

2020/2021 Annual Report



Kentish Council

Front Page Image:
Jess Bonde, Wildbonde.

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ABOUT THIS ANNUAL REPORT

The Kentish Council proudly presents the 2020/21 Annual Report to the Community.

The Annual Report highlights Council's performance against the 2020/21 Annual Plan and Budget.

The Annual Plan and Budget sets out 18 strategic objectives grouped under four categories:

1. Infrastructure;
2. Economic and Community Development;
3. Governance and Organisational Development; and
4. Planning and Development.

Council's performance is measured against actions comprising the four categories above.

Section 72 of the *Local Government Act 1993* requires all councils to prepare an Annual Report including prescribed content.

As well as meeting this statutory requirement, Council sees the Annual Report as a great opportunity to keep residents and stakeholders informed about its performance. The report demonstrates the breadth of Council's operations and identifies achievements and challenges during the 2020/21 financial year.

The Annual Report also provides a comprehensive and externally audited financial report.

Feedback

Feedback or questions relating to the annual report are welcome.

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The Annual Report is available in a range of formats and can also be viewed electronically on Council's website www.kentish.tas.gov.au

OUR COUNCIL



KENTISH PROFILE

The Kentish Municipality is located inland on the eastern North-West Coast of Tasmania bordering the municipal areas of Latrobe, Devonport City, Central Coast, Meander Valley, West Coast and Waratah-Wynyard councils.

Kentish is known as ‘Tasmania’s Outdoor Art Gallery’ for its beautiful countryside, majestic mountains and its three themed townships: Sheffield - Town of Murals, Railton - Town of Topiary and Wilmot - Valley of Views.

Kentish has a population of 6,393, comprised of 51% males and 49% females with a median age of 48 years.

Overall, 89% of Kentish residents were born in Australia.

The three biggest industry employers in Kentish are Manufacturing (11.5%), Retail (10.8%) and Agriculture, Forestry and Fishing (10.3%).

Median employee income for Kentish residents is \$51,740 per annum.

Source: Australian Bureau of Statistics 2018 – 2020.

Our History

The Punnilerpanner people were the First Nations Australians in the Kentish area.

Nathaniel Kentish was appointed as a contract surveyor in 1841 to survey areas on the North-West Coast of Tasmania and in August 1842 he discovered a large grassy plain which later went on to be known as ‘Kentish Plains’.

In the early years, Road Trusts were the main form of Local Government in Tasmania. In 1908 the five local road trusts of Kentish Plains, Barrington, Beulah, Wilmot and Sheffield merged to create the Kentish Council.



Our Localities

Kentish’s localities include Sheffield, Railton, South Spreyton, Acacia Hills, Barrington, Lower Barrington, Nook, Nowhere Else, Merseylea, Sunnyside, Stoodley, Beulah, Lower Beulah, Paradise, Claude Road, Gowrie Park, West Kentish, Roland, Staverton, Promised Land, Lower Wilmot, Wilmot, Erriba, Moina, Lorinna, Middlesex, Cethana and Cradle Mountain.

Fast Facts

Area	1,187 sq km
Road Distances	471 km
Sealed	273 km
Unsealed	198 km
Number of Bridges/ Major Culverts	104
Rateable Properties	3,696
Value of Properties (AAV)	\$45.96M
Number of Electors	4,558
Businesses	524
Visitors to Sheffield	34,000
Visitors to Cradle Mountain	57,000

VISION AND VALUES

Our Vision

“Kentish is known as a distinctive place where people want to live, for its caring community that celebrates the arts, diversity, the awesome natural environment and its vibrant local economy.”

Our Values

Our People

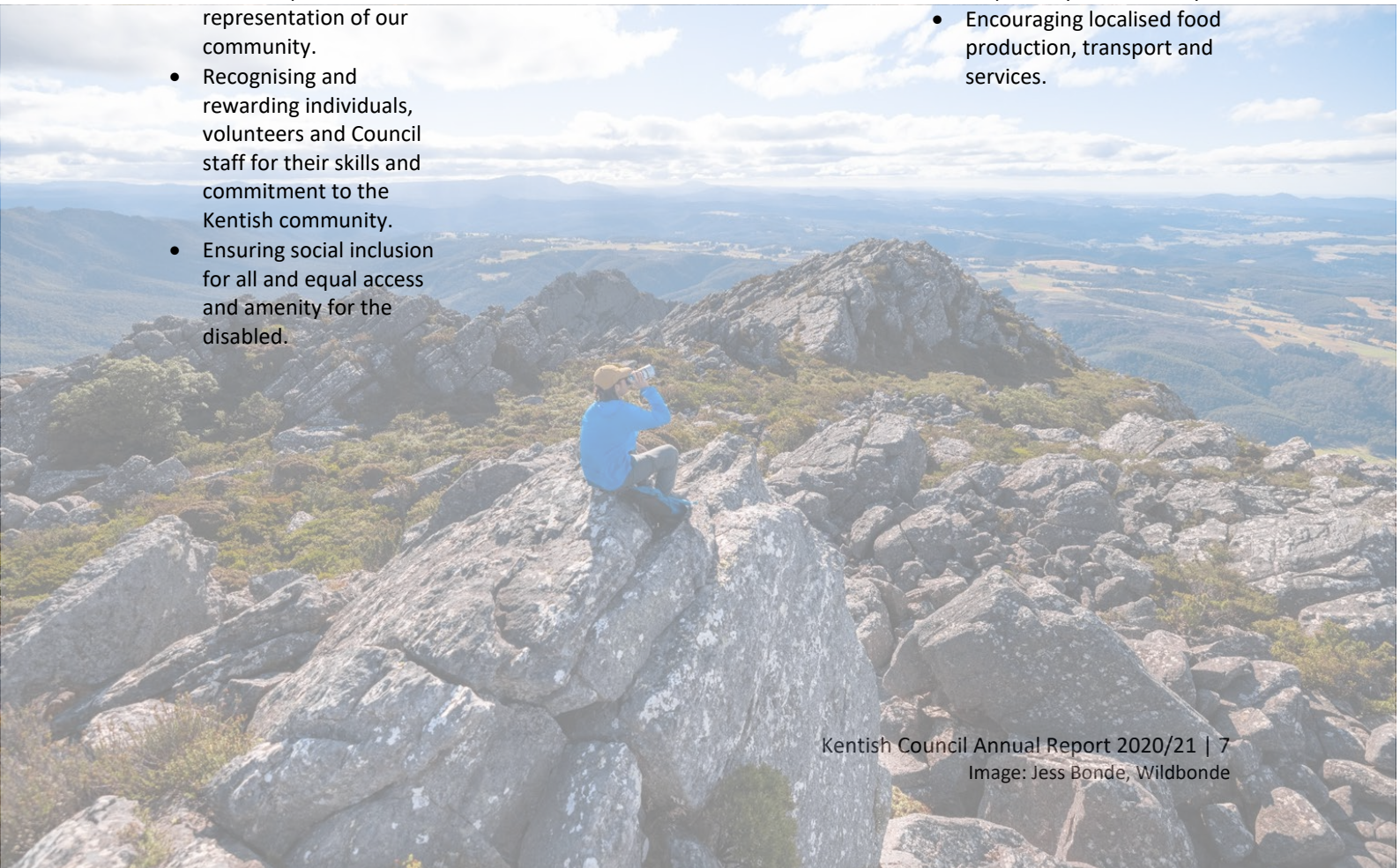
- Providing opportunities for all to be involved and participate in community events and activities.
- Ensuring that everyone is treated with respect and dignity.
- A willingness to consult, listen and respond to individual and group concerns.
- Effectively and consistently communicating information.
- Showing responsive leadership and representation of our community.
- Recognising and rewarding individuals, volunteers and Council staff for their skills and commitment to the Kentish community.
- Ensuring social inclusion for all and equal access and amenity for the disabled.

Our Environment

- Providing safe facilities and services.
- Maintaining our assets in good working order.
- Working with individuals and groups to protect and maintain the environment.
- Maintaining and protecting our cultural and built heritage.
- Protecting and managing our natural assets.
- Reducing Council’s carbon footprint.
- Encouraging individuals and groups to become more carbon efficient.

Our Financial Security

- Encouraging sustainable development for our people and our environment.
- Prudent spending of public monies and ensuring rates are not increased beyond that required for service delivery, maintenance and creation of community infrastructure.
- Using effective thinking and learning which can lead to creative solutions.
- Having a good understanding of our assets and what it takes to maintain them.
- Managing our finances responsibly and carefully.
- Encouraging localised food production, transport and services.



OUR COUNCILLORS



Mayor Tim Wilson



Deputy Mayor
Don Thwaites



Cr Kate Haberle



Cr Penny Lane



Cr Steve Mawer



Cr Phillip Richards



Cr Linda Cassidy



Cr Rodney Blenkhorn



Cr Nicole Meijer

Councillor Representation on Council Committees

The *Local Government Act 1993* provides for the establishment of Special and Advisory Committees of Council. The table below outlines Councillor representation on Council's Special and Advisory Committees.

ORGANISATION	REPRESENTATIVE/S	PROXY
SPECIAL COMMITTEES OF COUNCIL		
Sheffield Recreation Ground	Cr D Thwaites	Cr P Lane
Railton Recreation Ground	Cr R Blenkhorn	Cr L Cassidy
Wilmot Recreation Reserve	Cr P Richards	
Beulah Hall	Cr D Thwaites	Cr P Lane
Claude Road Hall	Cr N Meijer	Cr P Lane
Barrington Hall	Cr P Lane	Cr T Wilson
Wilmot Hall	Cr P Richards	Cr P Lane
Sheffield Museum	Cr K Haberle	Cr P Lane
Working Art Space Sheffield	Cr N Meijer	Cr D Thwaites
Railton Squash Centre	Cr L Cassidy	Cr R Blenkhorn
Economic Development	Cr K Haberle, Cr S Mawer, Cr L Cassidy, Cr R Blenkhorn, Mayor	
Lorinna Cemetery	Cr S Mawer	
Audit Panel	Cr K Haberle, Cr S Mawer	
Grants	Cr P Richards, Cr P Lane, Cr L Cassidy	Cr K Haberle
Public Arts Committee Kentish	Cr P Lane	Cr D Thwaites
Kentish Health Care Centre	Cr D Thwaites, Cr K Haberle	
Railton Neighbourhood Centre & Halls	Cr R Blenkhorn	Cr L Cassidy
Sheffield Tree Committee	Cr T Wilson	Cr D Thwaites
Sheffield Art Centre	Cr N Meijer, Cr D Thwaites	Cr L Cassidy
JOINT AUTHORITIES		
Cradle Coast Authority	Cr T Wilson, Cr D Thwaites	
TasWater	Cr T Wilson	Cr D Thwaites
Dulverton Waste Management	Cr D Thwaites, Cr P Richards	
Cradle Coast Authority Regional Waste	Cr D Thwaites	
OTHER BODIES		
Cement Australia Community Liaison Group	Cr P Lane, Cr R Blenkhorn	
Kentish/Latrobe Road Safety Group	Cr P Lane	Cr K Haberle
Sheffield Inc	Cr P Lane, Cr L Cassidy	
Kentish ACT	Cr P Lane	
Tandara Lodge Community Care Inc	Cr T Wilson, Cr K Haberle	
Mt Roland Rivercare Catchment Inc	Cr T Wilson, Cr D Thwaites	
Wilmot Tourist and Progress Association	Cr P Lane, Cr N Meijer	
Wild Mersey Mountain Bike Trail Advisory Group	Cr T Wilson	Cr D Thwaites
Mersey Emergency Management Group	Cr T Wilson	Cr D Thwaites
Local Government Association of Tasmania	Cr T Wilson	Cr D Thwaites
WORKING GROUPS		
Municipal Alliance Committee	Cr D Thwaites, Cr T Wilson, Cr P Lane	
General Manager Review Committee	Cr T Wilson, Cr D Thwaites, Cr K Haberle	
Christmas Decoration Committee	Cr K Haberle, Cr N Meijer, Cr P Lane	

Role of Council

Local Government is the third tier of government consisting of democratically elected councils having the function and powers that Parliament considers necessary to govern each municipal area.

Kentish Council derives its roles, powers and functions from the *Local Government Act 1993*. Section 20 of the act sets out the following broad functions of council:

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

The role of a council includes:

- Planning for and providing services, facilities and infrastructure for the community;
- Undertaking strategic land use planning for the municipal area;
- Making and enforcing by-laws;
- Raising revenue to enable council to perform its functions;
- Undertaking long term strategic financial and asset management planning; and
- Advocating proposals that are in the best interests of the community, now and in the future.

Kentish Council performs these functions by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation.

Role of Councillors

Kentish Council's nine councillors are elected as representatives of all residents and ratepayers within the municipality. Section 28 of the Act sets out councillor's broad roles and functions.

The functions of individual councillors are to:

- Represent the community;
- Act in the best interests of the community;
- Facilitate communications with the community;
- Participate in the activities of council; and
- Undertake duties and responsibilities as authorised by council.

The functions of councillors acting collectively as the council are to:

- Develop and monitor the implementation of strategic plans and budgets;
- Determine and monitor the application of policies, plans and programs for:
 - The efficient and effective provision of services and facilities
 - The efficient and effective management of assets
 - The fair and equitable treatment of council employees;
- Facilitate and encourage the planning and development of the municipal area in the best interests of the community;
- Appoint and monitor the performance of the General Manager;
- Determine and review the council's resource allocation and expenditure activities; and
- Monitor the manner in which services are provided by the council.

Resource Sharing

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

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

Council Meetings

The Council held 12 ordinary meetings, and an annual general meeting during the financial year. Ordinary council meetings were generally held on the third Tuesday of each month. The public were able to attend meetings. Copies of the meeting agendas and minutes were made available on Council's website. Council held its Annual General Meeting on 15th March 2021. 17 Council forums were held where matters of a general and informal nature were considered.

Councillor Attendance at Meetings

Date	Meeting	Cr Wilson	Cr Thwaites	Cr Lane	Cr Haberle	Cr Cassidy	Cr Richards	Cr Blenkhorn	Cr Meijer	Cr Mawer
27/07/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/08/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/09/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/10/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
17/11/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/12/2020	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
19/01/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
16/02/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/03/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/03/2021	AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/04/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/05/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/06/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓

Statement of Allowances and Expenses paid to Elected Members

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

Council is required to reimburse Councillors for expenses incurred in the performance of duties. Council has adopted a policy in relation to the reimbursement of expenses for Councillors. The policy serves to provide clear expectation in relation to out of pocket expenses and support for Councillors. It aims to ensure accountability and transparency in relation to expenses claimed by Councillors. The following table shows allowances and expenses paid to Councillors.

Councillor	Allowances (\$)	Per KM Travel Expense Reimbursement (\$)	Total Allowances (\$)	Expenses (\$)	Total Allowances and Expenses (\$)
Mayor Wilson	38,783	461	39,244	712	39,956
Deputy Mayor Thwaites	22,151	0	22,151	0	22,151
Cr Lane	11,086	0	11,086	0	11,086
Cr Haberle	11,086	294	11,380	0	11,380
Cr Cassidy	10,910	0	10,910	0	10,910
Cr Richards	11,086	0	11,086	0	11,086
Cr Blenkhorn	11,086	0	11,086	0	11,086
Cr Meijer	10,910	0	10,910	0	10,910
Cr Mawer	11,086	0	11,086	0	11,086
Total	138,184	755	138,939	712	139,651

In addition to the expenses listed above, each Councillor is provided with the use of a Council owned i-pad to enable the use of paperless agendas.

THE YEAR IN REVIEW



MAYOR AND GENERAL MANAGER'S MESSAGE

The 2020-2021 financial year has been a difficult one not just for small councils in Tasmania but the globe. There has been much uncertainty and not a time for "business as usual". Availability of contractors, delays in materials being delivered and increasing project costs have all impacted Council's ability to deliver projects to the Kentish community.

Despite these constraints, Council has delivered several major projects including the following:

- New road access into Lorinna
- Reconstruction of the Eastern town entrance to Sheffield
- Wilmot Streetscape upgrades
- Reconstruction of sections on Staverton Road
- Continued construction of Wild Mersey Mountain Bike Trails
- Sheffield Arts Centre redevelopment
- Dolcoath Hill Road/Bull Creek Bridge renewal
- Reconstruction of car parking bays on High Street, Sheffield.

Council was pleased to achieve an underlying surplus of \$95,000 for this financial year which continues a long-term trend of achieving underlying surpluses over the past decade. Our Council remains financially viable.

A highlight of the financial year was a second access road being constructed into Lorinna. Road access into Lorinna has been a contentious topic for close to three decades with Council investing much time and finances into the project. The construction of a second access now brings to an end a long-term difficulty in Kentish.

On behalf of the elected members of Kentish Council and as General Manager, we want to thank our staff for their work during the 2020-2021 financial year. It has not been an easy year. Our ongoing joint venture with Latrobe Council has yielded our community increased services that would not have been possible if Kentish operated alone.

To the ratepayers of Kentish, we welcome your feedback on Council's performance and suggestions of ways to improve the service we provide.

To the elected members of the Kentish Council, we say thank you for the constructive way you have worked together over the past twelve months. It has been a pleasure to work with you. As Mayor, I want to specifically thank the Deputy Mayor and General Manager for their support throughout the year.

We as a Council look forward to continuing to work positively with our staff, our counterparts at Latrobe Council and the Kentish Community.

Last, but not least, a big thank you to all the volunteers and community organisations that help make the Kentish area such a wonderful place to live.

Thankyou.

Tim Wilson
Mayor

Gerald Monson
General Manager



Mayor Tim Wilson

Gerald Monson

PERFORMANCE AT A GLANCE

	Achievements	Challenges
Infrastructure	<ul style="list-style-type: none"> Constructed the final stage of Wilmot Streetscape. Developed a stormwater model for Sheffield and Railton. Installed playground equipment at the Sheffield Health Care Centre Park. Constructed a footpath along Native Rock Road, Railton. 	<ul style="list-style-type: none"> Council set a substantial works program for the year. Works were reprioritised during the year.
Economic and Community Development	<ul style="list-style-type: none"> Completed Stage Two of the Wild Mersey Mountain Bike Trails. Completed the implementation of the Western Wilds Interpretation Signage project. Continued the implementation of the Kentish Council COVID-19 Community Action Plan. 	<ul style="list-style-type: none"> Supporting local businesses, industry and the community during the COVID-19 pandemic.
Governance and Organisation Development	<ul style="list-style-type: none"> Submitted a list of priority projects to the State and Federal Governments. Promoted the professional development of elected members. Continued to align business processes across the Kentish and Latrobe Councils. 	<ul style="list-style-type: none"> Implementation of a common enterprise software across the Kentish and Latrobe Councils.
Regulatory and Development	<ul style="list-style-type: none"> Established online food safety training for food businesses. Contributed \$10,000 towards the Dogs Home of Tasmania critical infrastructure program. Enforced planning scheme and planning permit requirements. 	<ul style="list-style-type: none"> Increasing demand on resources as a result of non-compliance with building and planning requirements.

ACTIVITY OVERVIEW

Wild Mersey Mountain Bike Development

Kentish and Latrobe Councils have continued the development of a \$4.1M world-class mountain bike trail experience that links the towns of Latrobe, Railton and Sheffield.

Since construction began in mid-2018, over 70kms of trails have been completed. Tasmania's biggest pump track has been constructed at Goliath Park to encourage new riders to develop their skills.

Trailhead facilities incorporating toilets, showers and washdown bays have been constructed at Goliath Park and Warrawee where riders will start their Wild Mersey experience. Construction has been completed for the Sheffield trailhead facilities which are expected to open during 2022 once connected via a trail to the network.

In 2020/2021, the Wild Mersey Mountain Bike Trails were featured in three high-calibre mountain bike publications; Flow Mountain Bike, [R]evolution, and Australian Mountain Bike Magazine.

Shared Services Implementation

The Latrobe and Kentish Councils' have developed a shared services model which has seen the former separate workforces of both Councils' consolidated into a single focused service delivery entity.

Significant efficiencies have been achieved through this arrangement which places both Councils' on a more sustainable trajectory moving forward.

Through prudent financial management in recent years both Councils' have been able to consistently achieve operating surpluses. Kentish Council is committed to building on the successes achieved to date through the shared services model. Both Councils' understand they are stronger together and can achieve more when working in collaboration. The challenge continues to be the delivery of outcomes and ensuring through cooperation, all initiatives provide a shared benefit to both communities.

During the 2020-21 financial year, phase 2 of the implementation of the Technology One Enterprise Software system commenced. This phase of the project has a focus on the property and rates modules.



Wild Mersey Mountain Bike Trails being constructed.

Tasmanian Planning Scheme

The Tasmanian Government is reforming the State's planning system and introducing a single planning scheme for the State – the Tasmanian Planning Scheme.

During the financial year, Council finalised the preparation of the draft local provisions schedule for Kentish. This includes the allocation of zones, agricultural land and natural asset mapping as well as site specific use and development standards or qualifications. Site specific use and development standards have largely been determined by the land use reviews previously undertaken that informed the development of strategic plans for all settlement areas.

The draft Kentish Local Provisions Schedule has been lodged with the Tasmanian Planning Commission for their consideration. The Commission has sought clarification on a number of issues and a response is being prepared. Once received Council will be issued with a Notice of Direction to Modify.

Once the required modifications have been made, the draft LPS will be deemed ready for public exhibition. Council will be directed to advertise for 60 days, during which time representations can be lodged with Council. A public hearing will be held following that to allow all representors to be heard by the Commission.



Mural Fest Winners.

Events

Mural Fest

The International Mural Fest competition was held from 1 November to 7 November 2020. Six local artists and three interstate artists competed for an array of prizes. In a first for Mural Fest, the interstate artists competed virtually – painting their boards on-site from locations in Queensland and Victoria. The mural boards were then transported to Sheffield for judging during March 2021. Unfortunately, the usual Mural Fest did not occur due to COVID-19 restrictions.

Steam Fest

Redwater Creek Heritage and Steam Society's 2021 SteamFest showcased the vast array of steam-powered machines in Tasmania. The event, held over the March long weekend, is a major drawcard to Kentish, with visitors from all around Australia to experience the wide variety of exhibits.

Kentish in Colour

Sheffield's main street was lit up during 2020 and 2021 with colour changing lights of the facades of the buildings. Sheffield was also lit up red for World Tuberculosis Day in March.

Gustav Weindorfer Memorial

In 2021, the Weindorfer Memorial Committee and the Wilmot community commemorated the 89th Weindorfer Memorial and the memory of Gustav & Kate Weindorfer. The Memorial is a community commemoration that reflects the life and times of these pioneers.

Australian Rowing Championships 2021

The Australian Rowing Championships 2021 were held at Lake Barrington International Rowing Course from 22 - 28 March 2021. The Championship is Australia's premier regatta event and determines Australia's national rowing champions and the selection of crews for the World Championships and Olympic Games. The 2021 event attracted 2,500 competitors, 1,300 boats and approximately 30,000 visitors, bringing over \$35 million to the region.

Australian Sustainable Communities Tidy Towns Awards

The community of Wilmot was recognised at the national Keep Australia Beautiful Australian Sustainable Communities Tidy Towns Online Awards 2020 with an award in the Community Health Well-being and Interest category. Wilmot represented Tasmania at the National Award Ceremony as the 2019 State winner of the Keep Australia Beautiful Award.

Tas Gravity Enduro

The inaugural Tas Gravity Enduro occurred in autumn 2020, with Wild Mersey hosting the final race and awards ceremony. The enduro was the first large-scale event at the Railton Trailhead, with over 200 registered participants. After a successful 2020 event, Tas Gravity Enduro will be returning to Railton in March 2022.

Other Events

In 2020 Kentish Council partnered with Rural Health Tasmania, Kentish Regional Clinic, Sheffield School, and Kentish House to deliver programs to showcase artists' creativity, promote healthy movement, suicide awareness, and raise awareness of mental health within our community.

Australia Day Celebrations

The Kentish Australia Day Awards 2021 acknowledged a challenging year for Kentish, celebrating those who put others before themselves and honouring the community's resilience.

This Australia Day was an extraordinary occasion, with two new citizens pledging their commitment to Australia at the event.

Australia Day Ambassador Robert Ravens was a guest at the event. He spoke about his role as Ambassador and owner of Bridstowe Estate, one of Tasmania's most acclaimed small businesses. The Kentish Australia Day Awards were presented by Mayor Wilson.

Nine individuals received a Local Hero Award for their contribution to the Kentish community over many years. Awards were presented to Trevor and Joy Winwood, Bev Davies, and the retiring board of Kentish Arts, Commerce and Tourism – Des Brown, Brian Baker, Pauline Baker, Rob Collisson, Simon Worssam and Penny Lane.

Volunteer recognition awards for 500 hours were presented to Terry Hughes and John Russell.

Community Event of the Year was jointly awarded to the Claude Road Memorial Hall Bushfire Relief Appeal 2020 and Back to Barrington 2020.

Citizen of the Year was jointly awarded to Dennis and Jillian Rockliff. Jillian and Dennis are the quiet achievers of Kentish. Dennis is a third-generation Kentish resident, and Jillian has been a resident for 58 years. During this time, Jillian has worked with the Uniting Church, has been the Secretary/Treasurer of the Uniting Church Ladies Guild for almost 50 years. Dennis has been a Lions Club member since 1973 and is an active participant in all fundraising activities. One of their outstanding contributions has been running the Lions Youth of the Year competition since 1986. Both Dennis and Jillian take a keen interest in the Kentish Rowing Club, the Cattle Handlers Competition and the Sheffield School.



2021 Australia Day Award Winners.



Story Stops at Wilmot

Western Wilds Project

Council successfully secured \$14,800 from the Tasmanian Community Fund (TCF) for seven signs installed in various locations around the municipality to encourage visitors to slow down, discover the 'hero' stories of each township/area and then explore the area further for themselves. The signs position Council's townships as the gateway to the Western Wilds Drive Journey, part of Tourism Tasmania's state-wide drive journey project.

The four story stop signs located in Wilmot (Bob Quaile – Cradle Mountain Transport Pioneer, Wilmot - More than Butter and Potatoes, Wilmot - Residents at Play and the Middlesex Post Office Tree) tell the tales of what early life was like in Wilmot and encourage further exploration of Wilmot itself, Forth Falls, the surrounding districts and the Post Office Tree en-route to Cradle Mountain.

The remaining three signs are located at Railton (Lions Park), O'Neill's Creek at Gowrie Park and Round Mountain Lookout and tell the stories of Railton's Wide Street – A Tale of Bullocks: Kate and Gustav Weindorfer – Conservation and Tourism Visionaries and their honeymoon spent on Mount Roland and the Mersey Forth Hydro Scheme respectively.

Expansion of the Redwater Creek Railway site

As an outcome of the 'Sheffield Refresh' Sheffield Township Enhancement Project Plan, the Redwater Creek Site was further expanded with Council signing an agreement to purchase part of the land at the rear of 161 Main Street, Sheffield.

Pink Box

Kentish Council and Share the Dignity have partnered to support women and girls with access to free sanitary items by installing a Pink Box Dignity Vending Machine in Sheffield.

Lorinna Access Update

After receiving planning approval following a planning appeal process, a design and tender document was prepared for the construction of an extension of Wilks Road in Lorinna through to Olivers Road. Works were effectively completed in the 2020/21 financial year and the road made available for public use. Sealing of the steeper sections is scheduled to occur during the spring of 2021.

Railton Flood Mitigation

Catchment modelling, concept assessments and preliminary design work progressed on the Railton flood protection project. Community consultation will occur before adopting a final design.

Hopes Mill Corner Redevelopment

As an outcome of the 'Sheffield Refresh' Sheffield Township Enhancement Project Plan, it was recommended to give Hopes Mill Corner a makeover. Works began at Hopes Mill Corner in May 2020 and will be completed by September 2021. The improvements will include new seating, garden beds and plantings, post and rail fencing, and five new mural structures.

Capital Works Program

The largest projects completed as part of the Capital Works Program included:

- The reconstruction of Lower Beulah Road and stabilisation of an adjacent landslip, which was subject to a 15 tonne load limit and was at risk of complete failure and loss.
- Reconstruction of a section of Nook Road to stabilise existing materials.
- The creation of a wide shared path on Victoria Street between Henry Street and Spring Street to provide a strategic link and the possibility for use by vehicles in times of emergency.

Youth Activities

School Holiday Program

The 2020/21 School Holiday Programs featured the Family Movie Day on the Sheffield big screen, Funky Movement Dance Program, Soccer with Carly, playgroups, cooking classes, art workshops, Epic WaterBlaster Battles and many other activities.

Know Your Odds Skate, Scoot and BMX Competition

The annual Know Your Odds Kentish Scoot, Skate and BMX Competition was held at the Goliath Park Skate Park, Railton on 11 April 2021. The event drew 20 spectators, with a further 21 young people taking part in the various competitions.

When Water Falls

In 2019, Council approached Big hART regarding an opportunity to deliver youth programs in Kentish. In October 2020, Big hART received funding to deliver the *When Water Falls* program as part of the Positive Futures Project in Kentish. *When Water Falls* is a creative partnership between Big hART and the University of Tasmania (UTAS) Conservatorium of Music, collaborating with Hydro Tasmania, TasNetworks, and Kentish Council.

The *When Water Falls* project was designed to provide a mentored space for youth to work beside professional artists, musicians, and UTAS Conservatorium of Music voice students to learn digital art, recording, producing and entrepreneurship.

Workshops were delivered between February and June 2021 across Sheffield, Lower Barrington, Railton, Lorinna, and Lake Barrington. A performance was held on 26 June 2021 at the Sheffield Town Hall, allowing the new skills and efforts of young people involved in this project to be amplified and shared with the community.

National Youth Week Cinema Under the Stars

National Youth Week Tasmania Cinema under the Stars was held on 30 April 2021 for its 5th successful year. The event was well attended, with over 180 parents and children enjoying a screening of *Trolls World Tour*.

Sheffield Community Garden Club

The Sheffield Garden Club project commenced in April 2021 at the Sheffield Community Garden and aimed to address disadvantage and food insecurity through encouraging youth to grow their own fresh produce.



When Water Falls Production.

Economic Development

Economic development activities conducted during the year included:

- Completion of the Kentish Economic Development Strategy 2021 – 2025.
- Installation of signage to direct traffic onto Railton to promote the town's facilities, including Wild Mersey.
- Engagement with Kentish Businesses via business networking events, monthly e-newsletter, and updates posted on the independent business Facebook networking group.
- Facilitated the delivery of workshops for business owners and community groups, run by business Tasmania, Switch Tasmania, and Brand Tasmania.
- The development of the Kentish Walking Tour App, starting with Sheffield Mural Walking Tour.
- Supported the creation of the Kentish and Latrobe Independent Business Association (KaLIBA).
- Collaboration with Meander Valley Council on the "Shorts Walk Capital of Tasmania" MOU.
- Assisted SteamFest with their COVID Safe Event Planning, the first larger-scale post-COVID event in Sheffield.

COVID-19 and Relief Package

The financial and economic impacts of COVID-19 were evident in the Kentish community. Businesses were forced to adapt to an ever-changing environment during the 2020/21 financial year.

Financial Hardship Assistance Policy

Council developed and implemented a Financial Hardship Assistance Policy in response to the economic impact on businesses and ratepayers during the COVID-19 pandemic. The Policy allows for relief from rate payments for those encountering financial hardship. It is recognised that severe financial hardship can occur at any time; therefore, the Policy addresses a range of circumstances

Kentish Council Covid-19 Recovery Action Plan

To assist in the recovery process, Council developed a COVID-19 Recovery Action Plan and formed a COVID-19 Recovery Action Committee. The Committee incorporates government and industry representatives. The Committee met on a fortnightly basis commencing on 22 June 2020.

Council implemented the following recovery initiatives:

- Zero percent increase in rates, fees and charges for 2020/21.
- Rent relief for 6 months to community groups and organisations.
- Participation in the State Government's Local Government Loans Program to the value of \$5.1M to boost the economy through infrastructure development projects.
- Payment of creditor invoices within 14 days.
- Revision of Council procurement and existing service contracts to ensure, where possible, businesses are sourced in the following order: local municipality; neighbouring councils; North West region; and Tasmanian state without compromising value for money.
- Reduced Sheffield Visitor Information Centre accommodation and attraction booking commission by 50% (excluding Parks and Wildlife service accommodation) until 31/12/2020.
- Removed Sheffield Visitor Information Centre brochure advertising fee for businesses outside Kentish for the 2020/21 financial year.

- Waive 50% of the Council component of the Development Application (DA), Building Application (BA) and Plumbing Application (PA) fees (excluding levies paid to third parties) for new or expanding business proposals (excluding subdivisions) up to a maximum amount of \$1,250 (i.e. \$2,500 fee) in 2020/21 and 2021/22.
- Waived the following Council permit fees in 2020/21 for businesses, food business, annual registration of private water supply, street dining, street vending and free-standing signs.
- Developed and implemented COVID-19 Recovery Grants for business and events in 2020/21 – an extra \$15,000.
- Developed a buy local marketing campaign to encourage residents to shop locally in Kentish.

Wilmot Streetscape Opening

The \$500,000 Wilmot Streetscape upgrade was opened by Mayor Tim Wilson and Senator Claire Chandler on 13 April 2021. The works upgraded Main Street between Lake Barrington Road and Narrawa Road and included improvements to the kerb and channelling, pavement and footpath finishes, drainage infrastructure, public bench seating, carparking, an outstand for the Wilmot Primary School, and landscaping and mature trees designed to provide year-round beauty.





Sheffield Arts Centre formerly the Senior Citizens Club.

Sheffield Visitor Information Centre Redevelopment

The Sheffield Visitor Information Centre redevelopment was overseen by Council in coordination with Design Intent, the awarded architect firm for the project. Council collaborated with West by North West (WxNW) in engaging a local photographer to update Council's digital library and source images required for the SVIC redevelopment. The construction of the Sheffield Arts Centre was delayed until 2021.

Sheffield Main Street Upgrade

With the exception of artwork, the Sheffield Main Street Upgrade Project was completed. The project includes garden beds, tree plantings, pavement repairs, exposed aggregate footpaths and improved drainage. The project extends and integrates the previous streetscape works in the CBD eastward past Henry Street to Spring Street/Claude Road.

Tassie Top Tourism Town Award

Council submitted Sheffield in the Annual Tassie Top Tourism Town Award competition. The competition is an opportunity for Tasmanian Towns to showcase their unique destination offerings to visitors. Sheffield proudly took home the bronze award in 2020, ranking third out of fourteen entries from across the state.

Sheffield's video clip entry received over 22,000 views on Facebook the town was highlighted in local newspapers, media alerts, and social media covering the contest.

Sheffield Arts Centre

6ty⁰ Architecture Surveying Engineering was appointed to work with the Sheffield Arts Centre Special Committee of Council to develop a detailed concept masterplan to redesign the Senior Citizens building into a facility that will meet the current and future needs of the Sheffield Arts Centre user groups.

Council agreed to take up \$800,000 as part of the Tasmania Government COVID-19 stimulus package for local government infrastructure for a three-year interest-free loan. The project includes a gallery space for the Working Art Space, a mural restoration area for Sheffield Inc, and storage for Kentish Arts, Commerce and Tourism, and an undercover area at the rear and carpark side of the building to allow for multiple uses, including hosting the Mural Fest presentation and possible future market events. Council contributed an additional \$70,000 to redevelop the carpark and install landscaping. Construction commenced in 2020 and is expected to be completed in late 2021.

Sheffield Main Street Revitalisation Public Art Concept Design

The Main Street Revitalisation Public Art Concept Design was developed to contribute to Sheffield's unique environment, create a cultural gateway, and enhance the visitor experience in the Main Street precinct between Henry Street and Spring Street. The draft concept design was released for public comment in May 2021 and received an impressive response from the community. At the June 2021 Council meeting, Council announced the art installations would not be proceeding. Instead, a community workshop would be held to develop a concept design reflective of local identity. The community workshop will be held in late 2021.

A YEAR IN KENTISH

July 2020

Launch of 'Buy Local' campaign.

August 2020

Council amends the Claude Road/Gowrie Park Strategic Plan 2018.

Council approves the 2020/21 Annual Plan, Budget Estimates and Rates.

Sheffield wins bronze in Tassie's Top Tourism Town Awards.

September 2020

Council awards Round One of the Community Grants Scheme.

Amendments to Reserves, Parks & Gardens By-Law released for public consultation.

School Holiday Activities.

October 2020

Wilmot wins National Tidy Towns Community Health Wellbeing Category.

November 2020

Mural Fest.

Kentish Gardenfest.

Mt Roland Folk festival.

December 2020

Community Christmas Celebrations.

Council awards Round Two of the Community Grants Scheme.

Lake Cethana announced as first Pumped Hydro site.

January 2021

Australia Day Celebrations.

School Holiday Activities.

February 2021

Railton Community Meeting.

Sheffield Community Meeting.

Kentish Flowerfest.

March 2021

National Rowing Championships.

Steam Fest.

Wilmot Community Meeting.

Acacia Hills, Lower Barrington & South Spreyton

Community Meeting.

Opening of further 15km of Wild Mersey Trails.

Kentish Council Annual General Meeting.

April 2021

Youth Week Celebrations.

Tas Gravity Enduro Series.

Targa Tasmania.

School Holiday Activities.

Launch of Story Stops for Western Wilds Drive

Journey Project.

Wilmot Streetscape Project completed.

May 2021

Establishment of Significant Tree Register.

Council awards Round Three of the Community Grants Scheme.

Sheffield Tree Planting Community Meeting.

Weindorfer Memorial Day.

June 2021

Sheffield Midwinter Solstice Event.

Sheffield Visitor Information Centre closed for refurbishment.

State Government announces funding for Railton Flood Mitigation Project.

OUR PEOPLE



SENIOR LEADERSHIP TEAM

Executive Management Team

Council’s Executive Management Team meets on a regular basis, is led by the General Manager and includes the department managers.

General Manager – Gerald Monson

Gerald was appointed to the position of General Manager in March 2010. His qualifications include a Bachelor of Business in Public Administration, FLGMA, JP. Areas of responsibility include organisation leadership, Council’s operational and service delivery performance and organisational support for elected members. This position is resource-shared with Latrobe Council.

Operations Manager – Jason Bellchambers

Jason was appointed to the position of Operations Manager in January 2018. His qualifications include a Bachelor of Engineering Technology. Areas of responsibility include the maintenance and renewal of Council Infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Latrobe Council.

Infrastructure and Assets Manager – Jonathan Magor

Jonathan was appointed to the position of Engineering Services Manager in September 2011. His qualifications include a Bachelor of Technology (Engineering and Management). Areas of responsibility include emergency management, environmental and public health services, and Council Infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Latrobe Council.

Development & Regulatory Services Manager – Jan Febey

Jan was appointed to the position of Team Leader Regulatory Services Manager in June 2018 and then Manager when the position was restructured in February 2021. Her qualifications include a Diploma in Administration, MLGMA. Areas of responsibility include statutory planning, building and plumbing, environmental health, animal control and fire abatements. This position is resource-shared with Latrobe Council.

Corporate and Business Services Manager - Wesley Young

Wes was appointed to the position of Corporate and Business Services Manager in March 2021. His qualifications include a Bachelor of Media & Communications, Bachelor of Law, Post Graduate Diploma of Legal Practice and is a graduate of the Australian Institute of Company Directors. Areas of responsibility include, finance, economic development, corporate governance, industrial relations and WH&S. The position is resource-shared with Latrobe Council.

Remuneration of Senior Employees

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

The Annual Report is to include a statement relating to the total remuneration paid to employees who hold a senior position within Council. Remuneration includes salary, contribution to superannuation, motor vehicle and other allowances.

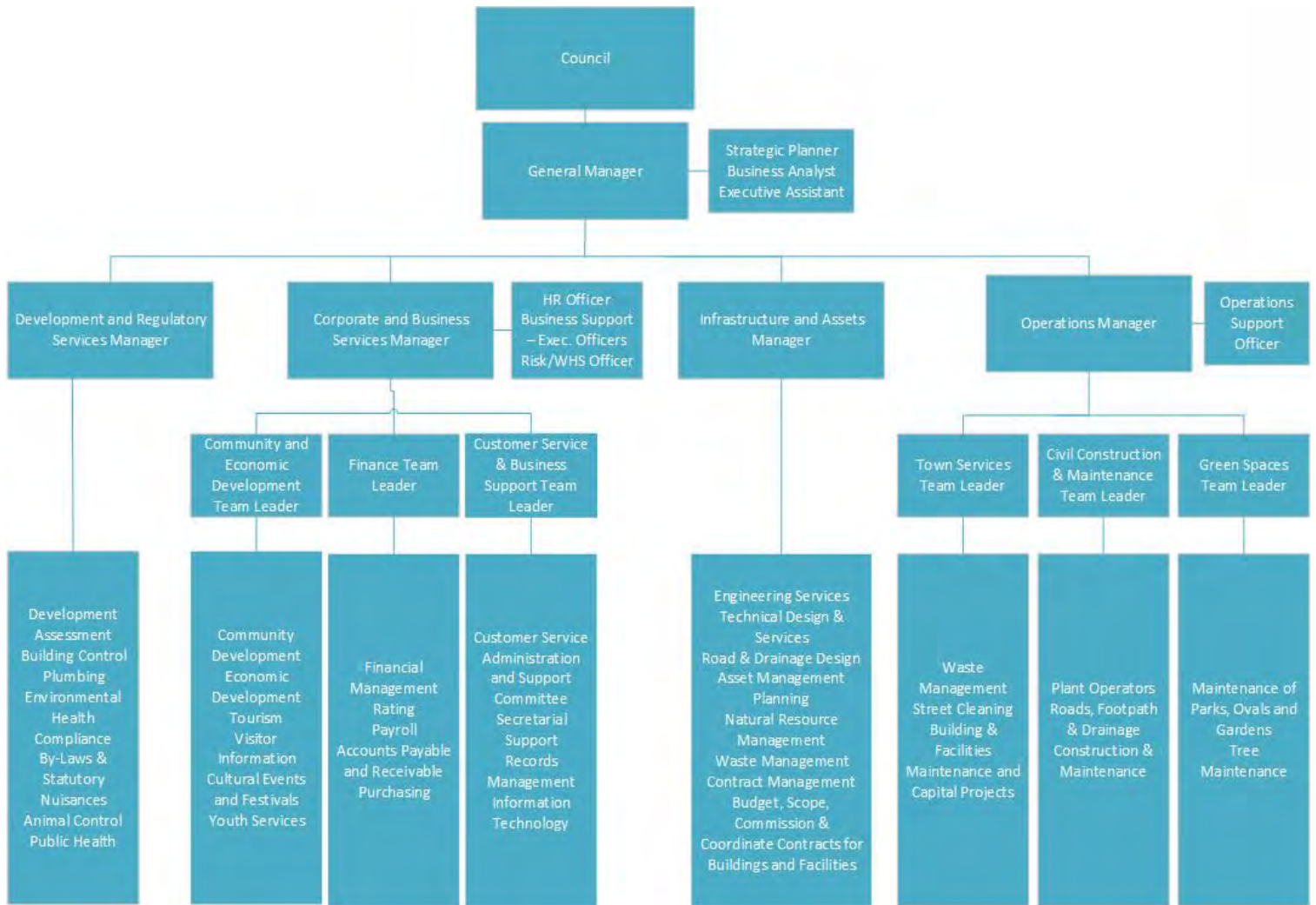
Annual Remuneration	No. of Employees
\$40,001 - \$60,000*	1
\$140,001 - \$160,000	1

*Employee in band \$40,001 - \$60,000 has been employed by Council in a Senior role starting 29 March 2021. The remuneration amount disclosed for this employee is the amount paid for the period 29 March 2021 to 30 June 2021.

Where senior employees are employed by Latrobe Council and hired to Kentish Council, they are not included in the above table, but are included in the equivalent table in the Latrobe Council Annual Report. These positions include the General Manager, Infrastructure and Assets Manager and Development and Regulatory Services Manager.

ORGANISATION STRUCTURE

Council’s organisational structure consists of four departments – Operations, Infrastructure and Assets, Customer & Business Services and Development & Regulatory Services. Each department is led by a manager who reports directly to the General Manager. The General Manager is directly accountable to the mayor and councillors. Positions are resource-shared with Latrobe Council.



OUR PEOPLE

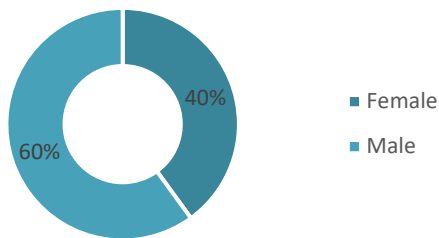
Full Time Equivalent Staff

	2021	2020
Total FTE Kentish and Latrobe Councils	75.9	77.7
Kentish %	42.4	43.6
Latrobe %	57.6	56.4

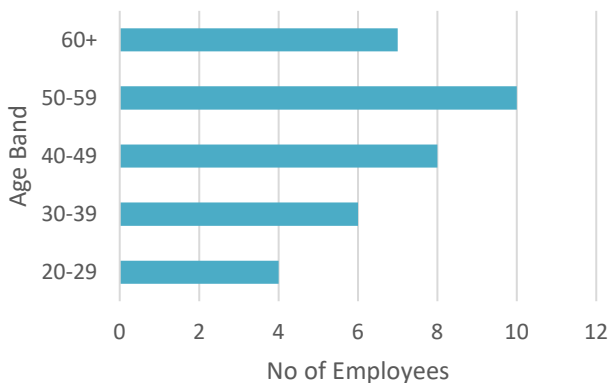
Employee Profile

As at 30 June 2021, Council employed 35 people in a diverse range of positions. The 35 positions comprise 29 full-time, 5 part-time and 1 casual. Fourteen positions are based outdoors, with 21 positions based indoor.

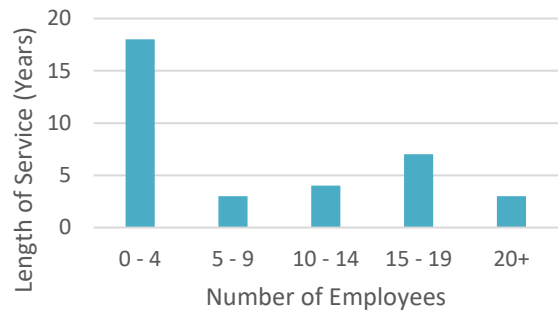
The overall gender profile of the workforce is 40% female and 60% male.



The average age of the workforce is 46 years (compared with 48 years as at 30 June 2020). The following chart provides a further break-down by age band.



The average length of service is 8 years. The following chart provides a further break-down.



Enterprise Bargaining Agreement

Due to Covid-19 and at the request of Australian Services Union, negotiations for the new agreement were postponed until late 2021.

Training and Development

In 2020-21, a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their positions at Kentish Council. An indication of the types of training undertaken is as follows:

- Control Traffic
- Chain Saw
- First Aid
- LEAN Training
- Preventing discrimination and harassment in the workplace
- Technology One Software.

OUR VOLUNTEERS

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

Council is fortunate to have volunteers assisting in a number of areas supporting its capacity to deliver a range of service and programs.

There are a number of ways that people can volunteer within Kentish including the Council managed activities described below.

Visitor Information Centre

The centre has seen upwards of 50,000 visitors through the door in addition to communicating with visitors through digital mediums, telephone and email enquiries and distributing printed collateral state-wide to promote the Kentish region. Our visitors are greeted by a team of 12 volunteers and three staff who assist with trip planning, local knowledge and a dedicated booking desk. The retail space in the centre prioritises stocking locally produced items as another medium to promote local Kentish businesses where available. Each month the team undertake familiarisation trips, visiting local businesses and experiences throughout the North West region. Due to COVID-19, the visitor centre was closed for face-to-face contact from 30 March 2020 and reopened with reduced operating hours from 22 June 2020.

Special Committees of Council

Special Committees of Council are established by Council under the *Local Government Act 1993* to carry out specific functions on behalf of Council. These include the management of recreation centres and community halls, through to assessing proposals for new public art and considering new economic development opportunities for the municipality.

Council had 20 special committees during the financial year with over 75 volunteers from the community involved on these committees.

OUR PERFORMANCE



OVERVIEW OF PERFORMANCE

The table below provides an ‘at a glance’ overview of Council’s performance against the 2020/21 Annual Plan.

Council’s 2020/21 Annual Plan includes a number of key actions grouped according to the overall strategic objectives of Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development. Progress toward completing these actions is summarised below.

Strategic Objective	Progress on Actions
<p>Governance and Organisational Development</p>	 <p>0% Complete 71% In Progress 29% Delayed</p>
<p>Economic and Community Development</p>	 <p>57% Complete 30% In Progress 13% Delayed</p>
<p>Infrastructure</p>	 <p>38% Complete 33% In Progress 29% Delayed</p>
<p>Planning and Development</p>	 <p>68% Complete 28% In Progress 4% Delayed</p>

STRATEGIC OBJECTIVE # 1

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

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

ABOUT THIS OBJECTIVE:

This objective encompasses advocacy and leadership, governance, financial management, employee development and risk management.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2021.

Total Actions	Complete ✓	InProgress ↑	Delayed ✘
43	13	32	0

Note: Actions with a recurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.



Objective 1.1 Advocacy and Leadership

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

2020/21 Annual Plan Actions	Status	Comments
Purchase and install video conferencing equipment in the Council Chambers.	✓	
Engage with State, Regional and Local Government bodies.	↑	
Develop and implement the Emergency Management Plan (includes Community Safety Plan).	↑	Reviewed by the Mersey Leven Emergency Management Committee.
Advocate for the retention and upgrading of the Mersey Regional Hospital.	↑	
Advocate for the retention, upgrading and increased flights to Devonport Airport.	↑	Delayed due to covid-19 impacts.
Advocate for the rollout of the National Broadband Network to the Council area and improved phone, radio and television coverage in rural areas.	↑	Submissions made by the Cradle Coast Authority.
Advocate and promote the provision of a range of high quality education and life-long learning opportunities in the municipality including retention of schools at Railton and Wilmot.	↑	
Prepare and submit a list of council and community projects to political parties as part of Federal and State Government election campaigns.	✓	
Seek to expand the range of medical and family services available within the municipal area.	↑	Discussions held with local medical providers to attract extra doctors.
Support the Community Bank Sheffield-Railton District.	↑	Presentations made to community meetings.
Hold regular meetings with major service providers within the Kentish area (health, police, schools, clubs etc).	↑	
Support and respond to the priority needs specifically affecting the Kentish community.	↑	Work undertaken to attract additional doctors to the area.
Advocate for the needs of the Kentish elderly.	↑	
Work with other organisations to lobby for public transport for Kentish.	↑	Bus service support continued.
Actively lobby on behalf of the Kentish agriculture sector.	↑	Progress for the establishment of the Kentish and Latrobe Independent Business Association (KaLIBA).
Advocate for the needs of the Kentish youth.	↑	

Objective 1.2 Governance

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

2020/21 Annual Plan Actions	Status	Comments
Continue to align business processes across Kentish and Latrobe Councils so wherever possible there is a single way of doing things that is common across both Councils to allow the most efficient sharing of services and resources across the councils.	↑	Several policies reviewed and adopted.
Promote the professional development of elected members.	↑	Local Government Association of Tasmania training courses attended.
Promote awareness of Council's Code of Conduct to elected members.	↑	State Government reviewed.
Participate in relevant state and regional initiatives and partnership agreements.	↑	Active member of the Cradle Coast Authority.

Utilise the Annual Report and Annual General Meeting to promote achievements of the Council.	↑	High quality report prepared.
Examine specific service delivery options between Council and other providers.	↑	Service delivery options considered.
Retain Kentish Council's identity whilst promoting resource sharing as an alternative to amalgamation with other Councils.	↑	
Communicate the Council's decisions, policies and activities and the reasons behind them, through the Council's website and standard publications.	↑	
Provide regular public forums within the Council area to obtain local input into decision making including social media opportunities.	↑	Community meetings held.

Objective 1.3 Financial Management

To secure the long-term financial viability of the municipality.

2020/21 Annual Plan Actions	Status	Comments
Continue the staged implementation of the One System Project across the Kentish and Latrobe Councils.	↑	Multi-year project. Current phase on-schedule and expected to go-live May 2022.
Upgrade Council's information technology infrastructure including servers & storage, software and back ups.	✓	
To achieve an underlying surplus over the medium to long-term.	✓	
To maintain fair and equitable rating levels.	✓	
Develop and annually review a financial strategy outlining how Council intends to meet the financial requirements of its Asset Management Plans, 10 Year Capital Works Program and other strategic plans.	✓	
Review the ten-year financial plan each year.	✓	
Preserve and maintain an affordable level of service and Council viability through prudent financial management including additional income sources for Council.	✓	
Provide resources to support the efficient and effective operation of Council's Audit Panel.	✓	

Objective 1.4 Employee Development

To develop skilled, experienced, motivated and accountable staff.

2020/21 Annual Plan Actions	Status	Comments
Provide and maintain adequate staff and resource levels to meet changing needs.	✓	
Identify and provide appropriate training and encourage development of all employees.	✓	
Develop and review staff policies and where necessary, provide staff education and training.	✓	A new human resource policy suite was implemented during the financial year.
Develop and retain in-house skills through Council's Workforce Development Plan and Succession Plan.	↑	
Retain an in-house skills base to overcome the issue of succession planning and skill shortages.	↑	
Encourage commitment to Council's customer service charter.	✓	
Continue to develop and implement Council's workforce development and succession plans.	↑	
Continue to develop a leadership development program for senior management and team leaders.	↑	

Objective 1.5 Risk Management

To be actively committed to risk management.

2020/21 Annual Plan Actions	Status	Comments
Maintain and improve Council's risk management systems and culture.	↑	Internal consultation regarding the Risk Management Framework has commenced, with approval and implementation planned for 2021-22.
Promote community awareness of risk management systems.	↑	Council promotes community awareness of WHS and risk management matters through guidance for planned community events.

STRATEGIC OBJECTIVE # 2

ECONOMIC & COMMUNITY DEVELOPMENT

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

ABOUT THIS OBJECTIVE:

This objective encompasses economic development, tourism, culture, festivals and events and community facilities and services.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2021.

Total Actions	Complete ✓	In Progress ↑	Delayed ✘
47	27	14	6

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 2.1 Business Development

To identify, promote and support economic development opportunities in the Kentish Council area.

2020/21 Annual Plan Actions	Status	Comments
Develop business recovery grants to support businesses recover from Covid-19 pandemic.	✓	
Update the Kentish Economic Development Strategy.	✓	
Complete Stage Two of the Wild Mersey Mountain Bike Trails.	✓	
Construct the Sheffield Trail Head for the Wild Mersey Mountain Bike Trails.	↑	Work is progressing to obtain use of land.
Actively promote the municipality as an ideal location to conduct business and commerce.	↑	
Support and assist potential and existing developers in identifying and managing opportunities for business growth and development.	↑	
Support the diversification of industries within the municipality to reduce reliance on major industry.	↑	
Prepare an economic profile of the Kentish Council area.	↑	Work will commence in spring 2021 in collaboration with KaLIBA.
Prepare an Economic Development Strategy for major parts of the municipal area and the area as a whole.	↑	Information is pre-COVID. Will be updated to reflect post-COVID after 2021 Census is completed.
Prepare a database of business, social and environmental management skills available with the Kentish Council area.	✓	
Attract and promote the advantages of living and investing in Kentish including regular updates of the Residents Kit.	✓	
Support pre-feasibility studies for major development opportunities.	↑	Kimberley and Badger Ranges, Minnow and Dasher Falls, and Short Walks.
Ensure resources are available to source and secure grants.	✓	
Support the actions recommended in the 'Mt Roland Developing a Destination' document.	↑	Funding application submitted in collaboration with Meander Valley Council to develop walks in the Mt Roland area.
Adopt a Procurement Policy that supports local business where practical.	✓	
Liaise with Cradle Coast Innovation to deliver business events and provide advice on business issues to the small business sector within the Kentish Council area.	✓	
Consider options to encourage economic growth to the area ('can do' approach for development).	✓	
Connect Kentish agriculture entities to new markets and new products.	✗	COVID-19 recovery required for other industries pushed engagement with Agricultural community into 2021.
Assist Kentish agriculture entities to explore value-adding and downstream processing.	✗	COVID-19 recovery required for other industries pushed engagement with Agricultural community into 2021.
Assist Kentish agriculture entities to connect to new local, regional, state and national opportunities.	✗	COVID-19 recovery required for other industries pushed engagement with Agricultural community into 2021.

Connect Kentish agriculture entities to business, skills and industry development opportunities.

*

COVID-19 recovery required for other industries pushed engagement with Agricultural community into 2021.

Objective 2.2 Tourism

To promote, develop and support tourism.

2020/21 Annual Plan Actions	Status	Comments
Work with West by North West (WxNW) Regional Tourism Organisation to ensure effective visitor information services are provided to visitors of the region.	✓	
Work with Kentish tourism operators and organisations, plus state and regional tourism stakeholders, to develop a diverse and robust tourism industry through product development, industry development, marketing and lobbying.	✓	
Complete the implementation of the Western Wilds Interpretation Signage project.	✓	
Implement interpretative mural signage within the Mural Park and SVIC precinct.	*	Construction surrounding Sheffield Arts Centre and Sheffield Visitor Centre delayed installation in Mural Park until 2021/2022.
Actively engage with the West by North West Regional Tourism Organisation and North West Regional Tourism Organisations.	✓	
Work in partnership with business operators and local tourism related groups to increase viability of visitor information services.	✓	
Review overnight self-contained camping areas within the Council area including retaining 'free' camping in Railton.	✓	Review conducted and advice received Council is unable to continue to provide free camping.
Support projects that improve the attraction of towns and villages (landscaping, signage etc)	↑	Sheffield Public Art Spring St/Main Street delayed into 2021. Kentish Municipal Welcome Signs design completed in 2020, installation to occur in 2021. Grant for Railton Interpretation submitted with installation to occur in 2021.
Promote Kentish as a visitor destination.	✓	
Connect private sector to industry development and skills development opportunities.	✓	

Objective 2.3 Culture, Festivals and Events

Work with the community to facilitate and celebrate festivals, events and culture.

2020/21 Annual Plan Actions	Status	Comments
Assist the development and promotion of various local community events.	✓	COVID-19 restrictions led to the cancellation or reduction of some events.
Assist Kentish events to procure State and Federal Government funding.	↑	Funding had a COVID response and recovery focus.
Work with relevant groups to increase awareness of local arts, history and culture.	✓	Closure of community facilities due to lockdown & gathering restrictions, including art galleries & museums.

Assist community groups to maintain, foster and promote existing events in Kentish.	✓	COVID-19 restrictions led to the cancellation or reduction of some events.
Encourage new events throughout the municipality in shoulder season (Sep – Nov, May – July) to extend tourism season.	✗	COVID-19 restrictions led to the cancellation or reduction of some events.
Support the Public Arts Committee Kentish (PACK) to approve or decline public art works in the Kentish municipal area inline with policy and procedure.	✓	

Objective 2.4 Community Facilities/Services

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

2020/21 Annual Plan Actions	Status	Comments
Change the emphasis of the Community Grants to support assistance in the recovery of those affected by COVID-19.	✓	Introduced covid-19 local stimulus events grants.
Continue to develop and improve walkways and bikeways within the Council area.	✓	
Consider an alternative water supply for the Wilmot Hall.	✓	Current supply arrangements will remain unchanged.
Encourage community management of local cemeteries.	↑	Working with Wilmot Community to improve Wilmot Cemetery.
Support the Wilmot and Kentish Museums.	✓	
Work with the State Government to identify initiatives that support the strategies within the Tasmanian Plan for positive aging that are relevant for the Kentish community.	↑	Self-isolation of vulnerable community members during a pandemic. Age based digital divide was a barrier to participation online.
Encourage volunteers through the recognition and celebration of their valuable contribution.	↑	Council recognised the contribution of Volunteers at the 2021 Australia Day Ceremony.

Objective 2.5 Emergency Response and Recovery

Be prepared to respond to emergency situations and assist in the community recovery.

2020/21 Annual Plan Actions	Status	Comments
Continue the implementation of the Kentish Council COVID-19 Community Action Plan.	✓	
Protect community assets in an emergency by having access to available resources when required.	✓	
Monitor Council's Community Recovery Plan to ensure the resources can be made available to assist the community during an emergency recovery response.	✓	



STRATEGIC OBJECTIVE # 3

INFRASTRUCTURE

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

ABOUT THIS OBJECTIVE:

This objective encompasses management of the road network, stormwater infrastructure, parks and gardens and Council owned buildings.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2020.

Total Actions	Complete ✓	In Progress ↑	Delayed ✗
93	35	31	27

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 3.1 Roads

To provide an appropriate, safe and well-maintained road network that caters for all road users throughout the municipality.

2020/21 Annual Plan Actions	Status	Comments
Further integrate the sharing of equipment and other resources into the normal operating practices of the Kentish and Latrobe Council workforces.	↑	
Complete annual sealed roads reseal program.	✓	
Complete annual unsealed roads re-sheeting program.	✓	
Reconstruct priority sections of Staverton Road as Stage Two of an ongoing project.	✓	
Investigate, consult and design the extension of Station Street to Claude Road.	↑	Project initiated but subject to future needs of the Sheffield depot.
Install removable speed-humps on the road to the Lake Barrington Rowing Course.	✗	Design provided by product supplier was considered unacceptable by road owner.
Sheffield Eastern Town Entry Streetscape – Streetscape works extending from previous stages to Claude Road.	↑	Community artwork component is yet to be finalised and implemented.
Complete the Wilks Road Extension to provide access to Lorinna.	↑	Sealing steep sections held over until 2021 spring period.
Construct Final Stage of Wilmot Streetscape.	✓	
Install electronic ice warning signs on Sheffield Road, Stoodley.	✗	To be installed early in the 2021/22 financial year.
Install Municipal Boundary Signage.	✗	To be installed by contractors early in the 2021/22 financial year.
Construct a footpath south on Claude Road (formerly Spring Street) from the junction with Main Street to provide improved pedestrian access to the growing industrial area).	✓	
Bridle Track Road - Implement safety improvements including resurfacing, superelevation and signage with funds from the Black Spot Program.	✓	
Roland Court, Sheffield – Complete the installation of local traffic area management measures at the entry point to the area.	✓	
Improve and protect the steep bank gradient on Narrawa Road and Wilmot Road, Wilmot.	✗	Planned for Spring 2021/22 planting.
Complete Sheffield Walking Track Safety Improvements.	✗	Scope expanded with additional funds in 2021/22.
Construct a footpath along Native Rock Road, Railton.	✓	Commenced in 2020/21 and completed early in 2021/22.
Construct a 1.8m wide dual-use path along Henry Street from Albert Street to Victoria Street, Sheffield.	✓	
King George V Park – Footpath.	✗	Further scoping required
Extend the kerb and channel approx. 250m along Main Street from 132 Main Street to Formby Road.	↑	Design close to completion. Works to be contracted.
Renew the Bull Creek Bridge on Dolcoath Road, Moina.	✓	
Bridge barrier terminal upgrades to current standard using Black Spot funding – 5 bridges treated.	✓	
Resurface the King George V Park Carpark.	✗	Design complete. Construction deferred to 2021/22.

Goliath Park carpark – 15 spaces.	✘	Additional quotations sought as pricing was higher than expected.
Extend partially indented parking on the west side of High Street, Sheffield as proposed in the Sheffield Township Enhancement Study.	✓	
Replace fleet and plant items.	✓	
Finalise the Transport Services Asset Management Plan (roads, footpaths and bridges etc).	↑	Revaluations and road re-segmentation complete.
Provision of further off-street car parking areas adjacent to commercial districts as need exceeds supply.	✓	Refer to King George carpark and High St widening.
Maintain a policy of free parking within the municipality.	✓	
Extend footpaths and incorporate shared pathways including for mobility scooters where feasible.	↑	
Participate in State Government Department of State Growth initiatives including the community Road Safety Partnership Kentish/Latrobe (CRSP-KLa) and Traffic Management Committee.	✓	
Upgrade access to Lorinna.	✓	
Coordinate review of speed limits by Department of State Growth including towns and villages as requested.	✓	
Encourage landowners to maintain nature strips with assistance provided for elderly/disabled persons.	↑	
Investigate the feasibility and associated cost, benefits, risks of Community Groups being able to maintain Council owned assets.	↑	Investigations commenced. Risk assessments, training and supervision will be required.
Prepare a Streetscape Plan for Wilmot.	✓	Works complete.

Objective 3.2 Stormwater

To develop and improve a system for stormwater reticulation and disposal.

2020/21 Annual Plan Actions	Status	Key Challenges
Develop a stormwater model for Sheffield and Railton.	✓	
Replace stormwater infrastructure at the corner of Albert and Henry Street, Sheffield.	✘	Works scheduled for 2021/22.
Implement recommendations from the Entura Report for the Railton Flood Mitigation Project.	↑	
Pipe approx. 50m of open drain into Redwater Creek in Foster Street Railton.	✓	
Sheffield Bowls Club northern side stormwater – stormwater extension.	✘	Subject to settlement of property sale.
Finalise the asset management plan for stormwater.	↑	Asset capture initiated.
Upgrade and extend the Sheffield and Railton stormwater reticulation systems in consultation with TasWater and agreed priorities.	✓	Conducted as required.
Develop a policy to improve the open drains and creeks in the Kentish municipality as opportunities present.	✓	Conducted as required.
Develop a flood action plan for Railton.	↑	SES Flood Policy unit progressing.

Objective 3.3 Buildings

To ensure Council owned buildings and community facilities are maintained to a safe and functional standard and meet community needs.

2020/21 Annual Plan Actions	Status	Key Challenges
Redevelop the Senior Citizens Building into the Sheffield Arts Centre.	↑	
Extend the rear of the Railton Neighbourhood Building and install energy saving fittings.	↑	
Subject to grant funding, redevelop the Railton Recreation Ground Grandstand into a space for the Scouts Group.	✘	Scouts Group relocated to Railton Recreation and Community Centre. Project did not proceed.
Refurbish the interior of the Sheffield Community Rooms.	↑	
Upgrade the wiring and switchboard at the Sheffield Town Hall.	✓	
Upgrade the Railton Recreation Hall (Blue-Green Hall).	↑	Programmed replacement of basketball brackets, backboards and hoops to current standard.
Refurbish the interior of the Sheffield Visitor Information Centre.	↑	
Develop a master plan for the Sheffield Senior Citizens building.	↑	
Complete a landscape plan for the Sheffield Recreation Precinct.	✘	A review of the master plan was commenced and this action held over until its completion.
Upgrades at the Sheffield Bark Park and Redwater Creek site.	✓	
Extend the cricket wicket square on the main oval at the Sheffield Recreation Ground.	✓	
Finalise the asset management plan for buildings and community facilities.	↑	
Review the buildings and community facilities asset management plan.	↑	
Review Council's disability access plan.	✘	Requires determination on need to maintain a disability action plan.
Consider the feasibility of using solar energy and installing LED lights for Council buildings.	↑	All new buildings and major refurbishments include LED lighting fixtures.

Objective 3.4 Parks and Reserves

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

2020/21 Annual Plan Actions	Status	Key Challenges
Delineate the informal walking track from East Victoria Street to Spring Street, Sheffield.	✓	
Install a shade structure at the Youth Park, King George V Park, Sheffield.	↑	
Install a shade structure at Goliath Park, Railton.	✘	Project delayed due to prioritization of capital works program.
Install playground equipment at the Sheffield Health Care Centre Park.	✓	
Install a shelter for performances in King George V Park, Sheffield.	↑	
Install a shelter at the Wilmot Recreation Ground.	✘	Project delayed due to prioritization of capital works program.

Install the Honeymoon on Mt Roland Mural at Wilmot.	↑	The installation will be complete by January 2022.
Install solar lights and security cameras at priority sites.	✓	
Install a BBQ and shelter at Lake Barrington Park, Wilmot.	↑	
Install Bus Shelters in Railton.	↑	Purchased but not installed.
Purchase land adjacent to the Redwater Creek Railway site.	↑	
Purchase and install bannerconda poles and units at Main Street, Wilmot.	✗	
King George V Park – Install Youth Initiatives.	✗	Project delayed due to prioritization of capital works program.
Upgrade Blacksmiths Lane and the former Commonwealth Bank property at Main Street, Sheffield.	↑	Subject to negotiations with adjacent owners.
Complete Stage One of the Wilmot Cemetery Improvements.	✓	
Upgrade Hopes Mill Corner.	✓	
Finalise the Parks and Reserves Land Improvement Asset Management Plan.	✗	Assets updated and moved to the new corporate software.
Review the Parks and Reserves Land Improvement Asset Management Plan.	✗	Assets updated and moved to the new corporate software.
Implement high priority recommendations of the King George V Park Revitalisation Plan.	✗	Progressing in line with budget allocation.
Complete and consider the recommendations of the Kentish Park Master Plan.	✗	Progressing in line with budget allocation.
Complete and consider the recommendations of the Sheffield Recreation Ground Precinct Master Plan.	↑	
Complete and consider the recommendations of the Lake Barrington Park (Wilmot) Master Plan.	✗	Progressing in line with budget allocation.
Prepare an improvement plan for Sykes Sanctuary to support the upkeep and promotion of the Sanctuary.	✗	Progressing in line with budget allocation.
Prepare a maintenance and improvement plan for cemeteries in Sheffield, Wilmot, Railton and Lorinna.	✗	Progressing in line with budget allocation.

Objective 3.5 Natural Resource Management

To integrate natural resource management principles into Council's operational environment.

2020/21 Annual Plan Actions	Status	Key Challenges
Utilise the Cradle Coast NRM strategy to identify and develop projects of greatest priority for this Municipality.	↑	
The Council will support Mt Roland Rivercare Catchment Inc and assist local NRM groups and the community to deliver approved projects.	✓	
Review the Council's Weed Management Plan.	↑	Review of plan underway.

Objective 3.6 Waste Management

To provide responsible waste management services.

2020/21 Annual Plan Actions	Status	Key Challenges
Review Waste Management services for the municipality and implement strategy changes.	✓	As and when required for specific issues.
Review findings of Organics waste collection trial in the Latrobe municipality and assess for service in Kentish.	✗	Subject to further consultation and adjacent council's activities.
Landscape and improve appearance of Council Transfer Stations.	✓	Conducted when required.
Engage local schools in waste management/roadside litter management programs.	✗	No current educator within Cradle Coast Waste Management group. Looking to establish community members in a roadside litter collection program.
Work closely with the Cradle Coast Waste Management Group in implementing waste minimisation projects.	✓	

STRATEGIC OBJECTIVE # 4

PLANNING AND BUILDING

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

ABOUT THIS OBJECTIVE:

This objective encompasses planning and building services, environmental health services, natural resource management, waste management and animal control.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2021.

Total Actions	Complete ✓	In Progress ↑	Delayed ✗
25	17	7	1

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 4.1 Planning and Building Services

To effectively manage land use planning and building issues.

2020/21 Annual Plan Actions	Status	Comments
Undertake action required to finalise the new State-Wide Planning Scheme.	↑	The draft scheme was lodged with Tasmanian Planning Commission 5/6/2020. Awaiting advice from the Commission to place the draft on public exhibition.
To administer and update the Planning Scheme to manage development and land use.	✓	
Enforce planning scheme and planning permit requirements.	✓	Council agreed to establish a compliance officer position to be resource-shared with Latrobe Council.
Meet Council's statutory building services requirements.	✓	
Maintain and protect important elements of natural, cultural and built heritage throughout Kentish.	✓	
Consider providing opportunities for rural lifestyle allotments.	↑	
Undertake Strategic Planning Reviews for all towns and villages.	↑	

Objective 4.2 Health Services

To promote and maintain public health standards.

2020/21 Annual Plan Actions	Status	Comments
Introduce online food safety training for food businesses.	✓	
Review the Kentish Council Municipal Health Plan.	✘	Competing priorities.
Prepare a Kentish Council Municipal Water/Health Report.	✓	Reported to Public Health Services.
Promote healthy eating and lifestyle activities.	↑	
Conduct inspection of food premises to ensure a high level of food safety.	✓	
Undertake monitoring compliance, education and licensing to ensure public health and environmental standards are maintained.	✓	
Undertake assessments of proposed on-site waste-water disposal systems and monitor existing systems to ensure compliance with environmental standards.	✓	
Continue recreational water sampling program during the summer period.	✓	
Actively promote awareness of the 'no smoking' requirements in specific public places and assist private operators of public facilities to understand and comply with the legislation.	↑	Competing priorities.
Work in partnership with other service providers to meet the health and wellbeing needs of the Kentish Community.	✓	
Co-ordinate Municipal Immunisations.	✓	School Based Immunisation Program undertaken.
Ensure 'Vaccination Program' employing a Nurse Immuniser is current.	✓	

Objective 4.3 Animal Control and Regulatory Services

To encourage and recognise responsible animal ownership.

2020/21 Annual Plan Actions	Status	Comments
Contribute \$10,000 towards the Dogs Home of Tasmania critical infrastructure program.	✓	
Promote responsible dog ownership including compliance with the <i>Dog Control Act 2000</i> and Council's Dog Management Policy.	✓	
Promote responsible cat ownership and reduction of feral animals.	↑	Changes in Legislation regarding Cat Ownership.
Implement compliance requirements with regulations covering domestic animals and stray animals within the municipality.	✓	
Identify fire risks within the municipality and issue Fire Abatement Notices where required.	✓	
Consider a lifetime register for dogs system.	↑	Incorporating into Council Management Software

STATUTORY COMPLIANCE



Section 72 of the *Local Government Act 1993* stipulates a range of matters which Council is required to report against within its Annual Report. This section of the Annual Report covers those legislative reporting obligations as well as a range of statistics which may be of interest to our stakeholders.

Community Consultation

Community consultation is a vital part of Council's planning and decision-making process. It assists Council to understand community priorities and issues and ensures community involvement.

Council undertakes consultation through Special Committees, community surveys, submissions, public meetings and individual consultations. Opportunities for community consultation are promoted in the regular community publication, on Council's website and Facebook page, in local newspapers and by direct contact from Council.

Major community consultations undertaken in 2020-21 included:

- Community forums in Sheffield, Wilmot, Railton and Acacia Hills/South Spreyton;
- Consultation for a range of important plans and projects including the Economic Development Strategy, Street Tree Planting, Main Street Sheffield Public Art Concept Design, Roadside Litter Clean Up Crews and Sheffield Arts Centre Redevelopment.

Committees of Council

The *Local Government Act 1993* provides for the establishment of Special and Advisory Committees of Council. These committees may include councillors, council staff and other persons as deemed necessary. The Act also allows for Council, by Instrument of Delegation, to delegate functions, duties or powers to a special committee.

Kentish Council has 20 special committees including an Audit Panel, Strategic Planning (towns) Committee, Grants Committee, Economic Development Committee, Public Arts Committee and a number of committees formed to oversee the running of Council assets (e.g. hall committees).

Refer to page 9 for councillor representation on various committees.

Business Planning Framework

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

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

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

- A strategic plan
- A financial management strategy and long-term financial plan
- A long-term strategic asset management plan
- A budget for each financial year
- An annual plan for each financial year
- An annual report for each financial year.

The Strategic Plan

The Strategic Plan is the key document which guides the direction of the Council over a ten year period. The plan incorporates the following vision for Kentish:

"Kentish is known as a distinctive place where people want to live; for its caring community that celebrates the arts, diversity, the awesome natural environment and its vibrant local economy."

The plan was produced following a comprehensive consultation process with the community, councillors and staff.

The plan comprises four key areas: Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development under which 18 objectives are identified as well as range of strategies to achieve the objectives.

A copy of the strategic plan is available from Council's website.

The Annual Plan and Budget

The Annual Plan and Budget are developed using the strategic plan and work towards achieving the objectives set out in the strategic plan.

The Annual Report

The Annual Report closes the loop in the process, reporting to the organisation and the community on each year's achievements and financial results.

Other Plans, Strategies and Policies

The following plans, strategies and policies were reviewed or adopted by Council during 2020/21.

Title	Date
Social Media Policy	21 Jul 20
Vehicular Access Policy	21 Jul 20
Rates & Charges Policy	18 Aug 20
Strategic Plan 2014-2024	18 Aug 20
Purchasing Policy	18 Aug 20
Code for Tenders & Contracts	18 Aug 20
Annual Plan & Budget	18 Aug 20
Financial Management Strategy & Plan	20 Oct 20
Mobile Food Van Policy	17 Nov 20
Reserves, Parks & Gardens By-Law	17 Nov 20
Economic Development Strategy	15 Dec 20
Digital Recording Policy	15 Mar 21
Public Interest Disclosure Policy & Procedures	20 Apr 21
Information & Communications Technology Strategy	20 Apr 21
Asset Management Policy	15 Jun 21
Whistleblower Policy	15 Jun 21

Audit Panel

See pages 70 - 72 for the Kentish Council Audit Panel Biennial Report for the two year period ended 30 June 2021.

Fraud and Corruption Initiatives

Kentish Council is the custodian of significant public funds and assets and it is important that all stakeholders have assurance that adequate fraud protection controls are in place. Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance. Council reviewed its Fraud and Corruption Control Policy and Fraud and Corruption Control Plan in November 2015 and will review them again during the 2021/22 financial year. These documents are available on Council's website.

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

- raising awareness of the risk of fraud and corruption;
- taking necessary actions for its prevention;

- providing processes for the reporting and investigating of incidents; and
- protecting those who report suspected fraud or corruption incidents.

Code of Conduct

The Kentish Council Model Code of Conduct sets out the standards and behaviour expected of councillors with respect to all aspects of their role. There were no Code of Conduct complaints made against Councillors during the financial year.

Risk Management

Kentish Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in council activities and business processes.

Council reviewed its Risk Management Policy and Risk Management Framework during November 2015 and will review them again during the 2021/22 financial year to provide for the design, implementation, monitoring, review and continuous improvement of risk management. These documents are available on Council's website.

Workplace Health and Safety

Legislation

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

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

Health and Safety Committee

Council has a Health and Safety Committee which currently comprises three Health & Safety Representative (HSR), three management representatives and two other staff representatives.

Workplace Injuries

The total number of reported workplace injuries during 2020-21 was 4, with 3 injuries becoming Workers Compensation Claims.

Asset Management

Council's Asset Management Policy provides a framework to ensure that Council assets are effectively and efficiently managed whilst meeting community needs and expectations for current and future generations. Council's asset management objective is to ensure adequate provision is made for the long-term replacement of major assets by:

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

Council has asset management plans in place covering the majority of its infrastructure assets. These asset management plans generally assume that the current levels of service will be maintained into the future and Council's Long-Term Financial Plan and fully funds the asset renewal requirements of the asset management plans. Council's Operations Manager is in the process of reviewing the current levels of service across both the Latrobe and Kentish Councils to ensure the community and staff are presented with a consistent and accountable approach. Delivery of these services in the best and most efficient manner will then assist in determining the future resourcing priorities of the Operations Department.

Joint Authorities

Section 30 (1) Local Government Act 1993

Kentish Council participates in two joint authorities; the Cradle Coast Authority and Dulverton Waste Management Authority. The following reports provide a summary of activities, budget and performance of the authorities during the 2020/2021 financial year.

Cradle Coast Authority (CCA)

In 2020-21, Kentish Council's contribution was \$47,640, Total Member Council contributions were \$850,969 and a further \$3,255,615 was received as government grants. Employee numbers remained around the same as last year, at approximately 16 FTEs.

Throughout 2020-21, we delivered valuable work across economic development, natural resource management and shared services, all of which will be detailed in our Annual Report. With such a large and diverse range of projects underway, it is difficult to single out a few highlights, however the following achievements seem to have generated particular community interest:

- Completion of the Latrobe to Ambleside section of the Coastal Pathway.
- A successful state election advocacy campaign which saw us secure new funding of \$2.05m for: NRM, small business support and regional land use planning, and an additional \$3m commitment towards Dulverton Waste Management's plans to develop world-class organic composting facilities.
- The launch of the Little Penguin Toolkit and commencement of Rice Grass removal from the Rubicon-Port Sorell Estuary.
- Commenced implementation of our Shared Services Strategy including regional workforce analysis, telecommunications review and implementation of joint procurement for Microsoft Office 365 and Telstra.

I would like to thank all of the Councillors and other people who continue to believe in the regional approach and I would like to acknowledge the encouragement and support provided by you and Mayor Tim Wilson in particular. I have found my time at CCA very rewarding, and I very much look forward to continuing to work together through my new role at Central Coast Council.

**Daryl Connelly MBus , Chief Executive Officer
Cradle Coast Authority**

Dulverton Waste Management

Dulverton Waste Management (DWM) concluded another strong year operationally and financially. Income exceeded budget due to growth in existing wastes and the acceptance of new waste streams. Expenditure was constrained by the operational efficiencies implemented at both the Landfill and Compost facilities.

Five-year financial forecasts are now routinely provided to Owner Councils with each Annual Plan and Budget. Financial forecasts, on an activity basis, guide the business operations and detail future income, operational expenditure, capital investment, cash flow and likely dividends and tax equivalent (or National Tax Equivalent Regime, NTER) payments.

In 2020/21 DWM managed 105,903 tonnes of chargeable waste and 8,093 tonnes of non-chargeable waste (green-waste from Waste Transfer Stations (WTS)). The chargeable waste total is made up of 75,845 tonnes to the Landfill, and 30,058 tonnes to the Compost facility. DWM sold 8,895m³ of compost to nurseries and agricultural customers.

The Landfill and Compost facilities continue to be improved which is supported by the independent audit of the Environment Management System which identified only one area for improvement.

WHS continues to be a primary focus for the Board, management, staff and contractors. A number of new initiatives have been implemented on site, and a suite of WHS KPI's have been developed which the Board regularly review.

After being placed on hold during 2019/20 due to the Covid-19 pandemic, the tender process for the Dulverton Organics Transformation (DOT) project recommenced. In April 2021 a \$1.39M Early Contractor Involvement (ECI) contract was executed to design the state-of-the-art composting facility with the preferred tenderer. The design is well progressed, and a detailed Environmental Effects Report (EER) will soon be issued to the Environment Protection Authority (EPA) Tasmania.

As the primary waste management provider in the region, DWM continues to deliver waste expertise to the Cradle Coast Waste Management Group (CCWMG), with dedicated project management staff with in-depth knowledge of landfill, organics recycling, kerbside recycling and other industry relevant activities. In 2020/21 DWM's management of regional contracts continued,

including Recyclables Collection, Cardboard, Greenwaste, Paint, E-Waste and Fluoro Tube/Globes. Recycling Bin Assessments are in their eighth year, and this continues to provide valuable information about the region's residential recycling behaviours. Grants were distributed to Councils to improve WTS's, and to continue programs to reduce instances of illegal dumping in the region.

DWM's strong financial performance for 2020/21 enabled all Capital Works to be internally funded, and above budget NTER and Dividend payments were made. Dividends to Owner Councils are forecast into the foreseeable future.

Mat Greskie
Chief Executive Officer

Statement of Activities

Section 21, Section 72 (1) (ca) Local Government Act 1993

The Council has not resolved to exercise any powers or undertake any activities in accordance with Section 21 (Enterprise Powers) of the *Local Government Act 1993*.

Statement of Land Donated

Section 72(1)(da) and Section 177 Local Government Act 1993

No land was donated by the Council under Section 177 of the *Local Government Act 1993*.

GST Dispute Statement

Local Government Act 1993 – Section 72A

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

Public Interest Disclosures

Public Interest Disclosure Act 2002

Council's Guidelines for dealing with matters under the *Public Interest Disclosure Act 2002* are available for viewing on the council's website at www.kentish.tas.gov.au or a copy can be made available by contacting the office.

There were no disclosures made to the Council during the year.

Integrity Commission

During the 2020-21 financial year, the Integrity Commission did not receive any complaints about Kentish Council.

Complaints

Section 339F(5) Local Government Act 1993, Section 339 (F) – Customer Service Charter – complaints

In accordance with Council's Customer Service Charter, a complaint must be in writing and is a dissatisfaction caused by:

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

The number of complaints received in 2020/21 was 12 compared to 15 complaints in 2019/20.

Nature of Complaint	No. of Complaints
Product or service	10
Employee or agent	2
Council decision	0

Professional Service Providers:

Auditors: Tasmanian Auditor-General

Bankers: Commonwealth Bank of Australia

Insurance Brokers: JLT Risk Solutions

Valuers: Office of the Valuer-General

Legal: Tremayne Fay and Rheinberger

Contracts for the Supply of Goods and Services

Regulation 29(1) Local Government (General) Regulations 2015 - requires Council to include prescribed information about contracts exceeding \$250,000 (ex GST).

Contractor/Supplier	Address	Description	Contract Period	Value (Ex GST)
Treloar Transport Pty Ltd	7 Claude Road, Sheffield 7306	Wilks Road Extension	Nov 2020 – Dec 2021	\$1,446,643
Oliver Kelly Construction	134 Don Road, Devonport 7310	Sheffield Arts Centre	Nov 2020 – Sep 2021	\$740,393
Hardings Hotmix Pty Ltd	Industrial Drive, Ulverstone 7315	Supply of Hotmix Asphalt – Road Reseal Program	March 2021	\$320,865
TasSpan Pty Ltd	27-28 Faulkner Drive, Latrobe 7307	Bull Creek Bridge	May 2020 – Sep 2021	\$292,709
Latrobe Council ¹	170 Gilbert Street, Latrobe 7307	Agreement to share rights and responsibilities of contract with Technology One Ltd for supply, maintenance and implementation of software	Sep 2018 – Sep 2023	Original \$427,443
		Technology One Ltd-Data migration services, data migration planning	Jan 2021 – Mar 2021	Variation \$4,045
		Technology One Ltd- Provision of data migration services to transition data from the legacy systems to TechOne.	Jun 2021 – Jun 2022	Variation \$161,460

¹The above contract was entered into by Latrobe Council with an agreement to share the software and costs with Kentish Council.

Regulation 29(3) Local Government (General) Regulations 2015 – requires Council to include prescribed information about contracts exceeding \$100,000 (ex GST) but less than \$250,000 (ex GST).

Contractor/Supplier	Address	Description	Contract Period	Value (Ex GST)
Komatsu Australia Pty Ltd	268-272 George Town Road, Rocherlea 7248	Excavator	April 2021	\$107,700
TranEx Group	27 West Church Street, Deloraine 7304	Bridge Barrier Rail Upgrades	Apr 2021 – Aug 2021	\$121,940
ATM Civil Contracting Pty Ltd	46 York Street, Latrobe 7307	High Street Kerb Replacement	Oct 2020 – Mar 2021	\$120,622
TASMAC Pty Ltd	1 Marconi Court, Stony Rise 7310	2x Tractors	April 2021	\$203,000
Walters Contracting	11 East Goderich Street, Deloraine 7304	Native Rock Road Footpath	Apr 2021 – Oct 2021	\$207,000

Public Health Statement

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

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

Council currently employs one full-time Environmental Health Officer. Council's Public Health and Environmental Health programs address a range of functions under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial & Cremation Act 2002*, *Litter Act 2007* and *Environmental Management & Pollution Control Act 1994*. These functions include:

- Food Safety
- Disease Prevention and Control
- Public Health Education and Promotion
- Places of Assembly
- Public Health Risk Activities
- Immunisations
- Exhumations
- Public Health Emergency Management
- Air, Water and Solid Pollution
- Public Health Nuisances
- Recreational and Bathing Water Quality
- Cooling Towers and Warm Water Systems
- Unhealthy Premises
- On-Site Waste Disposal Systems

Operational statistics reflecting core environmental health activities undertaken include:

Activity	Total	Comments
Public Health Act 1997		
Mass Gatherings	2	Rowing
Private water supplies licenses	48	Commercial businesses providing water from tanks, bores, etc
Drinking Water Cart licenses	2	Drinking water carters
Regulated systems	1	Includes cooling towers
Registered Health Risk Activity	1	Includes tattooing, acupuncture etc
Recreation waters - natural	3	Lake Barrington – Kentish Park, Wilmot Picnic Area and Rowing Course sampled during the summer months
Recreation waters – pools and spas	3	Two pools and one spa
Immunisations	97	Number of doses administered for the school-based immunisation clinic
Water complaints investigated	0	Water quality
Food Act 2003		
Registered food businesses	87	87 registered businesses.
Temporary food businesses	2	Event/one-off occasions
Prosecutions	0	
Infringement Notices	1	
Food complaints investigations	5	Includes (notifiable disease notifications)
Other		
Special plumbing permits	33	On-site waste-water disposal systems were approved for new installations and upgrades to septic tank systems, aerated wastewater treatment systems etc
Notifiable diseases	2	
Private Burials	1	1 approval (no burial)
Litter infringement notice	0	No litter infringement notices were issued.
Customer Requests	70	Various requests regarding noise, odour, fire hazards

Grants, Assistance and Benefits Provided

Section 77 (2) Local Government Act 1993

Details of grants, assistance and benefits made by the Council during the 2020/2021 financial year are as follows:

GRANTS AND SPONSORSHIP		
Organisation	Purpose	Amount (\$)
Community Events		
Junior Cattle Handlers Show of Tasmania	Sheffield School Show	1,000
Kentish Axeman's Club	Gowrie Park Wood Chopping Carnival	250
Redwater Creek Steam & Heritage Society	Steamfest	5,200
Kentish Garden Club Inc	Daffodil and Spring Flower Show	500
Oss Foley Endurance Riders Inc	Oss Foley Endurance Ride	250
Kentish Endurance Riders	Kentish Endurance Ride	500
Kentish Arts Commerce and Tourism	Mural Fest	10,000
Mersey Valley Devonport Cycling Club	Senior and Mini Master Tour	500
Sheffield School	End of year presentations	300
Weindorfer Memorial Committee	Weindorfer Memorial	750
Lions Club of Kentish	Kentish Christmas Carols	750
Wilmot Tourism and Progress Association	Wilmot Community Celebration	750
Total		20,750
Organisation Funding		
Kentish Museum	Operational Costs	6,600
Wilmot Museum	Operational Costs	1,850
Mt Roland Rivercare	Operational Costs	6,000
Mt Roland Rivercare	Trust funds for future expenditure	4,000
Total		18,450
Community Grants		
Railton Neighbourhood Centre	Replace topiary frames at Topiary Paddock	250
Coast FM	Set up test radio transmission from Sheffield	2,500
Rural Health	Mental Health Community Mural	1,693
Kentish Lions Club	Kentish Neighbour Day	500
Kentish House	Kentish Dad's and Kids Day Out	1,600
Sheffield Cricket Club	Purchase uniforms and equipment	2,260.50
Rural Health	Combined Christmas Event	500
Kentish Regional Clinic	CORES Program and Self Care Workshops	2,475
Redwater Creek Steam and Heritage Society	Interactive mural platform	1,500
Wilmot Memorial Hall	Purchase new data projector and screen	1,663
Total		14,941.50
COVID-19 Local Stimulus Event Grants		
Sheffield Inc	Sheffield Mid Winter Festival	2,000
King Miller Events	Tas Gravity Enduro Round 3	2,000
North West Safaris	Moonlight Cinema	2,000
Total		6,000

RATE REMISSIONS – COMMUNITY ORGANISATIONS	
Organisation	Amount (\$)
Tashi Choling Dharma Foundation Inc.	1,008.60
Railton Bowls Club	1,100.04
Redwater Creek Steam & Heritage Society Inc.	1,537.37
Kentish Rodeo Association	1,076.72
The Tasmanian Arboretum Inc	384.93
Rowing Tasmania Inc	3,933.91
The Hub Incorporated	1,692.53
Lower Barrington Hall Committee	908.84
Wilmot Tourist & Progress Association Inc	842.36
Lorinna Residents & Ratepayers Association Inc	864.52
Sheffield Golf Club	1,263.31
Nook Cricket Club	608.66
Total	15,221.79

STATISTICS SNAPSHOT 2020/21

94

DEVELOPMENT APPLICATIONS

97

BUILDING APPLICATIONS

2,387

DOGS REGISTERED

1,802

WASTE BINS SERVICED

78,634

WEBSITE HITS

83,709

FACEBOOK PAGE REACH

RAILTON'S WIDE STREET



A TALE OF BULLOCKS

Wondering why the main street of Railton is so wide?

In the early days of settlement, the produce from surrounding districts was brought to Railton railway station on the main street, by bullock teams hauling wagons. There, it was loaded onto the train to continue the journey, far and wide. Those teams consisted of between two and four pairs of bullocks that were yoked together. Turning the huge teams and the wagons on an average width street, was out of the question. Of necessity, the extra wide main street you see here was built to make life easier for the bullock teams to unload side on at the station and turn around - never contemplated doing a three point turn with a bullock team!

From an early date bullocks were brought to Railton Railway Station where they were yoked to the teams to haul the produce from the fields that were yoked together. Having the large teams and the heavy wagons, the extra wide main street was built to make life easier for the bullock teams to unload side on at the station and turn around - never contemplated doing a three point turn with a bullock team!



Railton Council acknowledges the support of the Railton Community Centre and the people of the town.

UNDERSTANDING THE FINANCIAL REPORT

Introduction

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

The Financial Statements are a public document that is included in council's Annual Report and presented at the Annual General Meeting of council.

What you will find in the Statements

The Financial Statements and notes to the report set out the financial performance, financial position and cash flows of Kentish Council for the financial year ended 30 June 2021.

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

About the Primary Financial Statements

Statement of Comprehensive Income

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

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

Statement of Financial Position

A snapshot of council's financial position, including the Assets and Liabilities as at 30 June 2021.

Statement of Changes in Equity

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

Statement of Cash Flows

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

About the Notes to the Financial Report

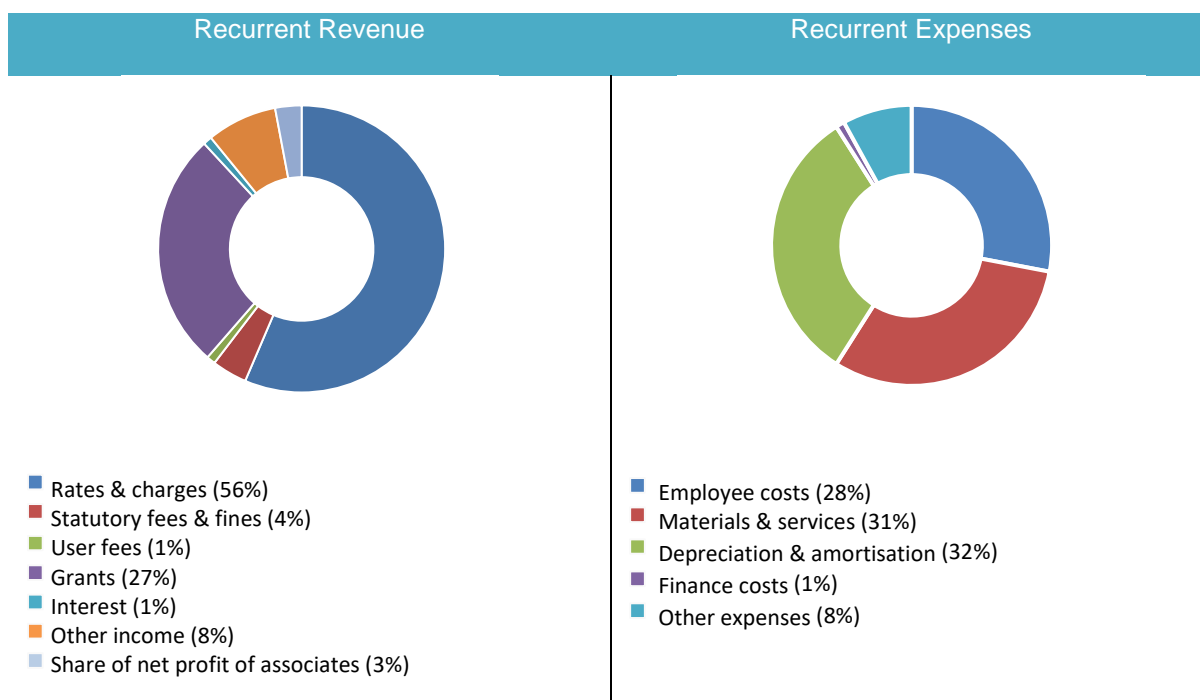
The Notes to the Financial Statement provide greater detail and additional information on the Primary Financial Statements.

Statement of Certification

The Statement of Certification must be signed by the General Manager to confirm the financial report presents fairly the financial position of Kentish Council as at 30 June 2021.

FINANCIAL OVERVIEW

REVENUE & EXPENDITURE SOURCES

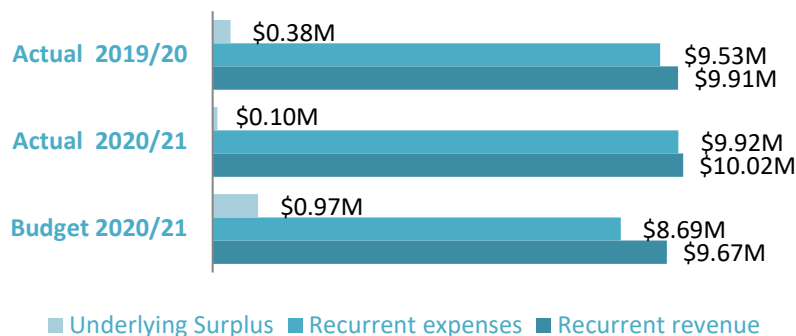


FINANCIAL RESULT COMPARED TO BUDGET



Council's underlying operating surplus was \$95,000

UNDERLYING RESULT



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

CAPITAL BUDGET VARIANCES EXPLANATION

Total Capital Expenditure

\$55k

More
than
budget



\$295k



Roads,
Streets &
Bridges

During the mid-year budget review an additional Dolcoath Road Bridge Replacement project was included. This was not required and has caused a positive budget variance.

\$159k



Plant,
Equipment &
Other

Expenditure above budget due to plant purchases. This variance is offset by \$103k trade in values, with further offset to come in 2021/22 once plant is sold at auction.

\$18k



Buildings

This variance is largely due to additional infrastructure for the switchboard at the Sheffield Town Hall. This was required for electrical standards compliance.

\$173k



Land
Improvements

Above budget expenditure is mainly due to additional stormwater and kerb & channel variations for the Wilmot Streetscape project.

MAJOR CAPITAL EXPENDITURE

\$1.51m Lorinna Access

\$1.34m Sheffield Streetscape

\$977k Wild Mersey Mountain Bike Trails

\$871k Staverton Road Reconstruction

\$859k Sheffield Arts Centre

\$705k Wilmot Streetscape

\$346k Resealing Program

\$328k Resheeting Program

\$306k Bull Creek Bridge

Comparison of Income Statement to Original Budget

	Original Budget 2020/21 (\$,000)	Actual 2020/21 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
Revenue					
Rates and charges	5,344	5,519	175	3%	Favourable variance due to supplementary revaluations.
Statutory fees and fines	210	372	162	77%	Favourable variance due to certificate fees income being reclassified to Statutory Fees and Fines, away from the original budget for User Fees. Also increased development activity has caused a positive result for Planning Fees against budget estimates.
User fees	227	130	-97	-43%	The reclassification of building, plumbing and certificate fee budgets to Statutory Fees and Fines has caused an unfavourable variance. This is partly offset by the favourable variance for Statutory Fees and Fines.
Grants – Operating	3,044	2,617	-427	-14%	Unfavourable budget variance due to an unbudgeted reduction in Commonwealth Financial Assistance Grants received by Council.
Interest	98	55	-43	-44%	Unfavourable variance due to a decrease in expected interest rates.
Other income	523	829	306	59%	Favourable variance mainly due to: <ul style="list-style-type: none"> • unclaimed proceeds of sales from properties for unpaid rates being transferred to income from trust after three years • increased agency receipts for tourism bookings. These receipts are partly offset by payments to accommodation providers in Materials and Services.
Investment revenue from Water Corporation	0	44	44	100%	Due to positive financial results, TasWater lifted the freeze on dividend payments for 2020/21.
Share of net profits/(losses) of associates	226	269	43	19%	Favourable variance due to increased returns from the Dulverton Regional Waste Management Authority.
Grants specifically for new or upgraded assets	1,906	1,812	-94	-5%	Unfavourable budget variance due to the carry forward of the Black Spot Funding to 2021/22.
Grants for renewal of assets	578	468	-110	-19%	Unfavourable budget variance due to the carry forward of the Black Spot Funding to 2021/22.
Contributions-cash	8	5	-3	-38%	Less than expected open space contribution.
Total Revenue	12,163	12,120	-43	-0.3%	Overall minor unfavourable variance

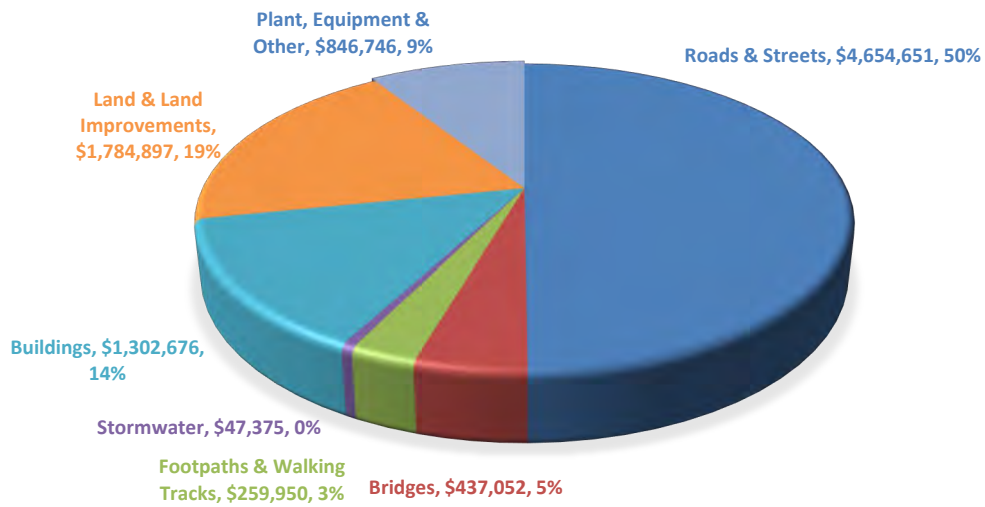
Comparison of Income Statement to Original Budget Continued

	Original Budget 2020/21 (\$,000)	Actual 2020/21 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
Expenses					
Employee Costs	2,730	2,771	41	2%	Minor unfavourable variance due to the restructure of the Finance Department and the management structure.
Materials and Services	2,331	3,111	780	33%	Unfavourable variance due to several high-rainfall events throughout the year causing increased instances of scoured drains, damaged road seal and whole sections of unsealed roads being washed away.
Depreciation and Amortisation	2,555	3,157	602	24%	Unfavourable variance due to revaluation and review of useful lives of most of Council's property, infrastructure, plant and equipment after completion of budget estimates.
Finance Costs	74	64	-10	-13%	Minor favourable budget variance.
Other Expenses	1,004	806	-198	-20%	Favourable variance due to classification of street lighting electricity to Materials and Services from the original budget for Other Expenses. Also savings for insurance has contributed to a positive result.
Net Loss on Disposal of property, infrastructure and plant	0	11	11	100%	Minor unbudgeted write off/disposals of Roads and Plant during year.
Total Expenses	8,693	9,920	1,227	14%	Overall unfavourable variance
Net Surplus / (Deficit)	3,469	2,200	-1,269	-37%	Overall unfavourable variance

Comparison of Capital Expenditure to Budget

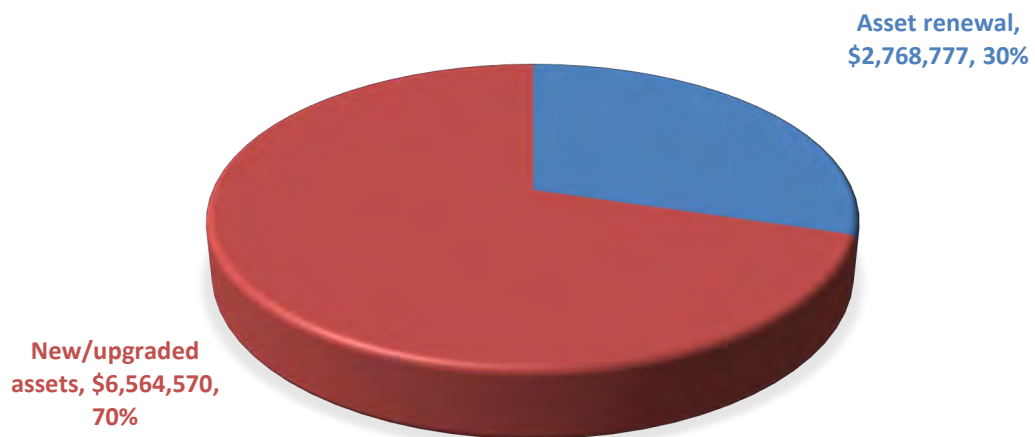
Capital Works Areas	Original Budget (\$,000)	Adjustment to Carry Forward (\$,000)	Mid-Year Budget Review (\$,000)	Adjusted Budget (\$,000)	2021 Capital Expenditure (\$,000)	Carry Forward to 2021/22 (\$,000)	Budget Variance (\$,000)
Roads & Streets	5,804	0	-450	5,354	4,655	708	-9
Bridges	388	0	318	706	437	0	269
Footpaths and Walking Tracks	492	0	65	557	260	263	34
Stormwater	407	-20	-5	381	47	333	1
Buildings	1,642	-20	0	1,622	1,303	337	-18
Land & Land Improvements	2,570	-12	51	2,610	1,785	998	-173
Plant, Equipment and Other	1,101	0	0	1,101	847	413	-159
Total Capital Works	12,404	-52	-21	12,331	9,334	3,052	-55
Represented by:							
Asset Renewal	3,296	0	298	3,594	2,769	743	83
New / Upgraded Assets	9,108	-52	-319	8,737	6,565	2,309	-138
Total Capital Works	12,404	-52	-21	12,331	9,334	3,052	-55

Capital Expenditure by Asset Type



Capital Expenditure – New and Existing Infrastructure

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



Management Indicators

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

The following graphs and commentary show Council's performance against these indicators over the past four years and projected results over the next four years compared to suggested benchmark results.

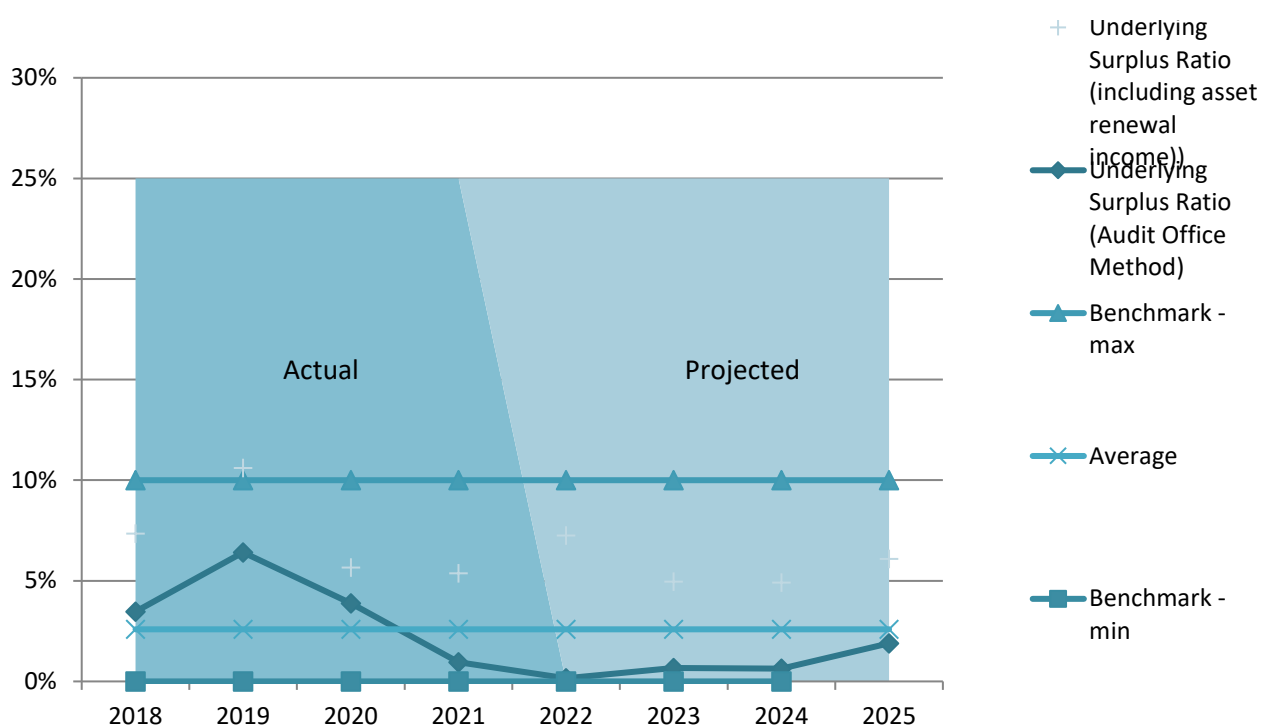
Council does not agree with the Tasmanian Audit Office approach of excluding all income funding capital expenditure when calculating the underlying result to measure sustainability, but rather agrees with the approach taken by some other states that only exclude income received specifically to fund new or upgraded assets. To enable comparison with other Councils, the result under this alternative approach is also shown below.

The main income item affected by this difference in approach is Commonwealth Roads to Recovery funding. Council believes that when this funding is applied towards renewing existing assets it is part of Council's sustainable result because it is not expanding Council's capital asset base and this funding has been continuously provided since 2009 and is expected to continue for the foreseeable future.

Underlying Surplus Ratio

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

	2018	2019	2020	2021	2022	2023	2024	2025	Average
Underlying Surplus Ratio (Audit Office Method)	3.5%	6.4%	3.9%	0.9%	0.2%	0.7%	0.6%	1.9%	2.6%
Underlying Surplus Ratio (including asset renewal income)	7.4%	10.6%	5.7%	5.4%	7.3%	5.0%	4.9%	6.1%	6.9%
To assess sustainability									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Surplus (excluding income to fund new or upgraded assets)	353	669	385	95	16	69	67	199	232
Recurrent Income	10,193	10,430	9,911	10,015	10,157	10,337	10,431	10,491	10,246
Grants for renewal of assets	428	489	187	468	778	468	468	468	469



Sustainability should be assessed over a medium to long-term timeframe, so it is the average ratio that is the most relevant measure of Council’s performance. On average, over the past four years, Council’s results were well within the benchmark range and are projected to remain within range over the next four years.

Net Financial Assets/(Liabilities) Ratio

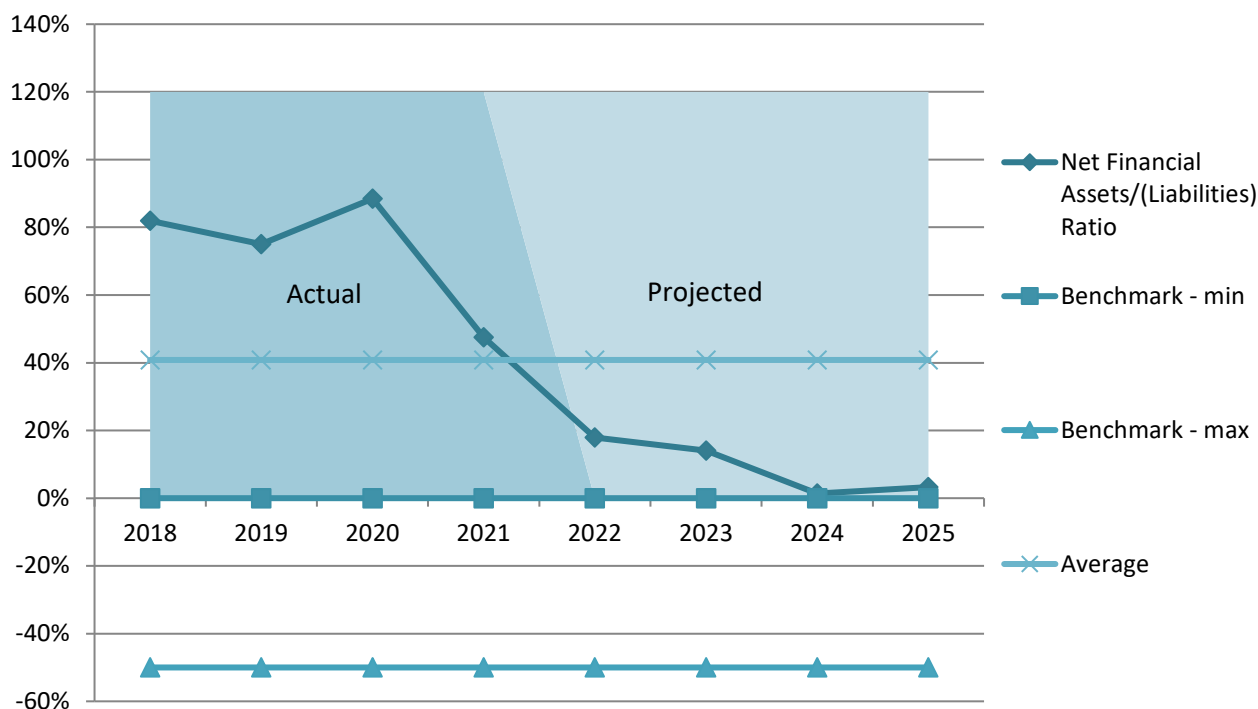
This ratio indicates Council’s capacity to meet its financial obligations from its operating activities. Council’s trend of maintaining positive ratios indicates that it has no net debt and that its ability to sustain additional debt is significant.

Council’s ratio for this measure is well outside the benchmark range partially due to the majority of Council’s debt being transferred to the new Water Corporation on 1 July 2009 and partially due to an apparent past aversion to debt. Council’s current financial management strategy accepts debt as a legitimate funding source for new and upgraded assets. Council drew down loans in 2020/21 as can be seen in the below graph with the ratio decreasing but is expected to remain above the benchmark minimum moving forward.

	2018	2019	2020	2021	2022	2023	2024	2025	Average
Net Financial Assets/(Liabilities) Ratio	82.0%	75.0%	88.5%	47.5%	18.0%	14.1%	1.4%	3.3%	40.8%

To assess the level of debt held by Council

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Financial Assets/(Liabilities)	8,355	7,822	8,767	4,755	1,824	1,453	144	344	4,183
Recurrent Income	10,193	10,430	9,911	10,015	10,157	10,337	10,431	10,491	10,246

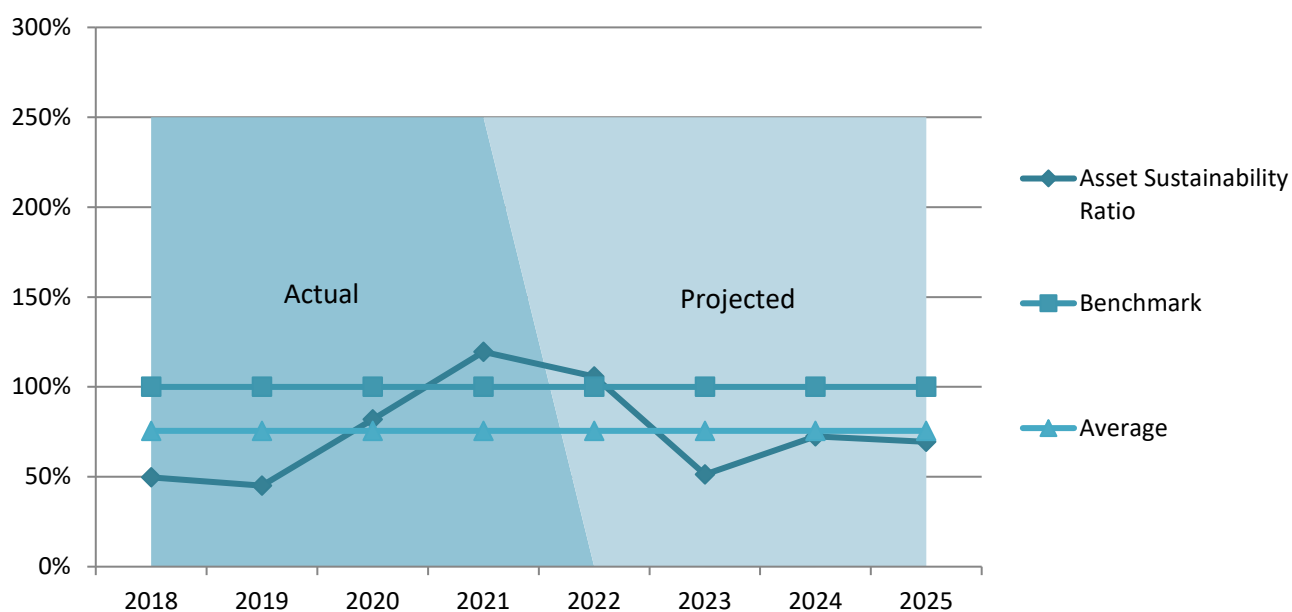


Asset Sustainability Ratio

To be consistent with the calculation method used by the Tasmanian Audit Office, the expenditure on renewals for calculation of this ratio is based on cash flows rather than on an accruals basis.

This ratio measures whether assets are being replaced at the rate they are wearing out. Council's average is below the benchmark, however Council aims to match its asset renewal with actual asset demand as identified by its asset management processes rather than the long-term average as indicated by this benchmark. It is expected that at some time in the future, Council's asset renewal expenditure will exceed the benchmark to compensate for the current below benchmark expenditure.

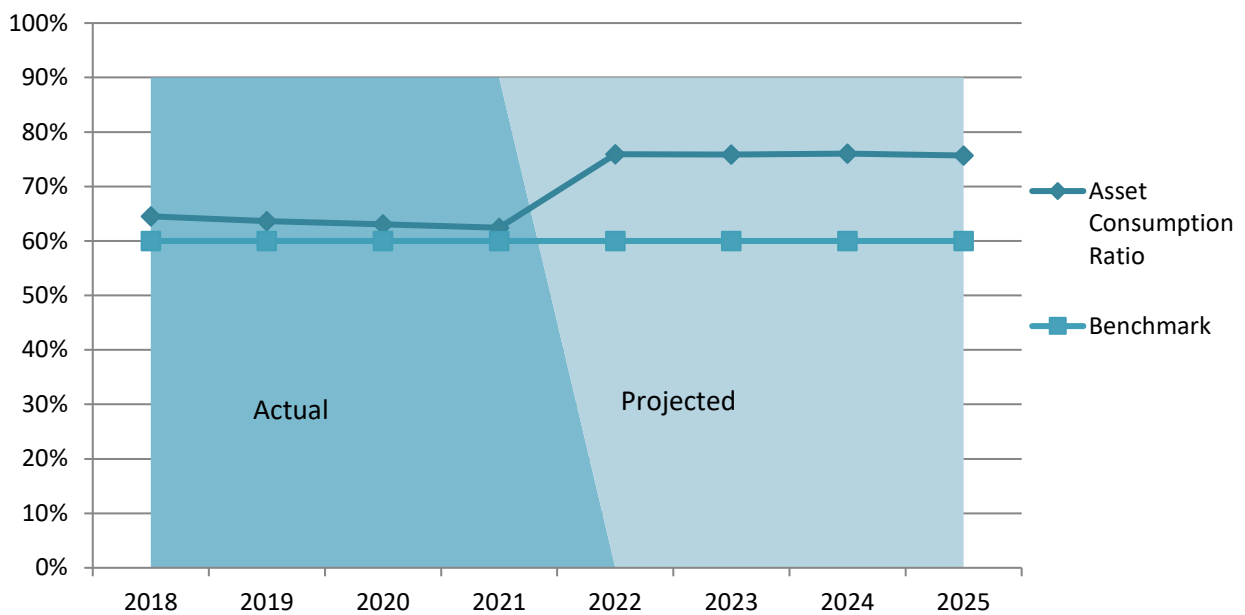
	2018	2019	2020	2021	2022	2023	2024	2025	Average
Asset Sustainability Ratio	50%	45%	82%	120%	106%	51%	72%	69%	76%
Indicates if assets are being renewed at the same rate as they are being consumed									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure on renewal of existing assets	1,266	1,146	2,426	3,773	3,370	1,679	2,425	2,337	2,303
Depreciation Expense	2,547	2,543	2,960	3,157	3,186	3,272	3,349	3,369	3,048



Asset Consumption Ratio

This indicator shows the average proportion of 'as new' condition left in Council's infrastructure assets. When used in conjunction with the asset sustainability ratio, Council's asset consumption ratio indicates that, on average, the Council's infrastructure is only around 30% into its expected useful life.

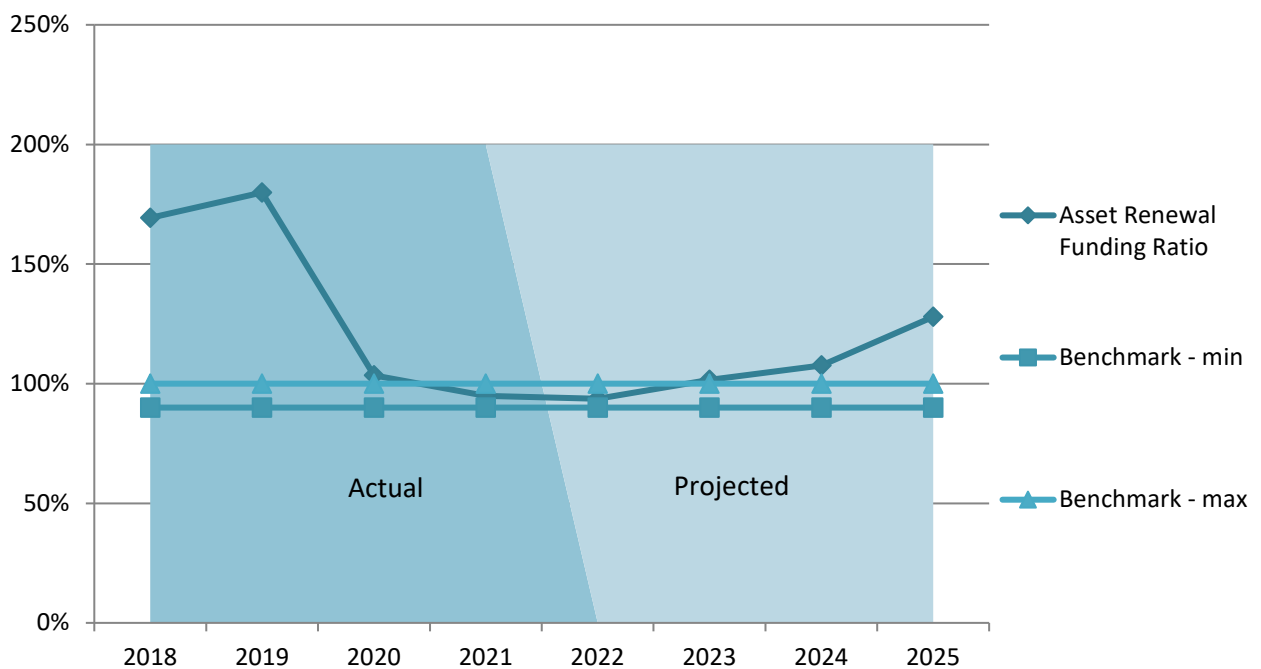
	2018	2019	2020	2021	2022	2023	2024	2025	Average
Asset Consumption Ratio	65%	64%	63%	62%	76%	76%	76%	76%	70%
Indicates the average portion of 'as new' condition left in assets									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciated replacement cost of assets	108,768	108,051	127,136	127,887	152,554	157,013	161,472	161,834	138,089
Current replacement cost of assets	168,505	169,824	201,582	204,853	200,932	206,984	212,367	213,762	197,351



Asset Renewal Funding Ratio

The current projected capital renewal outlays in Council’s Long-Term Financial Plan slightly exceed the projected expenditure demand as reflected by Council’s Asset Management Plans. The expenditure included in the Long-Term Financial Plan includes projects that were included in Council’s 10 Year Capital Works Program. Since the 10-year capital works program was included in updated asset management plans, the ratio has decreased to within the benchmark range.

	2018	2019	2020	2021	2022	2023	2024	2025	Average
Asset Renewal Funding Ratio	169%	180%	103%	95%	94%	102%	108%	128%	116%
Indicates financial capacity to continue to provide existing levels of asset-based service									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Present Value (NPV) of ten year projected capital renewal outlays	18,994	19,365	22,226	18,057	17,163	18,096	19,546	20,325	19,222
Net Present Value (NPV) of ten year projected capital renewal expenditure demand	11,222	10,764	21,488	19,022	18,320	17,823	18,168	15,884	16,586



AUDIT PANEL REPORT

Kentish Council Audit Panel Biennial Report to Council for the two-year period ended 30th June 2021.

Audit Panel Objectives

The objective of the Audit Panel is to provide an accountability mechanism in relation to Council's financial, compliance, risk management and internal control activities. The panel reviews the council's performance under section 85A of the Local Government Act and reports to the council its conclusions and recommendations.

Meeting Attendance – Audit Panel Members

Meeting Date	Mr Ben Coull (Chairman)	Cr Kate Haberle	Cr Stephen Mawer
15 October 2019	✓	✓	✓
17 December 2019	✓	✓	✓
17 March 2020	✓	✓	
29 May 2020 (held 16 June)	✓	✓	✓
25 August 2020 (held 29 Sept)	✓	✓	✓
24 November 2020	✓	✓	
23 February 2021 (held 2 March)	✓	✓	✓
25 May 2021	✓	✓	✓

Summary of the Audit Panel meetings held between July 2019 and June 2021

Meeting Date	Main Agenda Items / Outcomes
15 October 2019	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a progress update regarding the unaudited Annual Financial Report for 2018-19 <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received Embedding Shared Services update from management ➤ Agreed to review the Annual Work Plan of the Audit Panel ➤ Reviewed and discussed Tasmanian Audit Office (TAO) report, Procurement in Local Government September 2019 ➤ Received an update from management on Council's Risk Register and key risk exposures ➤ Reviewed and discussed a briefing from management on the induction process for employees and elected members ➤ Received a report from Tasmanian Audit Office regarding the 2018/19 Audit Strategy ➤ Reviewed the Audit Panel Charters and recommended that the current charters be endorsed by the councils without change.
17 December 2019	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Discussed and reviewed 2018-19 Annual Report and unaudited Financial Report ➤ Received a progress update regarding audit of 2018-19 Annual Financial Report (lodged 22/11/19) <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received Embedding Shared Services update from management ➤ Reviewed and discussed Corporate Risk Registers, latest Risk Report to senior management and latest Risk and WHS Report to Councils. ➤ Endorsed Audit Panel Annual Reports for the year ended 30 June 2019
17 March 2020	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a progress update regarding audit of 2018-19 Annual Financial Report <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received OneSystem Implementation and Embedding Shared Services

Meeting Date	Main Agenda Items / Outcomes
	<p>update from management</p> <ul style="list-style-type: none"> ➤ Received a verbal report from management regarding the councils' initial response and planning regarding the Covid-19 pandemic ➤ Received an update from the councils' risk management staff regarding the revised Corporate Risk Register ➤ Received a report from the Team Leader Development and Regulatory Services on policies and processes controlling the councils' responsibility as a Planning Authority
29 May 2020 (held 16 June)	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a Covid-19 response update from management ➤ Discussed and reviewed revised 2018-19 Annual Financial Report due for audit sign-off ➤ Received a progress update regarding audit of 2018-19 Annual Financial Report <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received OneSystem Implementation and Embedding Shared Services update from management ➤ Received an update from Tasmanian Audit Office on TAO activities and plans including changes in operations in response to Covid-19 ➤ Reviewed and discussed Accounting Policies with input from Tasmanian Audit Office ➤ Received an update on the process and progress to date for development of the 2020-21 Annual Plan and Budget and 2020-2030 Long Term Financial Plan
25 August 2020 (held 29 Sept)	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a presentation from management on Council's 2020-2030 Long Term Financial Plan ➤ Received a report on 2018-19 audit completion report and Memorandum of Audit Findings from Tasmanian Audit Office <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➤ Received a report on 2018-19 Memorandum of Audit Findings from Tasmanian Audit Office ➤ Received a report from Tasmanian Audit Office regarding their recent publications on Management of Underperformance in the Tasmanian State Service and Effectiveness of Internal Audit
24 November 2020	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a progress update regarding unaudited Annual Financial Report for 2019-20 <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received updates on outstanding actions from prior meetings including IT security, business case analysis for capital projects and Risk Register update ➤ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➤ Discussed current segregation of duties within council and opportunities for improvement including potential future internal audit of procurement processes and further development of anti-fraud culture ➤ Discussed proposed reform to audit panel functions and membership rules
23 February 2021 (held 2 March)	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Received a report on 2019-20 Memorandum of Audit Findings from Tasmanian Audit Office ➤ Reviewed a sample of major procurement decisions to determine

Meeting Date	Main Agenda Items / Outcomes
	<p>compliance with procurement policies and tender requirements</p> <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➤ Received a Finance team Key Dates Checklist for 2020/21 and 2021/22 ➤ Discussed internal audit and resolved to recommend that each council includes an allowance of \$10,000 in its 2021/22 budget for internal audit activities if required ➤ Reviewed and discussed TAO publication Procurement in Local Government 2 2019-20 and recommended that spot checks be conducted to gauge the level of compliance and system improvements be investigated <i>if warranted</i>
25 May 2021	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Reviewed the Audit Panel Charter and made relevant recommendations to Council ➤ Received a progress update on implementation of recommendations from the 2020 Memorandum of Audit Findings from Tasmanian Audit Office <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➤ Received an updated Finance team Key Dates Checklist for 2020/21 and 2021/22 ➤ Reviewed and discussed current Accounting Policies of the councils and recommended that the councils check with other councils and consider increasing their capitalisation thresholds for road, bridge and building assets to between \$25,000 and \$30,000 ➤ Received an update from the Team Leader Finance on the 2020/21 Budget ➤ Reviewed and discussed policies and processes for payment of allowances and reimbursements to employees and elected members and requested that statistics on the number and dollar value of reimbursements be presented to the next Audit Panel meeting ➤ Reviewed and discussed the Auditor General's Report on the Financial Statements of State Entities (Local Government Section) for 2019/20

The audit panel has met once since the end of the 2020/21 financial year and work relevant to this annual report completed during that time includes:

- Reviewed and discussed the unaudited financial report for the year ended 30 June 2021 (lodged with TAO 14/8/21)
- Noted the re-appointment of Ben Coull as chairperson until 17 August 2025 and the re-appointment of Cr Haberle and Cr Mawer as audit panel member until 20 November 2022.
- Received a presentation from TAO on the 2020/21 Audit Strategy.

The Audit Panel was effectively supported in its activities by council staff, and their contribution to its functioning is duly appreciated by members of the audit panel.

Signed this 23 November 2021.

Mr Ben Coull
Chairman

AUDIT OFFICE OPINION



Independent Auditor's Report

To the Councillors of Kentish Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Kentish Council (Council), which comprises the statement of financial position as at 30 June 2021 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5, nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

11 October 2021
Hobart

KENTISH COUNCIL
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**Statement of Comprehensive Income
For the Year Ended 30 June 2021**

	Note	Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	5,344	5,519	5,478
Statutory fees and fines	2.2	210	372	336
User fees	2.3	227	130	149
Grants	2.4	3,044	2,617	2,963
Interest	2.6	98	55	176
Other income	2.7	523	829	666
Investment revenue from water corporation	2.9, 5.2	-	44	44
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	226	269	248
		9,671	9,835	10,060
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	2,484	1,812	1,246
Capital grants received specifically for renewal of assets	2.4	-	468	187
Contributions - cash	2.5	8	5	25
		2,492	2,285	1,458
Total income from continuing operations		12,163	12,120	11,518
Expenses from continuing operations				
Employee costs	3.1	(2,730)	(2,771)	(2,785)
Materials and services	3.2	(2,331)	(3,111)	(2,467)
Impairment of receivables	3.3	-	-	8
Depreciation and amortisation	3.4	(2,555)	(3,157)	(2,960)
Finance costs	3.5	(74)	(64)	(73)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(11)	(386)
Other expenses	3.6	(1,004)	(806)	(863)
Total expenses from continuing operations		(8,693)	(9,920)	(9,526)
Result from continuing operations		3,469	2,200	1,992
Net result for the year		3,469	2,200	1,992
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	9.1	-	559	(1,934)
Net asset revaluation increment/(decrement)	9.1	-	-	18,848
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	9.1	-	-	14
		-	-	-
Total Other Comprehensive Income		-	559	16,928
Total Comprehensive result		3,469	2,759	18,920

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

**Statement of Financial Position
As at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	12,324	11,720
Trade and other receivables	4.2	460	654
Inventories	4.4	9	18
Other assets	4.5	95	99
Total current assets		12,888	12,491
Non-current assets			
Trade and other receivables	4.2	17	20
Investments	4.3	18	18
Investments in associates accounted for using the equity method	5.1	1,812	1,599
Investment in water corporation	5.2	6,620	6,061
Property, infrastructure, plant and equipment	6.1	146,873	141,012
Intangible assets	6.2	619	480
Total non-current assets		155,959	149,190
Total assets		168,847	161,681
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,538	2,069
Trust funds and deposits	7.2	45	44
Provisions	7.3	478	544
Interest-bearing loans and borrowings	8.1	125	117
Total current liabilities		2,186	2,774
Non-current liabilities			
Provisions	7.3	22	2
Interest-bearing loans and borrowings	8.1	5,864	890
Total non-current liabilities		5,886	892
Total liabilities		8,072	3,666
Net Assets		160,776	158,017
Equity			
Accumulated surplus		46,174	43,974
Reserves	9.1	114,602	114,043
Total Equity		160,776	158,017

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

Statement of Changes in Equity For the Year Ended 30 June 2021

	Note	Accumulated	Asset	Fair Value	Total
		Surplus	Revaluation	Reserve	Equity
		2021	Reserve	Reserve	2021
2021		2021	2021	2021	2021
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		43,974	114,156	(113)	158,017
Net result for the year		2,200	-	-	2,200
Other Comprehensive Income:					
Fair Value adjustment on equity investment assets	5.2			559	559
Total comprehensive income		46,174	114,156	446	160,776
Transfers between reserves		-	-	-	-
Balance at end of the financial year		46,174	114,156	446	160,776
		Accumulated	Asset	Fair Value	Total
		Surplus	Revaluation	Reserve	Equity
		2020	Reserve	Reserve	2020
2020		2020	2020	2020	2020
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		42,209	95,412	1,821	139,442
Adjustment due to AASB 15 adoption		(227)	-	-	(227)
Adjustment due to AASB 16 adoption		-	(118)	-	(118)
Restated opening balance		41,982	95,294	1,821	139,097
Net result for the year		1,992	-	-	1,992
Other Comprehensive Income:					
Fair Value adjustment on equity investment assets	5.2	-	-	(1,934)	(1,934)
Net asset revaluation increment/(decrement)	9.1	-	18,848	-	18,848
Share of other comprehensive income of associates & joint ventures accounted for by the equity method		-	14	-	14
Total comprehensive income		43,974	114,156	(113)	158,017
Transfers between reserves		-	-	-	-
Balance at end of the financial year		43,974	114,156	(113)	158,017

The above statement should be read with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		5,501	5,477
Statutory fees and fines		373	336
User charges and other fines (including GST)		419	370
Grants		2,618	2,963
Interest Received		62	229
Investment revenue from water corporation	2.9	44	44
Other receipts		1,195	668
Dividends received from associate		56	51
GST refunds received		1,147	534
Payments to suppliers (including GST)		(5,223)	(2,824)
Payments to employees		(2,817)	(2,864)
Finance costs Paid		(64)	(73)
Other payments		(806)	(863)
Net cash provided by (used in) operating activities	9.2	2,505	4,049
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(9,163)	(3,966)
Payments for intangibles		(183)	(56)
Proceeds from sale of property, infrastructure, plant and equipment		177	48
Capital grants		2,280	1,433
Capital contributions		5	25
Loans and advances to community organisations		-	-
Net cash provided by (used in) investing activities		(6,884)	(2,516)
Cash flows from financing activities			
Payments from trust funds and deposits		1	(24)
Repayment of interest bearing loans and borrowings	9.3	(118)	(157)
Proceeds of interest bearing loans and borrowings	9.3	5,100	-
Net cash provided by (used in) financing activities		4,983	(181)
Net increase (decrease) in cash and cash equivalents		604	1,351
Cash and cash equivalents at the beginning of the financial year		11,720	10,369
Cash and cash equivalents at the end of the financial year	9.4	12,324	11,720
Restrictions on cash assets	4.1		
Financing arrangements	9.5		

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

Note 1 Overview

1.1 Reporting entity

- (a) The Kentish Council was established in 1907 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 69 High Street Sheffield Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

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

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. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

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

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

Special Committees of Management have been included in this financial report. All transactions for these committees have been incorporated. Details of committees included in this financial report are detailed in note 10.2.

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 9.6.

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.2.

1.4 Functions/Activities of the Council

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

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
Governance and administration						
2020 - 2021	1,418	5,149	6,567	(819)	5,748	20,384
2019 - 2020	1,570	7,548	9,118	(3,275)	5,843	19,189
Roads, streets and bridges						
2020 - 2021	2,889	27	2,916	(4,960)	(2,044)	118,869
2019 - 2020	1,676	716	2,392	(4,986)	(2,594)	116,498
Stormwater/ Drainage						
2020 - 2021	-	-	-	(81)	(81)	3,294
2019 - 2020	(5)	-	(5)	(112)	(117)	3,104
Waste management						
2020 - 2021	-	1,055	1,055	(853)	202	1,812
2019 - 2020	-	981	981	(982)	(1)	1,599
Environmental health/ environmental management						
2020 - 2021	-	27	27	(114)	(87)	-
2019 - 2020	-	6	6	(159)	(153)	-
Development and regulatory services						
2020 - 2021	-	850	850	(1,249)	(399)	-
2019 - 2020	-	699	699	(1,293)	(594)	-
Buildings and community amenities						
2020 - 2021	-	182	182	(955)	(773)	14,370
2019 - 2020	-	205	205	(1,186)	(981)	13,454
Economic and community development						
2020 - 2021	591	5	596	(518)	78	9
2019 - 2020	1,155	37	1,192	(508)	684	13
Parks and reserves						
2020 - 2021	-	2	2	(445)	(443)	8,819
2019 - 2020	-	-	-	(304)	(304)	7,894
Operations						
2020 - 2021	-	-	-	-	-	1,291
2019 - 2020	-	443	443	(235)	208	995
Total						
2020 - 2021	4,898	7,297	12,195	(9,994)	2,200	168,847
2019 - 2020	4,396	10,635	15,031	(13,040)	1,991	162,746

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

	2021	2020
Current assets	12,888	12,491
Non-current assets	155,959	149,190
	168,847	161,681

(c) Governance and administration

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

Roads, streets and bridges

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

Stormwater/ Drainage

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

Waste management

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

Environmental health/environmental management

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

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

Development and regulatory services

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

Building and community amenities

Operation and maintenance of buildings owned or operated by Council.

Economic and community development

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

Parks and reserves

Operation and maintenance of public parks and reserves.

Operations

Unallocated operations/ works depot and management costs

	2021	2020
	\$'000	\$'000
Note 2 Revenue		
Note 2.1 Rates and charges		
Council uses Assessed Annual Value (AAV) valuation to calculate the rates applied on all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO).		
The AAV used to calculate general rates for 2020-2021 was \$53.6 million (2019-2020 \$53.3million). The 2020-2021 rate in the dollar of assessed annual value was 5.831 cents (2019-2020, 5.831 cents).		
Residential	780	731
Rural residential	1,758	1,748
Commercial	393	381
Community services	101	100
Industrial	161	161
Mining	6	6
Recreation	15	15
Primary production	1,224	1,268
Vacant	206	208
Supplementary rates and rate adjustments	21	14
Fire Levy	215	214
Garbage charge	660	649
Add interest on late payments	-	5
Less discount for early payment	(21)	(22)
Total rates and charges	5,519	5,478

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

Accounting policy

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.

	2021	2020
	\$'000	\$'000
Note 2.2 Statutory fees and fines		
Animal control	70	69
Building fees	150	134
Health fees and fines	19	1
Land information certificates	48	47
Town planning fees	85	85
Total statutory fees and fines	372	336

Accounting policy

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.

Note 2.3 User fees		
Rental/ hire - halls & buildings	35	48
Rent	82	92
Other fees and hire charges	13	9
Total user fees	130	149

Accounting policy

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

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

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 current replacement cost.

	2021	2020
	\$'000	\$'000
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	4,521	3,984
State funded grants	376	412
Total	4,897	4,396
Grants - recurrent		
Commonwealth Government Financial Assistance Grants - General Purpose (Untied)	1,418	1,570
Commonwealth Government Financial Assistance Grants - Roads (Untied)	1,121	1,336
Heavy Vehicle Motor Tax	59	59
Natural Disaster Recovery Grant-Over claim	-	(28)
Youth and Community	3	2
State Fire Safety Grant	-	2
Economic development	16	22
Total recurrent grants	2,617	2,963

	2021 \$'000	2020 \$'000
Accounting policy		
Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.		
The performance obligations are varied based on the agreement, but include completion of infrastructure upgrade projects.		
Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.		
For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.		
Capital grants received specifically for new or upgraded assets		
Economic development grants	571	1,131
Stormwater grants	-	(5)
Roads	1,221	-
Road safety	20	120
Sport & recreation facilities	-	-
Total capital grants specifically for new or upgraded assets	<u>1,812</u>	<u>1,246</u>
Capital grants received specifically renewal of assets		
Roads to Recovery	468	187
Total capital grants specifically for renewal of assets	<u>468</u>	<u>187</u>
Total capital grants	<u>2,280</u>	<u>1,433</u>

Conditions on grants

Council had no non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions.

	2021	2020
	\$'000	\$'000
Note 2.5 Contributions		
(a) Cash		
Capital Contributions - Roads	-	25
Capital Contributions - Sport & Recreation	5	-
Total capital contributions	<u>5</u>	<u>25</u>

Accounting policy

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

Note 2.6 Interest

Interest on cash and cash equivalents	55	176
Total	<u>55</u>	<u>176</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

	2021	2020
	\$'000	\$'000
Note 2.7 Other income		
Commission income	382	334
Labour hire to Latrobe Council - inside staff	-	6
Sundry refunds and reimbursements	82	52
Insurance recoveries	27	-
Donations received	-	5
Retail sales	42	43
Tax equivalents - Dulverton Waste Management	89	104
Sundry income	207	122
Total other income	829	666

Accounting policy

Commission income
Commissions are recognised as revenue when the service to which the commission relates has been provided. Commissions received in advance are recognised as a prepayment until they are due.

Dulverton tax equivalents
Dulverton income tax equivalent revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.

Proceeds of sale	177	48
Write down value of assets disposed	(188)	(434)
Total	(11)	(386)

Accounting policy

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

Note 2.9 Investment revenue from water corporation

Dividend revenue received	44	44
Total investment revenue from water corporation	44	44

Accounting policy

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

	2021	2020
	\$'000	\$'000
Note 3 Expenses		
Note 3.1 Employee costs		
Wages and salaries	2,032	2,402
Annual leave and long service leave	299	149
Superannuation	212	204
Fringe benefits tax	28	(5)
Payroll Tax	106	-
Training	14	5
Professional development	1	1
Protective clothing	11	6
Workers compensation insurance	45	76
Contract employee costs	222	197
Other employment related expenses	19	4
Total employee costs	2,989	3,039
Less capitalised wages	218	254
Net wages	2,771	2,785

Accounting policy

Employee costs

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

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

Kentish Council and Latrobe Council have a formal resource sharing agreement. The labour hire cost of Latrobe employees resource shared with Kentish Council is included in wages and salaries above.

Note 3.2 Materials and services		
General materials	266	198
Road maintenance materials	188	121
Infrastructure maintenance materials	4	13
Consumables	22	33
Contracts - buildings & facilities maintenance	981	599
Contracts - other	408	437
Dog pound costs	18	6
Fuel	86	100
Fleet maintenance	206	165
Repairs & maintenance	4	12
Minor equipment purchases	18	36
Property holding costs	55	39
Property maintenance costs	108	100
Communications costs	44	42
Marketing and Advertising	84	63
Legal costs	15	31
Levies, Licences etc	61	92
Consultants	102	67
General expenses	428	471
IT maintenance	185	66
Waste management contracts	531	251
Internal Cost Allocation	(771)	(719)
Miscellaneous contracts	68	244
Total materials and services	3,111	2,467

2021
\$'000

2020
\$'000

Accounting policy
Materials and services expense
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.
Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 3.3 Impairment of receivables

Sundry debtors	-	(8)
Total impairment of receivables	-	(8)

Accounting policy
Impairment expense
Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Councils policy and events giving rise to impairment losses are disclosed in note 4.2.

Note 3.4 Depreciation and amortisation

<i>Property</i>		
Land improvements	44	79
Buildings	331	351
<i>Plant and Equipment</i>		
Plant and Equipment	199	139
Computers, furniture and fittings	34	39
<i>Infrastructure</i>		
Roads, bridges and footpaths	2,443	2,251
Drainage	62	57
<i>Intangible assets</i>		
Intangible assets	44	44
Total	3,157	2,960

	2021 \$'000	2020 \$'000
Accounting policy		
Depreciation and amortisation expense		
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.		
Land improvements, buildings, Infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets.		
Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation rates and methods are reviewed annually.		
Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.		
Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.		
Straight line depreciation is charged based on the residual useful life as determined each year.		
Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless stated:		
		Period Years
Property		
Land improvements		5-100
Buildings		
buildings		20-120
building improvements		20-120
leasehold building improvements		20-120
Plant and Equipment		
plant, machinery and equipment		5-20
fixtures, fittings and furniture		2-20
computers and telecommunications		3-5
Infrastructure		
Roads		
road surface - unsealed roads		3-7
road pavement - sub-base		138-204
road pavement - sealed basecourse		69-102
road surface - sealed roads		12-30
road kerb and channel		80
Bridges		
bridges deck		20-80
Other Infrastructure		25-50
footpaths and cycleways		20-80
drainage		50-80
Intangible assets		
Software configuration		10

	2021	2020
	\$'000	\$'000
Note 3.5 Finance costs		
Interest - Borrowings	64	73
Total	64	73

Accounting policy

Finance expense

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

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period.

Finance costs are expensed as incurred. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

Note 3.6 Other expenses		
External auditors' remuneration (Tasmanian Audit Office)	20	51
Audit panel costs	4	1
Councillors' allowances	139	140
Councillors' expenses	5	7
Councillors training expenses	2	5
Bad Debts	-	3
Bank Fees	27	27
Election and electoral role expenses	3	3
Electricity & Gas	61	57
Fire levies	214	214
Insurance	83	161
Contributions to community organisations and events	130	76
Registrations and licenses	1	2
Subscriptions	86	86
Land tax	31	30
Total	806	863

Accounting policy

Other expenses

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

	2021	2020
	\$'000	\$'000
Note 4 Current Assets		
Note 4.1 Cash and cash equivalents		
Cash on hand	1	2
Cash at bank	361	323
Special Committee bank accounts	142	127
Trust bank accounts	4	4
Money market call account	1,216	1,405
Term Deposits	10,600	9,859
Total cash and cash equivalents	12,324	11,720

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

i) Trust funds and deposits (note 7.2)	45	44
Restricted funds	45	44
Total unrestricted cash and cash equivalents	12,279	11,676

Accounting policy

Cash and cash equivalents

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

Restricted funds

i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.

Note 4.2 Trade and other receivables

Current

Rates debtors	145	127
Other debtors	82	93
Resource sharing debtor - Latrobe Council	117	338
Net GST receivable / (payable)	116	96
Total	460	654

Non-current

Loans and advances to community organisations	17	20
Total	17	20

Total trade and other receivables

477	674
------------	------------

Reconciliation of movement in expected credit loss

Carrying amount at 1 July	-	8
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase / (decrease) in provision recognised in profit or loss	-	(8)
Carrying amount at 30 June	-	-

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

2021
\$'000

2020
\$'000

Accounting policy

Trade and other receivables

Accounting policy

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment.

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Note 4.3 Investments

Non-current

Investment - Community Bank

18 18

Total

18 18

Accounting policy

Financial assets

Council's investment in the Sheffield and Railton Community Bank is classified and measured at fair value through profit or loss.

Note 4.4 Inventories

Inventories held for distribution

- 5

Inventories held for sale

9 13

Total

9 18

Accounting policy

Inventories

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

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

Note 4.5 Other assets

Current

Prepayments

61 58

Accrued income

34 41

Total

95 99

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

	2021	2020
	\$'000	\$'000
Note 5 Investments		
Note 5.1 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Dulverton Regional Waste Management Authority	1,812	1,599
Total	1,812	1,599

Dulverton Regional Waste Management Authority

Background

Council is a partner in the Dulverton Regional Waste Management Authority, a joint Authority established under the Local Government Act 1993. The primary activity of the Authority is to operate regional landfill site at Dulverton. Other partners in this Joint Authority are Devonport City, Central Coast and Latrobe Councils.

Council's ownership interest in the Authority at 30 June 2021 was 8.48% (2020: 8.48%). The proportion of voting power held in the Authority is 25%.

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	1,183	1,010
Reported surplus(deficit) for year	269	224
Distributions for the year	(56)	(51)
Council's share of accumulated surplus(deficit) at end of year	1,396	1,183

Council's share of reserves

Council's share of reserves at start of year	324	310
Transfers (to) from reserves	-	14
Council's share of reserves at end of year	324	324

Movement in carrying value of specific investment

Carrying value of investment at start of year	1,599	1,388
Share of profit/(loss) after tax	269	224
Share of asset revaluation	-	14
Distributions received	(56)	(51)
Prior year adjustments	-	24
Carrying value of investment at end of year	1,812	1,599

Accounting policy

Accounting for investments in associates

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

Note 5.2 Investment in water corporation

Opening balance	6,061	7,995
Fair Value adjustments on equity investment assets	559	(1,934)
Total investment in water corporation	6,620	6,061

Council has derived returns from the water corporation as disclosed at note 2.9.

Accounting policy

Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated at fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2021, Council holds 0.42% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets		
Note 6.1 Property, infrastructure, plant and equipment	2021	2020
	\$'000	\$'000
Summary		
at cost	9,620	5,624
Less accumulated depreciation	(3,036)	(2,987)
	<u>6,584</u>	<u>2,637</u>
at fair value as at 30 June	217,890	213,411
Less accumulated depreciation	(77,601)	(75,036)
	<u>140,289</u>	<u>138,375</u>
Total	<u>146,873</u>	<u>141,012</u>
Property		
Land		
at fair value as at 30 June	5,079	5,153
	<u>5,079</u>	<u>5,153</u>
Land under roads		
at fair value as at 30 June	4,495	4,495
	<u>4,495</u>	<u>4,495</u>
Land improvements		
at fair value as at 30 June	3,463	2,181
Less accumulated depreciation	(635)	(590)
	<u>2,828</u>	<u>1,591</u>
Total Land	<u>12,402</u>	<u>11,239</u>
Buildings		
at fair value as at 30 June	28,584	28,179
Less accumulated depreciation	(15,143)	(14,813)
	<u>13,441</u>	<u>13,366</u>
Total Buildings	<u>13,441</u>	<u>13,366</u>
Total Property	<u>25,843</u>	<u>24,605</u>
Plant and Equipment		
Plant, machinery and equipment		
at cost	3,261	2,914
Less accumulated depreciation	(1,970)	(1,954)
	<u>1,291</u>	<u>960</u>
Fixtures, fittings and furniture		
at cost	1,289	1,157
Less accumulated depreciation	(1,066)	(1,033)
	<u>223</u>	<u>124</u>
Total Plant and Equipment	<u>1,514</u>	<u>1,084</u>
Infrastructure		
Roads, Bridges and Footpaths		
at fair value as at 30 June	171,078	168,461
Less accumulated depreciation	(59,726)	(57,598)
	<u>111,352</u>	<u>110,863</u>
Drainage		
at fair value as at 30 June	5,191	4,942
Less accumulated depreciation	(2,097)	(2,035)
	<u>3,094</u>	<u>2,907</u>
Total Infrastructure	<u>114,446</u>	<u>113,770</u>

Works in progress		
Land at cost	5	2
Land improvements at cost	907	1,031
Buildings at cost	929	87
Plant and equipment at cost	-	34
Fixtures, fittings and furniture at cost	8	14
Roads, bridges and footpaths at cost	3,022	188
Drainage at cost	199	197
Other	-	-
Total Works in progress	5,070	1,553
Total property, infrastructure, plant and equipment	146,873	141,012

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	5,153	-	-	-	(74)	-	5,079
Land under roads	4,495	-	-	-	-	-	4,495
Land improvements	1,591	-	-	(44)	-	1,282	2,828
Total land	11,239	-	-	(44)	(74)	1,282	12,402
Total buildings	13,366	-	-	(331)	-	405	13,441
Total property	24,605	-	-	(375)	(74)	1,687	25,843
Plant and Equipment							
Plant, machinery and equipment	960	-	-	(199)	(54)	583	1,291
Fixtures, fittings and furniture	124	-	-	(34)	-	133	223
Total plant and equipment	1,084	-	-	(233)	(54)	716	1,514
Infrastructure							
Roads, bridges and footpaths	110,863	-	-	(2,443)	(51)	2,983	111,352
Drainage	2,907	-	-	(62)	-	249	3,094
Total infrastructure	113,770	-	-	(2,505)	(51)	3,232	114,446
Works in progress							
Land at cost	2	3	-	-	-	-	5
Land improvements at cost	1,031	1,082	-	-	-	(1,206)	907
Buildings at cost	87	1,287	-	-	-	(445)	929
Plant, machinery & equipment at cost	34	549	-	-	-	(583)	-
Fixtures, fittings and furniture at cost	14	123	-	-	-	(129)	8
Roads, bridges and footpaths at cost	188	6,057	-	-	-	(3,223)	3,022
Drainage at cost	197	47	-	-	-	(45)	199
Other	-	-	-	-	-	-	-
Total works in progress	1,553	9,148	-	-	-	(5,631)	5,070
Total property, infrastructure, plant and equipment	141,012	9,148	-	(3,113)	(179)	4 *	146,873

*The balance of transfers out of property, infrastructure, plant and equipment assets of \$4,000 is due to a transfer to Fixtures, fittings and furniture from Intangibles works in progress.

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

Reconciliation of property, infrastructure, plant and equipment

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	4,966	-	305	-	-	(118)	5,153
Land under roads	4,399	-	96	-	-	-	4,495
Land improvements	1,242	-	370	(79)	-	57	1,590
Total land	10,607	-	771	(79)	-	(61)	11,238
Total buildings	13,550	-	(103)	(351)	-	271	13,367
Total property	24,157	-	668	(430)	-	210	24,605
Plant and Equipment							
Plant, machinery and equipment	824	-	-	(150)	(15)	301	960
Fixtures, fittings and furniture	160	-	-	(39)	-	3	124
Total plant and equipment	984	-	-	(189)	(15)	304	1,084
Infrastructure							
Roads, bridges & footpaths	92,062	-	18,028	(2,266)	(393)	3,433	110,864
Drainage	2,439	-	150	(57)	-	376	2,908
Total infrastructure	94,501	-	18,178	(2,323)	(393)	3,809	113,772
Works in progress							
Land at cost	110	26	-	-	-	(134)	2
Land improvements at cost	227	832	-	-	-	(28)	1,031
Buildings at cost	48	276	-	-	-	(237)	87
Plant, machinery & equipment at cost	229	156	-	-	-	(351)	34
Fixtures, fittings and furniture at cost	2	14	-	-	-	(2)	14
Roads, bridges and footpaths at cost	1,343	2,427	-	-	-	(3,583)	187
Drainage at cost	37	237	-	-	-	(77)	197
Other	29	-	-	-	-	(29)	-
Total works in progress	2,025	3,968	-	-	-	(4,441)	1,552
Total property, infrastructure, plant and equipment	121,667	3,968	18,846	(2,942)	(408)	(118) *	141,013

*The balance of transfers out of property, infrastructure, plant and equipment assets of \$118,000 represents the balance of leased land with nominal or "peppercorn" rentals offset against the opening balance of asset revaluation reserves on adoption of AASB 16 Leases. Also see notes 9.1.

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

Accounting policy

Recognition and measurement of assets

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

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

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

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

	Threshold \$'000
Land	
Land	10
Land under roads	10
Land improvements	10
Buildings	
Buildings	10
Building improvements	10
Leasehold building improvements	10
Heritage buildings	10
Plant and Equipment	
Plant, machinery and equipment	5
Fixtures, fittings and furniture	5
Computers and telecommunications	5
Leased plant and equipment	5
Roads	
Road pavements and seals	10
Road substructure	10
Road formation and earthworks	10
Road kerb, channel and minor culverts	10
Road other	10
Bridges	
Bridges deck	10
Bridges substructure	10
Bridges other	10
Other Infrastructure	
Footpaths and cycleways	10
Drainage	10
Recreational, leisure and community facilities	10
Waste management	10
Parks, open space and streetscapes	10
Off street car parks	10
Other infrastructure	10

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

Revaluation

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

Land and land under roads	fair value
Land improvements	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Investment in water corporation	fair value
Work in progress	cost

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and furniture, fittings and office equipment, are measured at their fair value in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

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

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

Land under roads

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

	2021 \$'000	2020 \$'000
Note 6.2 Intangible assets		
Software configuration	619	480
Total intangible assets	619	480
Reconciliation of intangible assets		
Gross carrying amount		
Balance at 1 July	524	468
Additions	183	56
Balance at 30 June	707	524
Accumulated amortisation and impairment		
Balance at 1 July	(44)	-
Amortisation expense	(44)	(44)
Balance at 30 June	(88)	(44)
Net book value at 30 June	619	480

Accounting policy

Intangible assets

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

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

Software configuration 10 years

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	237	267
Accrued expenses	757	542
Resource sharing payables - Latrobe Council	20	888
Payments received in advance	281	150
Rates and charges in advance	243	222
Total trade and other payables	1,538	2,069

Accounting policy

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 60 days of invoice receipt.

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.

For ageing analysis of trade and other payables, refer to note 9.9

Note 7.2 Trust funds and deposits

Refundable bonds and deposits	45	44
Total trust funds and deposits	45	44

Bonds are lodged by developers pending satisfactory hand-over of public infrastructure constructed by the developer at which time they are repaid to the developer or retained to fund costs to remedy any defects.

	2021			2020
Note	Annual leave	Long service leave	Other Leave	Total
	\$ '000	\$ '000	\$ '000	\$ '000
7.3 Provisions				
2021				
Balance at beginning of the financial year	262	254	30	546
Additional provisions	183	56	112	351
Amounts used	(216)	(59)	(122)	(397)
Balance at the end of the financial year	229	251	20	500
Current	229	229	20	478
Non-current	-	22	-	22
Total	229	251	20	500
2020				
Balance at beginning of the financial year	292	273	45	610
Additional provisions	109	9	154	272
Amounts used	(140)	(27)	(169)	(336)
Balance at the end of the financial year	262	254	30	546
Current	262	252	30	544
Non-current	-	2	-	2
Total	262	254	30	546
			2021	2020
Employee Numbers			32.4	34.0

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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.

	2021 \$'000	2020 \$'000
Note 8 Non-current		
Note 8.1 Loans and borrowings		
Current		
Commonwealth Bank	125	117
	<u>125</u>	<u>117</u>
Non-current		
Commonwealth Bank	764	890
Tascorp - Covid Stimulus Loans	5,100	-
	<u>5,864</u>	<u>890</u>
Total	<u>5,989</u>	<u>1,007</u>
Borrowings		
The maturity profile for Council's borrowings is:		
Not later than one year	125	117
Later than one year and not later than five years	4,691	554
Later than five years	1,173	336
Total	<u>5,989</u>	<u>1,007</u>

Accounting policy

Interest bearing liabilities

The borrowing capacity of Council is limited by the *Local Government Act 1993*. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

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

Note	Other financial information	Balance at beginning of reporting year	Opening adjustment	Increment	(Decrement)	Balance at end of reporting year
Note 9.1	Reserves	\$'000		\$'000	\$'000	\$'000
	(a) Asset revaluation reserve					
	2021					
	Associate - Dulverton Waste Management Authority (note 5.1)	324	-	-	-	324
	Infrastructure, land and buildings	113,832	-	-	-	113,832
	Total asset revaluation reserve	114,156	-	-	-	114,156
	2020					
	Associate - Dulverton Waste Management Authority (note 5.1)	310	-	14	-	324
	Infrastructure, land and buildings	95,102	(118)	18,848	-	113,832
	Total asset revaluation reserve	95,412	(118)	18,862	-	114,156

In 2020, Council offset \$118,000 of leased land with nominal or "peppercorn" rentals against the opening balance of asset revaluation reserves on adoption of AASB 16 Leases. Also see notes 6.1.

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

(b) Fair value reserve

2021

Equity Investment assets

Investment in water corporation	(113)	-	559	-	446
Total fair value reserve	(113)	-	559	-	446

2020

Equity Investment assets

Investment in water corporation	1,821	-	-	(1,934)	(113)
Total fair value reserve	1,821	-	-	(1,934)	(113)

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income.

Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

	2021	2020
	\$'000	\$'000
Total Reserves	114,602	114,043
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	2,200	1,992
Depreciation/amortisation	3,157	2,960
(Profit)/loss on disposal of property, infrastructure, plant and equipment	11	386
Capital grants	(2,280)	(1,433)
Capital contributions	(5)	(25)
Share of Associates Profit/ Loss	(213)	(197)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	197	(110)
Decrease/(increase) in other assets	4	55
Decrease/(increase) in inventories	9	10
Increase/(decrease) in trade and other payables	(531)	480
Increase/(decrease) in provisions	(46)	(64)
Increase/(decrease) in other liabilities	-	(5)
Net cash provided by/(used in) operating activities	2,505	4,049

Note 9.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

	Trust funds, interest- bearing loans and borrowings \$'000
Balance as at 1 July 2020	1,051
Cash received	5,100
Cash repayments	(117)
Balance as at 30 June 2021	<u>6,034</u>
Balance as at 1 July 2019	1,232
Cash repayments	(181)
Balance as at 30 June 2020	<u>1,051</u>

	2021 \$'000	2020 \$'000
Note 9.4 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	12,324	11,720
Total reconciliation of cash and cash equivalents	<u>12,324</u>	<u>11,720</u>
Note 9.5 Financing arrangements		
Bank overdraft	25	25
Unused facilities	<u>25</u>	<u>25</u>

Note 9.6 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub-fund of the Tasplan Superannuation Fund up to 31 March 2021. On 1 April 2021, the Tasplan Superannuation Fund merged (via a Successor Fund Transfer) into the MTAA Superannuation Fund to become Spirit Super. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2021 the Council contributed 0.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 3.75% p.a.
- Salary Inflation 2.75% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2020.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2020.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2021 to 30 June 2024.

The Actuary will continue to undertake a brief review of the financial position of the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2023 and is expected to be completed late in 2023.

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

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

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

- The 2020 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017.

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

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

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

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

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund’s assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$3,639 (2019-20, \$3,692), and the amount paid to accumulation schemes was \$208,790 (2019-20, \$200,657).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$4,000 and the amount to be paid to accumulation schemes is \$213,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members’ Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the Fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

Fund	2021	2020
	\$'000	\$'000
Defined benefits fund		
Employer contributions	4	4
Accumulation funds		
Employer contributions	209	201

	2021	2020
	\$'000	\$'000
Note 9.7 Commitments		
Capital Expenditure Commitments		
Buildings	302	152
Plant and equipment	184	-
Roads	854	4,004
Drainage	299	-
Intangibles	100	392
Land Improvements	423	2,414
Total Capital expenditure commitments	2,162	6,962
Operating commitments estimated for the next 12 months		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Garbage collection, disposal and recycling	447	497
Information systems and Technology	131	129
Total contractual commitments	578	626
Note 9.8 Contingent liabilities and contingent assets		
Contingent liabilities		
The Council presently has no significant contingent liabilities.		
Guarantees for loans to other entities		
The Council does not have any guarantees for loans to other entities.		
Contingent assets		
The Council does not have any significant contingent assets.		

Note 9.9 Financial Instruments

(a) Interest Rate Risk

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

2021

	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	0.28%	1,724	10,600	-	-	-	12,324
Investments		-	-	-	-	18	18
Trade and other receivables		-	-	-	-	477	477
Investment in water corporation		-	-	-	-	6,620	6,620
<i>Total financial assets</i>		1,724	10,600	-	-	7,115	19,439
Financial liabilities							
Trade and other payables	0.00%	-	-	-	-	1,538	1,538
Trust funds and deposits	0.00%	-	-	-	-	45	45
Interest-bearing loans and borrowings	6.64%	-	125	4,691	1,173	-	5,989
<i>Total financial liabilities</i>		-	125	4,691	1,173	1,583	7,573
Net financial assets (liabilities)		1,724	10,475	(4,691)	(1,173)	5,532	11,866

2020

	Weighted Average Interest Rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	1.02%	1,861	9,859	-	-	-	11,720
Investments		-	-	-	-	18	18
Trade and other receivables	8.10%	-	127	-	-	547	674
Investment in water corporation		-	-	-	-	6,061	6,061
<i>Total financial assets</i>		1,861	9,986	-	-	6,626	18,473
Financial liabilities							
Trade and other payables		-	-	-	-	2,069	2,069
Trust funds and deposits		-	-	-	-	44	44
Interest-bearing loans and borrowings	6.64%	-	117	890	-	-	1,007
<i>Total financial liabilities</i>		-	117	890	-	2,113	3,120
Net financial assets (liabilities)		1,861	9,869	(890)	-	4,513	15,353

Note 9.9 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 Statement of Financial Position		Aggregate Net Fair Value	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	12,324	11,720	12,324	11,720
Other financial assets	18	18	18	18
Trade and other receivables	477	674	477	674
Investment in water corporation	6,620	6,061	6,620	6,061
<i>Total financial assets</i>	<u>19,439</u>	<u>18,473</u>	<u>19,439</u>	<u>18,473</u>
<i>Financial liabilities</i>				
Trade and other payables	1,538	2,069	1,538	2,069
Trust funds and deposits	45	44	45	44
Interest-bearing loans and borrowings	5,989	1,007	5,989	1,007
<i>Total financial liabilities</i>	<u>7,573</u>	<u>3,120</u>	<u>7,573</u>	<u>3,120</u>

(c) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from 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 financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

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

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

	Financial Institutions	Government agencies	Other	Total
2021				
Cash and cash equivalents	12,323	-	1	12,324
Trade and other receivables	-	-	477	477
Investments and other financial assets	-	-	18	18
Total contractual financial assets	12,323	-	496	12,819
2020				
Cash and cash equivalents	11,718	-	2	11,720
Trade and other receivables	-	-	674	674
Investments and other financial assets	-	-	18	18
Total contractual financial assets	11,718	-	694	12,412

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:

	2021 \$'000	2020 \$'000
Current (not yet due)	281	455
Past due by up to 30 days	2	3
Past due between 31 and 180 days	13	19
Past due between 181 and 365 days	122	104
Past due by more than 1 year	59	93
Total Trade & Other Receivables	477	674

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 Council's Financial Liabilities.

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

2021	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,538	-	-	-	-	1,538	1,538
Trust funds and deposits	45	-	-	-	-	45	45
Interest-bearing loans and borrowings	63	63	1,173	3,518	1,173	5,989	5,989
Total financial liabilities	1,646	63	1,173	3,518	1,173	7,572	7,572

2020	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	2,069	-	-	-	-	2,069	2,069
Trust funds and deposits	44	-	-	-	-	44	44
Interest-bearing loans and borrowings	59	59	139	416	336	1,007	1,007
Total financial liabilities	2,171	59	139	416	336	3,120	3,120

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -2% in market interest rates.

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			
		-1%		1%	
		-200 basis points		+100 basis points	
2021	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	12,324	(123)	(123)	123	123
Trade and other receivables	477	(5)	(5)	5	5
Financial liabilities:					
Interest-bearing loans and borrowings	5,989	(60)	(60)	60	60

		Interest rate risk			
		-2%		1%	
		-100 basis points		+100 basis points	
2020	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	11,720	(234)	(234)	117	117
Trade and other receivables	674	(13)	(13)	7	7
Financial liabilities:					
Interest-bearing loans and borrowings	1,007	(20)	(20)	10	10

Note 9.10 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure, plant and equipment
 - Land, land under roads, land improvements
 - Buildings
 - Roads, bridges and footpaths
 - Drainage

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 2021.

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

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	6,620	6,620
Land	6.1	-	5,079	-	5,079
Land under roads	6.1	-	-	4,495	4,495
Land improvements	6.1	-	-	2,828	2,828
Buildings	6.1	-	372	13,069	13,441
Roads, bridges, footpaths & cycleways	6.1	-	-	111,352	111,352
Drainage	6.1	-	-	3,094	3,094
		-	5,451	141,458	146,909

As at 30 June 2020

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	6,061	6,061
Land	6.1	-	5,153	-	5,153
Land under roads	6.1	-	-	4,495	4,495
Land improvements	6.1	-	-	1,591	1,591
Buildings	6.1	-	369	12,997	13,366
Roads, bridges, footpaths & cycleways	6.1	-	-	110,863	110,863
Drainage	6.1	-	-	2,907	2,907
		-	5,522	138,914	144,436

Transfers between levels of the hierarchy

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

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

(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

Investment in water corporation

Refer to Note 5.2 for details of valuation techniques used to derive fair values.

Land

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

Land held for sale

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

Land under roads

Land under roads values are based on Council valuations at 1 July 2019 using average per square metre property value rates supplied by the Valuer-General.

Land improvements

A revaluation of land improvement assets was undertaken by Council Engineering Officers effective 1 July 2019. The valuations are based on standard replacement rates determined by known purchase and installation costs for each type of land improvement.

Buildings

Building assets were revalued in 2020 by Council Engineering Officers.

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

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

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). These other inputs are not significant to the overall valuation.

Infrastructure assets

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

A full revaluation of road assets was undertaken by Council Engineering Officers effective 1 July 2019. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Sealed roads are managed in segments according to changes in key characteristics such as road width or date of sealing. All road segments are then componentised into formation, sub-pavement, pavement and surface. Except for assessment of CRC of formation costs, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of a minimum 300mm (150mm sub-base plus 150mm base-course). 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 Agreement (EA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years. Where similar projects have not been recently undertaken, unit costs of neighbouring Councils is considered where appropriate.

Bridges

A full valuation of bridges assets was undertaken by Council Engineering Officers effective 1 July 2019 at depreciated current replacement cost based upon independent assessment of current replacement cost and useful lives by TasSpan Pty Ltd. Depreciated current replacement cost was calculated on a straight-line basis. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's Engineer, effective 1 July 2019. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Other Infrastructure

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

(d) **Unobservable inputs and sensitivities**

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	\$6,620	Refer to note 5.2 for a description of the valuation basis.		

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

(e) **Changes in recurring level 3 fair value measurements**

The changes in level 3 assets with recurring fair value measurements are detailed in note 6 (Property, infrastructure, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) **Valuation processes**

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation, (recurring fair value measurements) is set out in note 6.1 and 5.2.

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

(g) **Assets and liabilities not measured at fair value but for which fair value is disclosed**

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The fair value of borrowings disclosed in note 8.1 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

Note 9.11 Events occurring after balance date

(a) There were no subsequent events that have impacted the financial position and results of operations of Council as at and for the year ended 30 June 2021.

Note 10 Other matters

Note 10.1 Related party transactions

(i) Responsible Persons

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

Councillors Councillor Tim Wilson (Mayor November 2018 to current, Deputy Mayor November 2009 to October 2018)
Councillor Don Thwaites (Deputy Mayor November 2018 to current, Mayor November 2007 to October 2018)
Councillor Penny Lane (Councillor November 2007 to current)
Councillor Rodney Blenkhorn (Councillor November 2014 to current)
Councillor Linda Cassidy (Councillor November 2014 to current)
Councillor Kate Haberle (Councillor November 2014 to current)
Councillor Phillip Richards (Councillor November 2014 to current)
Councillor Steve Mawer (Councillor November 2018 to current)
Councillor Nicole Meijer (Councillor November 2018 to current)

General Manager Gerald Monson - April 2010 to current

(ii) Councillor Remuneration

Position	Period	Short term benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$			
<i>Mayor</i>	<i>Full Year</i>	38,783	461	39,244	712	39,956
<i>Deputy Mayor</i>	<i>Full Year</i>	22,151	-	22,151	-	22,151
<i>Councillors</i>	<i>Full Year</i>	77,250	294	77,544	-	77,544
Total		138,184	755	138,939	712	139,651

Position	Period	Short term benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$			
<i>Mayor</i>	<i>Full Year</i>	37,885	-	37,885	1,256	39,141
<i>Deputy Mayor</i>	<i>Full Year</i>	21,548	-	21,548	500	22,048
<i>Councillors</i>	<i>Full Year</i>	75,773	-	75,773	3,951	79,724
Total		135,205	-	135,205	5,708	140,913

¹ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

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

(iii) Key Management Personnel Remuneration

2021 Remuneration band	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
		\$	\$	\$	\$	\$	\$	\$	
\$40,001 - \$60,000	1	32,308	-	-	-	4,038	-	3,899	40,245
\$140,001 - \$160,000	1	115,651	-	9,979	-	10,948	-	6,424	143,002
Total		147,959	-	9,979	-	14,987	-	10,323	183,247

Less key management personnel hired to Latrobe Council (est 1.1 FTE)	(100,786)
Add key management personnel services hired from Latrobe Council (est 1.35 FTE)	181,910
Net total cost of key management personnel 2021	264,372

Employee in band \$40,001 - \$60,000 has been employed by Council in a Key Management role starting 29 March 2021. The benefits disclosed are from 29 March 2021 to 30 June 2021.

2020 Remuneration band	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
		\$	\$	\$	\$	\$	\$	\$	
\$120,001 - \$140,000	1	114,620	-	13,540	-	10,839	-	(17,242)	121,756
\$140,001 - \$160,000	1	123,688	-	13,355	-	10,762	-	(6,279)	141,527
Total		238,307	-	26,895	-	21,601	-	(23,521)	263,283

Less key management personnel hired to Latrobe Council (est 1.1 FTE)	(144,806)
Add key management personnel services hired from Latrobe Council (est 0.9 FTE)	196,447
Net total cost of key management personnel 2020	314,925

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary. [This includes such items as retention bonuses in culmination with termination.]

³ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

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

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

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

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

(iv) Remuneration Principles

Councillors

Regulation 42(2) of the Local Government (General) Regulations 2015 (the Regulations) specifies the allowances payable to councillors and mayors and deputy mayors following the last review in 2008. The allowances payable from 1 November 2014 are set out in Schedule 4 of the Regulations.

Executives

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

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

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

(v) Transactions with subsidiaries, associates and joint ventures

Council's interests in, associates is detailed in note 5.1

Transactions with associates

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provisions for doubtful debts related outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from</i>
<i>Waste disposal services</i> ¹	\$377,870	\$27,087	<i>30-day terms on invoices</i>	-	-
<i>National Taxation Equivalent Regime (NTER) receipts</i> ²	\$88,879	-	<i>As per section 71 of the Government Business Enterprises Act 1995</i>	-	-
<i>Dividends</i> ³	\$55,968	-	<i>As determined by the Board of Dulverton Waste management Authority</i>	-	-

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

² As part owner of Dulverton Waste Management Authority, Council receives quarterly income tax equivalent payments from the authority.

³ As part owner of Dulverton Waste Management Authority, Council receives dividend payments from time to time as declared by the board of the authority.

(iv) Transactions with related parties

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

Note	Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
1	Sheffield General repair and vehicle maintenance	\$12,461	-	7- day Terms	-	-
2	Caltex Gas Refill , fuel and oil	\$170	-	30 - day Terms	-	-

¹ Sheffield Mechanical and Tyre is generally used for care service and repairs, towing of abandoned vehicles identified by the council and general repairs to vehicles and trailers and is owned by a Councillor and their spouse.

² Caltex Sheffield is owned by a Councillor and is used for the purchase of daily consumables that includes gas, fuel and oil.

(v) Loans and guarantees to/from related parties

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

(vi) Commitments to/from related parties

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

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

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

- Payment of rates
- Dog registration
- Use of Council's swimming pool

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

Note 10.2 Special committees and other activities

The council has established a number of Special Committees under section 24 of the Local Government Act 1993 to manage Council facilities on behalf of Council. These Special Committees do not have separate legal identity to council and their income, expenditure, assets and liabilities are included in Council's Statement of Comprehensive Income and Statement of Financial Position. In accordance with Section 84(2)(d) of the Local Government Act the following statement shows the revenue and expenditure of these special committees.

2021

Special Committee	Opening Bank Balance	Revenue	Expenditure	Balance Sheet Transfers	Closing Bank Balance
Barrington Hall Committee	21,858	1,424	900	1,850	24,232
Beulah Hall Committee	12,060	-	522	1,850	13,388
Claude Road Hall Committee	20,053	6,119	9,136	1,850	18,886
Kentish Museum	8,994	48	4,578	6,600	11,064
Railton Community Facilities Committee	22,769	2,580	10,229	1,850	16,970
Railton Recreation Ground Committee	3,504	15	2,605	1,850	2,764
Working Art Space Sheffield	(7,365)	30,375	20,752	1,850	4,107
Wilmot Memorial Hall Committee	24,891	4,439	4,401	1,850	26,780
Wilmot Rec Ground Committee	12,728	-	-	1,850	14,578
Railton Neighbourhood Centre	3,921	7,641	8,676	2,005	4,891
Railton Squash Committee	4,001	1,238	2,280	1,850	4,809
	127,413	53,878	64,078	25,255	142,468

2020

Special Committee	Opening Bank Balance	Revenue	Expenditure	Balance Sheet Transfers	Closing Bank Balance
Barrington Hall Committee	24,451	3,789	8,232	1,850	21,858
Beulah Hall Committee	10,570	1,066	1,426	1,850	12,060
Claude Road Hall Committee	20,717	17,008	19,747	2,075	20,053
Kentish Museum	7,934	37	5,578	6,600	8,994
Railton Community Facilities Committee	25,275	1,857	5,912	5,550	26,770
Railton Recreation Ground Committee	2,899	14	1,258	1,850	3,504
Railton Squash Committee	-	-	-	-	-
WASS - Commonwealth	9,711	12,544	24,105	1,850	-
WASS -Bendigo	-	2,997	10,362	-	(7,365)
Wilmot Memorial Hall Committee	24,216	3,473	4,649	1,851	24,891
Wilmot Rec Ground Committee	12,475	2,500	4,097	1,850	12,728
Railton Neighbourhood Centre	4,801	3,519	9,016	4,618	3,921
	143,049	48,803	94,382	29,944	127,413

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(c) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

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

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

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's

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

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

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

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

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

Note 10.4 Significant Business Activities

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

	O'Neill's Creek Overnight Camping	
	2021	2020
<i>Revenue</i>		
User Changes	2,281	2,625
Total Revenue	2,281	2,625
<i>Expenditure</i>		
<i>Direct</i>		
Employee Costs	497	393
Materials and Contacts	1,928	2,349
Total Expenses	2,425	2,742
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	187	330
Opportunity cost of capital	120	441
Total Capital Costs	306	771
<i>Competitive neutrality adjustments</i>		
Rates and land tax		69
	0	69
<i>Calculated Surplus/(Deficit)</i>	(331)	(516)
Tax Equivalent rate	30%	30%
Taxation equivalent	(99)	(155)
Competitive neutrality costs	(99)	(86)

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the activities defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

The income tax rate is 30%

The return on capital is 2.5%

Note	10.5 Management indicators	Benchmark	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
(a)	Underlying surplus or deficit					
	Net result for the year		2,200	1,992	1,469	1,904
	Less non-operating income					
	National disaster relief grants received		-	(2)	-	(238)
	Gain on disposal of surplus land		-	-	-	(19)
	Grants specifically for new/ upgraded assets		(1,812)	(1,246)	(318)	(907)
	Grants for renewal of assets		(468)	(187)	(489)	(428)
	Grants received in advance - current year		(1,313)	(1,493)	(1,346)	(1,384)
	Rates received in advance - current year		-	-	(233)	(202)
	Capital contributions - cash		(5)	(25)	-	-
	Grants received in advance - prior year		1,493	1,346	1,384	1,326
	Rates received in advance - prior year		-	-	202	193
	Add non-operational expenses					
	Disaster relief and recovery expenditure		-	-	-	108
	Loss on disposal of assets destroyed in floods		-	-	-	-
	Underlying surplus/deficit		95	385	669	353

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

(b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>		95	385	669	353
Recurrent income*		10015	9911	10430	10,193
Underlying surplus ratio %	0%	1%	4%	6%	3%

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

Council's underlying surplus ratio trend is above the benchmark ratio of 0%. This indicates that Council is generating recurrent income in excess of that needed to fund recurrent expenditure.

(c) Net financial liabilities

Liquid assets less		12,827	12,433	11,031	11,447
total liabilities		(8,072)	(3,666)	(3,209)	(3,092)
Net financial liabilities	0	4,755	8,767	7,822	8,355

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

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>		4,755	8,767	7,822	8,355
Recurrent income*		10,015	9,911	10,430	10,193
Net financial liabilities ratio %	0% - (50%)	47%	88%	75%	82%

This ratio indicates the net financial obligations of Council compared to its recurrent income. As the trend of the ratio is higher than the 0% benchmark the ratio indicates that Council is generating more than sufficient funds to meet total liabilities.

(e) Asset consumption ratio

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

Transport Infrastructure

<u>Depreciated replacement cost</u>	111,352	110,863	92,062	93,537
Current replacement cost	171,078	168,461	141,630	141,309
Asset consumption ratio %	65%	66%	65%	66%

Buildings

<u>Depreciated replacement cost</u>	13,441	13,366	13,550	12,745
Current replacement cost	28,584	28,179	23,875	22,884
Asset consumption ratio %	47%	47%	57%	56%

Drainage

<u>Depreciated replacement cost</u>	3,094	2,907	2,439	2,486
Current replacement cost	5,191	4,942	4,319	4,312
Asset consumption ratio %	60%	59%	56%	58%

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

Note 10.5 Management indicators (cont.)	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000

(f) Asset renewal funding ratio

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

Transport Infrastructure

<u>Projected capital funding outlays**</u>	17,191	21,392	19,341	18,970
Projected capital expenditure funding***	19,015	21,464	10,740	11,198
Asset renewal funding ratio %	90-100%	90%	100%	180%

Buildings

<u>Projected capital funding outlays**</u>	556	489	17	17
Projected capital expenditure funding***	0	17	17	17
Asset renewal funding ratio %	90-100%	0%	2876%	100%

Drainage

<u>Projected capital funding outlays**</u>	310	345	7	7
Projected capital expenditure funding***	7	7	7	7
Asset renewal funding ratio %	90-100%	4702%	4929%	100%

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

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

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

Where the ratio is above the benchmark of 90-100% it indicates that Council is intending to expend more capital expenditure than is indicated as required within the long term strategic asset plan.

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		3,773	2,426	1,146	1,266
Annual depreciation expense		3,157	2,960	2,543	2,547
Asset sustainability ratio %	100%	120%	82%	45%	50%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. Where the ratio is less than the 100% benchmark it indicates that council is not expending sufficient funds to replace existing assets as measured by the depreciation expense.

2021	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$'000	\$'000	\$'000
Roads and Bridges	2,932	3,125	6,057
Stormwater Assets	45	3	48
Buildings	134	1,153	1,287
Land	9	3	12
Land Improvements	-	1,082	1,082
Office Furniture and Equipment	104	18	122
Plant and Equipment	549	-	549
Intangibles	-	187	187
Other	-	-	-
Total	3,773	5,571	9,344

2020	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$'000	\$'000	\$'000
Roads and Bridges	2,255	167	2,422
Stormwater Assets	-	237	237
Buildings	9	249	258
Land	-	26	26
Land Improvements	6	825	831
Office Furniture and Equipment	14	-	14
Plant and Equipment	90	66	156
Intangibles	52	4	56
Other	-	-	-
Total	2,426	1,574	4,000

Certification of the Financial Report

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



Gerald Monson
General Manager
B.Bus (Public Adm); FLGMA

Date : 7/10/2021