

Annual Report 2019 | 2020



it's in the making





The Annual Report provides a comprehensive overview of Dorset Council's activities during 2019/20 including an account of our performance to the community.

The Annual Report meets legislative requirements incorporating the results of Council's performance in respect of goals and objectives set in the 2019/20 Annual Plan and details of our financial performance.

Our Vision

Drive future prosperity of Dorset by facilitating and promoting investment and population growth to strengthen our economic and social diversity.

Our Mission

An efficient Council that provides value to ratepayers, is responsive to community challenges and is proactive in implementing practical initiatives in response to these challenges, be they social or economic. Our philosophy is to keep rates and fees and charges amongst the lowest in regional Australia, support business investment and make Council facilities free to the community.

Our Values

Leadership | we lead by example through our behaviours and approach to work. We are a proactive advocate for the community, and engage with the community in determining and driving a vision for Dorset

Creative Thinking | we create a solution-based environment that challenges the status quo and encourages innovation in response to the challenges of a constantly changing environment

Customer Service | we meet our service standards in a professional and responsive manner

Engagement | we communicate openly and encourage the active participation of the community

Respect | we engage in open dialogue, whilst accepting there will be differences of opinion

Financially Responsible | we deliver services to the community in a sustainable and strategic cost effective way

Details in Brief

Council Chambers and Offices

3 Ellenor Street, Scottsdale
P | 03 6352 6500
dorset@dorset.tas.gov.au

Council Depots

54 Ringarooma Road, Scottsdale
99 Main Street, Derby
Maxwell Street, Bridport

Elected Members | 9

Employees | 63 FTEs
30 June 2020

Total Operating Revenue

\$13,960,000

Loan Debt

\$5,700,000 (30 June 2020)

Total Operating Expenditure

\$13,982,000

Property Assessments (total)

5,708 (30 June 2020)

Capital Expenditure

\$8,494,000

Adjusted Capital Value of Properties

\$1,957,105,600 (30 June 2020)

General Rate in \$ Assessed Annual Value

0.72367 cents in \$ (1 July 2019)

Adjusted Assessed Annual Value of Properties

\$82,951,989 (30 June 2020)

Infrastructure

sealed roads | 243km

unsealed roads | 438km

swimming pools | 2

bridges | 97
(7,692m² deck area)

major culverts | 15

caravan parks/camping grounds | 6

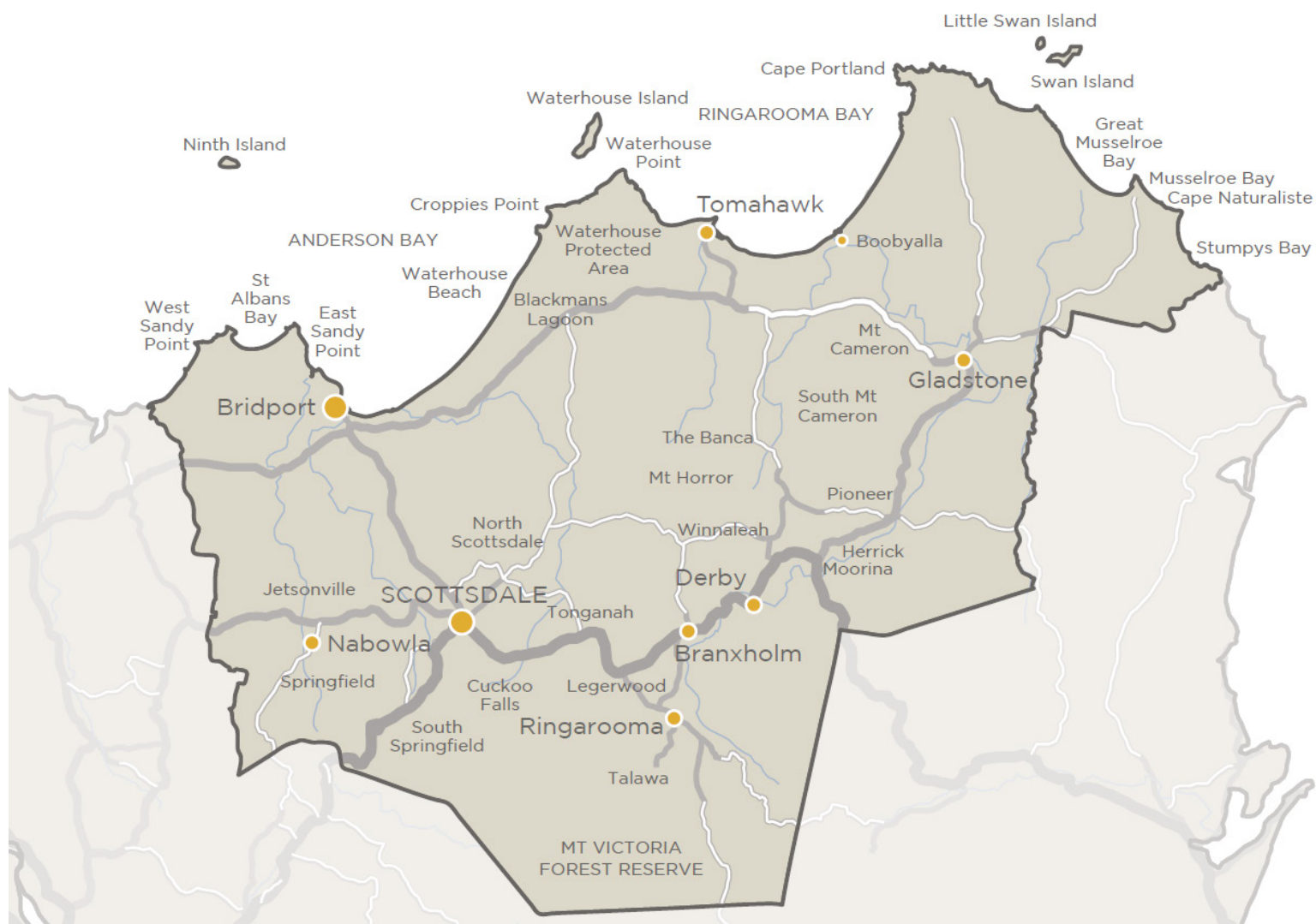
sporting ovals | 6

community halls | 18

waste transfer stations | 3



Briggs Road | West Scottsdale



Message from the Mayor



Thanks to COVID-19 we have experienced possibly the toughest year that I can remember, although 2020/21 is not guaranteed to be any better.

Our agricultural sector thrived or suffered depending on your enterprise with those sectors relying on growing grass doing well but the cropping sector suffering from a dry summer and then a very wet autumn which resulted in significant losses. Forestry continued its upward trajectory but was affected by a slowdown caused by COVID-19 in the last couple of months of the year.

COVID-19 proved problematic for the retail, hospitality and tourism sectors and our aims to attract more people to Dorset have been hampered by the lockdowns and restrictions. While easing of restrictions has helped those sectors partially recover those enterprises which rely heavily on interstate and international customers are still struggling.

Our policy of keeping camping free in all Council camping grounds, other than Bridport and the opening of free RV sites in Ringarooma and Winnaleah is proving popular with visitors and is resulting in increased numbers and longer stays. It is encouraging that Tasmanians are travelling within the state and supporting local parks and businesses.



Council has continued to perform well financially, recording a \$0.7 million net result before comprehensive income and delivering \$8.5 million of capital works during a year of significant uncertainty. As a result of the COVID-19 pandemic, Council have budgeted for a heavily reduced surplus in the 2020/21 financial year. It is expected there will be a considerable loss of revenue resulting from the loss of TasWater dividends, the uptake of rate remissions from businesses still struggling with the financial impacts of the pandemic, and a zero percent increase in both rates and fees and charges. Despite this expectation, Council's capital expenditure budget continues to grow to over \$11.8 million. This sustained level of expenditure has been made possible through Council's continued surpluses and our ability to garner State and Federal project money at an unprecedented rate.

Our residents have once again been prolific in their representation of our community on the sporting field with Maxine Monson (Lawn Bowls), Taia Lette (Athletics), Bailey Grace (Indoor Hockey) and Zali Grace (Indoor Hockey) all representing Tasmania. Congratulations to all for your very commendable exploits.

Our most sincere thanks goes to all of our volunteers for their contributions to our community over the past year. In particular, some were lucky to be recognised at our Australia Day awards but be aware all of your contributions are valuable and Dorset would not be such a wonderful place to live without your input.

Congratulations to this year's Australia Day Awards winners and these were presented to:

Citizen of the Year | Cheryl McCartie
Young Citizen of the Year | Zali Grace
Volunteer of the Year | David and Annette Purcell
Sports Award | Fenella Harris
Community Event of the Year | Tassie Scallop Fiesta

Certificates of Appreciation were also presented to Maria Branch, Patricia Bennett,

Dawn Walley, Sharon Sykes, Candice Walker and Winnaleah Rocks Concert.

In closing I would like to thank all of our Councillors and Staff for another outstanding year and also to the community for your contributions to the Dorset municipality. It is the generosity and hard work of all that make Dorset one of the best places in the world in which to live.

Greg Howard



2020 Dorset Citizen of the Year: Cheryl McCartie

Elected Members

Councillor attendance at Ordinary, Special Council Meetings and Briefing Workshops. Due to the COVID-19 Pandemic, Council held 2 Council Meetings and 1 Briefing Workshop via online meeting software. The scheduled Briefing Workshop for April 2020 was cancelled due to the Pandemic.

1 July 2019 to 30 June 2020

	Ordinary & Special Meetings	Briefing Workshops
Greg Howard	12	11
Dale Jessup	11	11
Mervyn Chilcott	12	11
Edwina Powell	12	10
Jan Hughes	11	11
Murray Lade	11	9
Wendy McLennan	11	11
Jerrod Nichols	12	11
Leonie Stein	11	10
Number of Ordinary Council Meetings		12
Number of Special Council Meetings		-
Number of Council Briefing Workshops		11



Section 72 (1) (cb) of the *Local Government Act 1993* requires that a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors be included within the Annual Report.

During the 2019/20 period, Council paid allowances and expenses totaling \$189,940.



Councillor Committee Representation

Dorset Councillors represented the Council on the following Committees in 2019/20.

Australia Day Awards Selection Panel

Mayor Greg Howard | Cr Leonie Stein | Cr Jerrod Nichols

Community Grants Selection Panel

Cr Mervyn Chilcott | Cr Murray Lade | Cr Wendy McLennan

Education Scholarship Selection Panel

Cr Edwina Powell | Cr Jan Hughes | Cr Wendy McLennan

Audit Panel

Deputy Mayor Dale Jessup | Cr Leonie Stein | Cr Jerrod Nichols (*alternate member*)

Local Government Association of Tasmania

Mayor Greg Howard | Deputy Mayor Dale Jessup (*proxy*)

TasWater Owner Representative

Mayor Greg Howard | Deputy Mayor Dale Jessup (*proxy*)



Scottsdale Primary School | Christmas Tree

General Manager's Overview



It is with pleasure that I am able to report that Council has once again had a year of considerable achievement. In 2019/20, Council delivered another large capital works program of \$8.5 million and continued the trend of recording underlying operating surpluses in what was a challenging year. It was particularly pleasing to see Council's works crew complete 3 significant projects being the Jarvis Link Road, Bentley Street reconstruction and the final stage of the Ringarooma Road reconstruction.

During the year Council continued to provide support to community organisations through its generous community grants program. The Tassie Scallop Fiesta grew in popularity in its second year of existence, experiencing large crowds and ultimately being recognised as Dorset's Community Event of the Year. Council also provided generous support to Mannalargenna Day which importantly recognises and celebrates the indigenous history of the area.

The tourism sector continued to flourish with Bridport and Derby both experiencing strong growth in visitation and Scottsdale also experiencing flow on benefits from the increased visitation to the North East. The inaugural Australian Mountain Bike Summit



was held in November 2019 attracting presenters from across the globe. The event was an outstanding success and illustrated the brand recognition of Blue Derby both within Australia and internationally.

Operationally wise the organisation continued to perform to a high standard and implemented Stage 2 of Council's waste management strategy by taking direct responsibility for the collection of domestic waste. The challenges in implementing this change in approach to waste management were numerous and involved a significant investment in plant and equipment and human resources. The implementation was remarkably smooth and well received by the community and also included an expansion of the area to which waste collection services are provided by Council. It is a credit to all those involved in this implementation, as it has not only resulted in significant cost savings, but also delivered a higher level of customer service than previously provided.

In addition to the challenges of delivering another large capital works program and taking direct responsibility for domestic waste collection, Council was faced with the additional challenge of responding to the COVID-19 Pandemic. It was particularly pleasing to see the organisation respond decisively and rapidly to this threat, so much so that the Pandemic had very little impact on Council's delivery of its functions and services to the community.

It should also be mentioned that the COVID-19 Pandemic has had an impact on Council's financial position, however, Council remains financially strong and has the capacity to absorb this short to medium term shock. The year ahead will no doubt include many more challenges for Council and the community and I have every confidence that Councillors, staff and the community will rise to the challenge. I look forward to working with Councillors, staff and the community in 2020/21.

Tim Watson



Mt Paris Dam | Branxholm

Annual Plan - Quarterly Assessment

- Achieved
- Not Achieved
- In Progress
- Deferred
- Not Applicable

Review Strategic Plan

- Updated Strategic Plan adopted by Council
- Commence annual review of Strategic Plan

Review Asset Management Plans

- Review and Update Road, Bridge and Building Asset Management Plans and accompanying strategic documents

Develop and implement streetscape beautification plans

- Commence Stage 2 of King Street beautification

Tasman Highway 'Sideling' Upgrade between Launceston and Scottsdale

- Draft funding Agreement with Federal and State Governments completed
- Design specifications completed

Ringarooma Road reconstruction from West Maurice Road to Ringarooma Town Boundary

- Commence reconstruction of road

Bridport Western Access Road

- Sealing completed
- All works completed

Food Business Information Session

- Conduct information session

Implement Council's Waste Management Strategy

- Progress Report to Council against Strategy
- Progress Report to Council against Strategy

Redevelopment of the Scottsdale Swimming Pool

- Draft design completed
- Tender awarded
- Tender 2019/20-07 awarded
- Commence construction
- Tender 2019/20-08 awarded

Implement the five year footpath plan

- Progress report to Council

Bridport Cemetery

- Testing of site completed
- Report to Council

Related Party Disclosure Policy

- Review Policy

Customer Service Charter

- Review Charter as required by legislation

Food Vendors Policy

- Present Policy to Council
- Present Policy to Council

Bridport Seaside Caravan Park

- Permanent Structures Policy position completed

Bushfire Mapping Amendment

- Initiate draft amendment of Planning Scheme
- Initiate draft amendment of Planning Scheme

Statewide Planning Scheme

- Prepare first draft of the Local Provision Schedule

Looking Forward 2020/21

- Review Strategic Plan
- Review Asset Management Plans (Road, Bridge & Building)
- Continue next stage of King Street streetscape and beautification plans
- Review Financial Management Strategy
- Commence reconstruction of Carisbrook Lane from Tasman Highway to McDougalls Road
- Commence construction of the Scottsdale Swimming Pool Redevelopment
- Review and update Council's five year footpath plan
- Review the Community Consultation and Communications Policy
- Review the Youth Policy
- Review the Tree Management Policy
- Review the Public Interest Disclosure Act as required by legislation
- Initiate a Planning Scheme amendment for Bushfire Mapping
- Draft Local Provision Schedule (LPS) under the Statewide Planning Scheme for public advertising
- Present a progress report to Council on the Aminya redevelopment
- Present a progress report to Council on the Tasman Highway 'Sideling' upgrade
- Present a progress report to Council on the Blue Derby Foundation



Scottsdale Swimming Pool Redevelopment

Organisational Chart





Working Groups



Working Groups



Construction Crew

Rodney Nichols, Luke Hadley, Colin Stagoll, Daniel Smythe, Michael Taylor, Robert Worker, Heath Summers, Bernard Johnson, Sam Hadley, Graeme Betts, Trevor Clarke

Absent | Neville Stevens, Stuart Worker, John Petterwood, Ryan Lette



Works & Infrastructure Services

Rear: Andrew Holmes, Wayne Williams, Peter Carey

Front: Susan Woolley, Lou Barrett

Absent | Craig Wheeler, Bernard Johnson, Dwaine Griffin (Director)



Bridport Town Maintenance

Nick Arnold, Gavin Porter, Crystal Bowerman



Scottsdale Town Maintenance

Paul Chirichiello, Bruce Van Asch, Tony Power, Craig Bennett,
Helen Pola, Trevor Styles

Absent | Paul Williams, Craig Wheeler, Theresa Kettle



Derby Town Maintenance

John Powe, Samuel Chapple

Absent | Garrie Way

Working Groups



Waste Crew

Austin Marshall, Peta Ooms, Scott Hall,
Michael Gibbs, Kelvin Simmons



Community & Development

Rear | Alex Stevens, Thomas Wagenknecht, Robert Masterman, Rohan Willis (Director)

Front | Carly Hall, Samantha Olah, Elizabeth Hadley, Tiah Stagoll

Absent | Wayne Churchill



Blue Derby Trail Maintenance Crew

Chance Shadwick, Travis Hayes-Edwards, Josh Holbein, Angus McLarty, Peter Coleborn

Environmental Health

Dorset Council undertakes environmental health activities with the aim to reduce the incidence of disease in the community and promote a healthy environment.

Council currently employs an Environmental Health Officer on a full-time basis.

The following is an overview of Dorset Council's environmental health activities for 2019/20.

FOOD

Dorset Council regulated the manufacture, storage and sale of food in the municipality to ensure it was safe and fit for human consumption. Council undertook tasks such as registering food businesses, inspecting food business premises to ensure they are compliant with the relevant legislation and standards, and investigating complaints relating to the sale of food.

Structural upgrading of food businesses is necessary from time to time, and works programs are often required as a condition of registration. Food handling standards are monitored, and conditions and training are applied as required.

Council encouraged food handlers to participate in food safety training, helping to facilitate this through free food safety training sessions, and providing advice during routine inspections.

Number of food businesses as at 30 June 2020:

Registered Fixed Food Businesses	96
Registered Statewide Mobile Food Businesses	14
Registration of Temporary Food Businesses	27

PUBLIC HEALTH

Drinking Water

Council maintains a register of private water suppliers and commercial water carriers:

Private Water Suppliers	1
Commercial Water Carriers	2

Recreational Water

Water sampling was undertaken at Old Pier Beach, Bridport and public swimming pools in the municipality during the swimming season. Results of analysis were assessed using the Recreational Water Quality Guidelines and included in an annual report to the Director of Public Health.

Immunisations

Council administers the School Based Immunisation Program at Scottsdale High School and Winnaleah District High School. Vaccines were provided to Grade 7 students against Human papillomavirus (HPV) and Diphtheria-tetanus-acellular pertussis (dTpa), and to Grade 10 students against Meningococcal ACWY (Men ACWY).

Notifiable diseases

Council investigated all cases of notifiable diseases referred by the Department of Health and Human Services. Number and type investigated:

No. cases <i>Salmonellosis</i> (environmental strains) reported	2
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Public health related premises and activities

Council regulates a number of public health related premises and activities:

Public Health Risk Activity Premises registered	1
Place of Assembly (Specific Events) licenced	4
Regulated Systems registered	1
Application for Burial on Private Land	Nil

Onsite Wastewater Management Systems (OWMS)

Dorset Council approved 16 applications for Onsite Wastewater Management Systems for developments in areas where sewerage reticulation is not available.

Environmental Health

ENVIRONMENTAL MANAGEMENT AND POLLUTION CONTROL

Environmental Pollution Incidents

Council investigated reports of environmental pollution incidents and took appropriate action on a case by case basis. Examples of issues include:

- Noise
- Illegal backyard burning
- Odour
- Waste and rubbish dumping pollution
- Farming practices complaints (noise, burning, odour)

Infringement Notices

No. infringement notices issued under <i>Environmental Management and Pollution Control Act 1994</i>	Nil
No. infringement notices issued under <i>Litter Act 2007</i>	Nil
No. infringement notices issued under <i>Public Health Act 1997</i>	Nil

WASTE MANAGEMENT

Dorset Council operates 3 Waste Transfer Stations (WTS) located in Scottsdale, Branhholm and Gladstone. The sites have a comprehensive range of free recycling facilities including:

- drumMUSTER (collection of empty agricultural chemical containers)
- Polystyrene (Scottsdale WTS only)
- Silage wrap (Branhholm and Scottsdale WTS)
- E-waste (Branhholm and Scottsdale WTS)
- Batteries (Branhholm and Scottsdale WTS)
- Paint and light globes (Scottsdale WTS)

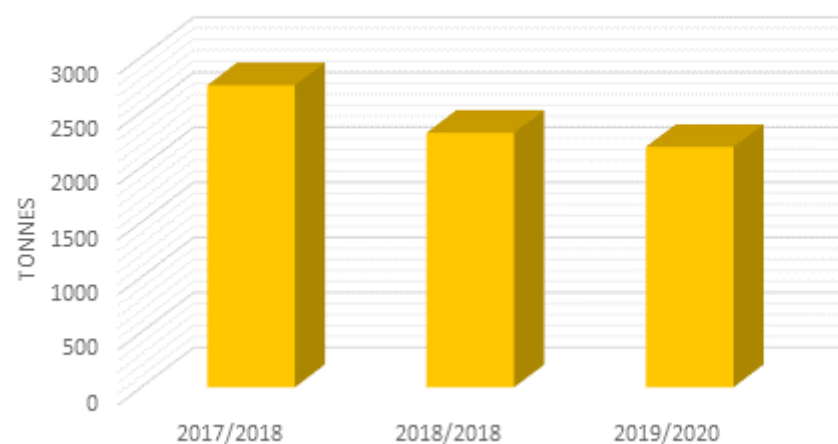
The management of the Scottsdale Waste Transfer Station is undertaken in house with all proceeds from the Last Chance Resale Shop (the tip shop) held in trust and provided to local community organisations as part of the annual grants process. As at 30 June 2020 \$19,566.53 had been raised for the financial year.

Kerbside Waste and Recycling Collection Service was taken in house from July 2019 with service areas now covering every Dorset town and almost every locality. Our waste collection trucks are equipped with an extensive array of cameras allowing us to monitor and record individual bin collections and enable targeted communications to households in relation to bin presentation issues (e.g. contamination). This, it is anticipated, will reduce our contamination rates and improve environmental outcomes.

Council has focussed on targeted identification and education programs with the aim to reduce waste volumes through increased recycling, reusing through tip shop resales and increased composting.

The outcome of these programs have reduced waste volumes as follows: 2019/20: 2183 tonnes (2018/19: 2312 tonnes; 2017/18: 2743 tonnes).

Waste Volumes





Community Grants

	Organisation	Grant Amount	Grant Details
Small Grants (Allocation of \$10,000)	Dorset Community House	\$1,675	Equipment for Family Fun Day and Out and About Program
	North Eastern Agricultural & Pastoral Society Inc.	\$1,745	Seating for Patrons
	North Eastern Netball Association Inc. (NENA)	\$2,000	NENA representative team uniform replacement
	Bridport Surf Lifesaving Club	\$2,000	Inflatable Rescue Motor Boat
	TOTAL	\$7,420	(\$2,580 of funds from 2019/20 budget unallocated)*
Community Matching Funds Grants (Allocation of \$30,000)	Bridport Community Mens Shed	\$2,565	New Fence
	Dorset Field and Game	\$3,982	Mains power installation
	Lions Club North East	\$8,638	Old Fire Station at Winnaleah renovation
	Scottsdale Bowls Club Inc.	\$2,066	Shade cloth refurbishment
	Ringarooma Golf Club	\$2,442	Purchase of lawn mower, brush cutter, compressor and security system
	TOTAL	\$19,693	(\$10,307 of funds from 2019/20 budget unallocated)*
Councillors Discretionary Grants (Allocation of \$15,000)	Springfield Community Association	\$3,318	Springfield Hall access ramp
	North East Tasmania Chamber of Commerce Inc.	\$3,276	Christmas decorative flags and rubbish bin panels
	Jetsonville Playgroup	\$8,400	Jetsonville Hall deck roof - stage 1
	TOTAL	\$14,994	(\$6 of funds from 2019/20 budget unallocated)

* Funds unallocated due to COVID-19 Pandemic carried forward to 2020/21 Grants Program

Legislative Reporting Requirements

Public Interest Disclosures Act 2002

Section 86 of the Act requires Dorset Council to provide statistics on disclosures that were made to Council during the 2019/20 year.

Disclosures made to Dorset Council | Nil

The current procedures established by the Dorset Council under the Act are available from the Council Offices, or via our website dorset.tas.gov.au/policies (No. 32).

Right to Information Act 2009

Council received and accepted 4 applications for assessed disclosure of information during 2019/20. 3 applications were accepted for decision and 1 was not accepted due to no fee being paid and no agreement to waive the fee in place.

1 application had the information provided in part, while 2 were refused due to the information requested being disclosed by other means, or the provision of the information requested would substantially and unreasonably divert resources.

Code of Conduct Complaints

There were 2 code of conduct complaints received during the 2019/20 financial year:

Dismissed 2

The total costs associated with the 2 complaints decided during the 2019/20 financial year is unknown*. Costs associated with Code of Conduct complaints are payable by Council.

**At the time of printing invoices had not been received for the 2 complaints decided during the 2019/20 year.*

Customer Service Requests/Complaints

In accordance with Section 339F(5) of the *Local Government Act 1993*, the General Manager is to provide the Council with a report at least once a year on the number and nature of complaints/requests received.

The following graph depicts the number of all customer requests/complaints received during 2019/20, being a total of 454 (2018/19: 481).





Local Government (General Regulations) 2015

Tendering & Contracting - Part 3, Division 1 - Tenders for goods and services

Council is to report within its Annual Report details of any contract for the supply or provisions of goods and services valued at or over \$100,000 excluding GST, entered into or extended in the financial year.

Contractor / Supplier	Address	Description	Contract Period	Value
Beyond Brid Pty Ltd	2/30 Bentley Street BRIDPORT TAS 7262	Bridport Seaside Caravan Park	01.11.2016 to 31.10.2019	\$450,000
Civilscape Contracting Tasmania	PO Box 63 RIDGLEY TAS 7321	King Street, Scottsdale Kerb and Footpath Upgrade	20.08.2019 to 29.11.2019	\$155,648
Cain's Civil Contracting	8 Henry Street BRIDPORT TAS 7262	Richard Street, Bridport Reconstruction	20.08.2019 to 06.02.2020	\$375,880
BKG Contracting Pty Ltd	17 Bentley Street BRIDPORT TAS 7262	Asphalt and Concrete Footpath Construction	20.08.2019 to 30.06.2020	\$182,270
Danny and Amanda Lee	PO Box 381 ST HELENS TAS 7216	Bridport Seaside Caravan Park	17.08.2019 to 31.10.2020	\$150,000
Fulton Hogan Pty Ltd	11 Calvary Road MOWBRAY TAS 7248	Bituminous Sealing of Roads	18.09.2019 to 30.06.2020	Various Rates
JF Machinery	PO Box 62 MOWBRAY TAS 7248	Backhoe Replacement	03.09.2019 to 30.09.2020	\$153,710
Water Features By Design	67 Waterford Avenue WATERFORD WA 6152	Scottsdale Pool Redevelopment - Design and Construct Wet Play Area	24.03.2019 to 01.11.2021	\$745,460
Sea to Shore - B & L Cooksley	443 Sandy Points Road BRIDPORT TAS 7262	Bridport Seaside Caravan Park	01.11.2020 to 30.06.2024	\$707,667

Legislative Reporting Requirements

Local Government Act 1993

Barry Jarvis Education Scholarships

Council awarded the following recipients with education scholarships in 2019/20:

Recipient	\$
William Monson	1,000
Kobe Newall	1,000
Rachel Willis	3,000
Georgia Knight	500
Tyson Child	500
Sophie Smith	500
Isabella Chatwin	500
Lili Hall	500
Elliot Hall	1,000
Montanna Gilroy	1,250
Ebony Hodgins	750
William Headlam	2,500
Louis Burr	3,000

School Bursaries

Council donated funds to the following Schools in 2019/20:

Recipient	\$
Scottsdale Primary School 2019 Bursary	100
Scottsdale High School 2019 Bursary	200
Winnaleah District High School 2019 Bursary	200
Bridport Primary School 2019 Bursary	200

Sporting and Cultural Representation

(Council Policy No. 4)

In accordance with Council Policy No. 4 - Sponsorship of Sporting and Cultural Representatives, Council was able to assist the following recipients:

Recipient	Amount \$
Maxine Monson - Lawn Bowls	500
Taia Lette - Athletics	500
Bailey Grace - Indoor Hockey	500
Zali Grace - Indoor Hockey	500



2020 Barry Jarvis Education Scholarship Recipients

Mayor's Discretionary Fund

During 2019/20, Council received requests for assistance from community groups, sporting or cultural representatives that did not meet the eligibility criteria under Policy No. 4, not-for-profit organisations and individuals requiring assistance. The following donations were made from the Mayor's Discretionary Fund:

Recipient	Amount \$
Scottsdale Football Club	320
North Eastern Netball Association	200
Zoe Reid-Denman	200
Lions Club Magic Show (4 x Donated Tickets)	218
Special Childrens Christmas Party (2 x Donated Show Passes)	109
Stephanie Groves (Prosthetic and Orthotic Trip)	500
Scottsdale Christmas Decorations (K Rainbow)	145
Seniors Week 2019	999
Dorset Christmas Decoration Competition (NE Advertiser)	200
Diabetes Australia	109
Donation	164



Citizenship Ceremony

Legislative Reporting Requirements

Local Government Act 1993

Remuneration Statement

Sections 72 (1) (cd), 72 (4) and 72 (5)

Council is to include within its Annual Report a statement relating to the total annual remuneration paid to employees of the Council who are key management personnel. Total annual remuneration includes the salary paid, contributions to superannuation, value of use of any motor vehicle and any other allowances or benefits paid.

Annual Remuneration

\$140,001 - \$160,000	-
\$160,001 - \$180,000	1
\$180,001 - \$200,000	2
\$200,001 - \$220,000	
\$220,001 - \$240,000	-
\$240,001 - \$260,000	1

Enterprise Powers Statement

Under Section 72(1)(ca), Council is required to report on exercising of enterprise powers relating to the formation and operation of corporations, trusts, partnerships or other bodies (Section 21).

The Blue Derby Foundation Limited

Dorset Council is a member of this company limited by guarantee with a requirement under the Constitution being that one of the Board of Directors must be a Dorset Council Officer. Further detail is available in the Constitution available at dorset.tas.gov.au/governance.

TasWater

The Water and Sewerage Corporation Act 2012 (Tas) requires the Council to form, or participate in the formation of a proprietary company limited by shares and incorporated under the Corporations Act 2001. This corporation is TasWater.

Dorset Council is represented on TasWater's Owners' Representatives' Group (ORG), the activities of which are detailed at taswater.com.au. Detailed performance information is also available in TasWater's Annual Report.

GST Dispute Statement

Section 72A

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

Donation of Land Statement

Section 72 (1)(da)

Council did not donate any parcels of vacant land during 2019/20 (Section 177).

Grants & Benefits

Section 77 (2)

Type of Grant/Benefit		Amount
Council Rate Remission	Conservation Covenants	\$3,850
Council Rate Remission	As per Council Policy	\$6,608
Council Rate Remission	COVID Rate Relief	\$6,965
		\$17,423

Grants Paid to Council

Financial Assistance Grants

Annual Financial Assistance Grants (FA Grants) are a critical revenue source for Council, representing 25% (\$3.4 million – adjusted for FA Grants paid in advance) of Council's total recurrent operating revenue. FA Grants provide annual funding for Council roads and other essential services that can never be adequately funded by rural Councils.

Grants paid to Dorset Council in 2019/20 were:

Grants - Recurrent '000

Australian Government

Financial Assistance Grants - General Purpose	773
Financial Assistance Grants - Roads	954
Financial Assistance Grants - Paid in Advance	1,826
Other (Commonwealth Government)	141
Other (State Government)	1,167

Total Grants - Recurrent 4,861

Grants - Capital

Australian Government

Roads to Recovery	751
Ringarooma Road Productivity	150

State Government

Scottsdale Pool Redevelopment	199
Branxholm Trail Link	176
Other (State Government)	45

Total Grants - Capital 1,321



Charles Street | Bridport



Overview of Financial Performance

The following information is to assist the reader in understanding Councils 2019/20 financial statements.

Financial Result

Dorset Council recorded a surplus before other comprehensive income of \$0.7 million for the 2019/20 financial year, compared to a surplus before other comprehensive income of \$3.9 million for 2018/19. Council's recurrent income increased by \$822,000, capital income decreased by \$1,986,000, and expenses increased by \$2,067,000.

Council's underlying surplus when adjusted for capital income and one-off events for the 2019/20 year was \$0.2 million (2018/19 underlying surplus \$1.5 million).

There were a number of movements during the year that contributed to the decrease in Council's underlying surplus, however, the main contributing factor was an increase in expenses. This movement in expenses can be attributed to an increase in other expenses of \$1.6 million due to the inclusion of Council's gross contribution towards the running of the Aminya Aged Care Facility.

Significant movements in income, expenses, assets and liabilities from those recognised in the prior year are explained below:

Statement of Comprehensive income:

Income

Council's income from continuing operations has increased by \$822,000 for the 2019/20 financial year. The material movements are as follows:

- Rates revenue has increased by \$347,000 due to a combination of an increase in the general rate cent in the dollar and supplementary revaluations performed throughout the year.
- Recurrent Grants increased by \$968,000 due to the inclusion of grants and reimbursements received from the State Government to assist Council with the running costs of the Aminya Aged Care Facility.
- Interest income decreased by \$558,000 due to the reversal of unrealised gains

from prior years and lower interest rates received for short term deposits. This is attributed to the impact of the COVID-19 pandemic on global financial markets, which have consequently impacted Council at the local level.

- Reimbursements increased by \$27,000 due to a back claim of fuel tax credits and additional traineeship payments received throughout the year.
- Other income increased by \$61,000 due to the Australian MTB Summit event that was held in Derby during the year.
- Investment revenue from Water Corporation decreased by \$84,000 due to a reduction in distributions received as a result of changes to the ownership structure and governance arrangements of TasWater.

Capital Income

Capital grants decreased by \$1,325,000 due to the adoption of the new Australian Accounting Standard for Revenue (AASB 15) which introduced new requirements for the recognition of revenue tied to specific performance obligations (see note 10.5).

Capital grants received during the 2019/20 financial year included: Roads to Recovery funding of \$751,000, Ringarooma Road Productivity Upgrade funding of \$150,000, Branxholm to Derby Link Trail funding of \$176,000, Scottsdale Pool Redevelopment funding of \$199,000 and \$45,000 funding for Levelling the Playing Field and Healthy TAS community programs.

Loss on disposal of property, infrastructure, plant and equipment increased by \$661,000. This increase is due to a change in our accounting practices whereby previously these amounts were recognised in the asset revaluation reserve (Statement of Financial Position), however now are included in the loss on disposal (Statement of Comprehensive Income).

Expenses

Council's expenses from continuing operations have increased by \$2.1 million for the 2019/20 financial year. The material movements are as follows:

- Employee benefits increased by \$635,000 due to a combination of an



Statement of Financial Position

increased workload for essential services, lower capitalisation of wages and the result of enterprise bargaining.

- Contracts decreased by \$580,000 due to Council taking over the operation of services provided to the community that were previously outsourced and increasing efficiency in the number of services undertaken by Council employees.
- Materials increased by \$119,000 as a result of an increase in TasWater costs for connections across Council assets.
- Other expenses increased by \$1,623,000 as a result of the inclusion of Council's gross contribution towards the running of the Aminya Aged Care Facility.

Statement of Financial Position:

Current Assets

Current assets have increased by \$1.8 million for the 2019/20 financial year. The material movements are as follows:

- Cash and cash equivalents increased by \$6.5 million and Financial Investments decreased by \$3.7 million. This movement has occurred due to the closure of Council's Managed Fund investments and a decrease in the amount of funds held in Term Deposits as a result of record low interest rates.
- Trade and other receivables decreased by \$841,000 due to improved processes for debt recovery for Council's Rate and Other debtors, and a change in the accounting standards (AASB 1058) for rates revenue received in advance which is now recognised as a contract liability (see note 7.4).
- Prepayments and accrued income decreased by \$232,000 due to a reduction in the amount of accrued interest receivable and the adoption of the new Australian Accounting Standard for Revenue (AASB 15) which now recognises accrued income as a contract asset (see note 5.5).

Non-current Assets

Non-current assets have decreased by \$888,000 for the 2019/20 financial year. The material movements are as follows:

- Property, infrastructure, plant and equipment increased by \$5.3 million as a result of a revaluation of Land Under Roads assets and the addition of new

and upgraded assets from Council's annual capital expenditure program.

- Financial investments decreased by \$1.7 million due to finalising Council's investment in managed funds, as noted above.
- Investment in water corporation decreased by \$4.5 million as a result of a decrease in the value of this investment, in part due to the impact of the COVID-19 pandemic.

Current Liabilities

Current liabilities have increased by \$1.8 million for the 2019/20 financial year. The material movements are as follows:

- Trade and other payables increased by \$250,000 due to a required payment of funds to May Shaw in relation to grant funds received from the State Government for the facility redevelopment.
- The recognition of Contract Liabilities totalling \$1.2 million as a result of a change in the accounting standards (AASB 15 & AASB 1058) as mentioned above (see note 7.4).

Non-current Liabilities

Non-current liabilities have increased by \$2.4 million for the 2019/20 financial year. The material movements are as follows:

- Interest bearing loans and borrowings has increased by \$2.5 million due to additional funds being borrowed under the Local Government Loans Program.



Independent Auditor's Report

To the Councillors of Dorset Council

Report on the Audit of the Financial Report

Opinion

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

In my opinion the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 10.6(g) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's

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determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of property and infrastructure <i>Refer to note 6.1 and 9.11</i>	
Council's assets at 30 June 2020 includes land, land under roads, buildings and material long-life infrastructure assets such as roads, bridges and stormwater valued at fair values totalling \$148.60m.	<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 valuation model's calculations.Evaluating the adequacy of disclosures made in the financial report, including those regarding the key assumptions used.
The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.	
In 2019-20, Council revalued land under roads using information provided by an independent expert. The valuation is highly dependent upon a range of assumptions, including estimated unit rates.	

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.

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Tasmanian Audit Office

2 February 2021
Hobart

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Financial Statements

Year Ended 30 June 2020



Croquet Lawn Beach | Bridport



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Statement of Comprehensive Income

For 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	7,500	7,602	7,255
Statutory fees and fines	2.2	240	191	162
User fees	2.3	768	831	799
Grants	2.4	4,444	4,861	3,893
Contributions - cash	2.5	32	32	32
Interest	2.6	250	(9)	549
Reimbursements	2.7	127	188	161
Other income	2.8	93	167	106
Investment revenue from water corporation	2.10,4.1	239	97	181
		13,693	13,960	13,138
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	1,850	1,321	2,646
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.9	-	(604)	57
		1,850	717	2,703
Total income from continuing operations		15,543	14,677	15,841

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



Statement of Comprehensive Income cont.

For Year Ended 30 June 2020

	Note	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Expenses from continuing operations				
Employee benefits	3.1	3,626	4,160	3,525
Contracts	3.2	1,721	1,647	2,227
Materials	3.3	1,193	1,143	1,024
Depreciation and amortisation	3.4	3,533	3,425	3,159
Finance costs	3.5	107	111	107
Other expenses	3.6	1,474	3,496	1,873
Total expenses from continuing operations		11,654	13,982	11,915
Net result for the year		3,889	695	3,926
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustment on equity investments assets	9.1	-	(4,514)	2,502
Net asset revaluation increment/(decrement)	9.1	-	1,079	21,787
		-	(3,435)	24,289
Total Other Comprehensive Income		-	(3,435)	24,289
Total Comprehensive result		3,889	(2,740)	28,215

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	5.1	8,900	2,352
Trade and other receivables	5.2	816	1,657
Financial investments	5.3	4,000	7,700
Inventories	5.4	62	80
Contract assets	5.5	31	-
Prepayments and accrued income	5.6	258	490
Total current assets		14,067	12,279
Non-current assets			
Trade and other receivables	5.2	365	383
Financial investments	5.3	-	1,705
Investment in water corporation	4.1	15,008	19,522
Property, infrastructure, plant and equipment	6.1	166,401	161,052
Pine plantations	6.2	40	40
Intangible assets	6.3	56	56
Total non-current assets		181,870	182,758
Total assets		195,937	195,037

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



Statement of Financial Position cont.

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,085	835
Deposits	7.2	148	158
Provisions	7.3	1,034	943
Contract liabilities	7.4	1,205	-
Interest-bearing loans and borrowings	8.1	230	-
Total current liabilities		3,702	1,936
Non-current liabilities			
Provisions	7.3	388	245
Interest-bearing loans and borrowings	8.1	5,470	3,200
Total non-current liabilities		5,858	3,445
Total liabilities		9,560	5,381
Net Assets		186,377	189,656
Equity			
Accumulated surplus		120,160	120,004
Reserves	9.1	66,217	69,652
Total Equity		186,377	189,656

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

Statement of Cash Flows

For Year Ended 30 June 2020

	Note	2020 Inflows/(Outflows) \$'000	2019 Inflows/(Outflows) \$'000
Cash flows from operating activities			
Rates and charges		7,928	7,052
Statutory fees and fines, user fees, contributions, reimbursements and other income		2,026	1,586
Grants and contributions		4,553	3,625
Interest received		210	576
Dividends from water company		81	102
Investment revenue from water corporation	2.10	16	79
Payments to suppliers (inclusive of GST)		(6,603)	(5,585)
Payments to employees (including redundancies)		(3,921)	(3,380)
Net cash provided by (used in) operating activities	9.2	4,290	4,055
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(8,494)	(12,044)
Proceeds from sale of property, infrastructure, plant and equipment		195	406
Receipts/(payments) for investments		-	4,795
Payments for short term deposits		-	(15)
Capital grants		2,727	2,646
Loans and advances to community organisations - NE Care (note 10.4)		-	(428)
Net cash provided by (used in) investing activities		(5,572)	(4,625)

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



Statement of Cash Flows cont.

For Year Ended 30 June 2020

		2020	2019
	Note	Inflows/(Outflows) \$'000	Inflows/(Outflows) \$'000
Cash flows from financing activities			
Proceeds from redemption of financial assets		5,330	-
Proceeds of interest-bearing loans and borrowings	9.3	2,500	-
Net cash provided by (used in) financing activities		7,830	-
Net increase (decrease) in cash and cash equivalents		6,548	(570)
Cash and cash equivalents at the beginning of the financial year		2,352	2,922
Cash and cash equivalents at the end of the financial year	9.4	8,900	2,352
Restrictions of cash assets	5.1		
Financing arrangements	9.5		

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

Statement of Changes in Equity

For Year Ended 30 June 2020

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Landfill Rehabilitation Reserve	Fair Value Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Balance at beginning of the financial year		189,656	120,004	67,144	1,029	1,479
<i>Effect of changes in accounting policy for:</i>						
Adjustment due to AASB 15 adoption	10.5	(539)	(539)	-	-	-
Restated opening balance		189,117	119,465	67,144	1,029	1,479
Net result for the year		695	695	-	-	-
Other Comprehensive Income:						
– Fair Value adjustment on equity investments	4.1, 9.1	(4,514)	-	-	-	(4,514)
Net asset revaluation increment/(decrement)	9.1	1,079	-	1,029	-	-
Total comprehensive income		186,377	120,160	68,223	1,029	(3,035)
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		186,377	120,160	68,223	1,029	(3,053)
2019						
Balance at beginning of the financial year		161,441	116,078	45,357	1,029	(1,023)
Net result for the year		3,926	3,926	-	-	-
Other Comprehensive Income:						
– Fair Value adjustment on equity investments	4.1, 9.1	2,502	-	-	-	2,502
Net asset revaluation increment/(decrement)	9.1	21,787	-	21,787	-	-
Total comprehensive income		189,656	120,004	67,144	1,029	1,479
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		189,656	120,004	67,144	1,029	1,479

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



Note 1 | Overview

1.1 Reporting entity

The Dorset Council was established on 1 April 1993 and is a body corporate with perpetual succession and a common seal.

Council's main office is located at 3 Ellenor Street, Scottsdale, Tasmania.

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in Notes 4.1, 5.3, 6.1, 7.3, 8.1 and 10.5(d).

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

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 7.3.

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, 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 Council's valuation of its investment in TasWater are discussed in Note 4.1.

1.4 Functions/Activities of the Council

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

	Grants and Contributions \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/(Deficit) \$'000	Assets \$'000
Governance						
2019 - 2020	-	-	-	715	(715)	67
2018 - 2019	6	84	90	758	(668)	87
Corporate Services						
2019 - 2020	1,591	6,543	8,134	2,468	5,666	31,050
2018 - 2019	1,511	7,009	8,520	1,445	7,075	35,607
Development and Environmental Services						
2019 - 2020	76	249	325	943	(618)	2,381
2018 - 2019	1,036	138	1,174	965	209	2,407
Infrastructure						
2019 - 2020	4,547	1,671	6,218	9,856	(3,638)	162,439
2018 - 2019	3,719	2,038	5,757	8,447	(2,690)	156,936
Total						
2019 - 2020	6,214	8,463	14,677	13,982	695	195,937
2018 - 2019	6,272	9,269	15,541	11,615	3,926	195,037

(b) Reconciliation of Assets from Note 1.4(a) with the Statement of Financial Position at 30 June:

	2020 \$'000	2019 \$'000
Current assets	14,067	12,279
Non-current assets	181,870	182,758
	195,937	195,037

1.4 Functions/Activities of the Council (cont.)

(c) Governance

Elected members and governance administration.

Corporate Services

Corporate services administration, finance, human resource management, fire prevention and emergency services, information technology, municipal offices and rates.

Development and Environmental Services

Business and economic development, community services administration, rural primary health services, tourism, youth services, building, planning, animal control and environmental health.

Infrastructure

Cemeteries, caravan parks, halls and community centres, parks and reserves, pine plantations, plant operations, private works, roads, bridges and footpaths, sport and recreation facilities, stormwater, street lighting, swimming pools, waste management and infrastructure.

Rates and charges income

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 10.5 for accounting policy related to AASB 15 and AASB 1058.

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

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. The general rate has been reduced by \$44,000 due to splitting out the interest earned on rates as a separate item (see Note 2.6).

2.2 Statutory fees and fines

Note 2 | Revenue

2.1 Rates and charges

Council uses assessed annual value as the basis of valuation of all properties within the municipality. The assessed annual value of a property is its estimated yearly rental value of the property, as determined by the Valuer General.

The valuation base used to calculate general rates for 2019/20 was \$80.489 million (2018/19: \$73.485 million). The 2019/20 rate in the assessed annual value dollar was \$0.0724 (2018/19: \$0.0772).

Rates and charges	2020 \$'000	2019 \$'000
General rate	5,931	5,531
Garbage charge	1,341	1,193
Fire Levy	330	308
Rates and charges in advance	-	223
Total rates and charges	7,602	7,255

Statutory fees and fines	2020 \$'000	2019 \$'000
Regulatory services	1	1
Town planning fees	47	45
Land information certificates	73	88
Permits	70	28
Total statutory fees and fines	191	162

Statutory fee and fine income

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 10.5 for accounting policy related to AASB 15 and AASB 1058.

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

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.

2.3 User fees

	2020 \$'000	2019 \$'000
Caravan and camping	570	573
Rental and lease income	38	32
Building services	66	57
Cemetery	29	34
Waste transfer station	35	50
Swimming pools	6	9
Other fees and charges	87	44
Total user fees	831	799

Ageing analysis of contractual receivables

Please refer to Note 9.10(e) for the ageing analysis of contractual receivables.

User fee income

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

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.

Refer to Note 10.5 for accounting policy related to AASB 15.

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

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

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.

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the statement of financial position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.

Furthermore, when Council leases some of its land and buildings on commercial terms the lease contract may include incentives for the lessee to enter in the agreement, for example rent-free period or discounted rent. Council accounts for the cost of incentives as a reduction of rental income of the term of the lease.

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.

2.4 Grants

Grants were received in respect of the following:

Summary of grants	2020 \$'000	2019 \$'000
Federally funded grants	4,595	4,861
State funded grants	1,568	1,285
Others	20	93
Total	6,183	6,239

Grants - Recurrent	2020 \$'000	2019 \$'000
Commonwealth Government Financial Assistance Grants - General Purpose	773	745
Commonwealth Government Financial Assistance Grants - Roads	954	923
Commonwealth Government Financial Assistance Grants - Paid in Advance	1,826	1,717
Commonwealth Government - other	141	149
State Grants	1,167	359
Total recurrent grants	4,861	3,893

2.4 Grants (cont.)

	2020 \$'000	2019 \$'000
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - North East Mountain Bike Project	-	800
Commonwealth Government - Roads to Recovery	751	527
Commonwealth Government – Ringarooma Road Productivity Grant	150	-
Commonwealth Government – Other	-	-
State Grants - Bridport Western Access Road	-	785
State Grants – Scottsdale Pool Redevelopment	199	350
State Grants – Bridport Multifunction Centre	-	125
State Grants – Branxholm Trail Link	176	-
State Grants - Other	45	25
Other	-	34
Total capital grants	1,321	2,646

Conditions on grants

Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2019 \$'000
Unexpended at the close of the previous period	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>	
Scottsdale Pool Precinct	-
Levelling the Playing Field	-
Healthy TAS Community Program	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>	
Scottsdale Pool Precinct	350
Levelling the Playing Field	25
Health TAS Community Program	20
	395
Unexpended at the close of this reporting period	395
Net increase (decrease) in non-reciprocal grant revenues for the year:	395

Grant income - recurrent and capital

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 income is recognised as the obligations are fulfilled.

The performance obligations are varied based on the agreement, but include project milestones such as design, construction progress and project completion.

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 10.5 for accounting policy related to AASB 15 and AASB 1058.

Accounting policy under AASB 1004 - applicable for 2019 comparative

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Previously, in accordance with AASB 1004 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.

During the 2019/20 financial year the Commonwealth made advanced payment of \$1.83 million of the 2020/21 grant. In addition, during the 2018/19 financial year the Commonwealth made early payment of \$1.72 million which related to the 2019/20 grant. As a result of these advance payments Council's 2019/20 Statement of Comprehensive Income and the resulting Surplus have not been materially affected.

2.5 Contributions

	2020 \$'000	2019 \$'000
North East Mountain Bike Project	32	32
Parks, open space and streetscapes	-	-
Other	-	-
Total Contributions	32	32

Contribution income

Accounting policy under AASB 15 - applicable from 1 July 2019

Council recognises contributions without performance obligations when received. In cases where the contribution 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 10.5 for accounting policy related to AASB 15 and AASB 1058.

Accounting policy under AASB 1004 - applicable for 2019 comparative

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.

2.6 Interest

	2020 \$'000	2019 \$'000
Interest on financial assets	21	403
Realised gain/(loss) on financial assets	-	-
Unrealised gain/(loss) on financial assets	(75)	78
Interest on rates	25	44
Interest on cash and cash equivalents	20	24
Total Interest	(9)	549

Interest income

Interest is recognised progressively as it is earned. The comparative figure for interest on rates has been included for 2018/19.

Due to the instability of the world's financial markets as a result of the COVID-19 pandemic, Council made the decision to withdraw all monies from the managed fund investments. This resulted in Council recognising an unrealised loss for the 2019/20 financial year (reversing the unrealised gains from the 2018/19 financial year).

2.7 Reimbursements

	2020 \$'000	2019 \$'000
Private works	10	6
Other	178	155
Total Reimbursements	188	161

Reimbursement income

Reimbursements are recognised as revenue when the payment is due or the payment is received, whichever first occurs.

2.8 Other income

	2020 \$'000	2019 \$'000
Tourism income	32	37
Other	135	69
Total other income	167	106

Tourism and other income

Tourism and other income is recognised as revenue when the payment is due or the payment is received, whichever first occurs.

2.9 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2020 \$'000	2019 \$'000
Proceeds of sale	216	407
Written down value of assets disposed		
Assets available for sale (land)	-	(271)
Plant, machinery and equipment	(289)	(63)
Infrastructure Assets		
Scheduled	(470)	(16)
Unscheduled	(60)	-
Total Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(604)	57

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.

2.10 Investment revenue from water corporation

	2020 \$'000	2019 \$'000
Dividend revenue received	81	102
Tax equivalent received	16	66
Guarantee fee received	-	13
Total investment revenue from water corporation	97	181

Investment revenue

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

Note 3 | Expenses

3.1 Employee benefits

	2020 \$'000	2019 \$'000
Wages and salaries	4,203	3,767
Superannuation (Refer to Note 9.6)	478	410
Annual leave	419	343
Payroll tax	262	209
Long service leave	143	107
Workers Compensation	85	73
Fringe benefits tax	20	30
	5,610	4,939
Less amounts capitalised	(1,450)	(1,414)
Total employee benefits	4,160	3,525

Employee benefits

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

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

3.2 Contracts

	2020 \$'000	2019 \$'000
Contracts	1,379	1,864
Professional services	99	203
Management contracts	169	160
Total contracts	1,647	2,227

Contracts

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.

3.3 Materials

	2020 \$'000	2019 \$'000
Materials	257	349
Utilities	450	321
Plant, machinery and equipment	395	297
Office administration	41	57
Total materials and services	1,143	1,024

Materials

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

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.

3.4 Depreciation and amortisation

	2020 \$'000	2019 \$'000
Property		
Land improvements	293	312
Buildings	244	228
Plant and Equipment		
Plant, machinery and equipment	259	161
Fixtures, fittings and furniture	3	3
Computers and telecommunications	118	138
Infrastructure		
Roads	1,846	1,724
Bridges	432	394
Stormwater	230	199
Total depreciation and amortisation	3,425	3,159

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.

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.

Road and trail earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Right-of-use assets are amortised over the shorter period of the lease term and useful life of the underlying asset. Land is not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year. Estimates of remaining useful lives and residual values are made on a regular basis.

3.4 Depreciation and amortisation (cont.)

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

	Period
Land improvements	5 to 100 years
Buildings	
buildings.....	15 to 160 years
Plant and Equipment	
plant, machinery and equipment.....	2 to 50 years
fixtures, fittings and furniture.....	10 to 40 years
computers and telecommunications.....	4 to 15 years
Roads	
wear surface	
sealed.....	15 to 25 years
unsealed.....	10 to 15 years
pavements.....	50 to 200 years
sub base.....	200 years
road kerb and channel.....	60 years
road drainage.....	50 to 54 years
Footpaths	30 to 50 years
Bridges	
bridge substructure.....	20 to 129 years
bridge superstructure.....	13 to 80 years
Stormwater	
points, drains and pipes.....	70 to 80 years
Intangible Assets	25 years

3.5 Finance costs

	2020 \$'000	2019 \$'000
Interest	111	107
Total finance costs	111	107

Finance 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.

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.

3.6 Other expenses

	2020 \$'000	2019 \$'000
State levies, licences and taxes	414	376
Insurance	130	137
Councillors' allowances	164	150
Commissions	4	2
IT maintenance	113	126
Communications	78	81
Subscriptions and memberships	60	53
Professional development	27	53
Cost of goods sold	16	14
Aminya operational and redevelopment costs	2,081	463
Community grants & donations	74	90
Advertising	35	33
Audit fees	29	16
Election expenditure	-	43
Marketing	23	28
Bank fees & charges	26	25
Postage	18	24
Lease payments	25	37
Other expenses	179	122
Total other expenses	3,496	1,873

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.

Aminya operational and redevelopment costs are represented as gross revenue (Note 2.4) and gross expenses for the 2019/20 year. The net cost for this item was \$913,000 which included accruals for payment of grant funding from the State Government.

Base audit fee for 2019/20 \$25,210 (2018/19 \$25,210).

Note 4 | Investment in water corporation

4.1 Investment in water corporation

	2020 \$'000	2019 \$'000
Opening Balance	19,522	17,020
Fair Value adjustments on equity investment assets	(4,514)	2,502
Total investment in water corporation	15,008	19,522

Investment in water corporation

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9 Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income.

Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer to 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 a 1.04% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 5 | Current Assets

5.1 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash on hand	2	2
Cash at bank	8,888	2,314
Special committees (Note 10.2)	10	9
Total cash and cash equivalents	8,900	2,352

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:

- Deposits (Note 7.2)	148	158
- Conditions on grant (Note 2.4)	-	395
- Grants received in advance (Note 7.4)	907	-
- Leave provisions (Note 7.3)	1,307	1,073
- Provision for rehabilitation (Note 7.3)	115	115
- Landfill rehabilitation reserve (Note 9.1)	1,029	1,029
Restricted funds	3,506	2,770
Total unrestricted cash and cash equivalents	5,394	(418)

Council has additional funds invested in term deposits to cover periods where there is insufficient funds in cash and cash equivalents (Note 5.3).

Cash and cash equivalents

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

5.2 Trade and other receivables

Current	2020 \$'000	2019 \$'000
Rates debtors	330	566
Other debtors	407	929
Payroll debtors	7	12
Net GST receivable	77	155
less provision for impairment - other debtors	(5)	(5)
Total	816	1,657
Non-current		
Loans and advances to community organisations (Note 10.4)	365	383
Total	365	383
Total trade and other receivables	1,181	2,040

For ageing analysis of the financial assets, refer to Note 9.10 (e).

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.

5.3 Investments

	2020 \$'000	2019 \$'000
Current		
Term deposits	4,000	7,700
Total current financial assets	4,000	7,700
Non-current		
Managed funds	-	1,705
Total non-current financial assets	-	1,705
Total Financial Assets	4,000	9,405

Investments

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Term deposits represent short term deposits invested with Australian deposit taking institutions for a fixed period of less than 36 months with interest paid at maturity.

5.4 Inventories

	2020 \$'000	2019 \$'000
Inventories held for distribution	51	49
Inventories held for sale	11	31
Total inventories	62	80

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.

5.5 Contract assets

	2020 \$'000	2019 \$'000
Current		
Accrued income	31	-
Total	31	-

Contract assets

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

Council recognises a contractual asset for work in progress where a performance obligation is satisfied by transferring a promised good or service to the customer, before the customer pays consideration or the payment is due. Contractual assets are transferred to receivables when the right to receive payment becomes unconditional.

Council reviews contractual assets for impairment and concluded that there was no impairment required for the 2019/20 year.

Council's contract assets with customers predominantly includes reimbursements from the State Government under the Local Government Accelerated Capital Program and the Local Government Loan Program.

Refer to Note 10.5 for accounting policy related to AASB 15 and AASB 1058.

5.6 Prepayments and accrued income

	2020 \$'000	2019 \$'000
Accrued interest income	26	195
Prepayments	217	222
Accrued income	-	57
Deposits	15	16
Total other assets	258	490

Note 6 | Non-current assets

6.1 Property, infrastructure, plant and equipment

<i>Summary</i>	2020 \$'000	2019 \$'000
at cost	23,302	25,359
Less accumulated depreciation	(5,498)	(5,096)
	17,804	20,263
at fair value as at 30 June	210,606	200,520
Less accumulated depreciation	(62,009)	(59,731)
	148,597	140,789
Total	166,401	161,052
Property		
Land		
at fair value as at 30 June	4,509	4,509
	4,509	4,509
Land improvements		
at cost	10,921	10,159
Less accumulated depreciation	(2,387)	(2,093)
	8,534	8,066
Total Land	13,043	12,575
Buildings		
at fair value as at 30 June	9,469	9,096
Less accumulated depreciation	(1,107)	(864)
	8,362	8,232
Total Buildings	8,362	8,232
Total Property	21,405	20,807

<i>Plant and Equipment</i>	2020 \$'000	2019 \$'000
Plant, machinery and equipment		
at cost	7,498	6,832
Less accumulated depreciation	(1,893)	(1,906)
	5,605	4,926
Fixtures, fittings and furniture		
at cost	66	66
Less accumulated depreciation	(40)	(37)
	26	29
Computers and telecommunications		
at cost	1,496	1,464
Less accumulated depreciation	(1,178)	(1,060)
	318	404
Total Plant and Equipment	5,949	5,359
Infrastructure		
Roads		
at fair value as at 30 June	147,908	139,164
Less accumulated depreciation	(45,410)	(43,981)
	102,498	95,183
Land under roads		
at fair value at 30 June	3,954	3,350
	3,954	3,350
Bridges		
at fair value as at 30 June	27,561	27,462
Less accumulated depreciation	(8,504)	(8,128)
	19,057	19,334

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

	2020 \$'000	2019 \$'000
Stormwater		
at fair value as at 30 June	17,205	16,939
Less accumulated depreciation	(6,988)	(6,758)
	10,217	10,181
Total Infrastructure	135,726	128,048
Works in progress		
Land improvements	534	170
Buildings	1,106	510
Plant, machinery and equipment	-	50
Computers and telecommunications	16	-
Roads	1,605	6,096
Stormwater	60	12
Total Works in progress	3,321	6,838
Total property, infrastructure, plant and equipment	166,401	161,052

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

Reconciliation of property, plant and equipment and infrastructure

2020	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.4) \$'000	Written down value of disposals \$'000	Transfers from WIP \$'000	Balance at end of financial year \$'000
Property							
land	4,509	-	-	-	-	-	4,509
land improvements	8,066	592	-	(293)	-	169	8,534
Total land	12,575	592	-	(293)	-	169	13,043
buildings	8,232	366	-	(244)	-	8	8,362
Total buildings	8,232	366	-	(244)	-	8	8,362
Total property	20,807	958	-	(537)	-	177	21,405
Plant and Equipment							
plant, machinery and equipment	4,926	1,123	-	(259)	(289)	104	5,605
fixtures, fittings and furniture	29	-	-	(3)	-	-	26
computers and telecommunications	404	32	-	(118)	-	-	318
Total plant and equipment	5,359	1,155	-	(380)	(289)	104	5,949
Infrastructure							
roads	95,183	2,527	475	(1,846)	(477)	6,636	102,498
land under roads	3,350	-	604	-	-	-	3,954
bridges	19,334	209	-	(432)	(54)	-	19,057
stormwater	10,181	257	-	(230)	-	9	10,217
Total infrastructure	128,048	2,993	1,079	(2,508)	(531)	6,645	135,726
Works in progress							
land improvements	170	533	-	-	-	(169)	534
buildings	510	603	-	-	-	(8)	1,105
plant, machinery and equipment	50	54	-	-	-	(104)	-
computers and telecommunications	-	16	-	-	-	-	16
roads	6,096	2,146	-	-	-	(6,636)	1,606
stormwater	12	56	-	-	-	(9)	60
Total works in progress	6,838	3,408	-	-	-	(6,926)	3,321
Total property, plant and equipment, infrastructure	161,052	8,514	1,079	(3,425)	(820)	-	166,401

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

Reconciliation of property, plant and equipment and infrastructure

2019	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Newly identified assets/ transfers between class \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.4) \$'000	Written down value of disposals \$'000	Transfers from WIP \$'000	Balance at end of financial year \$'000
Property								
land	4,509	-	-	-	-	-	-	4,509
land improvements	6,166	729	10	-	(312)	-	1,473	8,066
Total land	10,675	729	10	-	(312)	-	1,473	12,575
buildings	7,912	541	(9)	-	(228)	-	16	8,232
Total buildings	7,912	541	(9)	-	(228)	-	16	8,232
Total property	18,587	1,270	1	-	(540)	-	1,489	20,807
Plant and Equipment								
plant, machinery and equipment	3,481	1,373	(1)	-	(161)	(63)	297	4,926
fixtures, fittings and furniture	28	4	-	-	(3)	-	-	29
computers and telecommunications	416	82	-	-	(138)	-	44	404
Total plant and equipment	3,925	1,459	(1)	-	(302)	(63)	341	5,359
Infrastructure								
roads	72,304	-	-	20,707	(1,724)	(16)	3,912	95,183
land under roads	3,350	-	-	-	-	-	-	3,350
bridges	18,573	362	-	684	(394)	-	109	19,334
stormwater	9,877	6	-	396	(199)	-	101	10,181
Total infrastructure	104,104	368	-	21,787	(2,317)	(16)	4,122	128,048
Works in progress								
land improvements	859	784	-	-	-	-	(1,473)	170
buildings	16	510	-	-	-	-	(16)	510
plant, machinery and equipment	81	266	-	-	-	-	(297)	50
computers and telecommunications	30	14	-	-	-	-	(44)	-
roads	2,778	7,230	-	-	-	-	(3,912)	6,096
bridges	6	103	-	-	-	-	(109)	-
stormwater	99	14	-	-	-	-	(101)	12
Total works in progress	3,869	8,921	-	-	-	-	(5,952)	6,838
Total property, plant and equipment, infrastructure	130,485	12,018	-	21,787	(3,159)	(79)	-	161,052



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

Recognition and measurement of assets

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

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

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

The following classes of assets have been recognised. In accordance with Council's policy, a threshold limit of \$1,000 is applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Revaluation

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

Land.....	fair value
Plant, equipment and office equipment.....	cost
Furniture, fittings and office equipment.....	cost
Stormwater and drainage infrastructure.....	fair value
Roads and streets infrastructure.....	fair value
Land Under Roads.....	fair value
Bridges.....	fair value
Buildings.....	fair value
Land improvements.....	cost
Computers and telecommunication.....	cost
Investment in water corporation.....	fair value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment land improvements, and computers and telecommunications, 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/reversal of impairment losses

Impairment losses are recognised in the Statement of Comprehensive Income under other expenses, unless the asset is carried at the revalued amount (in accordance with AASB 116). Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with AASB 116. Reversals of impairment losses are recognised in the Statement of Comprehensive Income under other revenue, unless the asset is carried at the revalued amount in accordance with AASB 116. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with AASB 116.

Land under roads

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

6.2 Pine plantations

	2020 \$'000	2019 \$'000
Balance at beginning of financial year	40	40
Fair value adjustments	-	-
Balance at end of financial year	40	40

Valuation of pine plantations has been determined in accordance with an independent valuation by AKS Forest Solutions at 30 June 2017 who have experience in the location and category of the plantations being valued.

Pine plantations

Pine plantations are held to generate income from the sale of pine saw logs. Plantations are measured initially at cost including establishment costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that the future economic benefit in excess of the original assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, plantations are carried at fair value. Changes in fair value are recorded in the Statement of Comprehensive Income when the risk and rewards of ownership are transferred to the purchaser.

6.3 Intangible assets

	2020 \$'000	2019 \$'000
Trademarks at cost	16	16
Brand names at cost	40	40
Total intangible assets	56	56

Reconciliation of intangible assets

	Trademarks \$'000	Brand Names \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2019	16	40	56
Balance at 30 June 2020	16	40	56
Net book value at 30 June 2020	16	40	56

Intangible assets

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$1,000 and consistent with the prior year.

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 estimates 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.

Note 7 | Current liabilities

7.1 Trade and other payables

	2020 \$'000	2019 \$'000
Trade payables	913	734
Accrued expenses	172	101
Total trade and other payables	1,085	835

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

For ageing analysis of trade and other payables, refer to Note 9.10(e).

7.2 Deposits

	2020 \$'000	2019 \$'000
Planning deposits	14	14
Camping fees deposits	113	117
Security deposits	-	1
Other refundable deposits	11	10
Proceeds from the sale of rate properties	10	16
Total deposits	148	158

Deposits

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

7.3 Provisions

(a) Employee benefits

	Annual leave \$'000	Long service leave \$'000	Rostered days off and time in lieu \$'000	On costs \$'000	Total \$'000
2020					
Balance at beginning of the financial year	407	431	81	154	1,073
Additional provisions	521	226	146	172	1,065
Amounts used	(419)	(143)	(140)	(112)	(814)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	5	-	(22)	(17)
Balance at the end of the financial year	509	519	87	192	1,307

Current	509	289	87	149	1,034
Non-current	-	230	-	43	273
Total	509	519	87	192	1,307

2019

Balance at beginning of the financial year	349	380	64	136	929
Additional provisions	344	118	143	95	700
Amounts used	(286)	(55)	(126)	(76)	(543)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(11)	-	(2)	(13)
Balance at the end of the financial year	407	432	81	153	1,073

Current	407	321	81	134	943
Non-current	-	110	-	20	130
Total	407	431	81	154	1,073

7.3 Provisions (cont.)

	2020 \$'000	2019 \$'000
Current		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	529	481
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	505	462
	1,034	943
Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	273	130
Employee Numbers	77	69

Employee benefits

(i) Short term obligations

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

(ii) Other long term employee benefit obligations

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

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

(iii) Sick leave

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.

(iv) Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the Statement of Financial Position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e. as an expense when it becomes payable.

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

(v) Defined contribution plans

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

b) Landfill restoration

Under legislation Council is obligated to rehabilitate landfill sites to a particular standard. The landfill sites have ceased operation, site monitoring for contaminants is ongoing and rehabilitation work will only be undertaken if required in future years. The provision for rehabilitation has been calculated based on the present value of expected costs of the work 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, budgeted costs for that work and 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. The Council's Director of Community & Development revalued the provision at 30 June 2020 and determined no change in the provision was required.

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

7.3 Provisions (cont.)

	2020 \$'000	2019 \$'000
(ii) Non- Current		
Opening balance	115	115
Transfer from current provision	-	-
	115	115
Aggregate carrying amount of rehabilitation provision:		
Current	-	-
Non-current	115	115
	115	115
Reconciliation of rehabilitation provision		
Bridport landfill	100	100
Landfill compliance and other non-allocable costs	15	15
	115	115
Total provisions		
Current	1,034	943
Non-current	388	245
Total provisions	1,422	1,188

7.4 Contract liabilities

	2020 \$'000
Current	
Rates and charges in advance	288
Grants received in advance	907
Funds received prior to performance obligation being satisfied (upfront payments)	10
	1,205
Non-current	
Grants received in advance	-

Contract liabilities

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

Council recognised the following contract liabilities with customers:

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

ii) Grants received in advance includes funding for the construction of the Scottsdale Pool Precinct and the Bridport Lighting Project. 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.

iii) Upfront payments of funding are recognised as a contract liability until performance obligations in accordance with AASB 15 are satisfied and recognition criteria are met.

Refer to Note 10.5 for accounting policy related to AASB 15 and AASB 1058.

Note 8 | Non-current liabilities

8.1 Interest-bearing loans and borrowings

	2020 \$'000	2019 \$'000
Current		
Borrowings	230	
	230	
Non-current		
Borrowings	5,470	3,200
Total Borrowings	5,700	3,200

During the 2016/17 financial year Council entered into a partnership with the Tasmanian Government to participate in the Tasmanian Economic Stimulus Scheme Accelerated Local Government Capital Program ("the Program") which enabled Council to access \$3.2 million to finance capital projects under the Program. The Program provides assistance to Council via the provision of loan interest rebates (or grant) to meet the annual interest obligations of the loan. The loan is an interest only loan (where the interest liability is being met via a rebate from the Tasmanian Government) with the principal due to be repaid in five years.

As part of the State Government's response to the COVID-19 pandemic, the Treasurer has ensured that all Councils have access to sufficient funding. On 15 June 2020, the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for any loans advanced to local government authorities under the Local Government Loans Program ("LGLP"). The LGLP enabled Council to borrow \$2.5 million in the 2019/20 financial year with an additional \$700,000 being drawn down in the 2020/21 financial year (total borrowings under the LGLP is \$3.2 million). The LGLP operates similarly to the above program in that the Tasmanian Government is providing interest rebates to Council for a period of 3 years to meet the interest obligations of the loan.

	2020 \$'000	2019 \$'000
The maturity profile for Council's borrowings is:		
Not later than one year	230	-
Later than one year and not later than five years	4,163	3,200
Later than five years	1,307	-
Total	5,700	3,200

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.

Note 9 | Reserves

9.1 Reserves

(a) Asset revaluation reserve

2020	Balance at beginning of reporting year \$'000	Increment \$'000	(Decrement) \$'000	Balance at end of reporting year \$'000
Property				
Land and buildings	-	-	-	-
	-	-	-	-
Infrastructure				
Roads	48,790	475	-	49,265
Land under roads	-	604	-	604
Bridges	11,012	-	-	11,012
Stormwater	7,325	-	-	7,325
	67,127	1,079	-	68,206
Other				
Fixtures, fittings and furniture	2	-	-	2
Pine plantations	15	-	-	15
	17	-	-	17
Total asset revaluation reserve	67,144	1,079	-	68,223

2019	Balance at beginning of reporting year \$'000	Increment \$'000	(Decrement) \$'000	Balance at end of reporting year \$'000
Property				
Land and buildings	-	-	-	-
	-	-	-	-
Infrastructure				
Roads	28,083	20,707	-	48,790
Land under roads	-	-	-	-
Bridges	10,328	684	-	11,012
Stormwater	6,929	396	-	7,325
	45,340	21,787	-	67,127
Other				
Fixtures, fittings and furniture	2	-	-	2
Pine plantations	15	-	-	15
	17	-	-	17
Total asset revaluation reserve	45,357	21,787	-	67,144

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

9.1 Reserves (cont.)

(b) Fair value reserve

	Balance at beginning of reporting year \$'000	Increment \$'000	(Decrement) \$'000	Balance at end of reporting year \$'000
2020				
Available-for-sale assets				
Investment in water corporation	1,479	-	(4,514)	(3,035)
Total fair value reserve	1,479	-	(4,514)	(3,035)
2019				
Available-for-sale assets				
Investment in water corporation	(1,023)	2,502	-	1,479
Total fair value reserve	(1,023)	2,502	-	1,479

Council has designated 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 be reclassified through the profit and loss when derecognised. Equity investment assets within the fair value reserve were previously classified as 'Available-for-sale' assets.

(c) Other reserves

	Balance at beginning of reporting year \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting year \$'000
2020				
Landfill rehabilitation	1,029	-	-	1,029
Total other reserves	1,029	-	-	1,029
2019				
Landfill rehabilitation	1,029	-	-	1,029
Total other reserves	1,029	-	-	1,029

The landfill rehabilitation reserve was established in 2015 to provide for future rehabilitation liabilities where Council resolves to establish a new landfill site in the Dorset Municipality.

	2020 \$'000	2019 \$'000
Total Reserves	66,217	69,652

9.2 Reconciliation of cash flows from operating activities to surplus (deficit)

	2020 \$'000	2019 \$'000
Surplus/Deficit	695	3,926
Depreciation/amortisation	3,425	3,159
Adjustment for AASB 15 & 1058 (Revenue)	45	-
(Profit)/loss on disposal of property, plant and equipment	604	(57)
Reversal of unrealised gains on redemption of investments	75	-
Loans and advances	18	434
Capital grants received specifically for new or upgraded assets	(1,321)	(2,646)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	56	(618)
Decrease/(increase) in prepayments and accrued income	201	166
Decrease/(increase) in inventories	18	(5)
Increase/(decrease) in trade and other payables	240	(448)
Increase/(decrease) in provisions	234	144
Net cash provided by/(used in) operating activities	4,290	4,055

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.

	Interest Bearing loans and borrowings \$'000
Balance at 1 July 2019	3,200
Adjustment due to AASB 16 adoption	-
Restated balance as at 1 July 2019	3,200
Acquisitions/New leases	-
Changes in fair value	-
Other movements	-
Changes from financing cash flows:	
Cash received	2,270
Cash repayments	-
Balance as at 30 June 2020	5,470
Balance at 1 July 2018	3,200
Acquisitions/New leases	-
Changes in fair value	-
Other movements	-
Changes from financing cash flows:	-
Cash received	-
Cash repayments	-
Balance as at 30 June 2019	3,200

9.4 Reconciliation of cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash and cash equivalents (see Note 5.1)	8,900	2,352
Less bank overdraft utilised	-	-
Total reconciliation of cash and cash equivalents	8,900	2,352

9.5 Financing arrangements

	2020 \$'000	2019 \$'000
Bank overdraft	40	40
Credit card facilities	50	35
Used facilities	(4)	(7)
Unused facilities	86	68

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.

9.6 Superannuation (cont.)

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

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

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

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

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

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

- The 2017 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.
- Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However, it is likely that Rule 27.4 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund’s assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$5,266 (2018/19 \$5,504), and the amount paid to accumulation schemes was \$451,919 (2018/19 \$391,533).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$5,424 and the amount to be paid to accumulation schemes is \$465,477.
- 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.

Fund	2020	2019
Defined benefits fund	\$'000	\$'000
Employer contributions to Tasplan Defined Benefit Fund	5	6
	5	6
Accumulation funds		
Employer contributions to Tasplan	265	235
Employer contributions to Other Funds	187	156
	452	391

9.7 Commitments

Capital Expenditure Commitments

Capital commitments at end of financial year but not recognised in the financial report are as follows:

	2020 \$'000	2019 \$'000
Roads	-	142
Total Capital expenditure commitments	-	142

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows:

	2020 \$'000	2019 \$'000
Waste Management		
General waste collection	138	100
Waste transfer stations	101	97
Facility management	64	62
Cleaning contractors	22	22
Insurance	222	191
Irrigation rights	1,091	1,371
Information systems and technology	98	102
Total contractual commitments	1,736	1,945

9.8 Operating leases

(a) Operating lease maturity receivables - applicable for 2019 comparatives

Council leases are over a variety of property assets including halls, community centres, sporting and recreation facilities and land.

Future minimum rentals receivable under non-cancellable operating leases are as follows:	2019 \$'000
Not later than one year	24
Later than one year and not later than five years	63
Later than five years	-
	87

(b) Maturity analysis of operating lease payments to be received - adoption of AASB 16

	2020 \$'000
Year 1	17
Year 2	8
Year 3	2
Year 4	1
Year 5	-
Year 6 and onwards	-
Total	28
The following table presents the amounts reported in profit or loss:	
Lease income on operating leases	38
Therein lease income relating to variable lease payments that do not depend on an index or rate	-



9.9 Contingent liabilities

Contingent liabilities

Council has a potential liability in relation to a contractual agreement for the lease of a property. Advice from Council's insurer indicates that the Council's liability is limited to the insurance excess.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Bank Guarantees are held by Council against the provision of services \$237,166 (2018/19: \$325,200) and overdraft facility \$40,000 (2018/19: \$40,000) as per Note 9.5.

Council may be subject to legal proceedings which may result in possible penalties from the construction of Council's depot building on Crown Land at Derby.



9.10 Financial Instruments

(a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows. 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	0.36%	8,888	-	-	-	12	8,900
Financial investments	2.11%	-	4,000	-	-	-	4,000
Trade and other receivables		-	-	-	-	1,181	1,181
Investment in water corporation		-	-	-	-	15,008	15,008
Total financial assets		8,888	4,500	-	-	16,201	29,089
Financial liabilities							
Trade and other payables	N/A	-	-	-	-	1,085	1,085
Trust funds and deposits	N/A	-	-	-	-	148	148
Interest-bearing loans and borrowings	3.35%	-	230	4,163	1,307	-	5,470
Total financial liabilities		-	230	4,163	1,307	1,233	6,703
Net financial assets (liabilities)		8,888	3,770	(4,163)	(1,307)	14,968	22,386

9.10 Financial instruments (cont.)

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	0.36%	2,314	-	-	-	11	2,352
Financial investments	2.67%	-	7,700	-	1,705	-	9,405
Trade and other receivables		-	-	-	-	2,040	2,040
Investment in water corporation		-	-	-	-	19,522	19,522
Total financial assets		2,314	7,700	-	1,705	21,573	33,319
Financial liabilities							
Trade and other payables	N/A	-	-	-	-	835	835
Trust funds and deposits	N/A	-	-	-	-	158	158
Interest-bearing loans and borrowings	3.35%	-	-	3,200	-	-	3,200
Total financial liabilities		-	-	3,200	-	993	4,193
Net financial assets (liabilities)		2,341	7,700	(3,200)	1,705	20,580	29,126

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	8,900	2,352	8,900	2,352
Financial Investments	4,000	9,405	4,000	9,405
Trade and other receivables	1,181	2,040	1,181	2,040
Investment in water corporation	15,008	19,522	15,008	19,522
Total financial assets	29,089	33,319	29,089	33,319
<i>Financial liabilities</i>				
Trade and other payables	1,085	835	1,085	835
Trust funds and deposits	148	158	148	158
Interest-bearing loans and borrowings	5,700	3,200	5,849	3,200
Total financial liabilities	6,933	4,193	7,082	4,193

(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) Risk and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated

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

Our loan borrowings are sourced from 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 Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Credit risk arises from Council's 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.

9.10 Financial instruments (cont.)

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

	Financial Institutions (BBB to AA credit rating)	Government agencies (BBB credit rating)	Other (unrated)	Total
2020				
Cash and cash equivalents	8,888	-	12	8,900
Term deposits	2,500	-	1,500	4,000
Trade and other receivables	-	-	1,181	1,181
Investments and other financial assets	-	15,008	-	15,008
Total contractual financial assets	11,388	15,008	2,693	29,089

2019

Cash and cash equivalents	2,341	-	11	2,352
Term deposits	7,700	-	-	7,700
Trade and other receivables	-	-	2,040	2,040
Investments and other financial assets	1,705	19,522	-	21,227
Total contractual financial assets	11,746	19,522	-	31,268

Movement in Provisions for Impairment of Trade and Other Receivables	2020 \$'000	2019 \$'000
Balance at the beginning of the year	5	5
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	5	5

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:

Unsecured	2020 \$'000	2019 \$'000
Current (not yet due)	397	893
Past due by up to 30 days	7	12
Past due between 31 and 60 days	-	10
Past due between 61 and 90 days	13	-
Past due by more than 90 days	382	397
Total unsecured trade & other receivables	799	1,312
Secured		
Payroll debtors	7	12
GST receivable	50	155
Rates receivable	330	566
Total secured trade & other receivables	387	733
Total trade & other receivables	1,186	2,045

9.10 Financial instruments (cont.)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$5,494 (2018/19: \$5,494) were impaired. The amount of the provision raised against these debtors was \$5,494 (2018/19: \$5,494). The individually impaired debtors relate to general and sundry debtor 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
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	5	5
Total Trade & Other Receivables	5	5

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.

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

2020	12 mths or less \$'000	1-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,085	-	-	1,085	1,085
Deposits	148	-	-	148	148
Interest-bearing loans and borrowings	230	4,163	1,307	5,700	5,700
Total financial liabilities	1,463	4,163	1,307	6,933	6,933

2019	12 mths or less \$'000	1-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	835	-	-	835	835
Deposits	158	-	-	158	158
Interest-bearing loans and borrowings	-	3,200	-	3,200	3,200
Total financial liabilities	993	3,200	-	4,193	4,193

9.10 Financial instruments (cont.)

(e) Sensitive 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 +0.75% and -0.25% in market interest rates (AUD) from year-end rates of 0.25%.

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			
		-0.25 %		+0.75%	
		-25 basis points		+75 basis points	
	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2020					
Financial assets:					
Cash and cash equivalents	8,888	(22)	(22)	67	67
Investments	4,000	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	5,700	-	-	-	-

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2019					
Financial assets:					
Cash and cash equivalents	2,341	(47)	(47)	23	23
Financial Investments	7,700	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	3,200	-	-	-	-

9.11 Fair Value measurements

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

- Investment property
- Investment in water corporation
- Property, infrastructure plant and equipment
- Land
- Buildings
- Roads
- Land under roads
- Bridges
- Stormwater
- Pine plantation
- Fixtures, fittings and furniture

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.

9.11 Fair Value measurement (cont.)

As at 30 June 2020	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Land	6.1	-	4,509	-	4,509
Buildings	6.1	-	8,362	-	8,362
Roads	6.1	-	-	102,498	102,498
Land under roads	6.1	-	-	3,954	3,954
Bridges	6.1	-	-	19,057	19,057
Stormwater	6.1	-	-	10,217	10,217
Pine plantation	6.2	-	40	-	40
Investment in water corporation	4.1	-	-	15,008	15,008
		-	12,911	150,734	163,645

As at 30 June 2019	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Managed Funds	5.3	1,705	-	-	1,705
Land	6.1	-	4,509	-	4,509
Buildings	6.1	-	8,232	-	8,232
Roads	6.1	-	-	95,183	95,183
Land under roads	6.1	-	-	3,350	3,350
Bridges	6.1	-	-	19,334	19,334
Stormwater	6.1	-	-	10,181	10,181
Pine plantation	6.2	-	40	-	40
Investment in water corporation	4.1	-	-	19,522	19,522
		1,705	12,781	147,570	162,056

Transfers between level of the hierarchy

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

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

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

Managed funds and Investment in water corporation

Refer to Notes 5.3 and 4.1 respectively for details of valuation techniques used to derive fair values.

Land

Land fair values were determined by qualified real estate agents Harcourts International effective 30 June 2015. 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

As mentioned in Note 6.1, Council has elected to recognise land under roads acquired prior to, and following 30 June 2008, at fair value. Land under roads was valued using rates provided by the Office of the Valuer General at 30 June 2011. These rates were derived by dividing the total statutory land value for each property category, by the total land area of the municipality. From this a 30% discount was applied to built up categories.

Buildings

The fair value of buildings were also determined by qualified real estate agents Harcourts International effective 30 June 2016. Where there is a market for Council building assets, fair value has been derived by the sales prices of comparable properties after adjusting for difference in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

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

Where buildings are planned to be disposed with the next 12 months, fair value is based upon the estimated costs of disposal less any proceeds from sale.

9.11 Fair Value measurement (cont.)

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's gross replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset. CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

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

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 3.4.

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

A condition survey of the sealed roads was performed by ARRB Group Limited during the 2018 year. Council Officers in conjunction with Geoff Webb Consulting then reviewed the condition assessment to determine the expected future serviceable life of the assets. For unsealed roads, footpaths and shoulders a time based (age) method has been applied. The revaluation of Council's road assets was based on depreciated replacement cost at 1 July 2018.

Council categorises its road infrastructure into urban and rural roads and further sub categories of sealed and unsealed roads. Roads are managed in segments of 30 to 4,000 metres. All sealed segments are componentised into earthworks, sub base, pavement, wear surface and drains, and footpaths (both left and right) where applicable and unsealed roads are componentised into earthworks, pavement and wear surface. Council assumed that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumed a segment

is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit rate (unit rates are representative of typical current replacement costs of asset components). Council assumes that pavements are constructed to depths of 40 comes for high traffic areas and 30 comes for lower traffic locations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of bridge assets was undertaken by independent valuers, Auspan Limited, effective 18 October 2017. The valuation was based upon current depreciated replacement cost at 18 October 2017. Each bridge is assessed individually and componentised into sub assets representing the sub-structure and super-structure. The valuation is based on the material type used for construction, sub-structure and super structure area and design load.

Stormwater

A full valuation of drainage infrastructure was undertaken by Council's Infrastructure and Regulatory Services personnel, effective 30 June 2014. Stormwater assets are managed in segments; pits and pipes being the major components.

Council assumes that environmental factors such as soil types, 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.

(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	15,008	Refer to Note 4.1 for a description of the valuation basis		

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

9.11 Fair Value measurement (cont.)

(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 4.1.

There have been no transfers between level 1, 2 or 3 measurements during the year.

	2020 \$'000	2019 \$'000
Balance at beginning of reporting period	19,522	17,020
Gain/loss recognised in profit or loss - Realised	-	-
Gain/loss recognised in profit or loss - Unrealised	-	-
Gain/loss recognised in other comprehensive income - Fair value adjustment on equity investment assets (TasWater)	(4,514)	2,502
Purchases	-	-
Sales	-	-
Closing Balance	15,008	19,522

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment and investment in water corporation (recurring fair value measurements) is set out in Notes 6.1 and 4.1 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 (refer Note 9.9).

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 10 | Other matters

10.1 Related party transactions

Responsible Persons

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

Councillors

Councillor Greg Howard (Mayor)
Councillor Dale Jessup (Deputy Mayor)
Councillor Mervyn Chilcott
Councillor Edwina Powell
Councillor Murray Lade
Councillor Leonie Stein
Councillor Jan Hughes
Councillor Jerrod Nichols
Councillor Wendy McLennan

General Manager Mr Tim Watson

Councillors Remuneration

	2020 \$'000	2019 \$'000
Councillor allowances and expenses	190	183

Key Management Personnel Remuneration

The key management personnel of Council has been determined to include all Councillors and Directors. In all, 13 persons were paid the following total compensation in the year ended 30 June 2020:

	2020 \$'000	2019 \$'000
Short-term employee benefits (salaries, vehicles and allowances including Councillor allowances)	908	806
Post-employment benefits (superannuation)	85	76
Other long term benefits (movements in employee leave provisions)	34	26
	1,027	908

Transactions with related parties

During the period Council did not enter into any significant transactions with related parties.

10.1 Related party transactions (cont.)

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

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.

Remuneration Principles

Remuneration levels for key management personnel are set in accordance with Council's Enterprise Agreement.

The employment terms and conditions of senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive (excluding the General Manager) contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 4 weeks prior to termination of the contract. Whilst not automatic, contracts can be extended.

10.2 Special Committees and other activities

In accordance with Section 84(d) of the *Local Government Act 1993* (as amended) these statements include the bank account balances for the following committees:

	2020 \$'000	2019 \$'000
Jetsonville Hall	1	1
North Scottsdale Hall	2	2
Springfield Community Association	7	6
Total	10	9

10.3 Significant business activities

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 has determined, that none of the activities carried on by Council are considered significant business activities.

10.4 Aminya Aged Care Facility

NE Care Inc. was incorporated under the Association Incorporation Act 1964 on 23 September 2015 for the purpose of managing operations of the Aminya Aged Care facility and facilitating ongoing community benefits associated with the centre.

On 30 November 2015, Dorset Council took over the facility from Presbyterian Care Tasmania by acquiring the assets necessary to continue operations. NE Care entered into a management agreement with May Shaw Health Centre Inc. (May Shaw) on 29 June 2016. The assets necessary to operate the facility were transferred to May Shaw as part of this agreement and the building and land were retained and recognised by Council.

Employees working at the facility became the responsibility of May Shaw as part of the Management Agreement and the employee entitlement liabilities were funded by Council. These entitlements are paid by Council to May Shaw when May Shaw incur the liability to pay an entitlement to the respective employee.

Council pay May Shaw a monthly Service Fee on behalf of NE Care for the ongoing operations of the facility. Council have assessed these monthly service fee payments as a concessional loan to a community organisation and have accounted for it on the basis that it intends to recover the funds in future profitable periods of operation of the facility. NE Care ceased operations on 30 June 2019 as its purpose had been fulfilled.

In May 2017 operations of the Aminya Aged Care facility and the James Scott Wing of the North East Soldiers Memorial Hospital merged under the control of May Shaw.

May Shaw is currently planning a redevelopment of the Aminya facility which will see its capacity increased to a minimum of 55 residents.

Originally it was expected that May Shaw would take control of the Aminya Facility on 31 December 2019, however due to construction delays it is expected that May Shaw will take full financial responsibility for the facility and Council's financial exposure will cease from 31 December 2020.

10.5 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.



10.5 Other significant accounting policies and pending accounting standards (cont.)

(b) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of 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 operation 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 AASB 15 and AASB 1058 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 surplus at the date of initial application, i.e. 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, Council has applied the practical expedients and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 July 2019.

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

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

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

The impact of the new standard has changed in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. Under the new income recognition model applicable to not-for-profit entities, Council determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), Council applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, Council considers whether AASB 1058 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).

10.5 Other significant accounting policies and pending accounting standards (cont.)

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.

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 \$'000	Adjustment \$'000	Amounts under AASB 15 & 1058 \$'000
Recurrent Income					
Rates and Charges	1	2.1	7,667	(65)	7,602
Capital Grants	2	2.4	1,922	(601)	1,321

Statement of Financial Position (Extract)	Reference	Note	Amounts under AASB 118 & 1004 \$'000	Adjustment \$'000	Amounts under AASB 15 & 1058 \$'000
Current Liability					
Other liabilities	3	7.4	-	1,205	1,205
Equity					
Accumulated Surplus	4	-	121,365	(1,205)	120,160

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. For grant funding where specific performance obligations are yet to be completed to acquire, construct or upgrade a recognisable non-financial asset, Council recognises a liability until obligations are fulfilled.
3. Total of adjustments required due to changes in accounting standards recognised as a liability.
4. Represents the balance of accumulated surplus at 30 June 2020 under the previous and new Australian Accounting Standards.

(h) Pending Accounting Standards

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

10.6 Management indicators

(a) Underlying surplus or deficit	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Net result for the year	695	3,926	3,966	5,120
<i>Less non-operating income</i>				
Capital grants	(1,321)	(2,646)	(3,386)	(1,764)
Contributions non-current assets	-	-	(37)	(225)
Financial assistance grants in advance	(109)	33	29	(1,779)
<i>Add non-operational expenses</i>				
Contribution for Aminya operational costs	914	163	366	-
Fair value adjustment	-	-	-	293
Underlying surplus/deficit	> 0 179	1,476	938	1,645

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 or deficit	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Recurrent income* less	12,684	12,871	12,571	12,609
Recurrent expenditure	12,505	11,395	11,633	10,964
Underlying surplus/deficit	> 0 179	1,476	938	1,645

* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

Council recorded an underlying surplus for the last four years due to increases in rate revenue, and revenue from Council's investments combined with a decrease in costs across all areas of Council as a result of operational efficiencies.

(c) Underlying surplus ratio	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Underlying surplus or deficit	179	1,476	938	1,645
Recurrent income*	12,684	12,871	12,571	12,609
Underlying surplus ratio %	1.4%	11.5%	7.5%	13%

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

Council recorded a positive surplus ratio for the past four years.

(d) Net financial liabilities	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Liquid assets less	14,081	13,797	18,544	19,970
Total liabilities	9,560	5,381	5,685	5,724
Net financial liabilities	4,521	8,416	12,859	14,246

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Council recorded positive net financial liabilities for the period with liquid assets greater than current and non-current liabilities in each year. This indicates a strong liquidity position, with Council able to meet existing obligations.

Council has contractual commitments totalling \$1.74m (2019, \$2.09m) which are not recognised on the Statement of Financial Position and consequently not factored into the Net financial liabilities ratio. Refer to Note 9.7 for further details.

Council's cash and financial assets are subject to a number of restrictions that limit the amount available for discretionary use and include commitments, deposits and employee benefits.

10.6 Management indicators (cont.)

(e) Net financial liabilities ratio	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Net financial liabilities	4,521	8,416	12,859	14,246
Recurrent income*	12,684	12,871	12,571	12,609
Net financial liabilities ratio %	0% - (50%)	65%	102%	113%

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

Council's net financial liabilities ratio is more than 50% for the period, due to the additional borrowings drawn down under the Local Government Loans Program (LGLP). Refer to Note 8.1 for further details. Council remains in a strong position to meet existing financial obligations.

(f) 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.

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
<i>Roads</i>				
Depreciated replacement cost	102,498	95,183	72,304	65,099
Current replacement cost	147,908	139,164	125,277	113,625
Asset consumption ratio %	69%	68%	58%	57%
<i>Bridges</i>				
Depreciated replacement cost	19,057	19,334	18,573	17,206
Current replacement cost	27,561	27,462	26,004	24,548
Asset consumption ratio %	69%	70%	71%	70%

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
<i>Buildings</i>				
Depreciated replacement cost	8,362	8,232	7,912	7,614
Current replacement cost	9,469	9,096	8,548	8,034
Asset consumption ratio %	88%	91%	93%	95%
<i>Stormwater</i>				
Depreciated replacement cost	10,217	10,181	9,877	9,578
Current replacement cost	17,205	16,939	16,173	15,387
Asset consumption ratio %	59%	60%	61%	62%

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

The ratios above indicate that at 30 June 2020 Council had used (consumed) approximately 30% of the service potential of its infrastructure assets. Overall, at this point in time, Council's infrastructure assets have sufficient capacity to continue to provide services to ratepayers.

10.6 Management indicators (cont.)

(g) 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.

		2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Roads					
Projected capital funding outlays**		28,147	30,228	32,918	35,608
Projected capital expenditure funding***		28,147	29,785	31,477	33,074
Asset renewal funding ratio %	90-100%	100%	101%	105%	108%
Bridges					
Projected capital funding outlays**		3,977	4,172	4,495	5,046
Projected capital expenditure funding***		3,977	4,422	4,576	5,127
Asset renewal funding ratio %	90-100%	100%	94%	98%	98%
Buildings¹					
Projected capital funding outlays**		2,009	2,119	2,233	2,356
Projected capital expenditure funding***		2,009	2,119	2,233	2,356
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
Stormwater					
Projected capital funding outlays**		1,035	1,054	1,073	1,095
Projected capital expenditure funding***		1,035	1,054	1,073	1,095
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

¹ An asset management plan was completed for buildings in the 2014/15 year.

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

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

This ratio measures Council's capacity to fund future asset replacement requirements.

Council implemented a long-term asset management plans for road, bridge and stormwater infrastructure assets in 2012. A plan for buildings was completed in 2015 in addition to the plans for roads and bridges being revised. Council is currently in the process of updating its asset management plans for roads, bridges, buildings and stormwater assets. The plans set out planned and required renewal expenditure to 2034-35 for the respective infrastructure classes.

(h) Asset sustainability ratio

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Capex on replacement/renewal of existing assets	5,082	6,214	3,714	6,266
Annual depreciation expense	3,425	3,159	3,738	3,297
Asset sustainability ratio %	148%	197%	99%	190%

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

Council's asset sustainability ratio is well above the prescribed 100% benchmark for the current years and the 2017 & 2016 years. Council's average ratio was 99% in the previous year indicating that the Council in essence maintained its level of investment in existing assets. This decline in the ratio was due to the actual costs of renewals and replacements being less than the estimated cost per the 2017/18 Budget Estimates. The increase in the ratio is due to an increase in Council's capital renewal during the year.

10.6 Management indicators (cont.)

2020	Capital renewal expenditure \$'000	Capital new / upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Bridges	167	41	208
Land improvements and buildings	172	1,848	2,020
Roads	3,770	576	4,346
Stormwater	28	276	304
Plant, machinery and equipment	913	659	1,572
Computers and telecommunications	32	12	44
Total	5,082	3,412	8,494

2019	Capital renewal expenditure \$'000	Capital new / upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Bridges	187	276	463
Land improvements and buildings	121	2,436	2,557
Roads	4,953	2,346	7,299
Stormwater	34	-	34
Plant, machinery and equipment	850	741	1,591
Computers and telecommunications	69	31	100
Total	6,214	5,830	12,044

10.7 Budget Variations

Material Budget Variations

Council's original budget was adopted by the Council on 24 June 2019. The original projections on which the budget was based have been affected by a number of factors. Material variations of more than 10% are explained below:

Revenues

Statutory fees and fines

Statutory fees and fines were \$49,000 (20%) below budget due to lower than expected revenue received from regulatory services and land information certificate searches.

Interest

Interest income received was \$259,000 (104%) below budget due to the reversal of the prior year's unrealised gains on investments and lower interest rates on term deposits as a result of the economic impact of COVID-19 on financial markets.

Reimbursements

Reimbursements was above budget by \$61,000 (48%) due to a back claim of fuel tax credits and private works and traineeship incentive payments that were not budgeted for.

Other Income

Other income was above budget by \$74,000 (80%) predominately due to funds received in relation to events that were not budgeted for.

Investment revenue from water corporation

Income from TasWater was \$142,000 (59%) below budget due to a reduction in distributions received as a result of changes in the ownership structure and governance arrangements of TasWater.

Capital Grants

Capital grants are \$529,000 (29%) below budget due to a change in the accounting standards which has resulted in any restricted grant funds that have not been spent by 30 June are recognised as a liability on the balance sheet. For the 2019/20 financial year \$907,000 of restricted grant funding was recognised as grant received in advance (Note 7.4).

Expenses

Employee benefits

Employee benefits were \$534,000 (15%) over budget due to an increase in road maintenance being performed by Council employees (as opposed to utilising contractors), and a reduction in the amount of wages capitalised.

Other expenses

Other expenses were \$2.022 million (137%) over budget as Council did not include the gross cost of our contribution towards the running of the Aminya Aged Care Facility in its operational budget for the 2019/20 year as this cost is not considered a part of Council's core operations. These costs should be offset against the revenue included in operating grants (Note 2.4). The overall net impact to Council's operating surplus for the 2019/20 year was \$913,000.



Certification of the Financial Report

The accompanying financial statements of the Dorset Council 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.

Tim Watson
General Manager

Date: 1 February 2021



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