to residents. Council also has a strong social media presence with an informative website and Facebook page.

Advocating for our Community

An important role of Council is to advocate to improve the economic, social, and environmental wellbeing of the community. This is done at Federal, State, Regional and local levels through participating in various forums and meetings.

Council submitted information on priority projects for Latrobe to the Premier at a State Government Regional Cabinet Meeting held in August 2019. It has also lobbied the Deputy Premier and other State Government representatives, including various Ministers, throughout the year.

Council is also a member of the Local Government Association of Tasmania, Cradle Coast Authority and Dulverton Regional Landfill Authority.

How do we engage with our community?

Tools used by Council to engage with the community and encourage participation include:

Method	Description
Council's website www.latrobe.tas.gov.au	News updates, events, community consultation and major publications are uploaded to Council's website for the community to access
Media releases	Regular media releases are written and distributed to local newspapers, radio stations and relevant community groups and can be found on our website
Advertisements	Council advertises community engagement activities in the local newspaper
Newsletters	Council produces <i>Council Coast and Country News and Views</i> bi-monthly
Community noticeboards	Council has several Community Noticeboards distributed around the municipality providing information for residents and visitors
Community meetings/forums	Formal community meetings are held
Social media	Council has a Facebook page
Consultation with existing groups	Small meetings are held with affected community groups
Community surveys	Survey provided to community members for feedback



Renee Flack of Latrobe presented with a Certificate of Recognition as Latrobe Council's 2020 Y11-12 Education Bursary recipient by Mayor Freshney



Shearwater 7 Day Makeover Information Evening

PLANNING AND ACCOUNTABILITY

It is important that Council has detailed plans in place to guide its decision making to achieve strategic and operational outcomes.

Council has a number of strategies, plans and policies in place that it reviews on a regular basis to ensure it is progressing forward and achieving goals. This also ensures accountability for Council, its councillors, managers, and staff.

Statutory Requirements

The *Local Government Act 1993* requires councils to prepare the following planning and reporting documents:

- A strategic plan
- A long-term financial management plan
- A long-term strategic asset management plan
- A budget for each financial year
- An annual plan in respect of each financial year
- An annual report in respect of each financial year.

Our Strategic Plan

Our strategic plan '*Our Place, Our Plan*' articulates the direction of the municipality.

This framework highlights a diverse range of local issues that focus on key strategic initiatives and target dates. '*Our Place, Our Plan*' is inextricably linked with the Council's Annual Plan and budget and is regularly evaluated and revised.

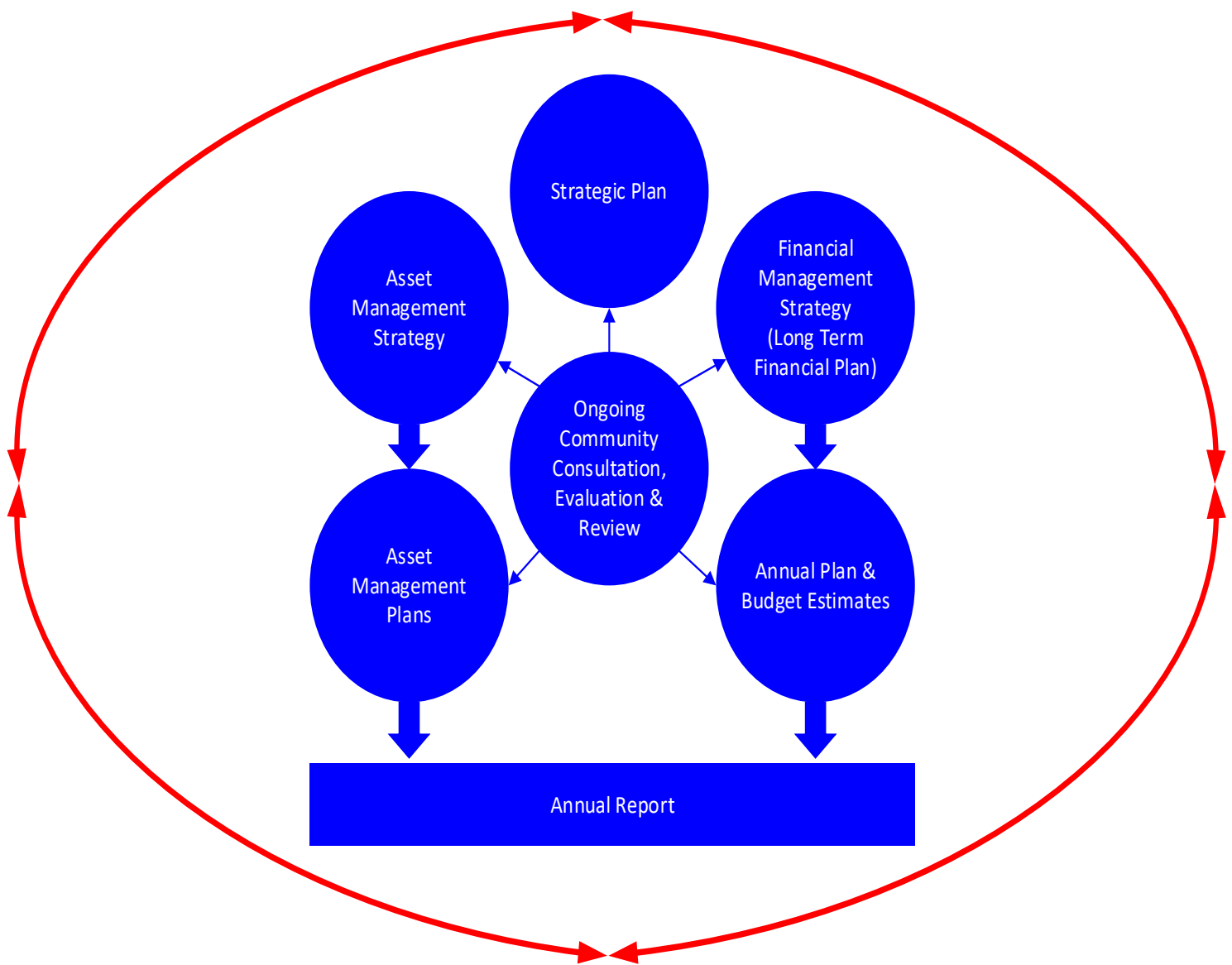
How we measure our progress

Information in the following section provides details of our achievements and challenges in delivering the planned activities, programs and projects for the 2019/20 financial year, as well as our plans for the future ahead.

Council's Planning Process

The following diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government.

COUNCIL'S PLANNING PROCESS



Preserving the past

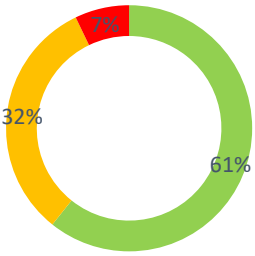
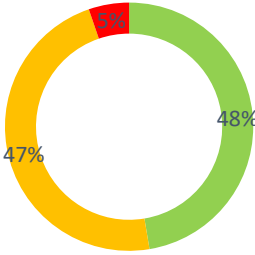
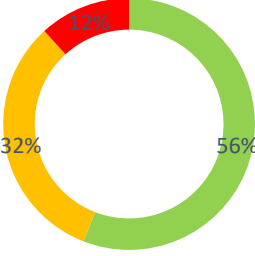
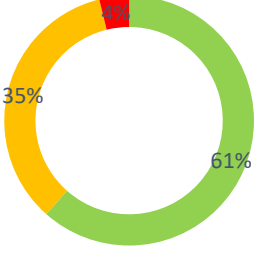
Promoting the present

Planning for the future

OVERVIEW OF PERFORMANCE

The table below provides an ‘at a glance’ overview of Council’s performance against the 2019/20 Annual Plan.

Council’s 2019/20 Annual Plan includes a number of key actions grouped according to the overall strategic objectives of Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development. Progress toward completing these actions is summarised in the chart below.

Strategic Objective Group	Progress on Actions
Infrastructure	 <p>61% Complete, 32% In Progress, 7% Delayed</p>
Economic and Community Development	 <p>48% Complete, 47% In Progress, 5% Delayed</p>
Governance and Organisational Development	 <p>56% Complete, 32% In Progress, 12% Delayed</p>
Planning and Development	 <p>61% Complete, 35% In Progress, 4% Delayed</p>

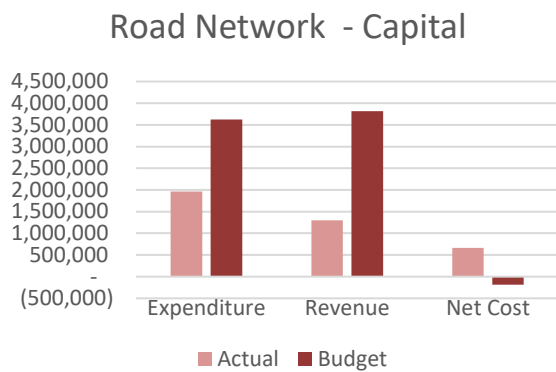
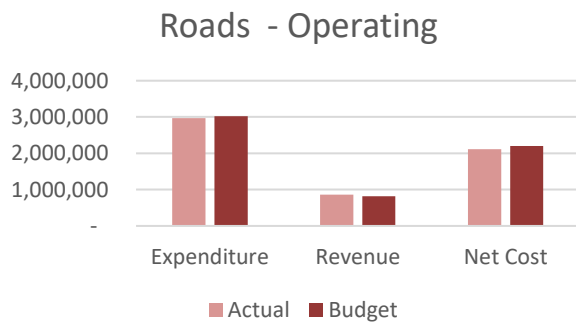
INFRASTRUCTURE

Our population growth is supported through public infrastructure, land use and development strategies that create a connected, sustainable and accessible community.

ROADS

Objective To provide an appropriate, safe and well-maintained road network throughout the municipality

Performance against Budget



Capital expenditure was less than budget due to around \$1.3m of projects carried forward to 2020/21.

Capital revenue was less than budget due to the delayed completion of the Coastal Pathway project and lesser than expected value of subdivision assets being taken up.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Implement the Transport Services Asset Management Plan adopted in January 2012	Demonstrate responsible management of transport assets	>
Maintain a policy of free parking within the Municipality	Free parking	✓
Lobby Governments for the continued upgrade of Port Sorell Main Road	Road upgraded	✓
Incorporate shared pathways including for mobility scooters where feasible	Shared pathways constructed	>

Initiatives	Comments	Result
Further integrate the sharing of equipment and other resources into the normal operating practices of Latrobe and Kentish Council workforces.	Resource sharing of all road crews and equipment has been achieved through the implementation of TechOne works management system and progressive review of major operations.	✓
Replace street trees.	Priority trees along Gilbert Street CBD have been replaced.	✓
31 Crab apple trees in Hamilton Street	The planting of new trees along Hamilton Street carried over winter period into 2020/21.	>
Road network condition assessment		✓
Madeline Street footpath – River Road to Twiss Street, 210m		✓
Stanley Street – Gilbert Street to Cotton Street, 210m long reconstruction including kerbs, footpaths and pavement	Project substantially complete with some minor work carrying over into 2020/21,	>
Laura Street (east side) - Alberta Street to Fenton Street		✓
George Street (north side) – Lewis Street to Hockey fields, infill		✓
Reisz's car park – seal		✓
Club Drive – no. 20 to Alexander Street, reconstruct and stabilise pavement		✓
Tarleton Road – Stage 1, widening and relocation of stormwater drain		>
Poyston Drive/Alexander Street junction – Traffic management (consider left in and left out only or roundabout)		✓
Annual reseal allocation – reseal list to be determined		✓
River Road, Latrobe – Central island and associated widening for pedestrians crossing near Caravan Park/Madeline Street		✓
Joyce Street/Dumbleton Street junction area. Includes work around intersection, 135m kerb on north west approaches, 135m footpath, consider roundabout?		✓
Torquay Road, Latrobe – bus turn facility. Follows discussion and plans presented to Passenger Transport Services and Health Department		✓
Connect Stanley Street from Paulownia Street to Benny Street. Contribution subject to subdivisions.		>
Westwind Drive footpath infill – Complete approx. 47m missing path on eastern side near school		✓

Initiatives	Comments	Result
Old Deloraine Road various upgrades – Widen crest, square up junction, widen outside of corner, remove dead trees		✓
Gilbert Street – Bradshaw Street to Lewis Street footpath replacement 100m long		✓
Port Sorell Entrance – Prepare concept designs to improve entrance		>
Seymour Street road reserve – Prepare concept designs to improve entrance		✓
River Road, Latrobe walking track Coastal Pathway - \$3m project, \$2m funding by State/Federal Governments		>
Gilbert Street/Hamilton Street roundabout design		✓
Benny Street footpath – Percival Street to Stanley Street	Stanley Street to replace this project	X
Taroona Street/Joyce Street intersection roundabout	Approaches approved	✓
Faulkner Drive building – Carpark improvement		✓
Hamilton Street kerb and channel		X
Northdown Lane – Seal intersection		✓
East Sassafras Road - reconstruction		✓

Additional Initiatives

- Review of roads as requested including safety matters such as speed limits and asset condition.

Key Challenges

- Expectations by heavy vehicle users to increase vehicle size and mass.
- Delivery of the works program with available resources and in a satisfactory timeframe.
- Council has a vast network of sealed and unsealed roads to maintain in addition to supporting infrastructure such as kerbs, footpaths and bridges. The core network continues to serve the community well and capital works have been targeted to maintain and upgrade road assets where necessary and based on strategy. It is becoming evident that our roads are becoming busier and are being used by larger vehicles.
- Exceptionally dry and hot summer and increased fire danger period restricted the roadside mowing/slashing operation.

Plans for the next 12 months

- Further integrate the sharing of equipment and other resources into the normal operating practices of Latrobe and Kentish Council workforces.
- Replace 5 street trees in Gilbert Street CBD area.

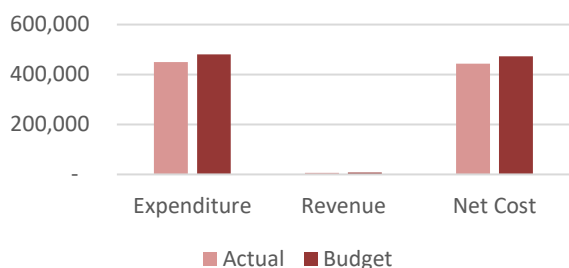
- 31 Crab Apple trees in Hamilton Street.
- Gilbert Street traffic management – Roundabout at Gilbert/Hamilton Streets intersection.
- Tarleton Road – Widening and relocation of stormwater drain.
- Old Deloraine Road – Continue vegetation removal commenced in 2019/20.
- Noone Street, Latrobe – One way, design and consultation.
- Joyce Street/Dumbleton Street junction – Includes 135m kerb, 135m footpath, roundabout?
- Stanley Street to South Stanley Street connection – Connect Stanley Street from Paulownia Street to Benny Street.
- Port Sorell Entrance – Prepare concept designs to improve entrance.
- Gilbert Street asphalt parking lane – Hamilton Street to Victor Street.
- Annual reseal allocation – Reseal list to be determined.
- Joyce Street – Hugh Street north to existing – footpath, 360m.
- Club Drive – Fairway Crescent to Alexander Street – Concrete footpath on southern side, 480m.
- Hawley Esplanade pedestrian and cycling facilities – Implement Pitt & Sherry recommendations for cycling and walking track (one way) subject to community consultation.
- River Road/Archer Street Port Sorell – Footpath from Rice Street to Kermod Street.
- Port Sorell foreshore and pathway – Upgrade of existing 300m section from Pontoon carpark to East Esplanade.
- River Road, Latrobe walking track – Coastal Pathway Project.
- Hamilton Street – Reconstruct kerb and channel from Cotton Street to Thomas Street (eastern side).
- Hamilton Street – Reconstruct kerb and channel from Thomas Street to Reiby Street (eastern side).
- Port Sorell Main Road/Alexander Street existing roundabout – Upgrade town entry amenity including the installation of kerb, improved drainage and vegetation.
- Port Sorell pontoon – asphalt surface, linemark and stormwater.
- Fairway Crescent (east) – Seal.
- Quinlan Crescent (east) – Seal.
- Club Drive carpark resurfacing – Asphalt surface, linemark.
- Port Sorell Surf Club carpark – Provide disabled carpark, stormwater works and remediation.
- Freer Street/Shearwater Esplanade carpark – Resurfacing and drainage upgrade.
- Carpark – South Esplanade – Possibly 6 spaces on foreshore side of road.
- Replace fleet and plant items.

STORMWATER

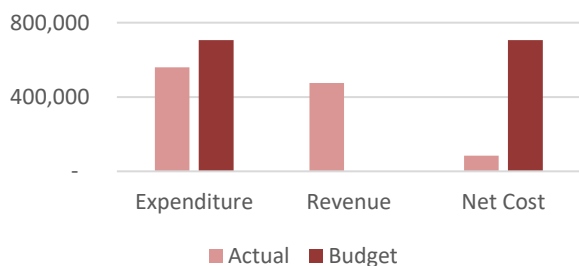
Objective To develop and improve system for stormwater reticulation and disposal

Performance against budget

Stormwater - Operating



Stormwater - Capital



Capital expenditure was less than budget due to around \$120,000 of projects being carried forward to 2020/21.

Capital revenue was higher than budgeted due to stormwater subdivision assets being taken up in 2019/20 with the entire budget being allocated to roads.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Review Stormwater Asset Management Plan	Review completed	>
Implement the actions from the Stormwater Management Strategy for the Port Sorell Area	Recommendations implemented	>
Develop a policy to improve the open drains and creeks in the Latrobe Township as opportunities present	Policy adopted	>

Initiatives	Comments	Result
Continue to develop a stormwater model for Latrobe township		>
Use the stormwater model developed for Port Sorell to inform decisions in relation to development, future budgeting and operational tasks		>
Latrobe stormwater project	Latrobe township flood protection design work ongoing into 2020/21	>
Percival Street Latrobe	Stormwater network upgraded.	✓
Reibey Street – pipe open drain	Awaiting subdivision development	✗
Poyston Creek/Pitcairn Street	Outfall duplicated	✓

Additional Initiatives

- Works were added during the year to address observed flooding issues.

Key Challenges

- The continued rate of development and creation of hardstand areas impacts on Council's stormwater network which staff continue to manage in order to maximise capacity of the established network.
- There have been numerous significant rainfall events that have tested Council's stormwater network during the year. Some matters relate to localised blockage, change in nearby infrastructure, asset condition plus other factors. Works have been undertaken to extend and improve Councils stormwater infrastructure.
- With increasing intensity of rain events there is a need to improve the level of service for maintenance of debris and growth on surfaces and in drains to ensure unimpeded water flow.

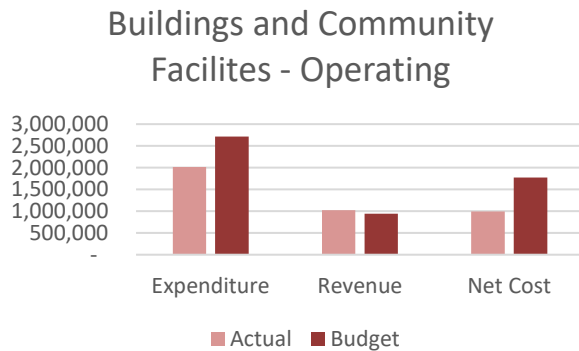
Plans for the next 12 months

- Continue to develop a stormwater model for Latrobe township.
- Bonneys Creek – James Street to Hamilton Street – Enclose open drain in James Street road reservation and increase capacity downstream.
- Latrobe Flood Mitigation Project – Implement works identified by Entura design undertaken in 2019/20.
- Percival Street Latrobe – Redirect stormwater to Hamilton Street.
- Reibey Street – Pipe open drain – Nominally Stanley Street to Joseph Street with twin 900mm diameter.
- Port Sorell Recreation Ground Precinct.

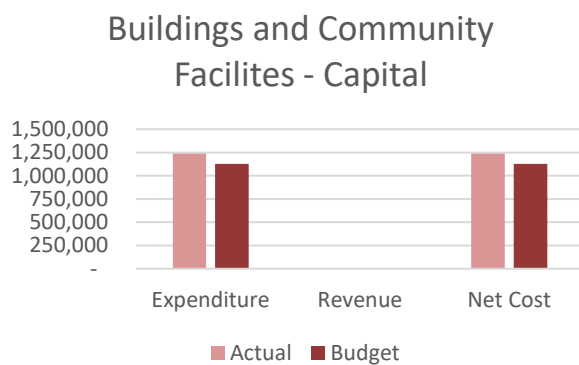
BUILDINGS AND COMMUNITY FACILITIES

Objective To ensure Council owned building are maintained to a safe and functional standard and meet community needs

Performance against budget



Operating expenditure was less than budget due to the revaluation and review of useful lives for buildings decreasing the depreciation expense. Also due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.



Capital expenditure is more than budget due to a variance to Perkins Park - Lighting & Drainage of \$242K, this was offset by grant funding received in 2018/19.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Review the Building Services Asset Management Plan – June, 2017	Review completed bi-annually	✓

Initiatives	Comments	Result
Latrobe Memorial Hall floor resurfacing		✓
Latrobe Youth Centre – upgrade garden beds at rear of squash court and steep bank of skatepark	Improvements to the safety and amenity of the skate park were completed.	✓
Latrobe Swimming Pool – tidy up frontage, pool shell inspection, works/replacement of shelters, fencing around toddlers pool	Pool shell relined and new chlorination system installed. Other works to be completed in 2020/21.	>

Initiatives	Comments	Result
Latrobe Recreation Ground – repaint cricket/football clubrooms exterior	On hold awaiting review of the Latrobe Recreation Ground Master Plan.	X
Port Sorell Tennis Club – carpark repairs	To be repaired as part of clubroom redevelopments in 2020/21	>
Camp Banksia – lawns, trees	Completed - part of ongoing maintenance	✓
Camp Banksia – new door locksets on top of general maintenance of the site	General maintenance undertaken; new door locksets will be included during the site re-development in 2021/22	✓
Moriarty Hall – requires work to plumbing and replacement of copper with poly		✓
Lewis Street property – rear fence replacement		✓
Latrobe Bandroom – construction of facilities to assist band in relocation – no firm location settled	The Latrobe Memorial Hall is being considered as a new home for the band	>
Latrobe Council Chambers - refurbish	Completed- the furniture, flooring, walls and ICT equipment have been upgraded	✓
Youth Centre – upgrade canteen (Council contribution)		✓
Axeman’s Hall of Fame – refurbish amenities	Partially completed – will be completed in 2020/21	>
Latrobe Recreation Ground – main grandstand refurbishment		✓
Council Chambers – refurbish amenities		✓
Elderly Persons Units – refurbish interiors	Works undertaken as vacancies occur	✓
Council Chambers – security system upgrade	Fob system installed	✓
Latrobe Recreation Ground – tradewaste grease trap		✓
Axeman’s Hall of Fame – tradewaste grease trap		✓
Camp Banksia – tradewaste grease trap		✓
37 Faulkner Drive – tradewaste grease trap		✓
Latrobe Depot – refurbish office		✓
Latrobe Works – install security cameras		✓
Latrobe Recreation Ground – wicket expansion		✓
Port Sorell Recreation Ground Precinct	Stormwater upgrades in front of clubrooms to be undertaken in 2020/21	>
Port Sorell Tennis Club	Redevelopment of clubrooms to be undertaken in 2020/21	>
Axeman’s Hall of Fame – revitalisation of memorabilia collection	Partially completed – will be completed in 2020/21	>

Initiatives	Comments	Result
Latrobe Recreation Ground – Perkins Park lighting and drainage		✓
Latrobe Swimming Pool	Replacement of pool heat pumps completed	✓
Banksia Centre - blinds		✓
Banksia Centre – chairs		✓
Banksia Centre – concept design	Completed - redevelopment works to be undertaken in 2021/22	✓

Additional Initiatives

- Installation of soap dispensers into all public toilets and community facilities due to COVID-19 pandemic.
- 7 Day Makeover project created additional works around facilities to ensure public safety and project success.

Key Challenges

- COVID-19 pandemic required facility closures, increase cleaning service levels and difficult to source contractors and materials.
- Council continued to prioritise and invest into its building and community infrastructure assets. This included numerous renewals, upgrades and new works to provide for the use and enjoyment by the community. Works attributed to this objective will be ongoing.

Plans for the next 12 months

- Latrobe Memorial Hall floor resurfacing.
- Latrobe Youth Centre – ventilation and floor cupping investigation.
- Review Latrobe Recreation Area Development Plan.
- EPU Refurbishment – replace terrazzo showers.
- Latrobe Council Chambers – glass replacement next to internal courtyard – design and engineering.
- Panatana Park shelter – replace timber shelter and park furniture beside paddling pool.
- Elderly Persons Units – replace EPU lounge room windows.
- Banksia Facilities Centre redevelopment – Camp Banksia site redevelopment.
- Youth Centre skillion roof replacement.
- Re-brick face of Council office north east wall – re-brick face after brick ties and settlement have loosed bricks and damaged mortar joints.
- Additional fit out to Axeman’s museum – AV equipment to complement Axeman’s museum upgrade.

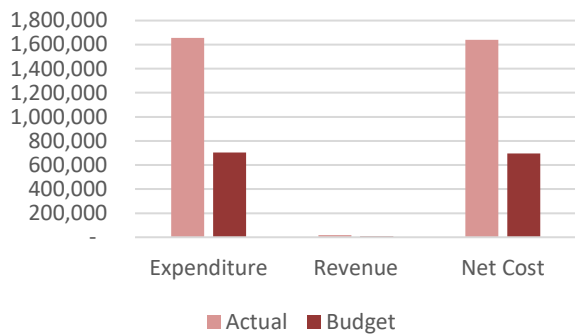
- Port Sorell Memorial hall airlock – side door air lock.
- Latrobe Recreation Ground change room/club rooms – design and engineering concepts.
- Banksia Centre – protective cover for stadium floor.
- Port Sorell Surf Life Saving Club building extension – amenities, showers, change rooms.
- Council Chambers – convert mezzanine.
- Picton Grange fence replacement – Gilbert Street – replace approx. 100lm of fencing between Noone Street and old ticket office at Recreation Ground.
- Latrobe Croquet Club – irrigation system.
- Latrobe Swimming Pool – reline main swimming pool fibreglass shell, tidy up frontage, works/replacement of shelters, fencing around toddlers pool, replace BBQ hotplates.
- Latrobe bandroom – develop facilities to assist band in relocation – no firm location settled.
- Mens Shed and adjacent storage area – nature strip works.
- Axeman’s Hall of Fame dishwasher – commercial dishwasher to be replaced.
- Port Sorell Recreation Ground precinct.

PARKS AND RESERVES

Objective To maintain our parks and reserves to an appropriate standard to enhance lifestyle

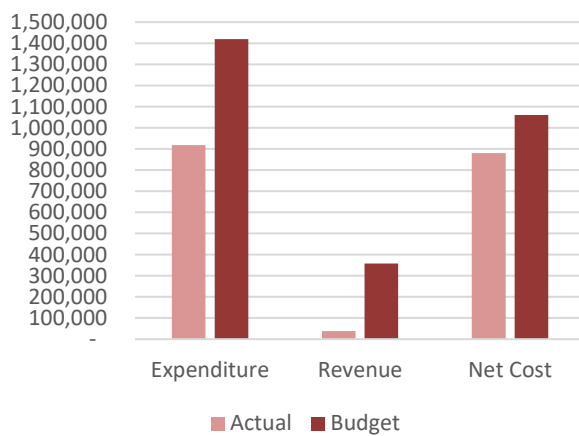
Performance against Budget

Parks and Reserves - Operating



Operating expenditure was more than budget due to a number of factors. The revaluation and review of useful lives for land improvements increased the depreciation expense, also due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided and an increase in water charges to what was expected for 2019/20.

Parks and Reserves - Capital



Capital expenditure is down on budget due to the change of scope to the Port Sorell Tennis Club (\$250K), carrying forward preliminary costs for the rehabilitation on the Port Sorell Landfill Site (\$179K) and Wild Mersey Mountain Bike Trails (\$105K).

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Finalise the Kings Park Redevelopment Plan in conjunction with the Latrobe Town Centre Enhancement Project	Plan approved	✗
Continue implementation of the Bells Parade Development Plan	Plan implemented	>

Key Strategies	Performance Measure	Result
Continue implementation of the Shearwater Park Development	Projects completed	>
Continue implementation of the Latrobe Recreation Area Development Plan	Projects in progress	>

Initiatives	Comments	Result
Continue to review service level documents, giving consideration to precinct plans and extending the scope of work undertaken when on site		>
Wild Mersey desktop analysis and detailed feasibility study		✓
Bells Parade - \$10,000 pa for next 3 years to rectify a number of dead/dying trees in the precinct	Section of dead trees removed along tree line on Pig Island between bridge and weir.	>
Bells Parade – major cost increase from TasWater	Works completed to water service supply line.	✓
Atkinson/Thompson’s Parks - \$5,000 pa for next 3 years to address trees for risk assessment	Tree removal works completed along Bert Campbell memorial walk.	✓
St Georges Park – repair, replace seating		✓
Latrobe town walking tracks – track maintenance/refurbishment		>
Foreshore reserves – seat base replacements		✓
Panatana Family Park – review of paddling pool operations	Upgrades required due to COVID-19 additional health and safety requirements identified.	>
Panatana Family Park – repair playground equipment	Project to be undertaken in 2020/21.	>
Squeaking Point – repair and repaint toilet block		>
Squeaking Point – replace drainage with PVC		✓
Station Square – repaint street furniture		>
Post Office Park – upgrade decayed seating and fence		>
Latrobe Cemetery – Memorial Gardens upgrade		✓
Port Sorell Surf Life Saving Club redevelopment, including public toilets	Project to be undertaken in 2020/21.	>
Land at Port Sorell	Land purchased adjacent Addisons Park in Shearwater.	✓
Port Sorell Strategic Plan – Shearwater 7 Day Makeover project		✓

Initiatives	Comments	Result
Bells Parade near weir - drive additional piles at retaining wall		✓
Shade for Shearwater Park playground – proposal for shade structure or tree planting	To be undertaken in 2020/21.	✗
Port Sorell/Hawley/Shearwater – upgrade beach accesses	More beach access upgrades identified for 2020/21.	✓
Port Sorell Business Network – Port Sorell Strategic Plan		>
Kings Park – design and develop		✗
Port Sorell/Hawley/Latrobe – drinking fountains, showers	More fountains identified for installation in 2020/21.	✓
Mountain Bike Trail Masterplan – construction of remaining mountain bike trails		>
Mens Shed and adjacent storage area	Parking area and landscaping completed – more identified with remaining funds in 2020/21.	>
Bosworth Park – redevelopment including design works	Playground and parking area completed.	✓
Latrobe Cemetery – prepare new concrete plinths to the east of the existing cemetery to make room for new burial plots		✓
Shearwater Park – seats, picnic tables, BBQ	Works to be undertaken in conjunction with shelter installation project in 2020/21.	✗
Wild Mersey Mountain Bike development		>
Pig Island - walking track and shelter	Walking tracks and bridge completed	✓
Bells Parade – footpath and garden bed improvements		✓
Port Sorell Strategic Plan – provision capital works		✓
Bosworth Park – toilets, landscaping	Works carried over into 2020/021	>

Additional Initiatives

- The Bosworth Park redevelopment at Latrobe is an ongoing success as will be the Port Sorell Caravan Park and Banksia facilities upgrade.
- New initiatives from the Latrobe Tree Committee included Hamilton Street tree plantings, Gilbert Street tree priority replacements and new plantings along Port Sorell Main Road entrance into the township.

Key Challenges

- Use and community expectations continue to rise and are prioritised by Council. Contractors to assist with the works program have been particularly busy and during the current building boom in Tasmania.
- Upgrade and new works at Councils numerous parks and reserves have been prioritised and actioned whilst continuing to maintain the facilities to an appropriate standard so as to maximise community use and benefit.
- Additional and improvements to parks and facilities assets are increasing service level requirements to the current workforce in a fast-growing community.
- COVID-19 pandemic required parks and playground closures, increase cleaning service levels and become difficult to source contractors and materials.

Plans for the next 12 months

- Continue to review service level documents, giving consideration to precinct plans and extending the scope of work undertaken when on site.
- Bells Parade - \$10,000 pa for next 3 years to rectify a number of dead/dying trees in the precinct.
- Atkinson/Thompson's Parks - \$5,000 pa for next 3 years to address trees for risk assessment.
- Latrobe town walking tracks – track maintenance/refurbishment.
- Foreshore reserves – seat base replacements.
- Panatana Family Park – review of paddling pool operations.
- Squeaking Point – repair and repaint toilet block.
- Mini pump track – location to be determined.
- Bosworth Park – “learn to ride” bike path, hill, plantings, shelters and BBQs.
- Freers Beach accesses adjacent Shearwater Park – install access(s) suitable for paddle craft similar to recent upgrades.
- Club Drive street trees – design and install street trees giving consideration to future mountable kerb and carparking.
- Latrobe CBD bins – replace street bins/install recycling bins.
- Port Sorell drinking fountains – installations at Vine Street foreshore and pontoon carpark area.
- Pig Island walking track upgrades – complete upgrades.
- Shearwater Park playground – proposal for shade structure or tree planting upgrades.
- Kings Park – design and develop Kings Park.
- Shearwater Park – seats, picnic tables.
- Bosworth Park – dog park.

- Wild Mersey Mountain Bike – new bridge above 2016 flood level.
- Wild Mersey Mountain Bike – additional trails in Warrawee and skills park.
- Christmas decorations – Station Square – Alberta spruce garland, LED lights and transformers.

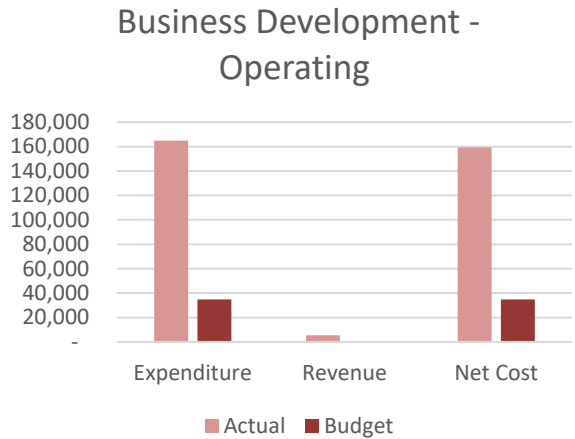
ECONOMIC and COMMUNITY DEVELOPMENT

A strong local economy improves local employment opportunities and provides a broader range of services, facilities and infrastructure to the benefit of both the business and residential sectors. The range and quality of community services and events offered within the area plays a key role in making the Latrobe area a special place to live by fostering community pride and involvement.

BUSINESS DEVELOPMENT

Objective To identify, promote and support economic development opportunities in the Latrobe Council area

Performance against budget



Operating expenditure is greater than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

Performance against Strategic Plan

			Completed	✓	In Progress	>	Delayed	✗
Key Strategies	Performance Measure	Result						
Actively promote the Municipality as an ideal location to conduct business and commerce	Increased business numbers	>						
Support and assist potential and existing developers in identifying and managing opportunities for business growth and development	Support provided	✓						
Support the diversification of industries within the municipality to reduce reliance on major industry	Support provided	✓						
Prepare an economic profile of the Latrobe Council area	Profile prepared	✓						
Encourage the 'Wesley Vale Paper Mill Site' as a Light Industrial Hub	Industrial Hub established	>						
Prepare plans for the Port Sorell General Industrial areas to be investment ready	Plan prepared	✓						

Additional Initiatives

- Support local Businesses to transition through COVID 19.

Plans for the next 12 months

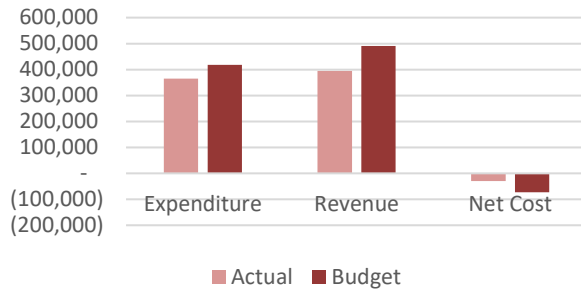
- Port Sorell Caravan Park Refurbishment – Implement Master Plan.
- Port Sorell Caravan Park Strategy.
- Banksia Facilities Masterplan.

TOURISM

Objective To promote, develop and support tourism

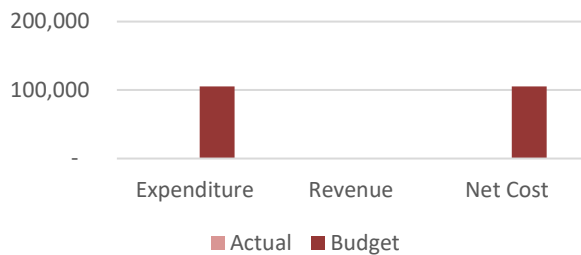
Performance against Budget

Tourism - Operating



Operating expenditure and revenue are below budget due to COVID-19. Council closed the Visitor Information Centre in response and numbers were down for customers of the Port Sorell Caravan Park.

Tourism - Capital



The Wild Mersey Mountain Bike Trails project has been carried forward to 2020/21.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Actively participate on the Cradle Coast Authority Regional Tourism Association	Regular Participation	>
Work in partnership with business operators to increase viability of Visitor Information services	Improved viability	>

Initiatives	Comments	Result
Work with Latrobe tourism operators and organisations, plus State and regional tourism stakeholders, to develop a diverse and robust tourism industry through product development, industry development, marketing and lobbying		>
Port Sorell Caravan Park Strategic Plan Improvements		>

Key Challenges

- As a result of the COVID-19 Pandemic the majority of businesses closed under a State Government Emergency Order in the last quarter of 2019/20 financial year. In some cases, these changes forced businesses to temporarily close operations and employees to be stood down. With accommodation and attractions closed and food businesses limited to providing takeaway meals only, Council assisted by implementing a 'Buy Local Campaign.' Businesses were forced to adapt to an ever-changing environment during this period, and in some cases continues to do so.
- COVID-19 Pandemic closed Latrobe VIC from 27 March 2020.

Projects Carried Forward

- Developed a survey to seek feedback on mobile & NBN services.
- Work continued on the refurbishment of the Exhibition Space within the Australian Axeman's Hall of Fame. Designers worked closely with the Australian Axeman's Association and local axeman to update information regarding the sports "Legends" and "Inductees" which will form the basis of the new display.
- The new Latrobe Port Sorell tourism website commenced with content development the main priority. Stakeholder input was received by local businesses, Tourism Tasmania, West by North West and Latrobe Visitor Information Centre Volunteers.
- Plans for the redevelopment of the Port Sorell Caravan Park is progressing.

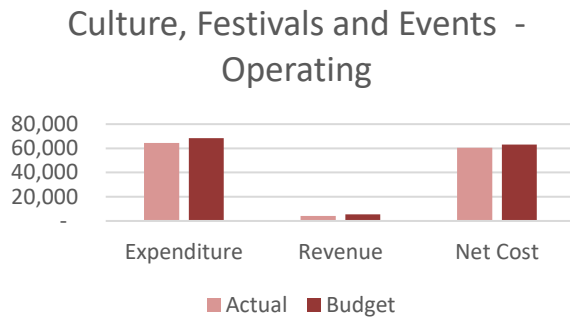
Plans for the next 12 months

- Complete the refurbishment of the Exhibition Space within the Australian Axeman's Hall of Fame which is anticipated to be completed by December 2020.
- Complete the development of the new Latrobe-Port Sorell tourism website which is expected to be launched in October 2020.
- Provide support to businesses to assist in the recovery from COVID-19.
- Work with Latrobe tourism operators and organisations, plus State and regional tourism stakeholders, to develop a diverse and robust tourism industry through product development, industry development, marketing and lobbying.
- Develop a Port Sorell History Trail.

CULTURE, FESTIVALS AND EVENTS

Objective Working with the community, to facilitate and celebrate festivals, events and culture

Performance against Annual Budget



Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Work with relevant groups to increase awareness of local arts, history and culture	Increased awareness and participation	>
Maintain, foster, promote and continue to improve a calendar of events that encourages community involvement and increased visitor numbers concentrating on Chocolate Winterfest, Henley on Mersey and Port Sorell Regatta	Increased participation	>
	The Port Sorell Regatta ceased operation many years ago, replaced by Market by the Beach. The establishment of Market by the Beach by the Port Sorell Surf Life Saving Club was supported by Latrobe Council and is now a self-sufficient operation providing an income stream to the Port Sorell Surf Life Saving Club.	>

Initiatives	Comments	Result
Support for ANZAC Day celebrations		✓
Support the organisation and promotion of Henley-on-Mersey event held on Australia Day		✓
Continue to support Latrobe businesses in the development of Chocolate Winterfest, Latrobe as a major event for the Latrobe municipality		✗

Key Challenges

- COVID-19 affected the staging of ANZAC Day with a new format adopted nationally and widely promoted locally.
- COVID-19 resulted in the cancellation of the 2020 Chocolate Winterfest event.

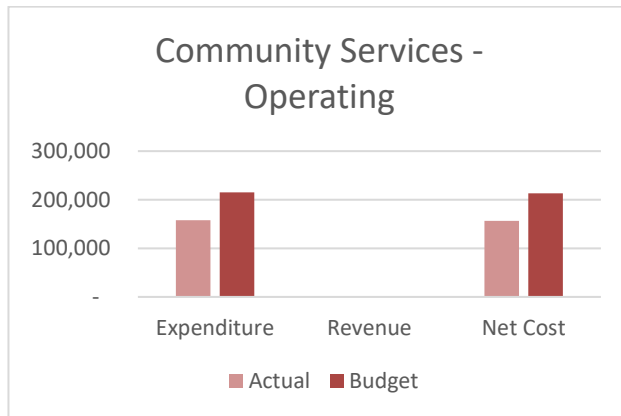
Plans for the next 12 months

- Support for ANZAC Day celebrations.
- Support the organisation and promotion of Henley-on-Mersey held on Australia Day.
- Continue to support Latrobe businesses in the development of Chocolate Winterfest, as a major event for the Latrobe municipality.

COMMUNITY FACILITIES/ SERVICES

Objective To provide a range of quality community facilities and engage and empower our community to participate

Performance against Budget



Less than expected community grants were awarded in 2019/20. The unspent grant funds will be carried forward and made available for the 2020/21 Community Grant Program.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Continue to improve community facilities at Port Sorell to meet needs of increased population	Facilities improved	✓
Continue to improve walkways and bikeways within the Council area	Walkways and bikeways improved	✓
Encourage Volunteers through the recognition and celebration of their valuable contribution	Volunteerism promoted and recognised	✓

Additional Initiatives

- Walking and cycle tracks along Port Sorell foreshore included environmental arts component to educate public on local fauna as well as create greater interest to encourage community and visitor use.
- Council accessed Affordable Housing Funding and constructed four more elderly persons units in Hamilton Street, Latrobe, bringing its stock up to 57 community housing units and 7 social housing units.

Key Challenges

- Increasing change in elderly persons tenancies.
- Providing facilities that meet the expectations of the community.

Plans for the next 12 months

- Develop new recovery grants to support businesses affected by COVID-19 with the unspent funding from Community Grants 2019/20 carried forward.
- Implement the Camp Banksia Master Plan.
- Redevelop the Latrobe Memorial Hall to accommodate the relocation of the Latrobe Federal Band.

GOVERNANCE and ORGANISATIONAL DEVELOPMENT

High quality, professional governance and leadership, together with effective administration of Council resources, are essential to the success of the Council.

ADVOCACY AND LEADERSHIP

Objective To provide leadership for the community and advocate on its behalf to improve the economic, social, and environmental wellbeing of the Latrobe Council area

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Engage with State, Regional and Local Government bodies	Relationships established	✓
Develop and implement the Emergency Management Plan	Plan implemented	✓
Support the retention and upgrading of the Mersey Regional Hospital	Hospital retained and upgraded	✓
Support the retention, upgrading and increased flights to Devonport Airport	Airport retained and flights increased	✓
Support the extension of reticulated gas to Latrobe and Port Sorell	Gas extended	✗
Support the rollout of the National Broadband Network to the Council area	Broadband network rollout completed	✓
Advocate and promote the provision of a range of high quality education and life-long learning opportunities in the municipality	Quality education provided	✓
Prepare and submit a list of Council and Community projects to Political parties as part of Federal and State Government election campaigns	Priority list submitted for each election	✓
Lobby Governments to upgrade the Devonport to Launceston section of the Bass Highway	Highway upgraded	✗
Seek to expand the range of medical and family services available within the municipality	Expanded services maintained	✓

Additional Initiatives

- During the year, Council also undertook the following advocacy activities:
 - November 2019
 - Wrote to Minister Courtney (Minister for Health) requesting an update on the Master Plan for the Mersey Community Hospital Precinct.
 - December 2019
 - Met with Deputy Premier Rockliff to discuss issues around the Latrobe Hydrotherapy Pool.
 - January 2020

- Wrote to Minister Ferguson (Minister for Infrastructure and Transport) highlighting concerns relating to the intersection of Chapel Road and Frankford Road at Harford.
- February 2020
 - Met with Deputy Premier Rockliff to discuss issues around the Latrobe Hydrotherapy Pool.
- February 2020
 - Wrote to the Premier of Tasmania requesting a contribution for costs associated with preliminary works for the effective remediation of the Port Sorell Landfill Site.
- March 2020
 - Wrote to the Premier of Tasmania requesting an allocation be made in the State Budget toward the redevelopment of Camp Banksia and associated facilities at Port Sorell.
- April 2020
 - Wrote to Minister Courtney (Minister for Health) seeking clarification around the service provision and health services in general for the Mersey Community Hospital once the COVID-19 crisis has subsided.
- May 2020
 - Wrote to Minister Courtney (Minister for Health) noting that Council is investigating the option of operating a standalone hydrotherapy facility at the Strathdevon Aged Care Facility in Latrobe and requesting who, within the Department, Council should liaise with.
- June 2020
 - Wrote to the Premier Gutwein requesting the balance of the Government's contribution for costs associated with preliminary works for the effective remediation of the Port Sorell Landfill Site.
- June 2020
 - Wrote to Premier Gutwein (Minister for Tourism) expressing Council's disappointment at the early, unadvertised closure of the Regional Tourism Projects Program (RTPP) – Special Release 2020.

Key Challenges

- Rehabilitation of former landfill sites is a State-wide issue and is particularly an issue for Port Sorell with the former landfill site close to newly developed commercial and residential areas. Ongoing testing together with rehabilitation treatments will be expensive and Council has increased its financial provision for landfill rehabilitation from \$3.3 million to \$13.7 million. The State Government has committed to providing initial financial assistance of \$600,000 but without further financial assistance, the landfill rehabilitation is likely to be a significant financial burden on Council.

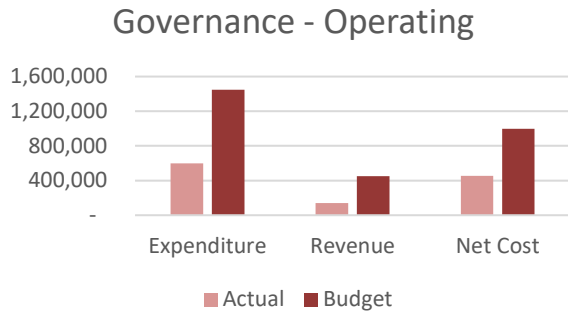
Plans for the next 12 months

- Council will continue to seek further assistance from the State Government to fund testing and rehabilitation of the former Port Sorell Landfill site.

GOVERNANCE

Objective To provide consistent, accountable, transparent and effective governance of the Council

Performance against Budget



Operating expenditure is less than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Promote the professional development of elected members	Training provided	✓
Promote awareness of Council's Code of Conduct to elected members	Code of Conduct complaints limited	✓
Participate in relevant State and regional initiatives and partnership agreements	Council participation	✓
Utilise the Annual Report and Annual General Meeting to promote achievements of the council	Achievements promoted	✓
Examine specific service delivery options between Council and other providers	Options examined	✓
Promote resource sharing as an alternative to amalgamation with other Councils	Resource sharing implemented where appropriate	✓
Communicate the Council's decisions, policies and activities and the reasons behind them, through the Council's website and publications	Decisions and activities communicated	✓

Initiatives	Comments	Result
Consider opportunities for resource sharing and shared services arrangements with North West Councils	While primarily focussed on realising the benefits of its resource sharing arrangement with Kentish Council, Council had regular dialogue with North West Councils during the year regarding resource sharing and shared services opportunities.	✓
Expand and embed resource sharing with Kentish Council so that it underpins all of the service delivery activities of Council providing similar cost saving opportunities to amalgamation without compromising each Municipality's sense of place, individual community spirit and local voice	A single workforce structure now underpins all Council service delivery across the Latrobe and Kentish municipalities with staff and plant allocated across the two Councils as needed to maximise efficiencies and realise economies of scale and scope.	✓
Continue to align business processes across Kentish and Latrobe Councils so wherever possible there is a single way of doing things that is common across both Councils to allow the most efficient sharing of services and resources across the Councils	Work is ongoing to align business processes, including the phased implementation of the TechnologyOne and Livepro systems across Latrobe and Kentish Councils	>

Key Challenges

- COVID-19 made community attendance at Council meetings and face to face community consultation challenging during the year. Transition to new technology and online meetings was initially challenging but ultimately successful. The planned installation of video conferencing equipment in the Council Chambers will further improve Council's ability to conduct online meetings.

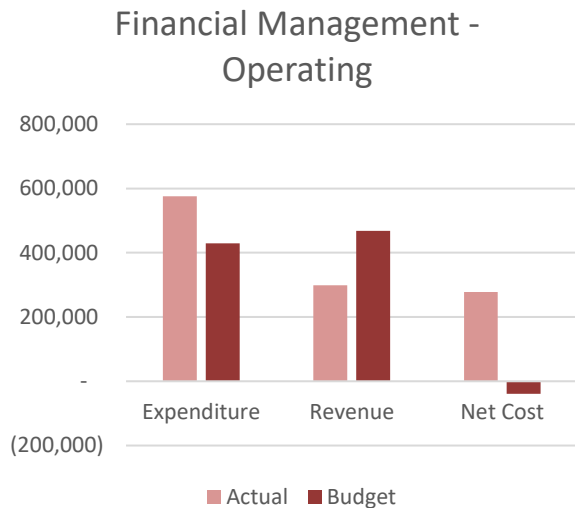
Plans for the next 12 months

- Continue to align business processes across Latrobe and Kentish Councils so wherever possible there is a single way of doing things that is common across both Councils to allow the most efficient sharing of services and resources across the Councils.
- Install video conferencing equipment in the Council Chambers.

FINANCIAL MANAGEMENT

Objective To secure the long term financial viability of the municipality

Performance against Budget



Operating expenditure is less than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

Operating revenue is below budget due to less than expected interest rates for 2019/20 decreasing Council's term deposit interest returns.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
To achieve an underlying surplus over the medium to long term	Underlying surplus achieved	✗
To maintain fair and equitable rating levels	Benchmark to other councils	✓
Develop and annually review a financial strategy outlining how Council intends to meet the financial requirements of its Asset Management Plans and other strategic plans	Strategy developed and reviewed	>
Review the ten-year financial plan each year	Plan reviewed	>

Initiatives	Comments	Result
Upgrade IT Software – Technology One	Phase two of the implementation of the Technology One system was originally planned to commence in October 2019 but was delayed for review and gap analysis of phase one. Improvements to the phase one implementation were made during the year and are ongoing. Phase two of the implementation begun in February 2021.	✗
Live Pro Software – Knowledge bank and process storage	The Livepro system was installed and key users were trained during 2019/20. Work begun during the year to develop	>

Initiatives	Comments	Result
	knowledge base and process content for Livepro and this work is continuing with staged roll-out during 2019/20 and 2020/21.	

Key Challenges

- COVID-19 impacted Council’s ability to meet its goal of achieving an underlying surplus, mainly due to reduced dividends received from Taswater, and reduced revenue from Port Sorell Caravan Park.
- The implementation of the TechnologyOne system required significant more resources from the Finance Team than originally envisaged. This impacted on maintaining the business-as-usual operations.

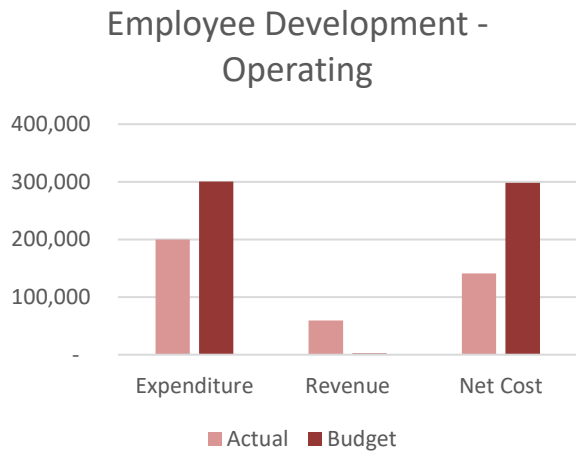
Plans for the next 12 months

- Review the structure and resources of the finance operations of Council to ensure statutory and Council needs are met.
- Continue staged implementation of the TechnologyOne Project.
- Implement IT Resourcing’s recommendations to upgrade and replace IT equipment.
- The TechnologyOne implementation and the Livepro implementation are ongoing phased projects with implementation continuing during 2020/21.

EMPLOYEE DEVELOPMENT

Objective To develop skilled, experienced, motivated and accountable staff

Performance against Budget



Expenditure for this strategic objective varies from budget due to a change in cost allocation methods to attribute the cost of employee benefit to the service/strategic objective that benefited from the employee development.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Provide and maintain adequate staff and resource levels to meet changing needs	Organisation structure that reflects the strategic plan	>
Identify and provide appropriate training and encourage development of all employees	Training plan completed	>
Develop and review staff policies	Policies reviewed	✓
Retain an in-house skills base to overcome the issue of succession planning and skill shortages	Council's functions not compromised	>
Encourage commitment to Council's customer service charter	Number of customer complaints	>

Initiatives	Comments	Result
Continue development of Workforce Development and Succession Plans	Draft plans developed. Plans to be updated and implementation to begin during 2020-2021.	>
Continue to develop a leadership development program for Senior Management and Team Leaders	Leadership development program deferred following staffing changes. Completion now expected during 2020-2021.	>

Key Challenges

- The implementation of the new IT system has identified the need to recruit additional resources for Phase 2 of the project.
- Developing and implementing good communication initiatives that will help with the communication flow from the top down as well as the bottom up.

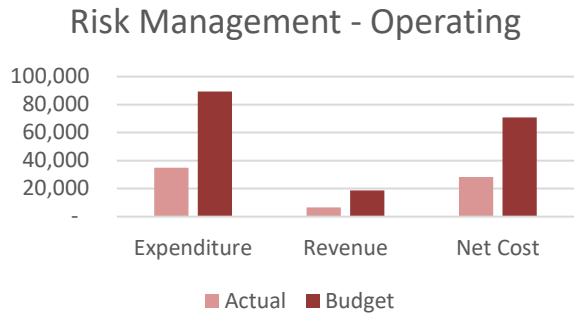
Plans for the next 12 months

- Continue development of workforce development and succession plans.
- Continue to develop a leadership development program for Senior Management and Team Leaders.
- Training needs identified from performance reviews and a training needs analysis developed.
- Negotiation and implementation of a new Enterprise Agreement.

RISK MANAGEMENT

Objective To be actively committed to risk management

Performance against Budget



Operating expenditure is less than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Maintain and improve our risk management systems and culture	Compliance with relevant legislation and number of claims made	>

Additional Initiatives

- Commenced a major review of Council’s strategic risk register.
- Operating procedures for outdoor workforce were reviewed and updated.
- Incident reporting process for public and internal staff was reviewed and improved.
- A Mental Health First Aid training program was provided to key staff to identify and assist employees who may be suffering mental health issues both at work and home.



Glenys Nicholls and Cymone de Schipper who recently qualified in Mental Health First Aid for the Latrobe and Kentish Councils.

To help support staff in the workplace, two Tasmanian councils have implemented mental health first aid training, enabling staff members to provide compassionate and confidential peer support.

With a growing awareness of the effect that mental health has, not only on the individual but also on the productivity of an organisation, the Latrobe and Kentish councils have taken the proactive step of facilitating Mental Health First Aid Training to several key staff.

The councils recognised that as the workplace is where its staff spend most of the day, it is reasonable to presume that this would be where the early signs and symptoms of an emerging mental health problem may initially be noticed.

Mental Health First Aid Australia provided the training to several staff who represented many sectors of the indoor and outdoor personnel across the councils.

Throughout the course, participants improved their knowledge of mental illnesses, their treatments and appropriate first aid strategies. They also developed confidence in providing first aid to a person experiencing a mental health problem.

The role of the mental health first aid officer is not to provide counselling services but to be competent in supporting staff who may be experiencing a mental health problem/crisis until appropriate professional help is received or the crisis resolves.

The councils now have posters detailing mental health first aid officers alongside their physical first aid officers and supporting collateral, reinforcing to all staff that they now have confidential and compassionate peer support to meet their mental health needs.

Key Challenges

- COVID-19 presented Council with many challenges and risks to navigate. Council formed an Incident Management Team which coordinated the response, assessed the risks associated with the pandemic and implemented controls and mitigation measures.

Plans for the next 12 months

- Develop a risk management framework aligned with ISO31000.
- Council's Strategic Risk Register is undergoing a review to meet best practice requirements. The review is ongoing and will include learnings from the COVID-19 pandemic.
- Review and update the Business Continuity Plan with learnings from COVID-19.
- Compliance Assessment of Council's ability to meet legislative requirements.

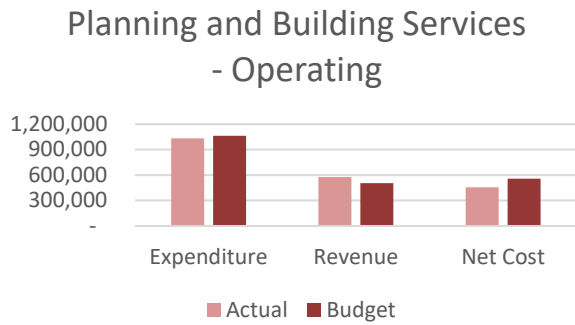
PLANNING and DEVELOPMENT

The Council will aim for long term planning and development that is guided by a balance between economic, social and environmental objectives.

PLANNING AND BUILDING SERVICES

Objective To effectively manage land use planning and building

Performance against Budget



Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
To administer and update the Planning Scheme to manage development and land use	Preparation of the local planning provisions for the Tasmanian Planning Scheme.	>
Enforce planning scheme and planning permit requirements	Monitoring of Compliance in accordance with the <i>Land Use Planning and Approvals Act 1993</i> .	✓
Implement, where considered appropriate, the Port Sorell and Environs Strategic Plan 2008 including planning scheme amendments and vegetation management controls	Port Sorell and Environs Strategic Plan 2008 implemented for relevant properties when considering land use decisions, including planning scheme amendments.	✓
Continue to promote community awareness of the Latrobe Heritage precinct	Provision of information to affected property owners and developers when required.	✓
Meet Council's statutory building services requirements	Permits and certificates issued in a timely manner. Record keeping maintained as per statutory requirements. Monitoring of compliance in accordance with the <i>Building Act 2016</i> .	✓

Initiatives	Comments	Result
Bass Highway study	Draft Master Plan received from consultants in September 2019. Access to Bass Highway identified as crucial to Master Plan. Discussed with Department of State Growth, who engaged GHD Pty Ltd (engineering) to investigate options. The draft GHD report was received April 2020. Feedback from Council given.	>

Key Challenges

- Non-compliance in relation to planning, building and plumbing functions.

Plans for the next 12 months

- Latrobe Town Centre Enhancement Project including review of the urban design, investigate opportunities for further commercial development and tourist accommodation, review traffic movement and improve connectivity.
- Completion of Latrobe Industrial Estate Master Plan.
- Continued provision of statutory planning services for West Coast Council.
- Undertake actions required for finalising the local planning provisions for the Tasmanian Planning Scheme.
- Investigate use of drone technology for plumbing inspections.

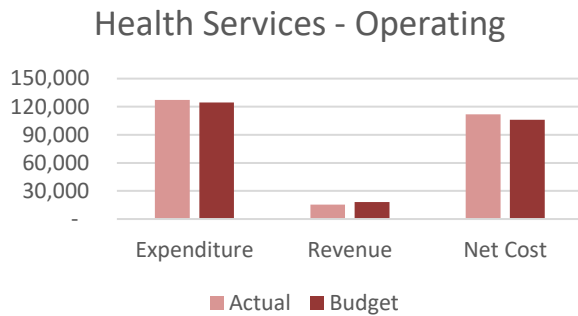
Building Statistics	2018/19	2019/20	2018/19	2019/20
	No.	No.	Cost	Cost
Dwelling Class 1	117	104	33,736,751	37,188,997
Dwelling Extensions	26	24	3,372,000	2,297,680
Outbuildings	44	40	1,429,315	1,183,264
Commercial/Industrial	20	18	30,722,830	14,173,650
Demolition	-	-	-	-
Substantial compliance	11	13	352,870	368,690
Total Buildings	218	199	\$69,613,766	\$55,212,281
Total Plumbing Applications	178	157		

Development Application Statistics – 1/7/2019 – 30/6/2020	
Application Type	Total No.
Houses:	
• General Residential Zone	46
• Rural Living/Environmental Living Zone	20
• Natural Resource Zone/Rural Resource Zone	
Outbuildings (Buildings incidental to a Residence):	
• General Residential Zone (increase in statutory floor area)	58
• Rural Living/Environmental Living Zone	43
• Natural Resource Zone	
Agricultural Sheds – Rural Resource Zone (floor area 100m ² plus)	2
Signage	
Boundary Adjustments	4
Multiple Dwelling Development	16
Subdivisions	19
Commercial developments	3
Heritage Area works	
Industrial development	4
Miscellaneous	21
Planning Scheme amendments	
Visitor accommodation	15
Total:	251

HEALTH SERVICES

Objective To promote and maintain public health standards

Performance against budget



Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Prepare a Latrobe Council Health Plan each year	Plan implemented & reviewed	✓
Promote healthy eating and lifestyle activities	Promotion provided	✓
Conduct inspection of food premises to ensure a high level of food safety	Inspections conducted	✓
Undertake compliance, education and licencing to ensure public health and environmental standards are maintained	Environmental standards maintained	✓
Undertake assessments of proposed on-site waste water disposal systems and monitor existing systems to ensure compliance with environmental standards	Environmental standards met	✓
Continue recreational water sampling program during the summer period	Samples tested	✓
Actively promote awareness of the 'no smoking' requirements in specific public places and assist private operators of public facilities to understand and comply with the legislation	"No Smoking" requirements adhered to	✓

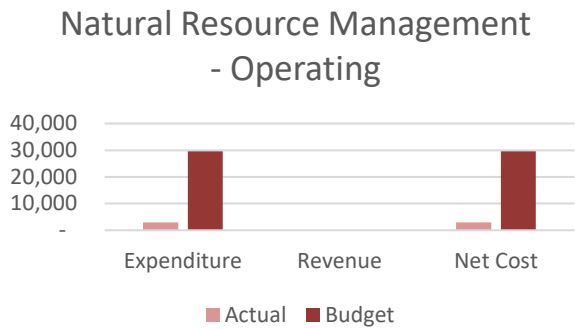
Additional Initiatives

- Online food safety training was made available on Council's website. The training is endorsed by Environmental Health Australia and will assist food businesses and other food handlers to comply with their obligations under the Australia New Zealand Food Standards Code.

NATURAL RESOURCE MANAGEMENT

Objective To integrate NRM principles into Council’s operational environment

Performance against Budget



Expenditure towards this strategic objective was not separately costed this financial year.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Utilise the Cradle Coast NRM strategy to identify and develop projects of greatest priority for this Municipality	Projects identified and developed	>
The Council will support and assist local NRM groups and the community to deliver approved projects	Projects delivered	✓
Work with and review where necessary, the Port Sorell to Squeaking Point Foreshore Management Plan; Municipal Weed Strategy; Rubicon, Pitcairn and Aubrey Luck Reserve Management Plans and other approved plans	Plans reviewed	>
Lobby Governments to prepare a Port Sorell Foreshore/Rubicon Estuary Management Plan	Plan prepared	>
Work with government and relevant agencies in relation to environmental flows, health and biodiversity of the Mersey River	Healthy river system	✗

Additional Initiatives

- Continued with the Pig Island walking track in conjunction with Latrobe Landcare.

Key Challenges

- Environmental matters relating to the Coastal Pathway and Latrobe flood levees project have been addressed.
- Council has provided a help up to Landcare and other environmental groups to assist with their ongoing works. Council has also invested in weeds reduction and foreshore erosion activities. Council tree committee has become increasing active.

Plans for the next 12 months

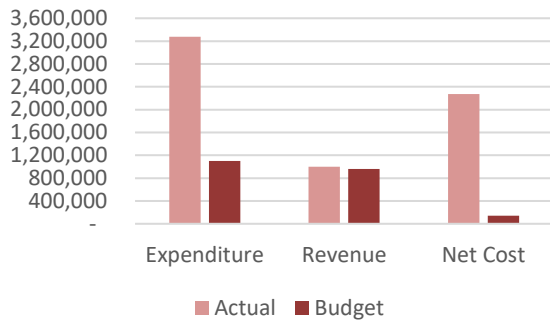
- Complete works on Pig Island and continue supporting established environmental groups with their works.

WASTE MANAGEMENT

Objective To provide responsible waste management services

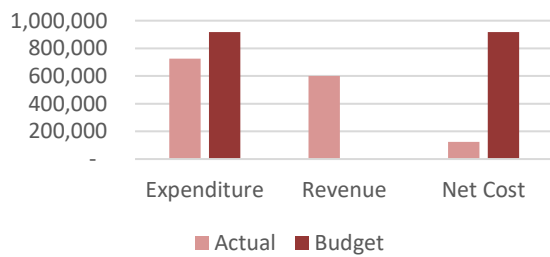
Performance against Budget

Waste Management -
Operating



Operating expenditure is more than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided. Also, a \$1.5m increase to the Port Sorell Landfill rehabilitation provision has seen expenditure above budget estimates.

Waste Management - Capital



An underspend in preliminary costs for the rehabilitation of the Port Sorell Landfill site has been carried forward to 2020/21.

An unknown \$600K contribution toward the rehabilitation was received in 2019/20.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Key Strategies	Performance Measure	Result
Review Waste Management services for the Municipality and implement strategy changes	Review completed	>
Develop and implement a plan for the rehabilitation and future usage of the Port Sorell landfill site	Plan completed and rehabilitation commenced	>

Initiatives	Comments	Result
Port Sorell Waste Transfer Station, Landfill site remediation – finalise Detailed Site Investigation (DSI) and undertake preliminary actions		>

Additional Initiatives

- The Port Sorell Waste Transfer Station is an ongoing project and Council has been working with consultants and the EPA on its future rehabilitation and redevelopment.

Key Challenges

- In the coming years Council will need to reconsider a FOGO service, the Port Sorell Waste Transfer Station site and potentially a different and more effective way of delivering waste services.
- Council continues to work with contractors to provide appropriate and cost effective waste management services across the municipality. The relationship continues with the Devonport City Council for the shared use of the Spreyton Waste Transfer Station. The kerbside mobile garbage bin waste service was tendered, resulting in a new contractor being appointed.
- The Port Sorell Transfer Station is subject to a long term rehabilitation project and site redevelopment.

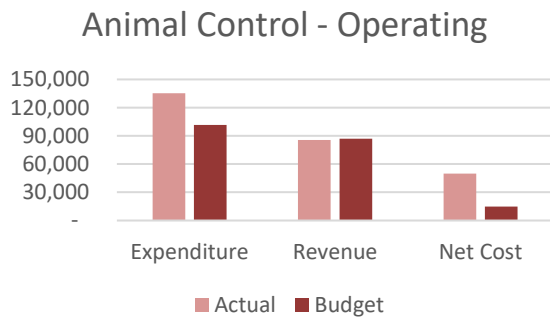
Plans for the next 12 months

- Port Sorell Landfill Site – Remediation – Stage 1 – undertake actions from Detailed Site Investigation.

ANIMAL CONTROL AND REGULATORY SERVICES

Objective To encourage and recognise responsible animal ownership and provide a high level of compliance services

Performance against Budget



Operating expenditure is less than budget due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

Performance against Strategic Plan

Completed ✓ In Progress > Delayed ✗

Strategy	Performance Measure	Result
Promote responsible dog ownership including compliance with the Dog Control Act 2000 and Council's Dog Management Policy	Compliance with Legislation and Council Policy	✓
Promote responsible cat ownership including registration of cats under Council's Cat Management By-Law	Cats voluntarily registered	✓
Implement compliance requirements with regulations covering domestic animals and stray animals within the municipality	Compliance with requirements	>
Identify fire risks within the municipality and issue Fire Abatement Notices where required	Risks identified and Abatement Notices issued	✓

Initiative	Comments	Result
Review of Council's Dog Management Policy	101 submissions were received in relation to a proposal to change to the Panatana off-leash area to prohibited to dogs. Council determined no change would be made.	✓

Plans for the next 12 months

- Contribute \$10,000 towards Dogs Home of Tasmania critical infrastructure program.

Animal Control Statistics	2018/19	2019/20
Dogs registered	2820	2878
Dogs impounded	96	54
Infringements issued	129	113
Kennel licences issued	104	93
Cats registered	52	59

Fire Abatement Notices Issued	2018/19	2019/20
	61	40

THE YEAR AHEAD

At a meeting held on 17th August, 2020 Council approved its Annual Estimates for the financial year ending 30 June, 2021.

Section 71 of the *Local Government Act 1993* requires Council to prepare and approve an Annual Plan for the subsequent financial year, which shall:

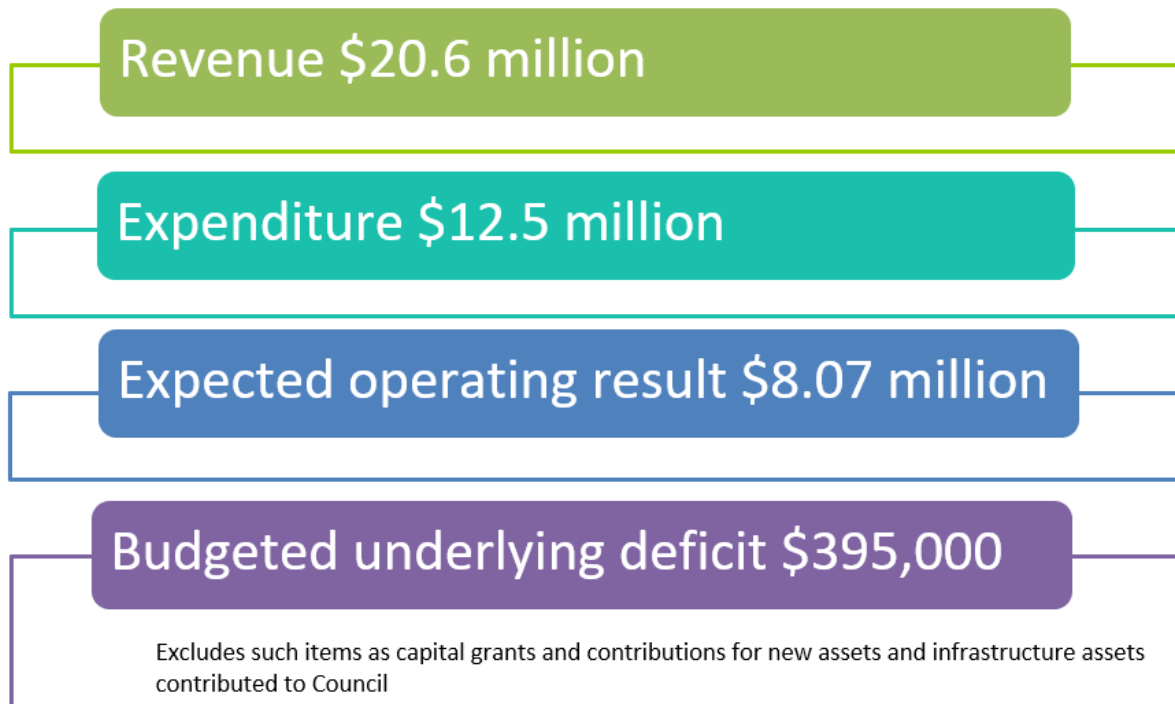
- a) be consistent with the Strategic Plan,
- b) include a statement of the manner in which the Council will meet the goals and objectives of the Strategic Plan,
- c) include a summary of the estimates adopted under Section 82, and

- d) include a summary of the major strategies to be used in relation to its public health goals and objectives.

A copy of the Annual Plan and Budget Report is available from the Council customer service desk or on Council’s website, www.latrobe.tas.gov.au.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

Council’s Operating Budget for 2020/2021



2020/21 Capital Works Program

\$17.64 million
 \$2.2m relates to projects carried forward from 2019/20

Roads, Bridges & Footpaths

\$5.0 million – includes Tarleton Rd widening \$1,523,000, River Rd walking track \$914,000, Hawley Esp. pedestrian and cycling facilities \$402,000, Gilbert St traffic management \$380,000, Annual reseals \$355,000, Stanley St to South Stanley St connection \$253,000, Port Sorell Main Rd/Alexander St roundabout \$224,000.

Stormwater

\$5.2 million – includes Latrobe flood mitigation project \$4,517,000, Bonneys Creek enclose open drain \$507,000, Reiby Street pipe open drain \$121,000.

Buildings

\$1.7 million – includes Banksia Facilities Centre redevelopment \$1,320,000, Latrobe Recreation Ground change room and club room \$100,000, Port Sorell Surf Life Saving building extension \$64,000.

Land Improvements

\$4.2 million – includes Port Sorell Caravan Park refurbishment \$2,539,000, Wild Mersey Mountain Bike Trails bridge \$711,000, Bosworth Park “learn to ride” bike path \$224,000, Port Sorell landfill site remediation \$182,000, Wild Mersey Mountain Bike Trails Warrawee \$142,000.



CORPORATE GOVERNANCE

Council ensures its business is conducted in a transparent, accountable, sustainable and efficient way.

Latrobe Council was established in 1993 under the provision of the *Local Government Act 1993* and was formerly the Municipality of Latrobe, which was established in 1907.

The Act sets out the purpose and charter of Council and defines its powers and functions.

Council

Latrobe Council comprises nine Councillors. The term of office of elected members is four years. Elections for mayor and deputy mayor are also held every four years. Elections are conducted by a full postal ballot and voting is not compulsory.

Role of Council

Section 20 of the *Local Government Act 1993* describes the functions and powers of councils to;

- provide for the health, safety and welfare of the community
- represent and promote the interests of the community
- provide for the peace, order and good government of the municipal area.

In performing its functions, a council is to consult, involve and be accountable to the community.

Council has a responsibility to;

- plan for and provide services, facilities and infrastructure for the community
- undertake long term strategic asset and financial management planning
- undertake strategic land using planning for the area.

Role of Councillors

Section 28 of the *Local Government Act 1993* sets out the following functions of a councillor;

- to represent the community
- to act in the best interests of the community
- to facilitate communication by the council with the community
- to participate in the activities of the council
- to undertake duties and responsibilities as authorised by the council.

The councillors acting collectively as the Council have the following functions;

- to develop and monitor the implementation of strategic plans and budgets

- to determine and monitor the application of policies, plans and programs for –
 - the efficient and effective provision of services and facilities
 - the efficient and effective management of assets; and
 - the fair and equitable treatment of employees of council
- to facilitate and encourage planning and development of the municipal area in the best interests of the community
- to appoint and monitor the performance of the general manager
- to determine and review the council’s resource allocation and expenditure activities
- to monitor the manner in which services are provided by the council.

Council meetings

Council meetings are held on a monthly basis – generally on the second Monday of each month. 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*). Copies of meeting agendas, supporting documentation and minutes of Council’s open meeting are made available on Council’s website, from the Council office or at the meeting.

Members of the public have the opportunity for input into Council decision making through avenues such as public question time at Council meetings, community consultation and engagement session, and by the tabling of petitions.

Audit Panel

The objective of the Audit Panel is to review the Council’s performance under Section 85A of the *Local Government Act 1993* and report to the Council its conclusions and recommendations.

Audit Panel Members	
Mr Ben Coull	Chairman & independent member
Cr Lesley Young	Non-independent member
Cr Graeme Brown	Non-independent member
Cr Mike McLaren	Non-independent member, proxy

The Audit Panel met four times during the year and considered the following:

- Financial statements for 2018/19
- Annual Report for 2018/19
- Audit strategy
- Shared services
- Annual work plan
- Procurement in Local Government – Tasmanian Audit Office report
- Risk registers and key risk exposures
- Induction process
- COVID-19 and Business Continuity Planning
- Planning services processes and reporting
- Audit Panel Charter Review
- Accounting policies
- Budgeting and Long-term financial planning.

Minutes and recommendations from the Audit Panel were presented to the Council during the year.

Municipal Alliance Committee

The Kentish and Latrobe Municipal Alliance Committee identifies opportunities for sharing ideas and resources to improve the effectiveness and efficiency of service delivery by the two councils. The Committee consists of:

- Mayor Peter Freshney (Latrobe)
- Deputy Mayor Graeme Brown (Latrobe)
- Cr Mike McLaren (Latrobe)
- Mayor Tim Wilson (Kentish)
- Deputy Mayor Don Thwaites (Kentish)
- Cr Penny Lane (Kentish)
- General Manager, Gerald Monson

The Committee met four times during the 2019/20 financial year and made recommendations to the respective Councils including:

- IT Resourcing be appointed as the IT Outsourced Vendor, for an initial 3 years with 2 options for an additional 2 years (3+2+2), subject to satisfactory contract negotiations.
- Council's General Manager be authorised to proceed with the proposed IT Resourcing outsource from both Councils, including:
 - Developing a Sourcing Migration Project Plan;
 - Developing a HR Management Plan;
 - Migrating to an outsourced managed IT service.
- That the Latrobe and Kentish Councils support and endorse the overall plant rationalisation and replacement model as a guide toward managing the combined plant portfolio cost effectively and in support of best practice operations.
- Contract out the Minor and Major patching and edging activities of the operation for a 6-12 month period to test the industry market.
 - Undertake another review in 6-12 months, with the consideration for either long term contracted services or placing an order for a new Hotmix Truck prior to June 2020 under the Kentish Council budget.
- An expression of interest for the provision of banking services be considered by both Councils.
- Review the Memorandum of Understanding – Embedding Shared Services – Kentish Council and Latrobe Council.
- A trail in the Badgers Range be named after the late Chris Frankcombe, recognising his contribution to the Wild Mersey Mountain Bike Project.
- Ci version of the Property and Rating Module in TechnologyOne system be implemented.
- Endorse the recommendations of a review of the bin waste and recycling collection operation across the Latrobe and Kentish Councils.
- Endorse the recommendations of a review of the facility and infrastructure cleaning operation across the Latrobe and Kentish Councils.
- A tender be awarded to Trailscapes Pty Ltd for the construction of mountain bike trails in the Badgers Range, and:
 - A Contract Manager be appointed to monitor risk, environmental management, work health and safety and progress against the project timeframe; and
 - An independent trail auditor be appointed to inspect the quality and standard of the trail build at the completion of each stage prior to the trail being placed on a maintenance period.

Fraud and Corruption Initiatives

Latrobe Council is the custodian of significant public funds and assets and it is important that all stakeholders have assurance that adequate fraud protection controls are in place. Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are the key components of good governance. Council is currently reviewing and updating its policy suite including its Fraud and Corruption Control Policy and Fraud and Corruption Control Plan. It is due to be completed by December 2021.

Council aims to prevent, deter and detect incidents of fraud and corruption by:

- raising awareness of the risk of fraud and corruption;
- taking necessary actions for its prevention;
- providing processes for the reporting and investigating of incidents; and
- protecting those who report suspected fraud or corruption incidents.

Code of Conduct

In 2014 the Local Government Division prepared a draft Local Government Amendment (Code of Conduct) Bill. The Bill proposed amendments to the *Local Government Act 1993* to provide a new councillor code of conduct framework and process, and stronger sanctions in relation to code of conduct complaints.

The draft was subject to a public consultation process in October 2014 and the subsequent legislation became effective on 13th April 2016.

In early 2017 the Tasmanian Government agreed to a request from the sector for a review of the local government Code of Conduct framework (the Review) at the end of its initial 12 months of operation. The aim of the Review was to investigate whether the framework was proving to be effective and identify and address any aspects of the framework that did not operate as intended.

In June 2018 the Tasmanian Government and the local government sector completed a joint Review resulting in changes made to both the *Local Government Act 1993* and the *Local Government (Model Code of Conduct) Order 2016* including administrative and process improvements.

At the March 2019 Council meeting, Councillors adopted the revised Latrobe Council Model Code of Conduct. This Code of Conduct sets out the standards and behaviour expected of the councillors of the Latrobe Council, with respect to all aspects of their role. Councillors therefore agree to conduct themselves in accordance with the standards of behaviour set out in the Code of Conduct.

This Code of Conduct incorporates the Model Code of Conduct made by Order of the Minister responsible for local government. There were no Code of Conduct complaints made against Councillors during the financial year.

Councillors' Allowances

Section 72 (1) (cb)

Councillors' allowances \$ 162,606

CORPORATE GOVERNANCE

Councillor attendance at Council Meetings during 2019–20:

Date	Meeting	Cr Freshney	Cr Brown	Cr Allison	Cr Sims	Cr Metske	Cr McLaren	Cr Mead	Cr Young	Cr Wicks
8 July	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15 July	Special Ordinary	✓	✓	✓	✓	×	✓	✓	✓	✓
12 August	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
21 August	Special Closed	✓	×	✓	✓	✓	✓	✓	✓	✓
9 September	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 October	Ordinary	×	✓	✓	✓	✓	✓	✓	×	✓
21 October	Special Ordinary	×	✓	✓	✓	✓	✓	✓	×	✓
11 November	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
25 November	(Special Ordinary)	✓	✓	✓	✓	✓	✓	×	✓	✓
9 December	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
16 December	Special Ordinary & AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓
20 January	Ordinary	✓	✓	✓	✓	×	✓	✓	✓	✓
10 February	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
10 March	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 April	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
11 May	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15 June	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total Attended		15/17	16/17	17/17	17/17	15/17	17/17	16/17	15/17	17/17

Councillor attendance at Council Workshops during 2019–20:

Date	Cr Freshney	Cr Brown	Cr Allison	Cr Sims	Cr Metske	Cr McLaren	Cr Mead	Cr Young	Cr Wicks
1 July	✓	✓	✓	✓	✓	✓	✓	✓	✓
8 July	✓	✓	✓	✓	✓	✓	✓	✓	✓
15 July	✓	✓	✓	✓	✗	✓	✓	✓	✓
22 July	✓	✓	✓	✓	✓	✓	✓	✗	✓
21 August	✓	✗	✓	✓	✓	✓	✓	✓	✓
26 August	✓	✗	✗	✓	✓	✓	✓	✓	✓
2 September	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 September	✓	✓	✓	✓	✓	✓	✓	✓	✓
16 September	✓	✓	✓	✓	✓	✓	✓	✓	✓
23 September	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 October	✗	✓	✓	✓	✓	✓	✓	✗	✓
21 October	✗	✓	✓	✓	✓	✓	✓	✗	✓
28 October	✓	✓	✓	✗	✓	✓	✓	✗	✓
11 November	✓	✓	✓	✓	✓	✓	✓	✓	✓
25 November	✓	✓	✓	✓	✓	✗	✓	✓	✓
9 December	✓	✓	✓	✓	✓	✓	✓	✓	✓
16 December	✓	✓	✓	✓	✓	✓	✓	✓	✓
20 January	✓	✓	✓	✓	✗	✓	✓	✓	✓
10 February	✓	✓	✗	✓	✓	✓	✓	✓	✓
24 February	✓	✓	✗	✓	✓	✓	✓	✓	✓
10 March	✓	✓	✓	✓	✓	✓	✓	✓	✓
23 March	✓	✓	✗	✗	✓	✓	✓	✓	✓
27 April	✓	✓	✓	✓	✓	✓	✓	✓	✓
4 May	✓	✓	✓	✓	✓	✓	✓	✓	✓
11 May	✓	✓	✓	✓	✓	✓	✓	✓	✓
25 May	✓	✓	✓	✗	✓	✓	✓	✓	✓
15 June	✓	✓	✓	✓	✓	✓	✓	✓	✓
29 June	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total Attended	26/28	26/28	24/28	25/28	26/28	27/28	28/28	24/28	28/28

Risk Management

Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in Council activities and business processes. Council's Risk Management Policy and Framework provides for the design, implementation, monitoring, review, and continuous improvement of risk management.

Legislation

Council is currently governed by the *Workplace Health and Safety Act 2012*. The legislation aims to provide all workers in Australia with the same standard of health and safety protection regardless of the type or location of the work.

The WHS legislation provides a framework to protect the health, safety and welfare of all workers at work and of other people who might be affected by the work. The WHS legislation aims to:

- protect the health and safety of workers and other people by eliminating or minimising risks arising to business;
- ensure fair and effective representation, consultation and cooperation to address and resolve health and safety issues in the workplace;
- encourage unions and employer organisations to take a constructive role in improving work health and safety practices;
- assist businesses and workers to achieve a healthier and safer working environment;
- promote information, education and training on work health and safety;
- provide effective compliance and enforcement measures; and
- deliver continuous improvement and progressively higher standards of work health and safety.

Structure

The Corporate Risk Register commenced a significant review during 2019-20, updating the register format and content. The register will be the key tool for prioritising management decisions. The register identifies key risk areas to Council's business capability, identifying current controls in place and future controls to mitigate risk.

Health and Safety Committee

Council has a Work Health and Safety Committee comprising 3 trained Health & Safety Representatives (HSR), two management representatives and two other staff representatives. The Committee's key responsibility is to progress WHS items and initiatives.

With COVID-19 affecting the operation of Council from March 2020, an Incident Management Team

(IMT) was established made up of management and key staff. The was responsible for communicating the latest updates, discussing issues and risks, also progressing actions and decisions.

Workplace Injuries

The total number of reported workplace injuries during 2019-20 were 4, with 2 resulting in workers compensation cases.

Asset Management

Council's Asset Management Policy provides a framework to ensure that Council assets are effectively and efficiently managed, whilst meeting community needs and expectations for current and future generations.

Council's asset management objective is to ensure adequate provision is made for the long-term replacement of major assets by;

- meeting legislative requirements for asset management;
- ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
- safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- creating an environment where Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by training and development;
- ensuring resources and operational capabilities are identified and responsibility for asset management is allocated;
- demonstrating transparent and responsible asset management processes; and

- striving for continual improvement in asset management practices and outcomes.

Council has asset management plans in place covering the majority of its infrastructure assets. The asset management plans generally assume that the current levels of service will be maintained into the future and Council's Long Term Financial Plan, fully funds the asset renewal requirements of the asset management plans. The key challenge for Council is to engage with the community to determine future service level expectations and to advise the community on the level of service that is affordable over the long term.

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

Statement of Activities

Section 21 & Section 72 (1) (ca)

The Council has not resolved to exercise any powers or undertake any activities using enterprise powers with Section 21 of the Local Government Act 1993.

Joint Authorities

Section 30 (1)

The Latrobe Council participates in two joint authorities; the Cradle Coast Authority and Dulverton Regional Waste Management Authority. The following reports provide a summary of activities, budget and performance of the Authorities in 2019/2020.

Cradle Coast Authority

It is my great pleasure to provide this report for a business that I am extremely proud to be a part of.

In 2019-20, Latrobe Council's contribution was \$72,623. Total Member Council contributions totaled \$895,471 and a further \$5,424,525 was received as government grants.

Throughout 2019-20, our people – my staff, the Board, Committee Members and Representatives – put the major reforms of the previous financial year to good use and got on with the job. We have delivered valuable work across economic development, natural resource management and shared services, all of which will be detailed in our Annual Report later this year.

Employee numbers have remained roughly the same at around 17 FTEs, and we sure have an impressive team. CCA staff were among the first, if not the only part-time and full-time public sector employees in Tasmania to reduce their hours and their pay when COVID-19 occurred. Staff took this action to preserve cashflow, increasing the likelihood of us being able to keep the team together and achieve our objectives. It is a significant measure of their commitment to the organisation and to each other, and I am tremendously proud of them. Directors also showed great leadership during this difficult time, taking a voluntary reduction in their allowances.

The end of the financial year was marked by the formal adoption of our 2020-21 Annual Plan and Budget and the 2020-2025 Strategic Plan by the Representatives in May 2020. Prior to presenting the budget to Councils, we reworked it to deliver a reduction in their contributions in light of the COVID-19 related pressures that were emerging at that time and which they will face for some time. Our Annual Plan and Strategic Plan clearly spell out what our owners have agreed that CCA should be working on, and anybody who is interested can monitor our progress on our website.

I would like to thank all of the Councillors and other people who continue to believe in the regional approach and I would like to acknowledge the encouragement and support provided by Mayor Peter Freshney and General Manager Gerald Monson in particular. There is no doubt that together, we are on track towards making Cradle Coast Authority everything that it can and should be, for the sake of the one in five Tasmanians who call our corner of the island "home".

Daryl Connelly MBus
CEO Cradle Coast Authority

Dulverton Regional Waste Management Authority

Despite the challenging environment, in the 2019/20 Financial Year Dulverton Waste Management (DWM) concluded another strong year operationally and financially. Income was substantially stronger than budget due to increases in some existing and some new waste stream revenues. Expenditure was slightly above budget in order to manage the additional waste received onsite.

Five year financial forecasts are now routinely provided to Owner Councils with each Annual Plan and Budget. The financial forecasts on an activity basis guide the business operations and detail future income, operational expenditure, capital investment, cash flow and likely dividends.

The Covid-19 pandemic had an enormous economic impact on many local businesses. However, due to the systems and processes that have been invested in, DWM were able to operate throughout the height of the virus with minimal disruption to operations. DWM continue to regularly review revenues and at this time it is believed that 2020/21 budget estimates remain appropriate and achievable. In response to the economic climate and associated challenges facing our Owners and region, DWM implemented a 0% increase to gate fees for 2020/21.

In April, in response to the Covid-19 pandemic, DWM suspended the procurement process for the Dulverton Organics Transformation (DOT) project. The procurement has since recommenced, and Expressions of Interest are closed and Request for Tender (RFT) documentation has been issued to a number of parties. DWM will be reviewing RFT submissions, and Owners will be provided an updated timeline in the coming months.

Workplace Health and Safety (WHS) continues to be a key focus for the Board, management, staff and contractors. DWM consistently outperforms the WHS standard set by many larger organisations and remains active in avoiding complacency and continuing to advance all aspects of WHS.

As the primary waste management provider in the region, DWM continues to deliver waste expertise to the Cradle Coast Waste Management Group (CCWVG) via staff with in-depth knowledge in landfill, organics recycling, kerbside recycling and other industry relevant activities. In 2019/20 DWM continued to manage the Recyclables Collection, Cardboard, Greenwaste, Paint, E-waste and Fluoro Tube/Globe Collection contracts within the region, and was able to complete another successful year of Recycling Bin Assessments which continues to provide valuable information about the region's residential recycling behaviours.

Both DWM income and profit exceeded budget, and although not as high as previous financial years, DWM was able to deliver tax equivalents (or NTER - National Tax Equivalent Regime) that were greater than forecast, and delivered the budgeted dividend. Dividends to Owner Councils are forecast into the foreseeable future.

The total quantity of chargeable waste disposals managed by DWM was 96,416 tonnes. This is made up of 60,533 tonnes to landfill, and 35,884 tonnes to the DORF for recycling into compost (excluding approximately 7,746 tonnes of green-waste also accepted at the DORF.)

Mat Greskie
Chief Executive Officer

GST Dispute Statement

Local Government Act 1993 -Section 72A

Council reports no disputes with the Australian Taxation Office during the financial year relating to compliance with GST law.

Statement of Land Donated

Local Government Act 1993 - Section 72 (1) (da) & Section 177

No land was donated by the Council under Section 177 of the Act.

Customer Service Charter – Complaints

Local Government Act 1993 - Section 339 (F)

Council’s Customer Service Charter defines a complaint as an expression of dissatisfaction against the Council which can be investigated and acted upon. This is distinct from a request for service, however a request for service may develop into a complaint where the provision or timeliness of the service is considered unsatisfactory. Complaints can relate to:

- A Council product or service;
- Unsatisfactory conduct of a Council employee or agent; or
- A Council decision.

The number of complaints received in 2019/20 was nine, compared to 11 in 2018/19.

Nature of Complaint	No. of Complaints
Product or service	4
Employee or agent	4
Council decision	1

Public Interest Disclosures Act 2002

Section 86

A copy of Council’s Public Interest Disclosures Procedures is available for inspection at the Customer Service desk during office hours or from Council’s website. Council reports that no disclosures were made during 2019/2020.

Professional Service Providers

Auditor	Tasmanian Audit Office
Banking Services	Commonwealth Bank of Australia
Insurance Broker	Jardine Lloyd Thompson Pty Ltd
Valuer	Officer of the Valuer General
Legal	Tremayne Fay and Rheinberger

Public Health Statement

Section 72 (1) (ab)

Public Health Statement Section 72(1)(ab) of the Local Government Act 1993 requires a statement of the Council’s goals and objectives in relation to public health activities to be included in the Annual Report.

Under the Public Health Act 1997 and the Food Act 2003 Council is required to perform licensing, inspection and monitoring services to ensure compliance with legislation and associated standards and guidelines in order to protect the community.

Council is committed to promote and maintain public health standards. It has one full time Environmental Health Officer to provide environmental management and protection that will meet public expectation for community health.

Public Health Statement (cont)

Types of Activities/Premises	No.	Inspection Number	Comments
Public Health Act 1997			
Notifiable Disease	5	-	Interviews conducted as requested by DoH
Places of Assembly - Permanent	6		Events held with 1000 more people attending for 2 hours or more.
Health Risk Activity (Premises)	1	1	There is one identified and registered public health risk business in Latrobe Municipality, which is a tattooist.
Regulated Systems	2		Cooling towers.
Private Water Supplies	8		Registered private water suppliers (two are exempt).
Recreational Waters – natural	8	143	Sampling sites include Mersey River (end of Shale Road), Mersey River (Bells Parade), Squeaking Point, Panatana Rivulet, Port Sorell Pontoon, Freer Beach Shearwater, Camp Banksia Dam and Hawley Beach.
Recreational Waters – pools and spas	9	79	Testing completed monthly.
Immunisation	348	-	Number of immunisations administered at Geneva Christian College and Latrobe High School.
Nuisance Complaints	88		Complaints ranged from roosters crowing, backyard burning, noisy parties and builders working outside regulated timeframes.
Food Act 2003			
Registered Food Business	122	109	Annual licences.
Temporary Food Business	16		Events and special occasions.
Food Safety Training	82		Number of participants who undertook Council's Food Safe Training courses.
Other			
Fire abatements	36	50	Abatements sent to property owners for long grass and over grown vegetation.
Assessment of On-site wastewater systems	43	33	Systems assessed.
Latrobe Recovery Management Plan			Providing advice of Covid 19 IMT - Assessment of Covid Plans and providing advice to the general public as required.

Grants and Benefits Provided

Section 77 (2)

Recipient	Reason	Amount \$
Metal Minds Robotics	Sponsorship-Lego Robotics Competition	\$500.00
Alexis Jordan	Sponsorship-Follow Your Dreams National Dance Competition	\$100.00
AMWU	Sponsorship-2019 Women's Forum	\$1,818.18
Matthew Young	Sponsorship-National Rugby Division 2 Championship	\$100.00
Sharna Dolbey	Sponsorship-Pony Club Australia National Championships	\$100.00
Lucy Withers	Sponsorship-Australian Women's Masters Championships	\$100.00
Millanna Bignell	Sponsorship- Junior National Prince Phillip Mounted Games	\$100.00
Ivy Whelan	Sponsorship-School Sports Australia National U12 Track and Field Championships	\$100.00
University of Tasmania	Annual Community Grant-North West Bursary	\$3,000.00
Latrobe Federal Band	Annual Community Grant	\$10,000.00
Latrobe Bicycle Club	Annual Community Grant-Sponsorship Cycling Carnival	\$1,000.00
Latrobe Museum	Annual Community Grant	\$2,272.73
Renee Flack	Annual Community Grant-Year 11-12 Education Scholarship	\$900.00
St Patricks Primary School	Annual End of Year Award	\$40.00
Sassafras Primary School	Annual End of Year Award	\$40.00
Port Sorell Primary School	Annual End of Year Award	\$40.00
Latrobe Primary School	Annual End of Year Award	\$40.00
Latrobe High School	Annual End of Year Award	\$40.00
Geneva Christian College	Annual End of Year Award	\$40.00
Andrews Creek Primary School	Annual End of Year Award	\$40.00
Devonport 4WD Club	Community Development Grant	\$717.03
Latrobe Croquet Club	Community Development Grant	\$2,000.00
Latrobe Baptist Church	Community Development Grant	\$2,000.00
Port Sorell Cricket Club	Community Development Grant	\$1,157.97
North West Dressage Association	Community Development Grant	\$2,000.00
Latrobe Boxing Club	Community Development Grant	\$1,050.00
Apex Club of Latrobe	Community Development Grant	\$1,500.00
Latrobe Basketball Club	Community Development Grant	\$2,000.00
Jetty rate remissions x 14	Rate remission	\$2,002.00
Latrobe Bowling Club	Rate remission	\$1,634.78
Port Sorell Bowls Club	Rate remission	\$1,232.45
Thirlstane Golf Club Inc	Rate remission	\$2,283.50
Wesley Vale Football Club	Rate remission	\$1,012.01
Port Sorell Surf Club	Rate remission	\$1,089.85
Total		\$42,050.50

Tendering and Contracting

Section 72 (1) (e) Local Government Act 1993 and Local Government (General) Regulations 2015

For the purposes of section 72 (1) (e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000, and valued at or exceeding \$250,000, that is entered into, or extended, in the financial year to which the annual report relates.

Contractor/Supplier	Address	Description	Contract Period	Value
Hardings Hotmix Pty Ltd	Industrial Dr ULVERSTONE TAS 7315	Supply of hot mix asphalt	Nov 2019 -Jun 2020	\$287,747
Veolia Environmental Services (Aust.) Pty Ltd	75 Mornington Rd MORNINGTON TAS 7018	Domestic waste collection service	Mar 2020 – Mar 2025	\$1,108,587
D M Roads	10 Pound Rd HASTINGS VIC 3915	Asphalting Parking Lanes in Gilbert St Latrobe	Feb 2020 – Jun 2021	\$131,353
Treloar Transport Pty Ltd	7 Spring St (Claud Rd) SHEFFIELD TAS 7307	Joyce St/ Dumbleton St junction upgrade	Apr 2020 – Jun 2021	\$119,685
Stabilised Pavements of Australia	234 Wisemans Ferry Rd SOMMERSBY NSW 2250	Club Drive pavement rehabilitation	Apr 2020 – Jun 2020	\$194,960
The Pump Shed	2/2 Trotters Lane PROSPECT VALE TAS 7250	Perkins Park drainage/ irrigation	Oct 2019- Oct 2020	\$117,404
Entura Pty Ltd	89 Cambridge Park Dr CAMBRIDGE TAS 7001	Latrobe flood mitigation detailed design	Sep 2019 - Aug 2019	\$490,000
Aurora Energy Pty Ltd	50 Elizabeth St HOBART TAS 7000	Street lighting contract	Jul 2019 – Jul 2022	\$528,250

Tendering and Contracting (cont)

In addition to the above information, Regulation 29 (2)(a) requires a brief description of the reason for not inviting public tenders for any expenditure over \$250,000. The above contract with Entura Pty Ltd did not go to public tender for the following reasons:

1. There were extenuating circumstances in that Entura and their subcontractors and subconsultants could build on the knowledge already gained and paid for by Council to further the project in an informed and timely manner to meet grant deed requirements and community expectations. Any bid from alternative consultants would be somewhat ill-informed and unable to be entered without reasonable expectation of considerable uncertainties, variation to cost and extended timeframes;
2. Entura has gained extensive experience in the investigation and design of flood mitigation measures having successfully completed numerous projects throughout Australasia over the past 20 years and is therefore more than suitably qualified to undertake this project; and
3. Entura has established themselves with good reputation within Council and the community and have demonstrated a complete appreciation for the project.

The General Manager advised the Tasmanian Local Government Office of Councils decision and the circumstances for not calling tenders for this stage of the project.

The street lighting contract with Aurora Energy Pty Ltd listed above was entered into after a public tender process initiated by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian councils.



FINANCIAL STATEMENTS



Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments are required to present a set of audited Financial Statements.

What you will find in the Statements

The Financial Statements and notes to the report set out the financial performance, financial position and cash flows of Latrobe Council for the financial year ended 30 June 2020.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards and the *Local Government Act 1993*.

About the Primary Financial Statements

Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenditure.

Other comprehensive income records items such as the share of profits of associates and the investment in the water corporation.

Statement of Financial Position

A snapshot of Council's Financial Position, including the Assets and Liabilities as at 30 June 2020.

Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

Statement of Cash Flows

Indicates where Council's cash came from and where it was expended.

About the Notes to the Financial Report

The Notes of the Financial Statement provide greater detail and additional information on the Primary Financial Statements.

Independent Auditor's Report

To the Councillors of Latrobe Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Latrobe 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 10.4 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
Valuation of property and infrastructure <i>Refer to notes 6.1 and 9.11</i>	
<p>Property and infrastructure as at 30 June 2020 includes land, land under roads, land improvements, buildings and material long-life infrastructure assets, such as roads, bridges and footpaths, and drainage, measured at fair value totalling \$185.68m.</p> <p>The fair values of these assets are based on market values or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>In 2019-20, Council revalued all assets carried at fair value. 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"> • Assessing the scope, expertise and independence of experts involved in the valuation. • Assessing the appropriateness of the valuation methodology and the key assumptions used. • Testing, on a sample basis, the mathematical accuracy of the revaluation calculations. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



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

Tasmanian Audit Office

19 January 2021
Hobart

LATROBE COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2020

LATROBE COUNCIL
Financial Report
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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
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	7,781	7,745	7,380
Statutory fees and fines	2.2	645	330	283
User fees	2.3	1,560	1,118	1,133
Grants	2.4	1,729	1,733	1,796
Interest	2.6	238	164	275
Other income	2.7	489	1,168	2,339
Investment revenue from Water Corporation	2.9, 5.2	382	191	383
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	232	290	399
		13,056	12,739	13,988
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	454	158	1,349
Capital grants received specifically for renewal of assets	2.4	-	311	220
Contributions - cash	2.5	165	639	26
Contributions - non-monetary assets	2.5	3,450	1,309	319
		4,069	2,417	1,914
Total income from continuing operations				
		17,125	15,156	15,902
Expenses from continuing operations				
Employee costs	3.1	(3,366)	(4,133)	(3,921)
Materials and services	3.2	(4,454)	(4,069)	(4,344)
Impairment of receivables	3.3	-	134	(43)
Depreciation and amortisation	3.4	(3,748)	(3,327)	(3,508)
Finance costs	3.5	-	(9)	(7)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(207)	(88)
Increase in provision for landfill rehabilitation	7.3	-	(1,475)	(10,765)
Other expenses	3.6	(1,476)	(1,187)	(1,250)
		(13,044)	(14,273)	(23,926)
Result from continuing operations				
		4,081	883	(8,024)
Net result for the year				
		4,081	883	(8,024)
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	9.1	-	(8,113)	4,447
Net asset revaluation increment/(decrement)	9.1	-	14,950	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	9.1	-	19	5
Total Other Comprehensive Income		-	6,856	4,452
Total Comprehensive result				
		4,081	7,739	(3,572)

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
Assets			
Current assets			
Cash and cash equivalents	4.1	9,142	9,643
Trade and other receivables	4.2	1,353	380
Investments	4.3	-	8
Inventories	4.4	95	89
Other assets	4.5	134	389
Total current assets		10,724	10,509
Non-current assets			
Investments in associates accounted for using the equity method	5.1	2,121	1,879
Investment in water corporation	5.2	26,841	34,954
Property, infrastructure, plant and equipment	6.1	189,373	175,558
Intangible assets	6.2	530	542
Right-of-use assets	6.3	27	-
Total non-current assets		218,892	212,933
Total assets		229,616	223,442
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,535	932
Trust funds and deposits	7.2	487	380
Provisions	7.3	1,384	1,407
Lease liabilities	7.4	7	-
Contract liabilities	7.5	258	-
Total current liabilities		3,671	2,719
Non-current liabilities			
Trust funds and deposits	7.2	279	378
Provisions	7.3	13,606	12,622
Lease liabilities	7.4	20	-
Contract liabilities	7.5	819	-
Interest-bearing loans and borrowings	8.1	250	250
Total non-current liabilities		14,974	13,250
Total liabilities		18,645	15,969
Net Assets		210,971	207,473
Equity			
Accumulated surplus		99,644	99,842
Reserves	9.1	111,327	107,631
Total Equity		210,971	207,473

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

**Statement of Changes in Equity
For the Year Ended 30 June 2020**

Note	Accumulated Surplus	Asset	Fair Value Reserve	Other Reserves	Total Equity
		Revaluation Reserve			
2020	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Balance at beginning of the financial year	99,842	98,901	8,319	411	207,473
Effect of changes in accounting policy for:					
Adjustment due to AASB 15 adoption	10.3(g)(i) (1,080)	-	-	-	(1,080)
Adjustment due to AASB 16 adoption	10.3(g)(ii) -	(3,160)	-	-	(3,160)
Restated opening balance	98,762	95,741	8,319	411	203,233
Net result for the year	883	-	-	-	883
Other Comprehensive Income:					
Fair value adjustments for financial assets at fair value					
Fair value adjustment on equity investment assets	5.2 -	-	(8,113)	-	(8,113)
Net asset revaluation increment/(decrement)	9.1 -	14,950	-	-	14,950
Share of other comprehensive income of associates & joint ventures accounted for by the equity method	-	-	-	19	19
Total comprehensive income	99,644	110,691	206	430	210,971
Transfers between reserves	-	-	-	-	-
Balance at end of the financial year	99,644	110,691	206	430	210,971
2019	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Balance at beginning of the financial year	107,867	98,901	3,872	406	211,046
Adjustment due to AASB 9 adoption	(1)	-	-	-	(1)
Adjustment on change in accounting policies	-	-	-	-	-
Restated opening balance	107,866	98,901	3,872	406	211,045
Net result for the year	(8,024)	-	-	-	(8,024)
Other Comprehensive Income:					
Fair value adjustment on available for sale asset	5.2 -	-	4,447	-	4,447
Net asset revaluation increment/(decrement)	9.1 -	-	-	-	-
Share of other comprehensive income of associates & joint ventures accounted for by the equity method	-	-	-	5	5
Total comprehensive income	99,842	98,901	8,319	411	207,473
Transfers between reserves	-	-	-	-	-
Balance at end of the financial year	99,842	98,901	8,319	411	207,473

The above statement should be read with the accompanying notes.

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

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		7,658	7,378
Statutory fees and fines		330	283
User charges and other fines		1,269	1,362
Grants		1,733	1,796
Contributions		-	26
Dividend received from associate		67	-
Interest Received		417	361
Investment revenue from water corporation	2.9	191	383
Other receipts		564	1,281
Net GST refund/(payment)		730	-
Payments to suppliers		(5,327)	(4,633)
Payments to employees (including redundancies)		(3,931)	(3,976)
Finance costs paid		-	(7)
Other payments		(1,179)	(1,249)
Net cash provided by (used in) operating activities	9.2	2,522	3,005
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(4,343)	(4,226)
Payments for intangibles		(42)	(382)
Proceeds from sale of property, infrastructure, plant and equipment		146	15
Capital grants		469	1,569
Capital contributions		639	-
Net cash provided by (used in) investing activities		(3,131)	(3,024)
Cash flows from financing activities			
Proceeds from trust funds and deposits		115	(172)
Repayment of lease liabilities (principal repayments)		(7)	-
Net cash provided by (used in) financing activities	9.3	108	(172)
Net increase (decrease) in cash and cash equivalents		(501)	(191)
Cash and cash equivalents at the beginning of the financial year		9,643	9,834
Cash and cash equivalents at the end of the financial year	9.4	9,142	9,643

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

Note 1 Overview

1.1 Reporting entity

- (a) The Latrobe Council (Council) was established in 1993 and was formerly the Municipality of Latrobe which was established in 1907. The Council is a body corporate with perpetual succession and a common seal. Council's main office is situated at 170 Gilbert Street, Latrobe.
- (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 Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and accompanying notes. 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*. 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 an accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 4.4, 5.2, 6.1, 7.3 and 8.1.

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.

Council changed to new accounting software from April 2019. Council adopted a new suite of accounting codes which resulted in a change of coding and classification from the prior financial year. Although classifications have changed at the note level and in the comparative figures in the current financial statements, there are no material differences to the net result, total comprehensive result, net assets, total equity, net cashflows or changes in equity. An example of a change in classification is where Roads, Bridges and Footpaths have been combined into one reporting line.

Special Committees established under Section 24 of the *Local Government Act 1993*, have been included in this financial report. All transactions for these committees have been consolidated. All committees and the controlling authority are listed in note 10.2.

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 the 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 7.3.

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 9.6.

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, 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 the valuation of Council's investment in TasWater are discussed in note 5.2.

Landfill / Tip Rehabilitation

Assumptions and judgements used to determine the landfill provision are included at note 7.3

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
Governance and administration						
2019 - 2020	900	7,545	8,445	(2,075)	6,370	38,202
2018 - 2019	884	8,466	9,350	(1,820)	7,530	46,154
Roads, streets and bridges						
2019 - 2020	1,287	887	2,174	(3,003)	(829)	121,277
2018 - 2019	1,054	521	1,575	(3,460)	(1,885)	103,794
Stormwater/ drainage						
2019 - 2020	6	474	480	(450)	30	21,395
2018 - 2019	1,026	-	1,026	(409)	617	21,384
Waste management						
2019 - 2020	-	1,901	1,901	(3,274)	(1,373)	2,121
2018 - 2019	-	1,131	1,131	(12,468)	(11,337)	1,880
Environmental health/ environmental management						
2019 - 2020	-	15	15	(185)	(170)	-
2018 - 2019	-	38	38	(200)	(162)	-
Development and regulatory services						
2019 - 2020	-	1,101	1,101	(1,538)	(437)	-
2018 - 2019	33	1,281	1,314	(1,770)	(456)	-
Buildings and community amenities						
2019 - 2020	6	1,016	1,022	(2,013)	(991)	24,338
2018 - 2019	-	1,039	1,039	(2,310)	(1,271)	24,409
Community and economic development						
2019 - 2020	3	-4	-1	(399)	(400)	4
2018 - 2019	268	33	301	(398)	(97)	4
Parks and reserves						
2019 - 2020	-	18	18	(1,457)	(1,439)	20,508
2018 - 2019	100	23	123	(1,085)	(962)	23,833
Operations						
2019 - 2020	-	1	1	121	122	1,771
2018 - 2019	-	5	5	(5)	-	1,984
Total						
2019 - 2020	2,202	12,954	15,156	(14,273)	883	229,616
2018 - 2019	3,365	12,537	15,902	(23,925)	(8,023)	223,442

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

	2020	2019
	\$'000	\$'000
Current assets	10,724	10,509
Non-current assets	218,892	212,933
	229,616	223,442

(c) 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.

Stormwater/ 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.

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.

Development and regulatory services

Administration of the town planning scheme, subdivisions and urban and rural renewal programs, building permit authority operations, animal control and other regulatory services.

Buildings and community amenities

Operation and maintenance of buildings owned or operated by Council.

Community and economic development

Economic development, visitor information, youth services, community engagement, community grants, cultural events and festivals.

Parks and reserves

Operation and maintenance of public parks and reserves.

Operations

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

	2020 \$'000	2019 \$'000
Note 2.1 Revenue		
Note 2.1 Rates and charges		
Council uses Assessed Annual Value (AAV) valuation to calculate the rates applied of all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO). The AAV used to calculate General Rates for 2019-20 was \$105.9million (2018-19 \$96.9million). The 2019-20 rate in the assessed annual value dollar was 6.1783 cents (2018-19, 6.3138).		
Residential	4,334	3,876
Commercial	306	297
Industrial	382	353
Primary production	829	811
Public institution	280	283
Quarry/mining	1	1
Sporting/recreation	19	19
Vacant	260	245
Supplementary rates and rate adjustments	103	95
Fire levy	416	402
Garbage charge	919	879
Rates and charges in advance	-	255
Less discounts for early payment of rates	(51)	(47)
Less internal rate charges	(53)	(89)
Total rates and charges	7,745	7,380

The date of the latest general revaluation of land for rating purposes within the municipal area was 1 July 2014, and the valuation was first applied in the rating year commencing 1 July 2015. Since that time Council has applied adjustment factors provided by the Office of the Valuer General every two years.

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

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.

Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative

Rates and charges income

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.

	2020 \$'000	2019 \$'000
Note 2.2 Statutory fees and fines		
Animal control	85	70
Building fees	70	73
Health fees and fines	3	19
Town planning fees	172	116
Sundry fees and permits	-	5
Total statutory fees and fines	330	283

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

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.

Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative

Statutory fee and fine income

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.

Note 2.3 User fees		
Building fees	286	342
Hire of facilities	81	97
Hire of halls	-	16
Planning fees	18	7
Property information certificates	109	100
Rent	539	480
Waste management fees	61	64
Other fees and hire charges	24	27
Total user fees	1,118	1,133

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

User fee income

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.

Rental income

Rental income is recognised as revenue when the payment is due. Rental payments received in advance are recognised as payable until they are due.

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.

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

2020
\$'000

2019
\$'000

Accounting policy under AASB 118 and AASB 1004 - applicable for 2019 comparative

User fee income

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

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.

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.

Note 2.4 Grants

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	2,017	1,883
State funded grants	185	1,482
Total	<u>2,202</u>	<u>3,365</u>

Grants - Recurrent

Commonwealth Government Financial Assistance Grants - general purpose	900	884
Commonwealth Government Financial Assistance Grants - roads	787	761
Commonwealth Government Financial Assistance Grants - bridges	19	18
Heavy Vehicle Motor Tax	14	-
Parks and reserves	-	100
Teddy Sheean Memorial Grant	2	-
Cultural Events	3	-
State Local Government Accelerated Capital Program - interest reimbursements	8	-
Planning	-	33
Total recurrent grants	<u>1,733</u>	<u>1,796</u>

2020
\$'000

2019
\$'000

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 completion of infrastructure upgrade projects.

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.

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

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.

The Australian Commonwealth Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads.

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2019-20 by \$876,510 (2018-19, \$843,551). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

Capital grants received specifically for new or upgraded assets

Economic Development - Wild Mersey MTB Tracks	-	268
Stormwater grants	6	1,026
Road safety	15	55
Bus stop upgrades	137	-
Total capital grants specifically for new or upgraded assets	158	1,349

Capital grants received specifically renewal of assets

Roads to Recovery	311	220
Total capital grants specifically for renewal of assets	311	220

Total capital grants	469	1,569
-----------------------------	------------	--------------

	2020 \$'000	2019 \$'000
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	825	70
Less: expended during the current period from revenues recognised in previous reporting periods	(6)	(70)
	819	-
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Perkins Park Redevelopment	-	6
Stormwater grants	-	819
	-	825
Unexpended at the close of this reporting period	819	825
Net increase (decrease) in non-reciprocal grant revenues for the year:	(6)	755

Note 2.5 Contributions

(a) Cash

Open space contributions	39	26
Waste management contributions	600	-
Total	639	26

(b) Non-monetary assets

Land under roads	165	-
Roads	670	202
Drainage	474	117
Buildings	-	-
Total	1,309	319

Total contributions

1,948	345
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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.

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

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.

	2020 \$'000	2019 \$'000
Note 2.6 Interest		
Interest on cash and cash equivalents	164	275
Total	<u>164</u>	<u>275</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 2.7 Other income		
Banksia Centre venue hire	5	8
Camp Banksia venue hire	114	160
Camp Banksia catering revenue	98	154
Port Sorell Caravan Park site hire	391	425
Labour hire to West Coast Council - inside staff	32	40
Labour hire to Kentish Council - inside staff	21	643
Operations labour and plant hire to Kentish Council	-	339
Tax equivalents - Dulverton Waste Management	77	159
Sundry income	430	411
Total other income	<u>1,168</u>	<u>2,339</u>

Accounting policy

Venue hire and caravan park income

Venue hire and caravan park income is recognised as revenue when the payment is due. Rental payments received in advance are recognised as payable until they are due.

Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale	146	15
Write down value of assets disposed	(353)	(103)
Total	<u>(207)</u>	<u>(88)</u>

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.

Note 2.9 Investment revenue from water corporation		
Dividend revenue received	160	217
Tax equivalent received	31	114
Guarantee fee received	-	52
Total investment revenue from water corporation	<u>191</u>	<u>383</u>

Accounting policy

Investment revenue

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

	2020	2019
	\$'000	\$'000
Note 3 Expenses		
Note 3.1 Employee costs		
Wages and salaries	3,185	3,160
Annual leave and long service leave	432	146
Superannuation	330	328
Fringe benefits tax	20	35
Payroll Tax	17	76
Training	4	25
Professional development	3	27
Protective clothing	2	4
Workers compensation insurance	91	65
Contract employee costs	180	351
Other employment related expenses	5	18
	<u>4,269</u>	<u>4,235</u>
Less amounts capitalised	(136)	(314)
Total employee costs	<u>4,133</u>	<u>3,921</u>

Accounting policy

Employee costs

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.

Note 3.2 Materials and services

General materials	418	322
Road maintenance materials	159	117
Infrastructure maintenance materials	111	30
Consumables	52	44
Contracts - buildings & facilities maintenance	693	498
Contracts - other infrastructure maintenance	1,287	847
Dog pound costs	19	60
Fuel	124	142
Fleet maintenance	156	71
Repairs & maintenance	23	277
Minor equipment purchases	41	30
Property holding costs	262	193
Property maintenance costs	128	321
Communications costs	140	58
Marketing and Advertising	70	55
Operating Lease Payments -property	-	7
Levies & Licences	374	280
Legal costs	46	12
Consultants	64	98
General expenses	198	290
IT software & maintenance	42	72
Waste management contracts	267	304
Internal cost allocation	(719)	(88)
Other contracts & services	114	304
Total materials and services	<u>4,069</u>	<u>4,344</u>

	2020	2019
	\$'000	\$'000

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.

Note 3.3 Impairment of receivables

Rates debtors	(134)	32
Other debtors	-	11
Total impairment of receivables	(134)	43

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. Council's policy and events giving rise to impairment losses are disclosed in note 4.2.

Note 3.4 Depreciation and amortisation

Property

Land improvements	277	205
Buildings	639	735

Plant and Equipment

Plant and Equipment	194	213
Computers and telecommunications	57	55

Infrastructure

Roads, bridges and footpaths	1,736	1,947
Drainage	365	353

Right of use assets

right of use assets	5	-
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Intangible assets

Intangible assets	54	-
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Total

	3,327	3,508
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2020
\$'000

2019
\$'000

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, land improvements, 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. Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation rates and methods are reviewed annually.

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

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

	2020	2019
	Years	Years
Land improvements	5-100	5-100
Buildings		
buildings	20-120	20-120
building improvements	20-120	20-120
Leasehold improvements		
leasehold building improvements	20-120	20-120
Plant and Equipment		
plant, machinery and equipment	5-20	5-20
fixtures, fittings and furniture	2-20	2-20
computers and telecommunications	3-5	3-5
Roads		
road surface - unsealed roads	3-7	3-7
road pavement - sub-base	138-204	200
road pavement - sealed basecourse	69-102	70-110
road surface - sealed roads	12-30	18-30
road kerb and channel	80	80
Bridges		
bridges deck	20-80	20-80
Other Infrastructure	25-50	25-50
footpaths and cycleways	20-80	20-80
drainage	50-80	80
Intangible assets		
software configuration	10	10
Right-of-use of assets	Term of lease	

	2020 \$'000	2019 \$'000
Note 3.5 Finance costs		
Interest - Borrowings	9	7
Total finance costs	<u>9</u>	<u>7</u>

Accounting policy

Finance 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.

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.

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.

Note 3.6 Other expenses

External auditors' remuneration (Tasmanian Audit Office)	32	35
Audit panel costs	3	4
Councillors' allowances	173	143
Councillors' expenses	3	-
Councillors training expenses	1	3
Debt recovery costs	-	15
Bank fees	37	27
Election and electoral role expenses	6	63
Electricity & gas	272	200
Fire levies	208	393
Insurance	180	128
Donations/ contributions to community organisations and events	35	50
Valuation fees	-	16
Property management fees	2	6
Registrations and licenses	5	-
Subscriptions & memberships	119	65
Land tax	111	102
Total	<u>1,187</u>	<u>1,250</u>

Accounting policy

Other expenses

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.

	2020 \$'000	2019 \$'000
Note 4 Current Assets		
Note 4.1 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	351	941
Special committee bank accounts	84	1,030
Money market call account	505	1,313
Term deposits	8,200	6,357
Total cash and cash equivalents	9,142	9,643

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:

i) Trust funds and deposits (note 7.2)	380	265
ii) Contract liabilities- capital grants in advance (note 7.5)	819	825
iii) Grants received in advance (note 2.4)	877	844
Restricted funds	2,076	1,934
Total unrestricted cash and cash equivalents	7,066	7,709

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 six months or less, net of outstanding bank overdrafts.

Restricted funds

- i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.

Note 4.2 Trade and other receivables

Current

Rates debtors	244	160
less provision for impairment - rates debtors	(15)	(127)
Other debtors	68	352
less provision for impairment - other debtors	(2)	(23)
Resource sharing debtor - Kentish Council	888	-
Net GST receivable	170	18
Total	1,353	380

	2020	2019
	\$'000	\$'000
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	(150)	
Amounts written off during the year		
Amounts recovered during the year		
Increase / (decrease) in provision (rates debtors) recognised in profit or loss	112	
Increase / (decrease) in provision (other debtors) recognised in profit or loss	21	
Carrying amount at 30 June	<u>(17)</u>	
Reconciliation of movement in expected credit loss		
Carrying amount at 30 June 2018 under AASB 139		(106)
Increase / (decrease) in provision recognised in profit or loss		<u>(44)</u>
Carrying amount at 30 June		<u>(150)</u>

For ageing analysis of the financial assets, refer to note 9.10

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 4.3 Investments

Current

Loans and advances to community organisations	<u>-</u>	<u>8</u>
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Note 4.4 Inventories

Inventories held for distribution	95	89
Total inventories	<u>95</u>	<u>89</u>

Accounting policy

Inventories

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

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

Note 4.5 Other assets

Current

Prepayments	79	81
Accrued income	55	308
Total	<u>134</u>	<u>389</u>

* Accrued income only includes items that are reciprocal in nature.

	2020	2019
	\$'000	\$'000
Note 5 Investments		
Note 5.1 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Dulverton Regional Waste Management Authority	2,121	1,879
Total	2,121	1,879
Dulverton Regional Waste Management Authority		
<i>Background</i>		
Council is a member of the Dulverton Regional Waste Management Joint Authority, a Joint Authority established under the <i>Local Government Act 1993</i> . The primary activity of Dulverton is to operate regional landfill site. Other members in the Joint Authority are Devonport City, Central Coast and Kentish Councils.		
Council's ownership interest in the Authority at 30 June 2020 was 11.25% (2019: 11.25%). The proportion of voting power held in the Authority is 25%.		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	1,344	1,004
Reported surplus(deficit) for year	297	426
Distributions for the year	(68)	(87)
Council's share of accumulated surplus(deficit) at end of year	<u>1,573</u>	<u>1,343</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	411	406
Transfers (to) from reserves	19	5
Council's share of reserves at end of year	<u>430</u>	<u>411</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,880	1,563
Share of surplus(deficit) for year	297	426
Share of asset revaluation	19	5
Distributions received	(68)	(87)
Prior year adjustments	(7)	(28)
Carrying value of investment at end of year	<u>2,121</u>	<u>1,879</u>
<i>Council's share of expenditure commitments</i>		
Operating commitments	-	3
Capital commitments	-	79
	<u>-</u>	<u>82</u>
<i>Council's share of contingent liabilities and contingent assets</i>	136	133

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
Note 5.2 Investment in water corporation		
Opening balance	34,954	30,507
Fair Value adjustments on equity investment assets	(8,113)	4,447
Total investment in water corporation	26,841	34,954

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 at 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 holds 1.88% ownership interest in TasWater (2019, 1.9%) which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets	2020	2019
Note 6.1 Property, infrastructure, plant and equipment	\$'000	\$'000
Summary		
at cost	6,128	6,674
Less accumulated depreciation	(2,437)	(2,332)
	<u>3,691</u>	<u>4,342</u>
at fair value as at 30 June	266,566	247,605
Less accumulated depreciation	(80,884)	(76,389)
	<u>185,682</u>	<u>171,216</u>
Total	<u>189,373</u>	<u>175,558</u>
Property		
Land		
at fair value as at 30 June	14,030	18,456
	<u>14,030</u>	<u>18,456</u>
Land under roads		
at fair value at 30 June	24,302	19,737
	<u>24,302</u>	<u>19,737</u>
Land improvements		
at fair value at 30 June	10,050	8,102
Less accumulated depreciation	(3,849)	(3,321)
	<u>6,201</u>	<u>4,781</u>
Total Land	<u>44,533</u>	<u>42,974</u>
Buildings		
at fair value as at 30 June	50,092	43,892
Less accumulated depreciation	(25,876)	(20,213)
	<u>24,216</u>	<u>23,679</u>
Total Buildings	<u>24,216</u>	<u>23,679</u>
Total Property	<u>68,749</u>	<u>66,653</u>
Plant and Equipment		
Plant, machinery and equipment		
at cost	3,557	3,595
Less accumulated depreciation	(1,786)	(1,738)
	<u>1,771</u>	<u>1,857</u>
Computers and telecommunications		
at cost	788	788
Less accumulated depreciation	(651)	(594)
	<u>137</u>	<u>194</u>
Total Plant and Equipment	<u>1,908</u>	<u>2,051</u>
Infrastructure		
Roads, Bridges and Footpaths		
at fair value as at 30 June	137,900	128,490
Less accumulated depreciation	(41,650)	(44,706)
	<u>96,250</u>	<u>83,784</u>
Drainage		
at fair value as at 30 June	30,192	28,928
Less accumulated depreciation	(9,509)	(8,149)
	<u>20,683</u>	<u>20,779</u>
Total Infrastructure	<u>116,933</u>	<u>104,563</u>

Works in progress		
Land at cost	-	286
Land improvements at cost	277	311
Buildings at cost	115	730
Plant and equipment at cost	-	101
Computers furniture and fittings at cost	18	-
Roads, bridges and footpaths at cost	639	192
Drainage at cost	713	605
Other	21	66
Total Works in progress	1,783	2,291
Total property, infrastructure, plant and equipment	189,373	175,558

Note 6.1 Property, infrastructure, plant and equipment (cont.)

Reconciliation of property, infrastructure, plant and equipment

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	18,456	-	(1,889)	-	-	(2,536)	14,031
Land under roads	19,737	165	4,400	-	-	-	24,302
Land improvements	4,781	-	735	(277)	-	961	6,200
Total land	42,974	165	3,246	(277)	-	(1,575)	44,533
Buildings	23,679	-	(239)	(639)	-	1,415	24,216
Total buildings	23,679	-	(239)	(639)	-	1,415	24,216
Total property	66,653	165	3,007	(916)	-	(160)	68,749
Plant and Equipment							
Plant, machinery and equipment	1,857	-	-	(194)	(221)	329	1,771
Computers and telecommunications	195	-	-	(57)	-	-	138
Total plant and equipment	2,052	-	-	(251)	(221)	329	1,909
Infrastructure							
Roads, bridges and footpaths	83,784	670	12,675	(1,736)	(131)	987	96,249
Drainage	20,779	474	(703)	(365)	(1)	498	20,682
Total infrastructure	104,563	1,144	11,972	(2,101)	(132)	1,485	116,931
Land at cost	286	338	-	-	-	(624)	-
Land improvements at cost	311	897	-	-	-	(930)	278
Buildings at cost	730	572	-	-	-	(1,187)	115
Plant and equipment at cost	101	263	-	-	-	(365)	(1)
Computers furniture and fittings at cost	-	47	-	-	-	(29)	18
Roads, bridges and footpaths at cost	192	1,673	-	-	-	(1,227)	638
Drainage at cost	605	494	-	-	-	(386)	713
Other	66	23	-	-	-	(68)	21
Total works in progress	2,291	4,307	-	-	-	(4,816)	1,782
Total property, infrastructure, plant and equipment	175,559	5,616	14,979	(3,268)	(353)	(3,160)	189,371

*The balance of transfers out of property, infrastructure, plant and equipment assets of \$3.16 million represents the opening balance of leased land with nominal or "peppercorn" rentals offset against the opening balance of asset revaluation reserves on adoption of AASB 16 Leases. Also see notes 9.1 and 10.3(g)(ii).

Note 6.1 Property, infrastructure, plant and equipment (cont.)

Reconciliation of property, infrastructure, plant and equipment

2019	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	18,444	-	-	-	-	12	18,456
Land under roads	19,737	-	-	-	-	-	19,737
Land improvements	4,285	-	-	(205)	-	701	4,781
Total land	42,466	-	-	(205)	-	713	42,974
Buildings	24,146	-	-	(735)	(3)	271	23,679
Total buildings	24,146	-	-	(735)	(3)	271	23,679
Total property	66,612	-	-	(940)	(3)	984	66,653
Plant and Equipment							
Plant, machinery and equipment	1,869	-	-	(213)	(33)	234	1,857
Computers and telecommunications	228	-	-	(55)	-	22	195
Total plant and equipment	2,097	-	-	(268)	(33)	256	2,052
Infrastructure							
Roads, bridges & footpaths	84,226	205	-	(1,947)	(56)	1,355	83,783
Drainage	20,334	117	-	(353)	(11)	692	20,779
Total infrastructure	104,560	322	-	(2,300)	(67)	2,047	104,562
Works in progress							
Land at cost	-	298	-	-	-	(12)	286
Land improvements at cost	210	802	-	-	-	(701)	311
Buildings at cost	54	947	-	-	-	(271)	730
Plant and equipment at cost	16	319	-	-	-	(234)	101
Computers furniture and fittings at cost	-	21	-	-	-	(21)	-
Roads, bridges and footpaths at cost	439	1,108	-	-	-	(1,355)	192
Drainage at cost	551	747	-	-	-	(693)	605
Other	83	(17)	-	-	-	-	66
Total works in progress	1,353	4,225	-	-	-	(3,287)	2,291
Total property, infrastructure, plant and equipment	174,622	4,547	-	(3,508)	(103)	-	175,558

Note 6.1 Property, infrastructure, plant and equipment (cont.)

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, plant and equipment and infrastructure 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
Land	
Land	10
Land under roads	10
Land improvements	10
Buildings	
Buildings	10
Building improvements	10
Leasehold building improvements	10
Heritage buildings	10
Plant and Equipment	
Plant, machinery and equipment	5
Fixtures, fittings and furniture	5
Computers and telecommunications	5
Leased plant and equipment	5
Roads	
Road pavements and seals	10
Road substructure	10
Road formation and earthworks	10
Road kerb, channel and minor culverts	10
Road other	10
Bridges	
Bridges deck	10
Bridges substructure	10
Bridges other	10
Other Infrastructure	
Footpaths and cycleways	10
Drainage	10
Recreational, leisure and community facilities	10
Waste management	10
Parks, open space and streetscapes	10
Off street car parks	10
Other infrastructure	10

Note 6.1 Property, infrastructure, plant and equipment (cont.)

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
Investment in water corporation	fair value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture, fittings and office equipment and intangible assets, 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

Council recognised the value of land under roads it controls at fair value.

	2020 \$'000	2019 \$'000
Note 6.2 Intangible assets		
Software configuration	530	542
Total intangible assets	530	542
Reconciliation of intangible assets - software configuration		
Gross carrying amount		
Balance at 1 July	542	160
Additions	42	382
Balance at 30 June	584	542
Accumulated amortisation and impairment		
Balance at 1 July	-	-
Amortisation expense	(54)	-
Balance at 30 June	(54)	-
Net book value at 30 June	530	542

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful lives for current and comparative periods are as follows:

Software configuration	10 years
------------------------	----------

Note 6.3 Right-of-use assets

a) Right-of-use assets

	Property	Property
Gross carrying amount		
Balance at 1 July	-	-
Adoption of AASB 16	32	-
Balance at 30 June	32	-
Accumulated amortisation		
Balance at 1 July	-	-
Amortisation Expense	(5)	-
Balance at 30 June	(5)	-
Net book value at 30 June	27	-

Accounting policy under AASB 16 - Applicable from 1 July 2019

Leases - Council as Lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 7.4 for details on accounting policy of lease liability.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

All right-of-use assets are measured as described in the accounting policy for property, infrastructure, plant and equipment in Note 6.1. Also, Council applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the aforesaid note.

2020
\$'000

2019
\$'000

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Refer to note 10.3 for further details on adoption of AASB 16.

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	392	81
Accrued expenses	805	738
Resource sharing payables - Kentish Council	338	113
Total trade and other payables	1,535	932

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 60 days of invoice receipt.

For ageing analysis of trade and other payables, refer to note 9.10

Note 7.2 Trust funds and deposits

Refundable bonds and deposits	380	265
Tenancy bonds - Elderly Persons Units	107	115
Total trust funds and deposits	487	380
Non-current		
Tenancy bonds - Elderly Persons Units	279	378
Total trust funds	766	758

Note 7.3 Provisions

	Annual leave	Long service leave	Landfill restoration	Other	Total
2020	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	478	456	12,959	135	14,028
Additional provisions	300	117	1,475	112	2,004
Amounts used	(282)	(44)	(716)	-	(1,042)
Balance at the end of the financial year	496	529	13,718	247	14,990
Current	496	469	183	236	1,384
Non-Current	-	60	13,536	11	13,606
Total	496	529	13,719	247	14,990
2019					
Balance at beginning of the financial year	461	577	3,320	86	4,444
Additional provisions	116	(89)	10,765	49	10,842
Amounts used	(99)	(32)	(1,126)	-	(1,257)
Balance at the end of the financial year	478	456	12,959	135	14,029
Current	478	439	355	135	1,407
Non-Current	-	17	12,604	-	12,622
Total	478	456	12,959	135	14,029

	2020 \$'000	2019 \$'000
Accounting policy		
Employee benefits		
<i>i) Short term obligations</i>		
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.		
<i>ii) Other long term employee benefit obligations</i>		
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.		
<i>iii) Sick leave</i>		
No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.		
<i>iv) Defined benefit plans</i>		
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 <i>Employee Benefits</i> , Council does not use defined benefit accounting for these contributions.		
<i>v) Defined contribution plans</i>		
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

Accounting policy

Landfill restoration

Under legislation Council is obligated to restore the former Port Sorell landfill site to a particular standard. The site no longer operates as a landfill site and testing is underway to determine the extent of restoration required. 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 current understanding of work required to reinstate the site to a suitable standard and costs for independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Note 7.4 Lease liabilities

Current	7	-
Non-Current	20	-
Total	27	-

Lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

As at 30 June 2020	Minimum lease payments due						Total
	Within	1-2	2-3	3-4	4-5	After 5	
	1 Year	Years	Years	Years	Years	Years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	7	7	7	7	-	-	28
Finance charges*	(0)	(0)	(0)	(0)	-	-	(1)
Net present value	7	7	7	7	-	-	27

*Annual unrounded finance charges equal \$336.47. The unrounded total over the four years equals \$1,345.88.

Accounting policy under AASB 16 - Applicable from 1 July 2019

Leases - Council as Lessee

The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease. Where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

Short-term leases and leases of low-value assets

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$10,000 or less. Council recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

	2020 \$'000	2019 \$'000
Note 7.5 Contract Liabilities		
Current		
Rates and charges in advance	258	-
Non-Current		
Unexpended grants	819	-
Total contract liabilities	1,077	-

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

Council recognised the following contact 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 flood mitigation of Latrobe. 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.

Note 8 Non-current liabilities
Note 8.1 Interest-bearing loans and borrowings

Non-current

Borrowings - secured	250	250
Total	250	250

Borrowings

The maturity profile for Council's borrowings is:

Later than one year and not later than five y	250	250
Total	250	250

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	Other financial information	Balance at beginning of reporting year	Opening adjustment	Increment	(Decrement)	Balance at end of reporting year
Note 9.1	Reserves	\$'000	\$'000	\$'000	\$'000	\$'000
	(a) Asset revaluation reserve					
	2020					
	Land & land under roads	14,168	(3,160)	2,511	-	13,519
	Land improvements	1,504	-	734	-	2,238
	Buildings	12,447	-	-	(240)	12,207
	Fixtures, Fittings and furniture	4	-	-	-	4
	Subtotal - property	28,123	(3,160)	3,245	(240)	27,968
	Infrastructure					
	Roads, Bridges & footpaths	57,988	-	12,648	-	70,636
	Stormwater & drainage	12,076	-	-	(703)	11,373
	Off street car parks	714	-	-	-	714
	Subtotal - infrastructure	70,778	-	12,648	(703)	82,723
	Total asset revaluation reserve	98,901	(3,160)	15,893	(943)	110,691
	2019					
	Property					
	Land under roads	14,168	-	-	-	14,168
	Land improvements	1,504	-	-	-	1,504
	Buildings	12,447	-	-	-	12,447
	Fixtures, Fittings and furniture	4	-	-	-	4
	Subtotal - property	28,123	-	-	-	28,123
	Infrastructure					
	Roads, Bridges & footpaths	57,988	-	-	-	57,988
	Stormwater & drainage	12,076	-	-	-	12,076
	Off street car parks	714	-	-	-	714
	Subtotal - infrastructure	70,778	-	-	-	70,778
	Total asset revaluation reserve	98,901	-	-	-	98,901
	The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets. The opening adjustment relates to the revaluation of leased land with nominal or "peppercorn" rentals on adoption of AASB 16 Leases.					
	(b) Fair value reserve					
	2020					
	Equity Investment assets					
	Investment in water corporation	8,319	-	-	(8,113)	206
	Total fair value reserve	8,319	-	-	(8,113)	206
	2019					
	Equity Investment assets					
	Investment in water corporation	3,872	-	4,447	-	8,319
	Total fair value reserve	3,872	-	4,447	-	8,319
	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. Equity Investment assets within the Fair value reserve were previously classified as 'Available-for-sale assets'.					
	(c) Other reserves					
	2020					
	Share in reserves of associate					
	Associate - Dulverton Regional Waste Management Authority (note 5.1)	411	-	19	-	430
	Total other reserves	411	-	19	-	430
	2019					
	Share in reserves of associate					
	Associate - Dulverton Regional Waste Management Authority (note 5.1)	406	-	5	-	411
	Total other reserves	406	-	5	-	411
	Total Reserves				2020	2019
					\$'000	\$'000
					111,327	107,631

	2020	2019
	\$'000	\$'000
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	883	(8,023)
Depreciation/amortisation	3,327	3,508
(Profit)/loss on disposal of property, infrastructure, plant and equipment	207	88
Capital grants received specifically for new or upgraded assets	(469)	(1,569)
Share of Associates Profit/ Loss	(223)	(312)
Cash contribution capital	(639)	
Contributions of non-monetary assets	(1,309)	(319)
Elderly Persons Unit income	(107)	(115)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(973)	238
Decrease/(increase) in other assets	263	162
Decrease/(increase) in inventories	(6)	21
Increase/(decrease) in trade and other payables	603	(258)
Increase/(decrease) in provisions	961	9,584
Increase/(decrease) in other liabilities	5	-
Net cash provided by/(used in) operating activities	2,522	3,005

Note 9.3 Reconciliation of liabilities arising from financing activities

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.

	Trust funds, interest-bearing loans and borrowings
	\$'000
Balance as at 1 July 2019	1,008
Adjustment due to AASB16 adoption	32
Restated balance as at 1 July 2019	1,040
Amortisation of elderly persons units donor fees	(107)
Other movements	2
Changes from financing cash flows:	
Cash received	115
Cash repayments	(7)
Balance as at 30 June 2020	1,043
Balance as at 1 July 2018	1,295
Changes from financing cash flows:	
Cash repayments	(172)
Balance as at 30 June 2019	1,008

Note 9.4 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 4.1)	9,142	9,643
Total reconciliation of cash and cash equivalents	9,142	9,643

Note 9.5 Financing arrangements

Bank overdraft	25	25
Unused facilities	25	25

Note 9.6 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 \$10,792 (2018-19, \$13,058), and the amount paid to accumulation schemes was \$319,493 (2018-19, \$314,375).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$11,061, and the amount to be paid to accumulation schemes is \$327,481.
- 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.

Note 9.6 Superannuation (Cont)	2020 \$'000	2019 \$'000
Defined benefits fund		
Employer contributions	11	13
Accumulation funds		
Employer contributions	319	314
Note 9.7 Commitments		
Capital Expenditure Commitments		
Buildings	215	291
Plant and equipment and miscellaneous	208	233
Roads	1,331	682
Drainage	165	330
Land Improvements	210	506
Intangible assets	4	-
Total Capital expenditure commitments	2,133	2,041
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Garbage and recycling collection and disposal	821	888
IT support contract	136	116
Cradle Coast Authority	88	73
LGAT	41	37
Total contractual commitments	1,086	1,114
Note 9.8 Operating leases	2020	2019
(a) Operating lease commitments under AASB 117 - applicable for 2019 comparatives	\$'000	\$'000
Council as lessee - Lease of photocopier		
At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	-	1
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	1
(b) Operating lease maturity receivables - applicable for 2019 comparatives		
Lease of commercial premises		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	-	43
Later than one year and not later than five years	-	6
Later than five years	-	-
	-	49
Total contingent rents recognised as income in the period	-	480
ii) Maturity analysis of operating lease payments to be received - Adoption of AASB 16		
Year 1	42	-
Year 2	18	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
Year 6 and onwards	-	-
Total	60	-
The following table presents the amounts reported in profit or loss:		
Lease income on operating leases	36	-
Therein lease income relating to variable lease payments that do not depend on an index or rate	-	-

Note 9.9 Contingent liabilities and contingent assets

Contingent liabilities

Council is currently considering options and costs for the rehabilitation of the former Port Sorell landfill site in Alexander Street, Shearwater. A rehabilitation provision has been established (note 7.3) and increased during 2020 based on the latest advice received. Testing is currently underway to determine the extent of rehabilitation required however the provision established may not be sufficient.

Guarantees for loans to other entities

Council does not have any guarantees or loans to other entities.

Contingent assets

Council is unaware of any contingent assets.

Note 9.10 Financial Instruments

(a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and non-lease financial liabilities, both recognised and unrecognised, at balance date are as follows. For lease liabilities refer to Note 7.4.

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		
Financial assets							
Cash and cash equivalents	1.17%	942	8,200	-	-	-	9,142
Trade and other receivables	0.00%	244	-	-	-	1,109	1,353
Investment in water corporation		-	-	-	-	26,841	26,841
Total financial assets		1,186	8,200	-	-	27,950	37,336
Financial liabilities							
Trade and other payables		-	-	-	-	1,534	1,534
Trust funds and deposits		-	-	-	-	766	766
Interest-bearing loans and borrowings	6.64%	-	-	250	-	-	250
Total financial liabilities		-	-	250	-	2,300	2,550
Net financial assets (liabilities)		1,186	8,200	(250)	-	25,650	34,786

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		
Financial assets							
Cash and cash equivalents	1.69%	3,286	6,357	-	-	-	9,643
Investments	0.00%	-	-	-	-	8	8
Trade and other receivables	8.81%	160	-	-	-	220	380
Investment in water corporation		-	-	-	-	34,954	34,954
Total financial assets		3,446	6,357	-	-	35,182	44,985
Financial liabilities							
Trade and other payables		-	-	-	-	932	932
Trust funds and deposits		-	-	-	-	758	758
Interest-bearing loans and borrowings	6.64%	-	-	250	-	-	250
Total financial liabilities		-	-	250	-	1,690	1,940
Net financial assets (liabilities)		3,446	6,357	(250)	-	33,492	43,045

Note 9.10 Financial Instruments (cont.)

(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	9,142	9,643	9,142	9,643
Other financial assets	0	8	0	8
Trade and other receivables	1,353	380	1,353	380
Investment in water corporation	26,841	34,954	26,841	34,954
Total financial assets	37,336	44,985	37,336	44,985
<i>Financial liabilities</i>				
Trade and other payables	1,534	932	1,534	932
Trust funds and deposits	766	758	766	758
Lease Liabilities	27	-	27	-
Interest-bearing loans and borrowings	250	250	259	250
Total financial liabilities	2,577	1,940	2,586	1,940

(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 either from Tasmanian Public Finance Corporation or from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. 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 Commonwealth regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions 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 9.9.

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

	Financial Institutions	Government agencies	Other	Total
2020				
Cash and cash equivalents	9,142	-	-	9,142
Trade and other receivables	-	-	1,353	1,353
Investments and other financial assets	-	-	-	-
Total contractual financial assets	9,142	-	1,353	10,495
2019				
Cash and cash equivalents	9,643	-	-	9,643
Trade and other receivables	-	-	379	379
Investments and other financial assets	-	-	8	8
Total contractual financial assets	9,643	-	387	10,030

Ageing of Trade and Other Receivables

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

	2020 \$'000	2019 \$'000
Current (not yet due)	1,054	70
Past due by up to 30 days	0	45
Past due between 31 and 180 days	36	245
Past due between 181 and 365 days	15	33
Past due by more than 1 year	121	(13)
Total Trade & Other Receivables	1,226	380

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$16,976 (2018-19: \$138,614) were impaired. The amount of the provision raised against these debtors was \$16,976 (2018-19: \$138,614). The individually impaired debtors relate to rate 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:

	2020 \$'000	2019 \$'000
Past due between 31 and 180 days	1	8
Past due by more than 1 year	16	131
Total Trade & Other Receivables	17	139

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.

The table below lists the contractual maturities for non-lease Financial Liabilities. For lease liabilities refer to Note .

These amounts represent the discounted cash flow payments (i.e. 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	1,535	-	-	-	-	1,535	1,535
Trust funds and deposits	487	-	279	-	-	766	766
Interest-bearing loans and borrowings	-	-	250	-	-	250	250
Total financial liabilities	2,022	-	529	-	-	2,551	2,551

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	932	-	-	-	-	932	932
Trust funds and deposits	380	-	378	-	-	758	758
Interest-bearing loans and borrowings	-	-	250	-	-	250	250
Total financial liabilities	1,312	-	628	-	-	1,940	1,940

(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 + 1% and -2% in market interest rates (AUD).

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			
		-2 %		+1%	
		-200 basis points		+100 basis points	
2020	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	9,142	(183)	(183)	91	91
Investments	-	-	-	-	-
Trade and other receivables	1,353	(27)	(27)	14	14
Financial liabilities:					
Interest-bearing loans and borrowings	250	(5)	(5)	3	3

		Interest rate risk			
		-1 %		+1%	
		-200 basis points		+100 basis points	
2019	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	9,643	(96)	(96)	96	96
Investments	-	-	-	-	-
Trade and other receivables	380	(4)	(4)	4	4
Financial liabilities:					
Interest-bearing loans and borrowings	250	(5)	(5)	3	3

Note 9.11 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
 - Buildings
 - Roads, including footpaths & cycleways
 - Bridges
 - 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
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	26,841	26,841
Land	6.1	-	14,030	-	14,030
Land under roads	6.1	-	-	24,302	24,302
Land Improvements	6.1	-	-	6,201	6,201
Buildings	6.1	-	-	24,216	24,216
Roads, bridges, footpaths & cycleways	6.1	-	-	96,250	96,250
Drainage	6.1	-	-	20,683	20,683
		-	14,030	198,493	212,523

As at 30 June 2019

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	34,954	34,954
Land	6.1	-	18,456	-	18,456
Land under roads	6.1	-	-	19,737	19,737
Land Improvements	6.1	-	-	4,781	4,781
Buildings	6.1	-	-	23,679	23,679
Roads, bridges, footpaths & cycleways	6.1	-	-	83,784	83,784
Drainage	6.1	-	-	20,779	20,779
		-	18,456	187,714	206,170

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

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

Land

Land fair values were revalued in 2020 by Council Engineering Officers. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

Land under roads

Land under roads is based on council valuations at 30 June 2020 using average per square metre property value rates supplied by the Valuer General.

Buildings

Building assets were revalued in 2020 by Council Engineering Officers.

Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

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). These other inputs are not significant to the overall valuation.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) 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 the assumption 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.

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

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Roads, including footpaths & cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads and collector / commercial or residential roads. Urban roads are managed in segments according to the typical street block, while rural roads are managed in segments according to changes in key characteristics such as road width, or date of sealing. All road segments are then compartmentised into formation, sub-pavement, 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; 400mm (200mm sub-base plus 200mm base-course) for urban collector / commercial roads; 350mm (150mm sub-base and 200mm base course) for rural collector / commercial roads; 300mm (150mm sub-base and 150mm base course) for urban residential and rural residential roads; and 200mm (100mm sub-base and 100mm wearing surface) for unsealed roads. 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.

Note 9.11 Fair Value Measurements (cont.)

Bridges

A full valuation of bridges assets was undertaken in 2020 by Council Engineering Officers. 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 assets was undertaken in 2020 by Council Engineering Officers. Similar to roads, stormwater and 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.

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) \$'000	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in water corporation	\$26,841		refer to note 5.2	

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 property plant and equipment assets with recurring fair value measurements are detailed in note 6.1 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 5.2.

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 5.2 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.

The fair value of borrowings disclosed in note 8.1 equates to the carrying amount as the carrying amount approximates fair value (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 9.12 Events occurring after balance date

- (a) There are no subsequent events after 30 June 2020 that have a material impact on the accounts.

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	Councillor Peter Freshney - Mayor (2011 - current)
	Councillor Graeme Brown - Deputy Mayor (2014 - current)
	Councillor Mike McLaren (1999-2002 and 2003 - current)
	Councillor Garry Sims (1994 - current)
	Councillor Gerrad Wicks (2014 - current)
	Councillor Lesley Young (2009 - current)
	Councillor Vonette Mead (Nov 2018 - current)
	Councillor Sommer Metske (Nov 2018 - current)
	Councillor Shayne (Cush) Allison (Nov 2018 - current)

General Manager Gerald Monson (July 2007 - current)

(ii) Councillor Remuneration

2020

Position	Period	Short term employee benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$	\$	\$	\$
Mayor	Full Year	44,988	2,392	47,380	-	47,380
Deputy Mayor	Full Year	25,157	93	25,250	-	25,250
Councillors	Full Year	89,976	-	89,976	-	89,976
Total		160,121	2,485	162,606	-	162,606

2019

Position	Period	Short term employee benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$	\$	\$	\$
Mayor	Full Year	43,850	-	43,850	-	43,850
Deputy Mayor	Full Year	24,520	-	24,520	-	24,520
Councillors	Full Year	87,700	-	87,700	105	87,805
Total		156,070	-	156,070	105	156,175

¹ 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).

² Section 72(1)(c) of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

(iii) Key Management Personnel Remuneration

2020	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	
\$160 001 - \$180 000	1	141,338	-	-	15,060	13,427	-	10,126	179,951
\$240 001 - \$260 000	1	195,050	-	-	16,274	18,530	-	19,081	248,935
									-
Total		336,388	-	-	31,334	31,957	-	29,207	428,886

Less key management personnel services hired to Kentish Council (estimated at 0.9 FTE)	(196,448)
Add key management personnel services hired from Kentish (estimated 1.1 FTE)	145,079
Net cost of key management personnel services 2020	377,517

2019	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	
\$120 001 - \$140 000	1	109,284	-	-	-	10,298	-	(4,270)	115,312
\$140 001 - \$160 000	2	126,673	-	-	16,059	11,949	-	2,044	156,724
\$220 001 - \$240 000	1	188,645	-	-	16,274	23,469	-	(6,493)	221,895
									-
Total		424,601	-	-	32,332	45,716	-	(8,719)	493,931

Less key management personnel services hired to Kentish Council (estimated at 1.5 FTE)	(230,105)
Add key management personnel services hired from Kentish (estimated 0.5 FTE)	156,588
Net cost of key management personnel services 2019	420,414

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

² 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. [This includes such items as retention bonuses in culmination with termination.]

³ 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).

⁴ Other allowances and 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.

⁵ Superannuation means the contribution to the superannuation fund of the individual.

⁶ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁷ Non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

⁸ Due to a restructure implemented during the 2019 year the number of employees considered to be key management personnel is now 2 not 4.

⁹ Key management personnel are hired from and to Kentish Council as required.

(iv) Remuneration Principles

Councillors

Councillor allowances and expenses are paid in accordance with section 42 and 43 of the Local Government (General) Regulations 2015

Executives

Remuneration levels for key management personnel are set in accordance with market based salaries relative to the responsibilities and accountability of the position.

The employment terms and conditions of senior executives are contained either in council's Enterprise Agreement or 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.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package.

(v) Transactions with associates

Council's interests in associates is detailed in note 5.1

The following transactions occur with Dulverton Regional Waste Management Authority

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provisions for doubtful debts related outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from related parties</i>
<i>Waste disposal services (1)</i>	\$651,035	\$81,409	<i>30-day terms on invoices</i>	\$0	\$0
<i>National Taxation Equivalent Regime (2)</i>	\$137,354	\$0	<i>As per section 71 of the Government Business Enterprises Act 1995</i>	\$0	\$0
<i>Dividends (3)</i>	\$67,500	\$0	<i>As determined by the Board of Dulverton Waste management Authority</i>	\$0	\$0

¹ Council incurs gate fees for disposal of waste as part of its kerbside waste collection services and disposal of waste transferred from its waste transfer stations. Amounts are payable monthly.

² As part owner of the Dulverton Regional Waste management Authority, council receives quarterly income tax equivalent payments from the authority.

³ As part owner of the Dulverton Regional Waste Management Authority, council receives dividends payments as declared by the board of the authority.

(iv) **Transactions with related parties**

During the period Council entered into the following transactions with related parties.

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Building maintenance repairs (1)	\$9,792	\$9,367	30-day terms on invoices	\$0	\$0
Commercial Lease and reimbursement of utilities (2)	\$32,372	\$5,595	30-day terms on invoices	\$0	\$0

¹ Council has engaged a related party to undertake repairs and maintenance on some council buildings.

² Council leased commercial premises to two separate related parties of Key Management Personnel during 2019-20. The terms and conditions under the lease agreements were based on normal rates for such leases and payments were due and payable under normal payment terms.

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.

(v) **Loans and guarantees to/from related parties**

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party was nil.

(vi) **Commitments to/from related parties**

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party was nil.

(vii) **Transactions with related parties that have not been disclosed**

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

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

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

Note 10.2 Special committees and other activities

The Council has established a number of Special Committees under section 24 and a controlling authority under section 29 of the *Local Government Act 1993* to manage Council facilities on its behalf. These Special Committees and Controlling Authority do not have separate legal identity to Council and their income, expenditure, assets and liabilities are included in Council's Statement of Comprehensive Income and Statement of Financial Position.

2020

Special Committees and Controlling Authority of Council include Axeman's Hall of Fame Management Committee, Banksia Facilities Management Committee, Bells Parade Development Committee, Elderly Persons Units Advisory Committee, Latrobe Cemetery Committee, Latrobe and Districts Youth Centre Management Committee, Latrobe Council Economic Development Committee, Latrobe Sport and Recreation Management Committee, Latrobe Tree Planting Committee, Moriarty Hall Committee, Port Sorell Advisory Committee, Port Sorell Caravan Park Committee and the Port Sorell Memorial Hall Controlling Authority.

Council is also a member of two Joint Authorities, the Cradle Coast Authority and Dulverton Regional Waste Management Authority. The Council is a member of the Mersey Regional Emergency Management Committee.

2019

Special Committees and Controlling Authority of Council include Axeman's Hall of Fame Management Committee, Banksia Facilities Management Committee, Bells Parade Development Committee, Elderly Persons Units Advisory Committee, Latrobe Cemetery Committee, Latrobe and Districts Youth Centre Management Committee, Latrobe Sport and Recreation Management Committee, Latrobe Tree Planting Committee, Moriarty Hall Committee, Port Sorell Advisory Committee, Port Sorell Caravan Park Committee and the Port Sorell Memorial Hall Controlling Authority.

Council is also a member of two Joint Authorities, the Cradle Coast Authority and Dulverton Regional Waste Management Authority. The Council is a member of the Mersey Regional Emergency Management Committee.

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. These include:

(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

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

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

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

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

AASB 15 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, treatment of contracts costs and contracts which contain a financing element. Under the new income recognition model applicable to not-for-profit entities, Council determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), Council applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, Council considers whether AASB1058 applies.

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

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

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

Council has elected to measure a class (or classes) of right-of-use assets arising under 'peppercorn (Concessionary) leases' at initial recognition at cost, in accordance with AASB 16.23-25, which incorporates the amount of initial measurement of the lease liability. Refer to notes 6.1 and 9.1 for details of the impact on various opening balances resulting from this election.

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

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

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

Statement of Comprehensive Income (Extract)	Reference	Note	Amounts under AASB 118 & 1004	Adjustment	Amounts under AASB 15 & 1058
Recurrent income			\$'000	\$'000	\$'000
Rates and charges	2.1	1	7,380	(255)	7,125
Capital Grants	2.4	2	1,569	(825)	744
Statement of Financial Position (Extract)	Reference	Note	Amounts under AASB 118 & 1004	Adjustment	Amounts under AASB 15 & 1058
			\$'000	\$'000	\$'000
Current liabilities					
Contract liabilities	7.5	1	-	(255)	(255)
Non-current liabilities					
Contract liabilities	7.5	2	-	(825)	(825)
Equity					
Accumulated surplus			99,842	(1,080)	98,762

- 1 Prepaid rates received prior to the beginning of a rating period, are now held as a financial liability until the commencement of statutory rating period at which point Council recognises rate income.
- 2 Capital grants 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.

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

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

(ii) AASB 16 Leases

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

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

AASB 16 has resulted in one of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which are disclosed in note 9.8.

The calculation of the lease liability has taken into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets has been recognised, which has been amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases has been through amortisation and interest charges. Council's current operating lease expenditure is shown at Note 3.6. In the Statement of Cash Flows lease payments has been shown as cash flows from financing activities instead of operating activities.

a) Impact of the new definition of a lease

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

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

b) Impact of lessee accounting

i) Former operating leases

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

Applying AASB 16, for all leases, Council:

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

Lease incentives (e.g rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 17 Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

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

ii) Former finance leases

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

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

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

(ii) AASB 16 Leases (continued)

iii) Lessor accounting

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

Transition

On transition to AASB16, Council recognised additional right-of-use assets and additional lease liabilities, recognising the difference in Accumulated surpluses. The impact on transition is summarised below.

1 July 2019	Note	\$'000
Right-of-use assets	6.3	32
Lease liabilities	7.4	(32)
Accumulated surpluses		-

Council has offset \$3.16 million of leased land with nominal or "peppercorn" rentals against the opening balance of asset revaluation reserves on adoption of AASB 16 Leases. Also see notes 6.1 and 9.1.

(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 set out below.

(i) AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Council does not anticipate the occurrence of a sale or contribution of assets with its associate therefore no Impact is anticipated.

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

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Port Sorell Caravan Park		Camp Banksia	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<i>Revenue</i>				
User fees	392	425	239	355
Interest	2	8	-	-
Other income	-	-	4	5
Total Revenue	394	433	243	360
<i>Expenditure</i>				
<i>Direct</i>				
Employee benefits	12	8	139	150
Materials and services	150	161	88	95
Other expenses	56	58	37	29
<i>Indirect</i>				
Engineering & Administration	34	96	93	123
Total Expenses	252	323	357	397
<i>Notional cost of free services received</i>				
<i>Capital Costs</i>				
Depreciation and amortisation	19	30	42	42
Opportunity cost of capital	36	36	144	144
Total Capital Costs	55	66	186	186
<i>Competitive neutrality adjustments</i>				
Rates and land tax	-	-	-	-
Loan guarantee fees	-	-	-	-
	-	-	-	-
<i>Calculated Surplus/(Deficit)</i>	88	44	(300)	(224)
Tax equivalent rate	30%	30%	30%	30%
Taxation equivalent	26	13	-	-
Competitive neutrality costs	26	13	-	-

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 the activities defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

The income tax rate is 30%
The return on capital is 2.5%

Note	10.5 Management indicators	Benchmark	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
	(a) Underlying surplus or deficit					
	Net result for the year		883	(8,023)	3,671	4,190
	Less non-operating income					
	Contributions non-monetary assets		(1,309)	(319)	(2,302)	(139)
	Contributions - cash		(639)	-	(68)	(98)
	National disaster relief grants received		-	-	(77)	(447)
	State Government Asset Transfers		-	-	-	(1,495)
	State Government Payroll Tax Waiver-COVID 19		(196)	-	-	-
	Grants specifically for new/upgraded assets		(158)	(1,349)	(140)	(889)
	Grants for renewal of assets		(311)	(220)	(444)	-
	Grants received in advance - current year		(877)	(844)	(790)	(745)
	Grants received in advance - prior year		844	790	745	-
	Add non-operational expenses					
	Landfill rehabilitation provision		1,475	10,765	-	-
	Disaster relief and recovery expenditure		-	-	-	80
	Assets expensed (non current assets constructed)		-	-	-	59
	Additional costs due to COVID 19		73	-	-	-
	Underlying surplus/deficit		(216)	800	595	516

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

(b) Underlying surplus ratio						
Underlying surplus or deficit		(216)	800	595	516	
Recurrent income*		12,510	13,960	13,365	12,227	
Underlying surplus ratio %	0%	-2%	6%	4%	4%	

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

(c) Net financial liabilities						
Liquid assets less		10,645	10,428	10,962	9,583	
total liabilities		18,645	15,969	6,930	6,733	
Net financial liabilities	0	(8,000)	(5,541)	4,032	2,850	

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets

(d) Net financial liabilities ratio						
Net financial liabilities		(8,000)	(5,541)	4,032	2,850	
Recurrent income*		12,510	13,960	13,365	12,227	
Net financial liabilities ratio %	0% - (50%)	-64%	-40%	30%	23%	

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>						
	Depreciated replacement cost		96,250	83,784	84,227	83,996
	Current replacement cost		137,900	128,490	127,337	113,335
	Asset consumption ratio %		70%	65%	66%	74%
<i>Buildings</i>						
	Depreciated replacement cost		24,216	23,679	24,146	24,564
	Current replacement cost		50,092	43,892	43,644	43,341
	Asset consumption ratio %		48%	54%	55%	57%
<i>Drainage</i>						
	Depreciated replacement cost		20,683	20,779	20,335	18,511
	Current replacement cost		30,192	28,928	28,135	25,735
	Asset consumption ratio %		69%	72%	72%	72%

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

Note	10.5 Management indicators (cont.)	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
(f)	Asset renewal funding ratio				
	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>				
	<u>Projected capital funding outlays**</u>	15,180	9,442	9,442	8,248
	Projected capital expenditure funding***	11,524	7,331	8,125	8,125
	Asset renewal funding ratio %	90-100% 132%	129%	116%	102%
	<i>Buildings</i>				
	<u>Projected capital funding outlays**</u>	4,013	429	429	911
	Projected capital expenditure funding***	76	751	751	751
	Asset renewal funding ratio %	90-100% 5280%	57%	57%	121%
	<i>Drainage</i>				
	<u>Projected capital funding outlays**</u>	236	154	1,007	333
	Projected capital expenditure funding***	170	153	168	168
	Asset renewal funding ratio %	90-100% 139%	101%	599%	198%

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

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.
This ratio measures Council's capacity to fund future asset replacement requirements.

(g) **Asset sustainability ratio**

<u>Capex on replacement/renewal of existing assets</u>	998	1,495	1,178	3,022
Annual depreciation expense	3,327	3,508	3,438	2,967
Asset sustainability ratio %	100% 30%	43%	34%	102%

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

	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
2020			
Roads and Bridges	661	965	1,626
Stormwater and drainage	-	476	476
Buildings etc	81	491	572
Land Improvements	21	876	897
Land	-	338	338
Plant, Equipment, Other	235	71	306
Intangibles (software)	-	69	69
Total	998	3,286	4,284
2019			
Roads and Bridges	612	647	1,259
Stormwater and drainage	-	560	560
Buildings etc	165	395	560
Land Improvements	651	755	1,406
Plant, Equipment, Other	67	298	365
Intangibles (software)	-	458	458
Total	1,495	3,113	4,608

Certification of the Financial Report

The financial report presents fairly the financial position of the Latrobe 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.



Gerald Monson
General Manager

Date : 15 January 2021

Management Certification of the Financial Report

The accompanying financial statements of the Latrobe Council and related bodies are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
- the *Local Government Act 1993*

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of Council's financial position as at 30 June 2020 and the results of its operations and cash flows for the year then ended.

At the date of signing this certification, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

The completed Financial Statements Preparation and Submission Checklist is enclosed.



Andrew Cock
Team Leader Finance

Date: 15 January 2021