

# 2018/19 Annual Report



Kentish Council

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Front Cover: Kelly Slater

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## WELCOME

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*The Kentish Council proudly presents the 2018/19 Annual Report to the Community.*

*The Annual Report highlights Council's performance against the 2018/19 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

against which Council's performance is measured.

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 and future direction. The report demonstrates the breadth of Council's operations and identifies achievements and challenges during the 2018/19 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](http://www.kentish.tas.gov.au)

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# The Year in Review



## Mayor and General Manager's Welcome

We are proud to present this annual report outlining a year of good progress in Kentish highlighted by the completion of projects such as the Sheffield Recreation Ground change room extensions and the upgrade of the Goliath Park toilets as part of the Railton trailhead facilities for the Wild Mersey Mountain Bike Trails. The first Kentish tracks of the Wild Mersey Mountain Bike Trails were opened during 2018/19 together with the new pump track at Goliath Park in Railton with both proving very popular with locals and visitors alike. With the linking trail between Railton and Latrobe to be completed during 2019/20 and planning continuing for the next stage of the trails, Council is excited about the economic development opportunities for Kentish and particularly for Railton from increasing visitor numbers attracted by the Wild Mersey trails

During the year, planning, design and community consultation for streetscape improvements in both Wilmot and Sheffield was finalised with construction of these projects commencing in 2019/20. Work also continued towards the provision of a long-term, fit for purpose road access to the Lorinna community and preparation of Kentish local provisions for the Tasmanian Planning Scheme.

Council's Economic Development Committee continues to work with the community to identify and realise economic development opportunities. Council is excited by the development of the new Visitor Gateway Precinct at Cradle Mountain and looks forward to it's opening in December 2019. Another potential economic development opportunity for Kentish is pumped hydro as part of the Battery of the Nation project, with council receiving updates during the year from Hydro Tasmania regarding potential pumped hydro sites in Kentish.

Council welcomed the announcement in March 2019 by then Senator Steve Martin that the Australian Government will deliver \$4.475 million in grant funding to Kentish including \$3.5 million for the Railton Flood Mitigation project and \$500,000 for the Wilmot Streetscape project. This was unexpected but much welcomed and Council thanks both Senator Martin and Coalition Government for their financial commitment to Kentish.

Council continued to engage with its communities through twice-yearly community information meetings for the Sheffield, Railton, Wilmot and Acacia Hills areas and community groups and volunteers again contributed strongly to the municipality in 2018/19. Council greatly appreciates all volunteers including their involvement in events Mural Fest, Steam Fest, Taste of the North West and numerous Christmas events. The strength of our volunteers is noted by many visitors to our community.

Financial results for the year were sound with Council achieving an underlying surplus and overall performing favourably when compared to budget. Council continues to embed resource sharing with Latrobe Council into its operations through a restructure of the inside staff of the two councils and by progressing implementation of common systems and new common ways of working across the two councils. The implementation of new systems is ongoing and has been challenging particularly resourcing the change with staff and continuing to deliver business as usual services with a relatively small workforce. Thank you to staff for their ongoing support and commitment during this period of significant change.

Finally, thank you to the Councillors who served the community of Kentish during the 2018/19 financial year, you can be proud of the achievements detailed in this report. Kentish continues to be a solid Council with broad community support.

Tim Wilson  
**Mayor**

Gerald Monson  
**General Manager**



Mayor Tim Wilson



Gerald Monson

# Performance at a Glance

	Achievements	Challenges	Year Ahead
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Completed the extension of the change rooms at the Sheffield Recreation Ground.</li> <li>Renewed the Gowrie Creek Bridge on O'Neills Road, Gowrie Park.</li> <li>Reconstruction of Lower Beulah Road and stabilisation of an adjacent landslip.</li> </ul>	<ul style="list-style-type: none"> <li>The design and delivery of projects in an acceptable timeframe was challenging, especially larger projects which required external design and construction through a tender process.</li> </ul>	<ul style="list-style-type: none"> <li>Construct stage one of the Wilmot Streetscape Project</li> <li>Construct Wild Mersey Mountain Bike Trailhead facilities at the Sheffield Recreation Ground.</li> </ul>
<b>Economic and Community Development</b>	<ul style="list-style-type: none"> <li>Worked with the Cradle Coast Authority Regional Tourism Organisation to ensure effective visitor information services are provided to visitors to the region.</li> <li>Purchased land to enable expansion of the Redwater Creek Railway site in Sheffield.</li> </ul>	<ul style="list-style-type: none"> <li>The withdrawal of the Cradle Coast Authority from the coordination of tourism promotion and the subsequent wait for a new Regional Tourism Organisation caused a range of coordination issues.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to lobby for State and Federal financial assistance for Wild Mersey Mountain Bike Trails.</li> </ul>
<b>Governance and Organisational Development</b>	<ul style="list-style-type: none"> <li>Expanded resource-sharing with Latrobe Council to underpin all of the service delivery activities for Council.</li> <li>Conducted regular public forums to obtain local input into decision making.</li> <li>Sought to expand the range of medical and family services available within the municipality.</li> </ul>	<ul style="list-style-type: none"> <li>The relatively short-term nature of Government funding for community and health services makes it difficult for organisations to confidently plan and deliver services.</li> </ul>	<ul style="list-style-type: none"> <li>Embed resource sharing with Latrobe Council.</li> <li>Continue to implement common enterprise software with Latrobe Council.</li> </ul>
<b>Planning and Development</b>	<ul style="list-style-type: none"> <li>Worked in partnership with other service providers to meet the health and wellbeing needs of the Kentish Community.</li> <li>Promoted responsible dog ownership including compliance with the <i>Dog Control Act 2000</i> and Council's Dog Management Policy.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of staff from the planning team for an extended period of time created major challenges in meeting statutory timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>Finalise the local planning provisions for the Tasmanian Planning Scheme.</li> <li>Review waste management services for the Municipality and implement strategy changes.</li> </ul>



# Kentish Profile

*The Kentish Municipality is located inland on the eastern end of the 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 6,128, comprised of 51% males and 49% females with a median age of 47 years.

Overall, 80% of Kentish residents were born in Australia.

The three biggest industry employers in Kentish are Accommodation (4.4%), Aged Care (3.7%) and Road Freight Transport (3.2%).

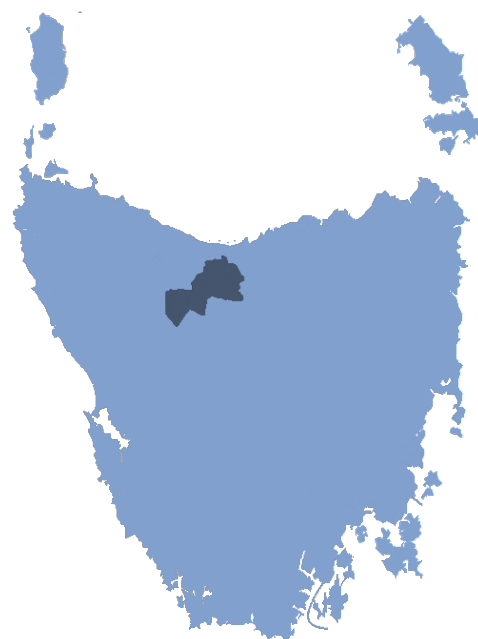
Median employee income for Kentish residents is \$51,740 per annum.

Source: Census 2016, Australian Bureau of Statistics

## Our History

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	3,678
Value of Properties (AAV)	\$45.34M
Number of Electors	4,816
Operating Expenditure	\$9.65M
Businesses	492
Visitors to Sheffield	133,216
Visitors to Cradle Mountain	224,028

# A Year in Kentish

## July 2018

School Holiday Activities  
Railton Flood Mitigation Community Meeting

## August 2018

Lions Music Hall  
Unveiling of the new Sandra Southwell Mural  
Wild Mersey Business Forum

## September 2018

Meet the Candidates Forum  
Ribbon cutting for commencement of works for the Wild Mersey Mountain Bike Trails  
Mersey Valley Junior and Masters Cycling Tour

## October 2018

Tasmanian Medieval Festival  
Oss Foley Memorial Endurance Ride  
Peaks Challenge Cradle Mountain  
School Holiday Activities

## November 2018

Sheffield School Junior Cattle Handlers Show  
Triple Top Mountain Run  
Councillor Elections

## December 2018

Official Opening of Stage One of the Wild Mersey Mountain Bike Trails  
Gowrie Park Wood Chopping Carnival  
Christmas Celebrations in Wilmot, Sheffield and Railton

## January 2019

Australia Day Celebrations  
School Holiday Activities  
Official Opening of the Youth Space  
Official Opening of the Forth Falls Walking Track  
Flowerfest

## February 2019

Official Opening of Upgraded Facilities at the Sheffield Recreation Ground  
Public Exhibition of Sheffield Streetscape Plans

## March 2019

Steam Fest  
Taste of the North-West  
Gowrie Park Rodeo  
Kentish Endurance Ride  
Government Announcement of \$4.75M funding for Railton Flood Mitigation, Wilmot Streetscape Works & Lake Barrington Amenity Upgrades  
Government Announcement of \$850k funding for Wild Mersey Mountain Bike Trails

## April 2019

Kentish Arts Festival  
ANZAC Day Services  
School Holiday Activities

## May 2019

Official Opening of the Railton Pump Track  
Gustav Weindorfer Memorial Service  
Heritage Festival

## June 2019

Mini Masters Cycling Tour  
Official Opening of State Two of the Wild Mersey Mountain Bike Trails



## Activity Overview

### Wild Mersey Mountain Bike Development

Kentish and Latrobe Councils have partnered to be able to deliver a \$4.1M world-class mountain bike experience that links the towns of Latrobe, Railton and Sheffield.

Latrobe and Kentish Council have completed the first stage of the Wild Mersey MTB Trails. The tender for Stage One was let to two different trail building companies. Next Level Mountain Bike Pty Ltd built the trails in Warrawee and TrailScapes Pty Ltd built the trails between Warrawee and Railton plus the trails above Goliath Park in Railton.

The network includes many beginner trails, a small number of intermediate and technical trails for more experienced riders and a taster of what's to come in Stage Two at Kentish.

To compliment the trails, a Pump Track was built at Goliath Park in Railton with the assistance of \$5,000 sponsorship from Bendigo Bank (Sheffield and Railton Districts Community Bank Branch). In addition, a trailhead facility including toilets, showers and a washdown bay was also built at Goliath Park. The trailhead facility at Warrawee will be opened in 2019/20.

### 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" and "carefully review the existing avenue of birch trees to determine when they need to be replaced".

Leon Lange of Lange Design Landscape Architecture was engaged by Council to complete the concept design.

Lange Design Landscape Architecture initially worked with the Kentish Garden Club who oversee the rose garden at Hopes Mill Corner to form a concept plan. Following a period of consultation with the wider community, Council adopted the Landscape Concept Plan for Hopes Mill Corner on 11 June 2019.

### Expansion of the Redwater Creek Railway site

Council purchased part of the block of land attached to 135 Main Street, Sheffield for the expansion of the Redwater Creek Railway site.



Official opening of the Wild Mersey Mountain Bike Trails

### Sheffield Recreation Ground Change Room Extension

Council was successful under the State Governments Community Infrastructure Fund major grants round for \$365,207 to fund the redevelopment of the change rooms at the Sheffield Recreation Ground. The project relocated the opposition change rooms to connect to the existing home change rooms. In addition, an indoor training area was constructed at the rear of the grandstand. The project was valued at over \$740,000.

### Develop a Master Plan for future use of the Sheffield Senior Citizens Building

At the November 2018 Council Meeting it was resolved to establish a Sheffield Arts Centre Special Committee of Council (Special Committee). The Committee comprises representatives from the Working Arts Space Sheffield, Kentish Arts Commerce and Tourism and Sheffield Inc.

During the year, the Special Committee worked with Council and appointed architects, 6ty° Architecture Surveying Engineering, to develop a masterplan for the facility.

The final draft masterplan was presented to the June 2019 Council Meeting where it was resolved to undertake consultation with the wider community.

### Lorinna Access Update

A Development Application was lodged with Council to extend Wilks Road to Olivers Road. The application was approved but the decision was appealed. A hearing with the Resource

Management and Planning Appeal Tribunal is scheduled for October 2019.

### Events

#### *Mural Fest*

Another successful Mural Fest was held in 2018, with Queensland artist Gren Freeman taking out the overall title with his mural 'Many Hats'. The event was considered a success with substantial crowds attending throughout the week.

#### *Steam Fest*

Redwater Creek Heritage and Steam Society's 2019 Steamfest marked its Silver Anniversary and showcased the huge array of steam powered machines in Tasmania. The event, held over the March long weekend, is a major drawcard to Kentish with visitors coming from all around Australia to experience the wide variety of exhibits.

#### *Taste of North-West*

The annual Taste of the North-West was held for the first time on the March long weekend and a shuttle bus was provided for people wishing to visit both Steam Fest and Taste of the North West. The decision to move the event was taken because of Easter falling so late and the effect poor weather has on the number of visitors. Known for showcasing some of the North's best food and wine, the free entry event attracted a variety of producers who treated the large crowd to an exciting culinary experience accompanied by live music.

#### *Sheffield in Colour and FireLight*

Sheffield in Colour and FireLight were unsuccessful in attracting funding for 2019. FireLight was subsequently put into recess by Kentish Arts, Commerce and Tourism and Sheffield in Colour was deferred until 2020.

#### *Tasmanian Medieval Festival*

Held on 13<sup>th</sup> and 14<sup>th</sup> October 2018, the Tasmanian Medieval Festival featured sword fighting, jousting, cannon firing and other medieval themed exhibitions along with a free fireworks display. Organised by the Sovereign Military Order of the Knights Templar Tasmania, the event will be back again in 2019 with an even further expanded range of activities.

### King George V Park Youth Space

Following exhibition of the draft 'Sheffield Refresh' report in late 2016, a group of school children who use the King George V Skate Park and the youth Green Room, expressed strong interest in upgrading the paths, landscaping and youth facilities in that corner of the park to create a dedicated Youth Space. The project received strong support from Council in the form of \$40,000 funding, plus a further \$20,000 from the Stronger Communities Grant Program.

The completed Youth Space was unveiled by Mayor Tim Wilson on 23<sup>rd</sup> January 2019.

The Youth Space has concrete pathways, bright, colourful seating, turfed mounds, two noughts and crosses games and a table tennis table. It was designed to be a functional and fun asset to the youth facilities in King George V Park which include the Skate Park, the Green Room Youth Centre and the children's playground.

### Kentish Park and Lake Barrington Park

Council widened the access road near the southern boat ramp to allow dedicated car and trailer parking. A dedicated parking area was also built for day-use car parking.

### Capital Works Program

The largest projects completed were 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. A section of Nook Road was reconstructed by cement stabilising the existing material and introducing additional gravels. The creation of a wide shared path on Victoria Street between Henry Street and Spring Street provides a strategic linkage and the possibility for use by vehicles in times of emergency.







**Photos: Top: A photo of the 2019 Australia Day gathering.  
Middle: Mayor Wilson presents Tommy and Mavis Huett with the Citizen of the Year Award  
Bottom: Mayor Wilson presents Tom Rockliff with the Young Citizen of the Year Award.**

### Australia Day Celebrations

Council staged the annual Australia Day celebrations at King George V Park on 26<sup>th</sup> January 2019. Each year, as part of the celebrations, Council presents awards for Citizen of the Year, Young Citizen of the Year and Community Event of the Year.

Citizen of the Year was jointly awarded to Mavis and Tommy Huett. Mavis and Tommy have been quiet achievers in Kentish over the last 50 years. Tommy was chief of the Beulah Fire Brigade for many years while Mavis worked tirelessly to fundraise for disabled children and the Roland Boys Home. Both Mavis and Tommy are long term members of the Beulah Hall Committee and the Kentish Lions Club. For the past three years Tommy has travelled to the mainland as part of Aussie Helpers, a program that helps farmers recover from the effects of fires, floods and droughts.

Young Citizen of the Year was awarded to Tom Rockliff. Tom is an outstanding role model for all young people in the community. Tom attended the Sheffield School and Don College. In 2016 he won the Tomas Alexander Award for highest academic results and Cattle Handler of the Year for his skills in handling cattle and assisting younger members. Tom was a founding member of Kentish Rowing Club and mentors young rowers. In 2018 Tom won the Lions Club State Youth of the Year and went on to win Australian Youth of the Year.

Eight individuals received a Local Hero Award for their contribution to the Kentish Community over many years. Awards were presented to Annette Williams and Allison Mace (Allnet Balloon Creations), Basil Kleijnendorst, Craig Davey, Dianne Sharp, Margaret Hughes, Mark Beach-Ross and Penny Lane.

Volunteer recognition awards were presented to Dianne Sharp, Trevor Winwood, Joanne Easton, Craig Davey, the volunteers of the Railton Neighbourhood Centre and the volunteers of The Hub.

### International Women's Day

The inaugural Kentish International Women's Day Award Celebration was held in Sheffield on 8 March 2019 with a crowd of 100 people.

The Award celebration began with a morning tea followed by a presentation from guest speaker Councillor Kate Haberle. In her presentation, Councillor Haberle spoke about the changing role of women over the past few decades and how these changes are relevant in her own life and her role as a wife, mother, teacher and local councillor.

Awards were presented by Councillor Haberle and students from Sheffield School Student Representative Council. Seven individuals received an Honourable Mention for Volunteering for their contribution to the Kentish community over many years. Awards were presented to Renate Weber, Barbara Alsop, Geneen Duff, Cheryl Jones, Cate Rejman, Rayleen Miles and Kate Haberle.

Volunteer Woman of the Year Runner Up was awarded to Kim Johnson. Volunteer Woman of the Year was awarded to Noelene Purton. Noelene has dedicated 25 years to the support of the Railton Bowls Club.

Sporting Woman of the Year Runner Up was awarded to Carly Sullivan. Sporting Women of the Year was awarded to the Sheffield Women's Cricket Team. The inaugural Sheffield Women's Cricket team entered the Cricket North West competition in 2019.

Senior Citizen of the Year Runner Up was awarded to Annette Williams and Allison Mace (Allnet Balloon Creations). Senior Citizen of the Year was awarded to Bronwyn Lee for more than 30 years dedication to community wellbeing.

Woman of the Year Runner up was awarded to Councillor Penny Lane. Woman of the Year was awarded to Julie Winwood. Julie is the major force behind The Mountaineers, the Sheffield based Relay for Life group.

### Land Use Reviews

The land use reviews for Sheffield and Claude Road/Gowrie Park were finalised during the financial year. These reviews informed the preparation of the *Sheffield Strategic Plan 2018* which was adopted by Council on 16 October 2018. The *Claude Road Gowrie Park Strategic Plan 2018* was adopted by Council on 18 December 2018.



Mayor Tim Wilson presents Zayna Mulholland with the 2019 Youth Scholarship

### Youth Scholarship

Each year, Council provides a scholarship valued at \$1,250 to assist a Kentish student to further their studies by relocating from the municipality. The 2019 Youth Scholarship was awarded to Zayna Mulholland. Zayna is studying a Bachelor of Health Science at the University of Tasmania. Council wishes Zayna all the best with her academic future.

### Youth Activities

Council provided a number of events for young people throughout the year, including the Know Your Odds Skate, Scoot and BMX Competition, four school holiday programs partnering with Glenhaven Family Care, and "Cinema Under the Stars" outdoor cinema event as part of Youth Week Tasmania.

The School Holiday Programs featured events such as Family Movie Day on the Sheffield Big Screen, Allnet Balloon Twisting Show, Wild Mersey Mountain Bike Day, Funky Movement dance program, Youth Space Fun Day and many other activities.



### 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 continued to progress the preparation of the 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.

### Planning Scheme Amendments

Two planning scheme amendments were approved during the financial year.

Amendment 01/18 replaced the Cradle Gateway Specific Area Plan, which forms Clause F1.0 of the *Kentish Interim Planning Scheme 2013*, with a revised Specific Area Plan. The amendment came into operation on 19 October 2018.

Amendment 02/18 rezoned an unused part of land contained in Certificate of Title 170379/1 at 77b Main Street, Sheffield (Sheffield Bowls Club) from Recreation to General Residential. The amendment came into operation on 28 March 2019.

### Marketing and Promotion

#### *Kentish Destination Action Plan*

A suite of events during the winter of 2019 to combat the effects of the 'quiet period' for businesses was one proposal which came from the Kentish Destination Action Plan.

The departure from the municipality of the organiser of the proposed Fire and Ice winter festival meant it was unable to go ahead. Other options are being considered for the future.

#### *Cradle Country Marketing Group and campaign*

A dedicated website, [thisiscradlecountry.com.au](http://thisiscradlecountry.com.au), was launched and a social media presence was established with Facebook and Instagram pages. The marketing plan for 2018/19 also continued its focus of direct marketing to visitors arriving at Hobart and Launceston airports, on the Spirit of Tasmania and at Port of Melbourne through advertising and placement of the highly successful 'This is Cradle Country'. Central Coast Council

resigned from the Cradle Country Marketing Group from June 30, 2018, leaving Devonport, Kentish and Latrobe councils to promote the three remaining municipalities under the banner 'Cradle Country'.

### The Green Room

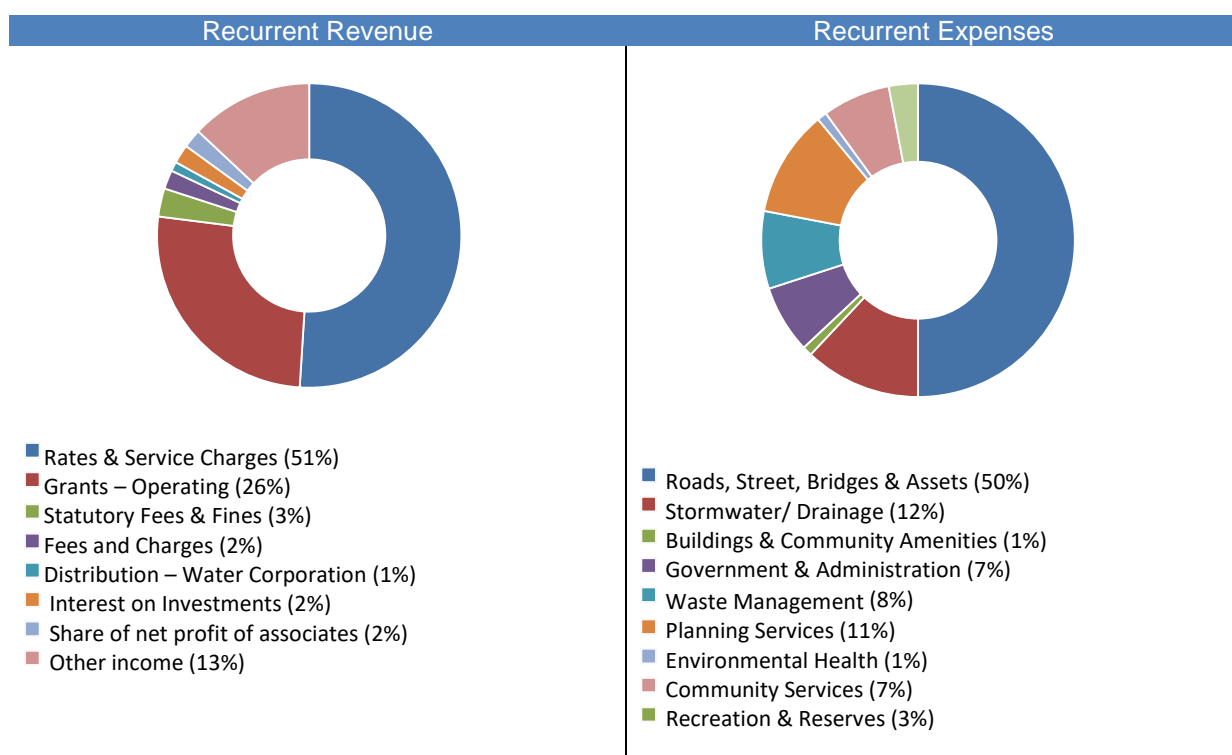
Following the development of the King George V Park Youth Space, Council was awarded a \$6,000 grant from the Stronger Communities Program Round 4 for the refurbishment of the Green Room. The refurbishment included a complete interior paint, new carpet, new shelving, new power points including USB charging points, bike hangers, and two computers.

The refurbished Green Room was re-opened on 16<sup>th</sup> March 2019.

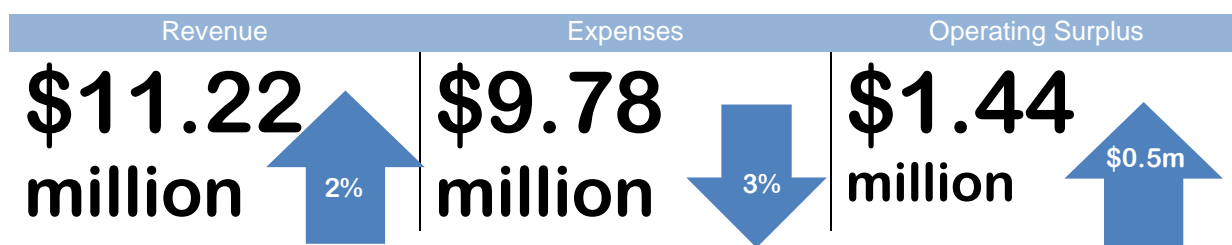


# Financial Overview

## REVENUE & EXPENDITURE SOURCES

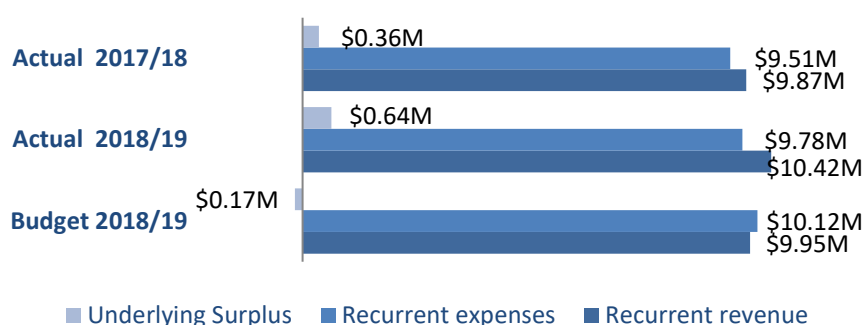


## FINANCIAL RESULT COMPARED TO BUDGET



Council's underlying operating surplus was \$637,000

## UNDERLYING RESULT



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



## CAPITAL BUDGET VARIANCES EXPLANATION

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### Total Capital Expenditure

**\$225 k**

less  
than  
budget



**\$-18 k** ↓ Roads & footpaths

\$18,000 unfavourable budget variance

**\$14 k** ↓ Bridges

\$14,000 favourable budget variance

**\$-86 k** ↓ Buildings

\$86,000 unfavourable budget variance mainly relates to Sheffield Recreation Ground change-rooms redevelopment

**\$306 k** ↓ Land Improvements

\$306,000 favourable budget variance mainly relates to Mountain Bike Trails Stage 1 – Latrobe portion of trails

### MAJOR CAPITAL EXPENDITURE

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<b>\$755 k</b>	Sheffield Recreation Ground Change-Room Redevelopment
<b>\$631 k</b>	Road Surface Renewal
<b>\$440 k</b>	Road Reconstruction
<b>\$424 k</b>	Wild Mersey Mountain Bike – Kentish Trails
<b>\$354 k</b>	IT Software Systems Renewal
<b>\$252 k</b>	Goliath Park Toilets Upgrade

### Comparison of Income Statement to Original Budget

	Original Budget 2018/19 (\$,000)	Actual 2018/19 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
<b>Revenue</b>					
Rates and charges	5,286	5,256	-30	-1%	Minor unfavourable budget variance
Statutory fees and fines	277	304	27	10%	Minor favourable budget variance
User fees	101	238	137	136%	Favourable budget variance mainly due to unbudgeted user fees relating to the use of Council buildings and facilities
Grants - Operating	2,798	2,715	-83	-3%	Unfavourable budget variance due to reduced Commonwealth Financial Assistance Grants for roads
Interest	190	258	68	36%	Favourable budget variance mainly due to higher average cash balances than originally budgeted
Other income	1,129	1,318	189	17%	Favourable budget variance due to higher resource-sharing reimbursements from Latrobe Council than budgeted
Investment revenue from Water Corporation	86	88	2	2%	Minor favourable budget variance
Share of net profits/(losses) of associates	80	235	155	194%	Favourable budget variance due to conservative budgeting and higher than budgeted share of profit of Dulverton Waste Management Authority.
Grants specifically for new or upgraded assets	489	318	-171	-35%	Unfavourable budget variance due to allocation of \$268,000 of grants relating to Wild Mersey MTB tracks in Latrobe to Latrobe Council offset by re-allocation of grants for new assets budgeted as renewals.
Grants for renewal of assets	588	489	-99	-17%	Unfavourable budget variance due to re-allocation of grants for new assets budgeted as renewals.
<b>Total Revenue</b>	<b>11,024</b>	<b>11,219</b>	<b>195</b>	<b>2%</b>	<b>Overall favourable variance</b>



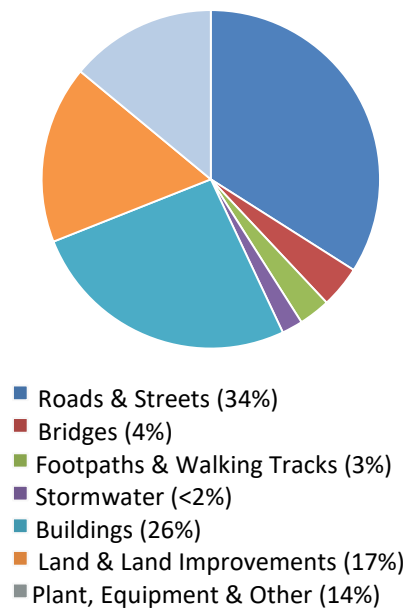
## Comparison of Income Statement to Original Budget Continued

	Original Budget 2018/19 (\$,000)	Actual 2018/19 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
<b>Expenses</b>					
Employee Costs	3,244	3,273	-29	-1%	Minor unfavourable budget variance
Materials and Services	3,233	3,205	28	1%	Minor favourable budget variance
Depreciation and Amortisation	2,836	2,543	293	10%	Favourable budget variance due to conservative budgeting
Finance Costs	79	21	58	74%	Favourable budget variance - interest accrual journal needed
Other Expenses	724	672	52	7%	Minor unfavourable budget variance mainly due to internal on-cost allocation variances.
<b>Net Loss on Disposal of property, infrastructure and plant</b>	<b>0</b>	<b>68</b>	<b>-68</b>	<b>n/a</b>	<b>Unbudgeted write off/disposals in Roads and Plant during year.</b>
<b>Total Expenses</b>	<b>10,116</b>	<b>9,782</b>	<b>334</b>	<b>3%</b>	<b>Overall favourable variance</b>
<b>Net Surplus / (Deficit)</b>	<b>908</b>	<b>1,437</b>	<b>529</b>	<b>58%</b>	<b>Overall favourable variance</b>

## Comparison of Capital Expenditure to Budget

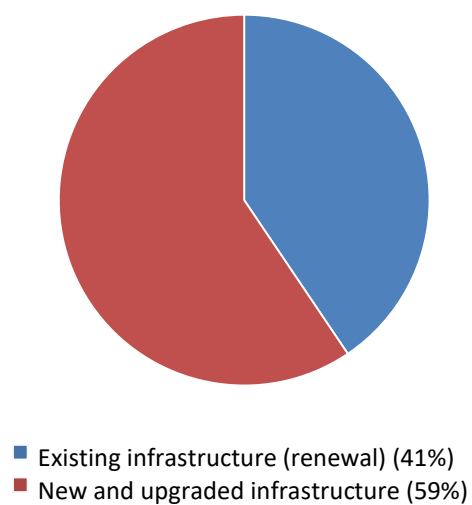
Capital Works Areas	Original Budget (\$,000)	Adjustment to Carry Forward (\$,000)	Q1 Budget Review (\$,000)	Other Budget Revisions (\$,000)	Adjusted Budget (\$,000)	2019 Capital Expenditure (\$,000)	Carry Forward to 2019/20 (\$,000)	Budget Variance (\$,000)
Roads & Streets	4,102	0	0	121	4,223	1,340	2,889	-6
Bridges	163	0	0	0	163	149	0	14
Footpaths and Walking Tracks	73	93	0	0	166	128	50	-12
Stormwater	53	135	0	0	188	77	103	8
Land & Buildings	1,078	29	0	102	1,209	1,059	236	-86
Land Improvements	1,208	49	20	0	1,277	690	281	306
Plant, Equipment and Other	737	82	8	0	826	571	255	1
<b>Total Capital Works</b>	<b>7,414</b>	<b>388</b>	<b>28</b>	<b>223</b>	<b>8,052</b>	<b>4,014</b>	<b>3,814</b>	<b>225</b>
<b>Represented by:</b>								
Asset Renewal	2,699	111	0	55	2,864	1,628	1,205	33
New / Upgraded Assets	4,716	111	28	168	5,188	2,386	2,610	192
<b>Total Capital Works</b>	<b>7,415</b>	<b>222</b>	<b>28</b>	<b>223</b>	<b>8,052</b>	<b>4,014</b>	<b>3,815</b>	<b>225</b>

### Capital Expenditure by Asset Type 2018/19



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:-

### Capital Expenditure – New and Existing Infrastructure





## 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 now report on in their annual financial statements. The calculation of these management indicators is outlined in Note 43 of the Annual Financial Report attached to this Annual Report.

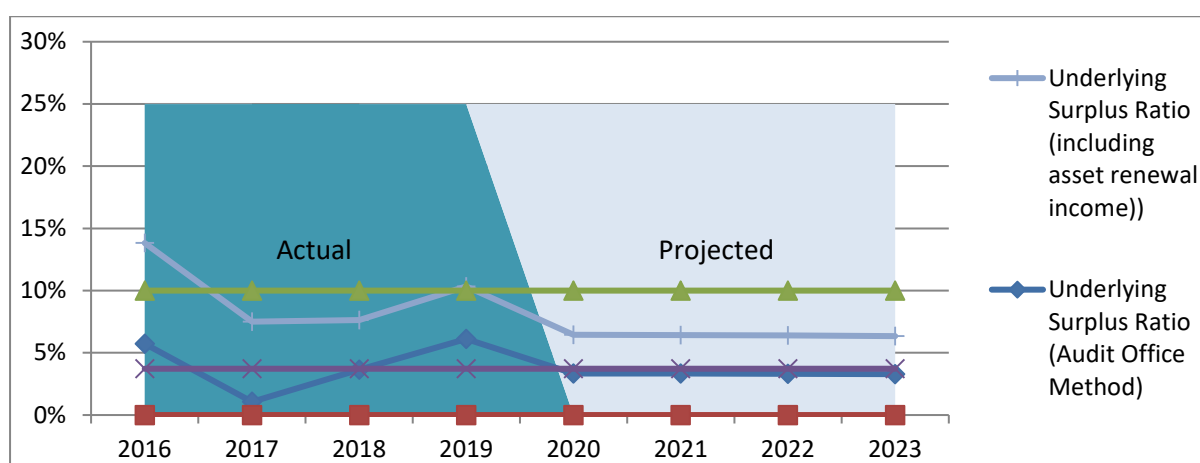
The following graphs and commentary show Council's performance against these indicators over the past four years and projected results over the next four years compared to suggested benchmark results.

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.

### 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.

	2016	2017	2018	2019	2020	2021	2022	2023	Average
Underlying Surplus Ratio (Audit Office Method)	5.7%	1.1%	3.6%	6.1%	3.3%	3.3%	3.3%	3.3%	3.7%
Underlying Surplus Ratio (including asset renewal income))	13.8%	7.5%	7.6%	10.3%	6.4%	6.4%	6.4%	6.3%	8.1%
To assess sustainability									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Surplus (excluding income to fund new or upgraded assets)	546	100	359	637	331	331	331	329	370
Recurrent Income	9,547	9,407	9,872	10,419	9,932	9,947	9,998	10,050	9,897
Grants for renewal of assets	898	654	428	489	331	331	331	329	474



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 so over the next four years.

### Net Financial Assets/(Liabilities) Ratio

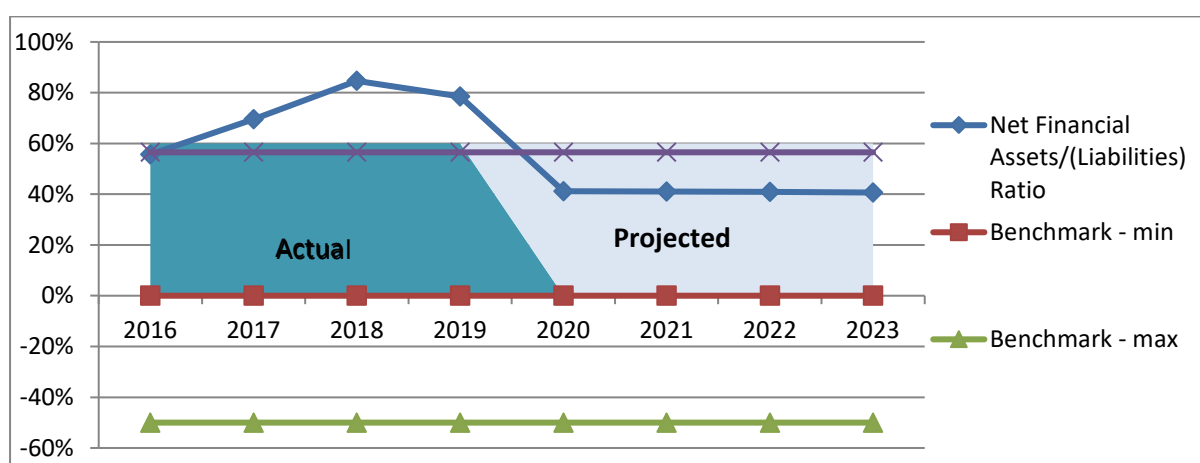
This ratio indicates Council's capacity to meet its financial obligations from its operating activities. Council's trend of maintaining positive ratios indicates that it has no net debt and that its ability to sustain additional debt is significant.

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, however it is expected to take some years for the current cash reserves to be used and for the net financial liabilities ratio to be within the benchmark range.

	2016	2017	2018	2019	2020	2021	2022	2023	Average
Net Financial Assets/(Liabilities) Ratio	55.7%	69.5%	84.6%	78.5%	41.1%	41.1%	40.9%	40.7%	56.5%

To assess the level of debt held by Council

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Financial Assets/(Liabilities)	5,320	6,542	8,356	8,176	4,086	4,086	4,086	4,086	5,592
Recurrent Income	9,547	9,407	9,872	10,419	9,932	9,947	9,998	10,050	9,897



### 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.

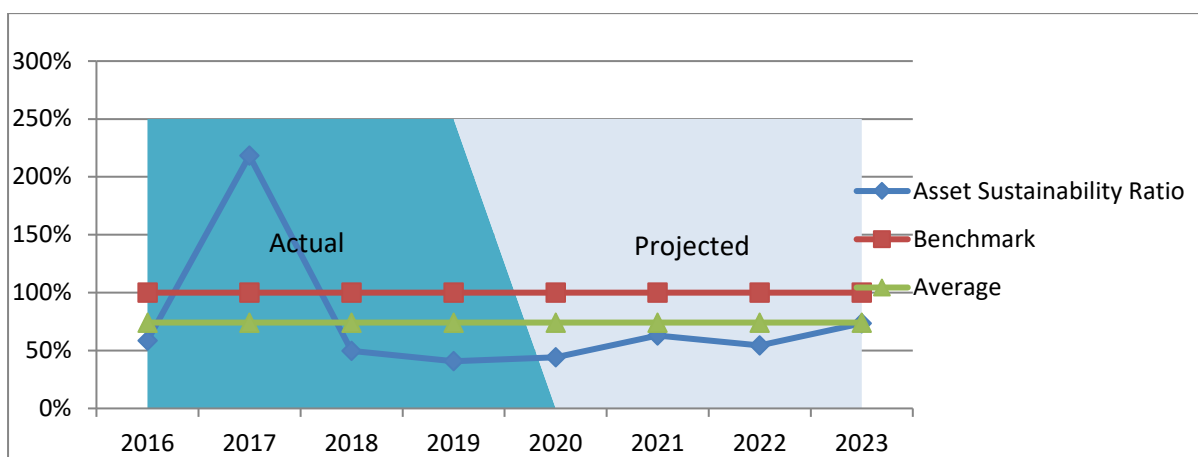
This ratio measures whether assets are being replaced at the rate they are wearing out. Council's projected average ratio of 85% for the 8 years ending in 2021 is slightly below the benchmark, however Council aims to match its asset renewal expenditure with actual asset renewal demand as identified by its asset management plans 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.

	2016	2017	2018	2019	2020	2021	2022	2023	Average
Asset Sustainability Ratio	59%	218%	50%	41%	44%	63%	54%	73%	74%

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	1,580	5,611	1,266	1,036	1,282	1,836	1,612	2,184	2,051
Depreciation Expense	2,700	2,571	2,546	2,543	2,911	2,911	2,968	2,974	2,766





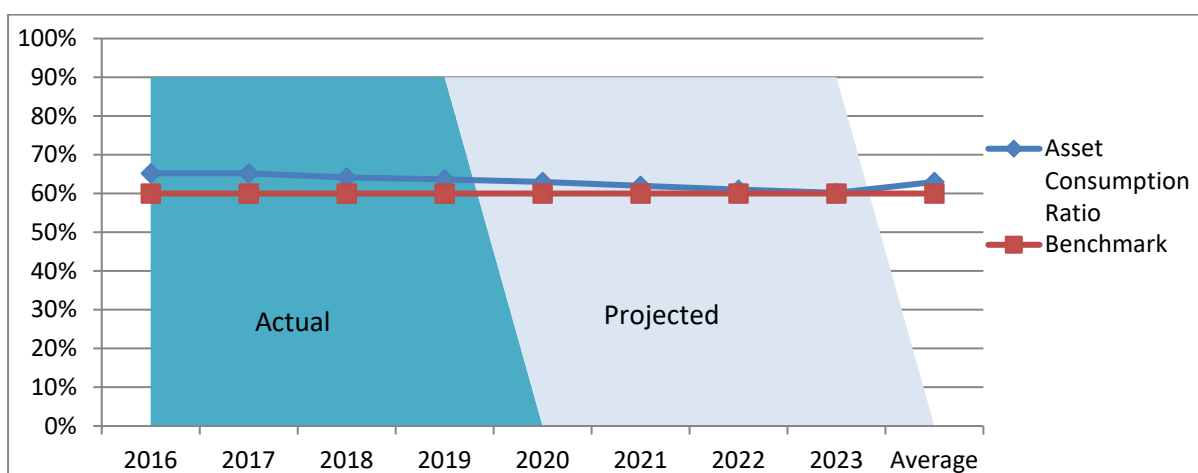
### Asset Consumption Ratio

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 36% into its expected useful life, which explains why there may not currently be a high demand for asset renewals.

	2016	2017	2018	2019	2020	2021	2022	2023	Average
Asset Consumption Ratio	65%	65%	64%	64%	63%	62%	61%	60%	63%

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	98,108	104,172	105,692	108,051	106,967	106,713	106,199	106,382	105,286
Current replacement cost of assets	150,511	159,736	164,670	169,824	169,882	172,113	174,090	176,769	167,199

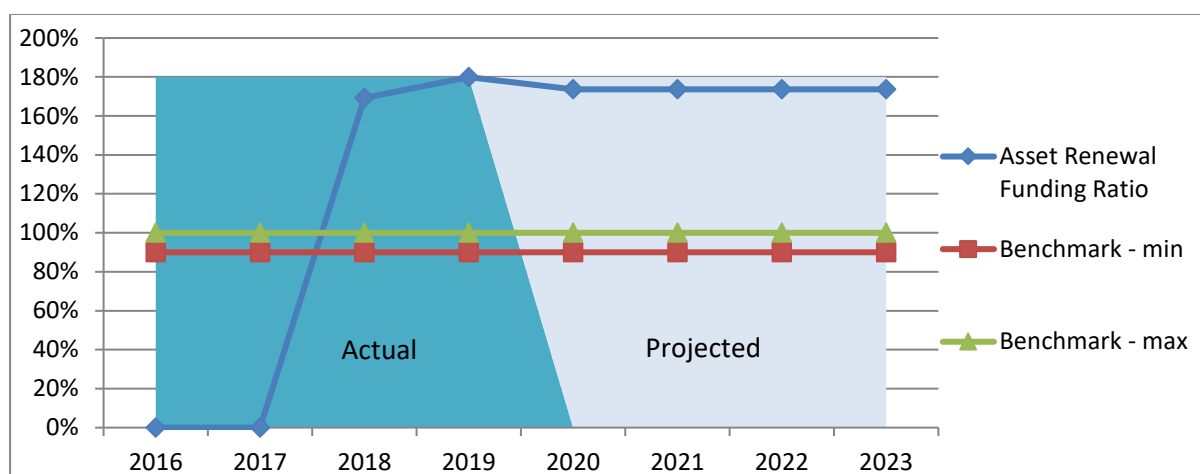


### Asset Renewal Funding Ratio

Asset management plans for each of Council's major asset classes were completed during 2014/15 allowing the Asset Renewal Funding Ratio to be calculated from that time.

The current projected capital renewal outlays in Council's Long-Term Financial Plan significantly 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 but have not yet been included in updated asset management plans. The 10 Year Capital Works Program will be reviewed during 2018/19 as will the links between the Asset Management Plans, Capital Works Program and Long-Term Financial Plan.

	2016	2017	2018	2019	2020	2021	2022	2023	Average
Asset Renewal Funding Ratio	n/a	n/a	169%	180%	174%	174%	174%	174%	n/a
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	n/a	14,333	18,994	19,365	17,274	17,274	17,274	17,274	n/a
Net Present Value (NPV) of ten year projected capital renewal expenditure demand	n/a	12,135	11,222	10,764	9,944	9,944	9,944	9,944	n/a





# Our Performance

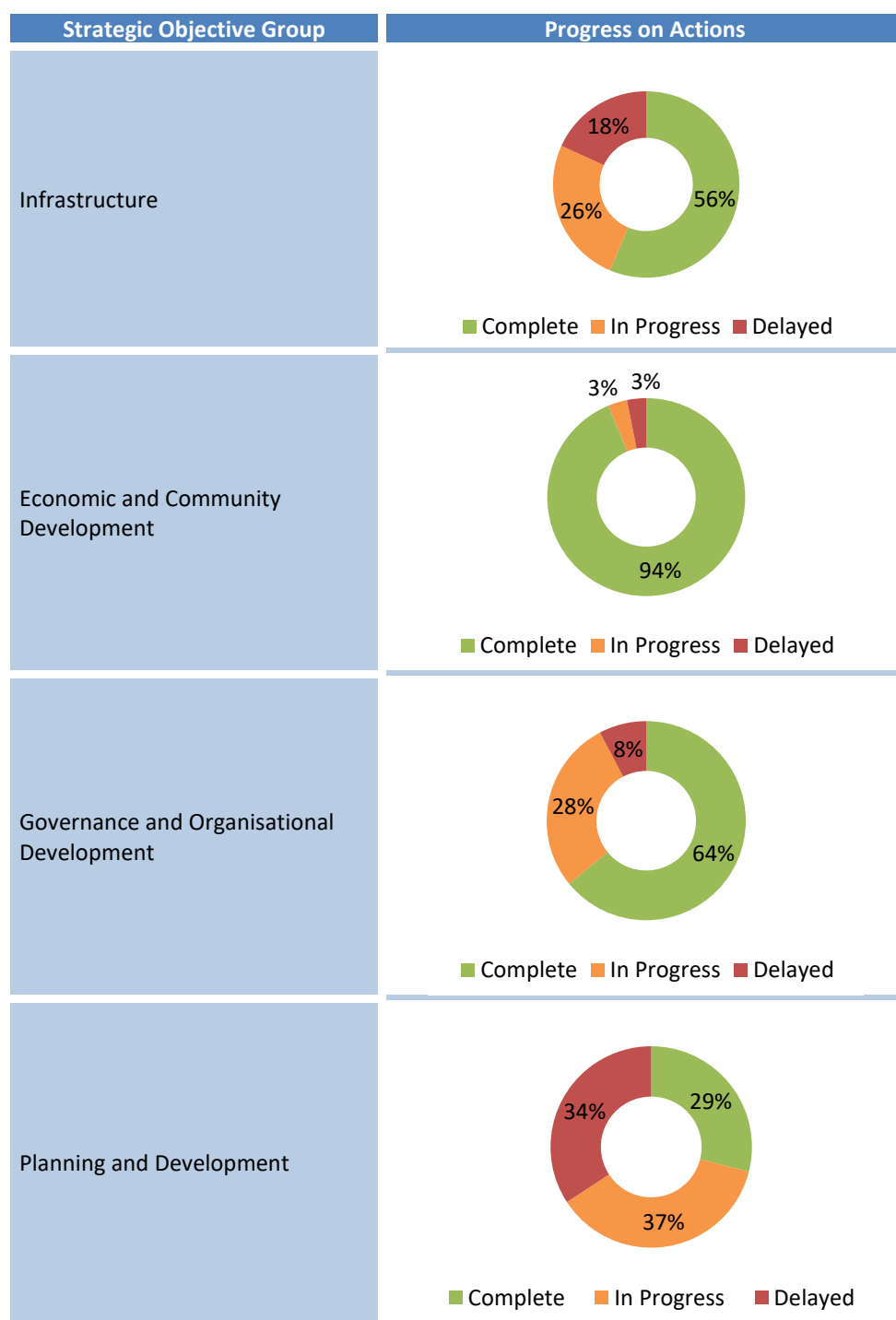




## Overview of Performance

The table below provides an 'at a glance' overview of Council's performance against the 2018/19 Annual Plan.

Council's 2018/19 Annual Plan includes a number of key actions grouped according to the overall strategic objectives of Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development. Progress toward completing these actions is summarised in the chart below.





## STRATEGIC OBJECTIVE # 1

### 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 2018.

Total Actions	Complete	In Progress	Delayed
55	31	14	10

## Objective 1.1 Roads

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

### Performance against Annual Plan

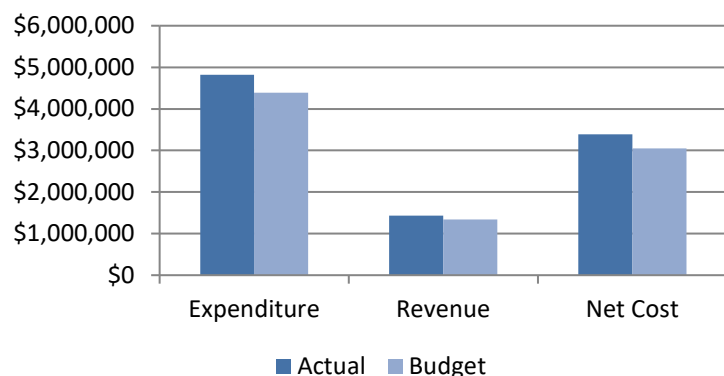
Key:  Completed  In Progress  Delayed

2018/19 Annual Plan Actions	Status
Further integrate the sharing of equipment and other resources into the normal operating practices of the Kentish and Latrobe workforce.	
Renew Council owned road seal, footpath and kerb and channel in Main Street, Sheffield from Henry Street to Spring Street including enhancements identified in the Sheffield Township Enhancement Study.	
Work with the Department of State Growth to address safety concerns at the intersection of Main Street and Spring Street in Sheffield.	
Continue to progress a solution regarding road access to Lorinna.	
Rectify approximately 900 metres of undulation on Nook Road in the vicinity of the creek crossing towards the intersection with West Nook Road.	
Extend partially-indented parking on the west side of High Street, Sheffield as proposed in the 'Sheffield Refresh' Report.	
Install local area traffic management measures in Roland Court, Sheffield.	
Construct a new section of unsealed track along Victoria Street.	
Complete annual sealed road re-seal and annual unsealed road re-sheeting programs.	
Renew the Gowrie Creek Bridge on O'Neills Road, Gowrie Park.	
Construct a footpath south on Claude Road (formerly Spring Street) to provide improved pedestrian access to the growing industrial area.	
Extend footpath connection by 92 metres in Albert Street, Sheffield.	
Construct two disabled parking bays at Railton Bowls Club.	
Install additional barrier rail on Cradle Mountain Road south of Wilmot.	
Stabilise creek alignment and locally reconstruct Lower Beulah Road, Lower Beulah approximately 1km from Bridle Track intersection.	
Construct a retaining structure to lower side of Staverton Road, Staverton.	
Construct Stage 1 of the Wilmot Streetscape Project.	
Review, rationalize and replace plant across the Kentish and Latrobe Council as required.	
Progress the improvement plan of the Transport Services Asset Management Plan.	
Review Transport Services Asset Management Plan.	
Maintain a policy of free parking within the municipality.	
Incorporate shared pathways including for mobility scooters where feasible.	
Continue the Kentish and Latrobe Community Road Safety Committee.	
Review speed limits throughout the towns and villages as requested.	
Encourage landowners to maintain nature strips with assistance for elderly/disabled persons.	
Investigate the feasibility of Community Groups being able to maintain Council owned assets.	



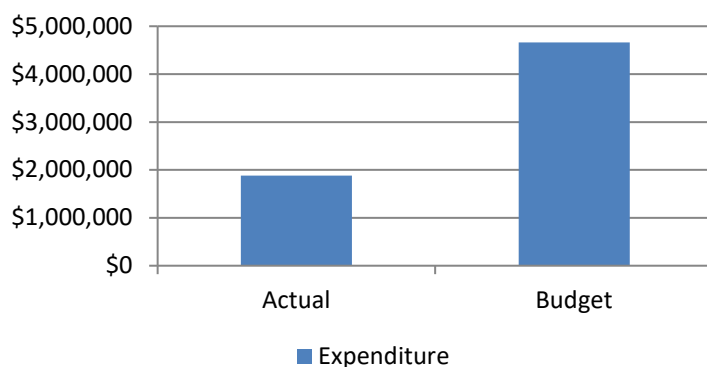
## Performance against Budget

### Road Network Management – Operating Budget



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

### Road Network Management – Capital Expenditure



Actual capital expenditure was lower than budget due mainly to the deferral of the Lorinna Road access and Sheffield eastern town entry streetscape projects to 2019/2020.

## Key Challenges

- One of the key challenges is the timeframes to adequately design and deliver projects in an acceptable period of time. This is evident on larger projects that require external design and construction through a tender process. As the resource sharing arrangements develop there will be increased capacity to undertake this work internally.

## Plans for the next 12 months

- Renew road seal, footpath and kerb and channel in Main Street, Sheffield from Henry Street to Spring Street including enhancements as identified in the Sheffield Township Enhancement Study (\$1.16M).
- Continue to progress a solution regarding road access to Lorinna (\$1.74M).
- Construct stage one of the Wilmot Streetscape Project (\$335,000).

## Objective 1.2 Stormwater

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

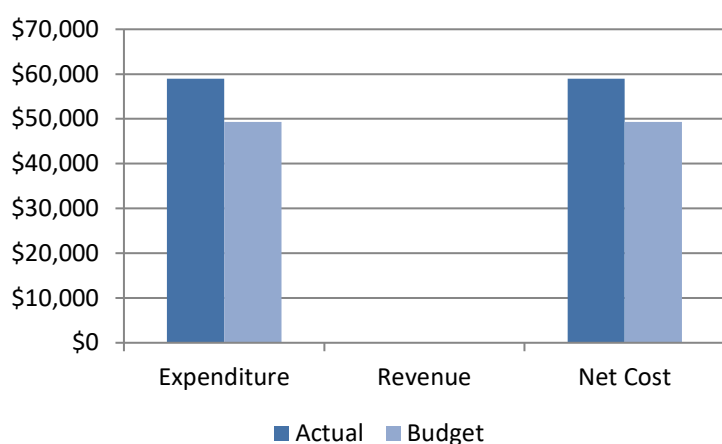
### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Continue to engage the State and Commonwealth Governments regarding funding for flood mitigation measures in Railton as identified by the Review of Railton Flood Mitigation Options Report completed by SEMF Consultants in June 2014.	↑
Construct pipeline to drain from Main Street, Sheffield to Dodder Rivulet.	✓
Progress the improvement plan of the asset management plan for stormwater.	↑
Review stormwater asset management plan.	↑
Upgrade and extend the Sheffield and Railton stormwater reticulation systems in consultation with TasWater and agreed priorities.	↑
Develop a policy to improve the open drains and creeks in the Kentish municipality as opportunities present.	✗
Develop a flood action plan for Railton.	↑

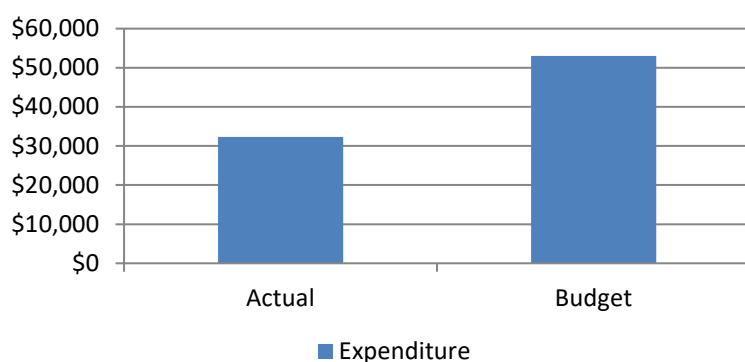
### Performance against Budget

#### Stormwater Infrastructure Management – Operating Budget



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

#### Stormwater Infrastructure Management – Capital Expenditure



Actual capital expenditure was lower than original budget due mainly to expenditure for implementation of Railton Stormwater Study Recommendations carried forward to 2019/2020.

## Key Challenges

- The federal by-election allowed significant funds to be committed towards the Railton flood project. Council engaged Entura to undertake the preliminary design of a flood mitigation scheme to protect the town from a current year 0.5% AEP flood or a future 2085 1% flood event, whichever is the greater.

## Plans for the next 12 months

- Continue to engage the State and Commonwealth Governments regarding funding for flood mitigation measures in Railton. This includes pursuing delivery of commitments and promises made during the recent Federal Election campaign.
- Progress modelling, concept development and preliminary designs for Railton flood mitigation measures (\$225,000).
- Extend the stormwater system in Sheffield near the rear of the honey making shed in Main Street (\$80,000).

## Objective 1.3 Buildings

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

### Performance against Annual Plan

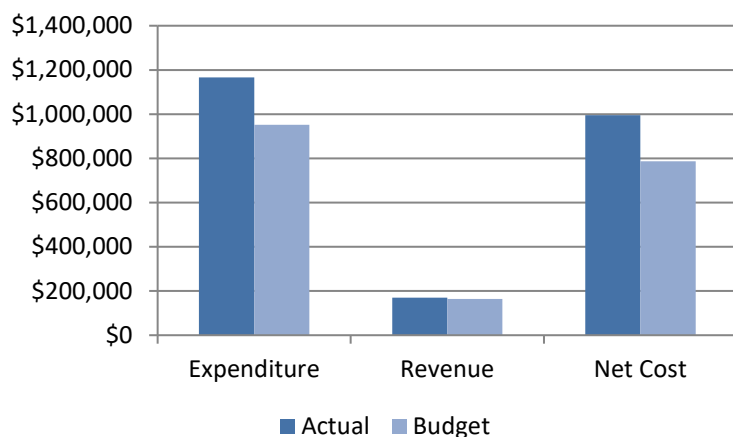
**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Complete the extension of the change rooms at the Sheffield Recreation Ground.	✓
Complete replacement of Goliath Park Toilets.	✓
Construct Wild Mersey Mountain Bike Trail trailhead facilities at Sheffield Recreation Ground including toilets, showers and bike wash down.	✗
Refurbish the Kentish Visitor Information Centre.	✗
Develop a Master Plan for future use of the Kentish Senior Citizens Building, including an architectural design and concept plan and a one-way traffic trial for Pioneer Crescent, Sheffield.	↑
Update audio-visual equipment at Sheffield Town Hall.	✓
Upgrade existing heating at Wilmot Hall.	✓
Refresh toilets at the Railton Recreation Ground.	✓
Install glass entry doors at Railton Neighbourhood Centre.	✓
Progress the improvement plan of the asset management plan for building and community facilities.	↑
Review the buildings and community facilities asset management plan.	✗
Consider the feasibility of using solar energy and installing LED lights for Council buildings.	↑



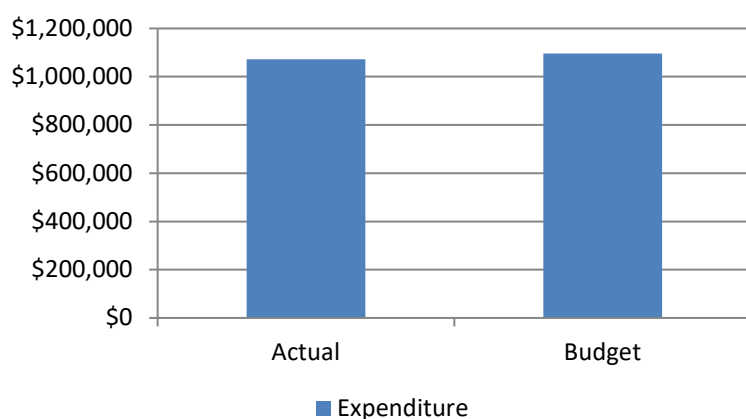
## Performance against Budget

### Building Management – Operating Budget



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

### Building Management – Capital Expenditure



## Key Challenges

- Constructing and maintaining infrastructure to increasingly demanding standards whilst managing budget and manpower constraints has been challenging.

## Plans for the next 12 months

- Construct Wild Mersey Mountain Bike Trailhead facilities at the Sheffield Recreation Ground including toilets, showers and bike wash down facilities (\$260,000).
- Replace the roof and gutters at the Sheffield Child Care Centre building (\$25,000).
- Install floorcoverings at the Railton Cricket Clubrooms (\$6,000).

## Objective 1.4 Parks and Reserves

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

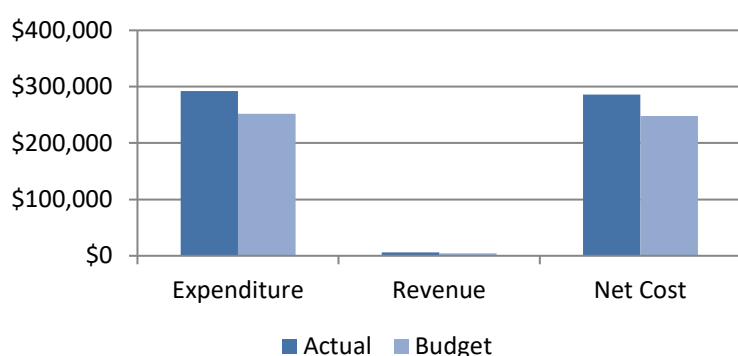
### Performance against Annual Plan

Key: ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Construct Stage 1 of the Kentish component of the Wild Mersey Mountain Bike Trails.	✓
Improve the amenity of the Sheffield town entrances as proposed in the Sheffield Refresh Report including trees, seats, tourism signage and town entry signage.	✗
Develop themed town entries at Wilmot.	✗
Install directional signage to delineate launch/retrieval preparation parking only areas at Kentish Park and provide specific car-with-trailer parking.	✗
Provide a new day use area and upgrade informal walking tracks at Kentish Park.	✗
Implement agreed priority recommendations of the Kentish Park Master Plan.	✓
Implement agreed priority recommendations of the Sheffield Recreation Ground Precinct Master Plan.	✓
Implement agreed priority recommendations of the Lake Barrington Park (Wilmot) Master Plan.	✓
Implement agreed priority recommendations of the Goliath Park Master Plan.	✓
Prepare a maintenance and improvement plan for each of the four cemeteries.	✓

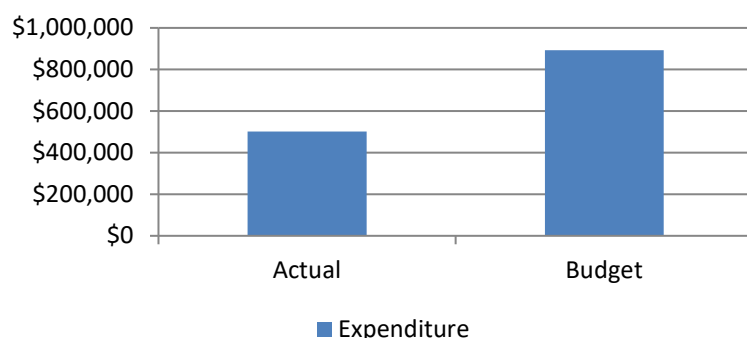
### Performance against Budget

#### Parks and Reserves – Operating Budget



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

#### Parks and Reserves – Capital Expenditure



Capital expenditure was less than budget mainly due to \$340,000 originally budgeted for Wild Mersey MTB trail costs relating to trails in the Latrobe municipality

## Key Challenges

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- Improvement of the Sheffield town entrances was delayed until after the completion of the Hopes Mill Corner Concept Plan.
- Directional signage to delineate launch/retrieval preparation parking only areas at Kentish Park and provide specific car-with-trailer parking was delayed until the completion of the car parking areas. This will now occur in 2019/20.

## Plans for the next 12 months

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- Commence the Kentish section of Stage 2 of the Wild Mersey Mountain Bike Trails (\$350,000).
- Redevelop Hopes Mill Corner (\$95,000).
- Develop themed town entries at Wilmot (\$10,000).





## 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 2019.

Total Actions	Complete	In Progress	Delayed
32	30	1	1

## Objective 2.1 Business Development

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

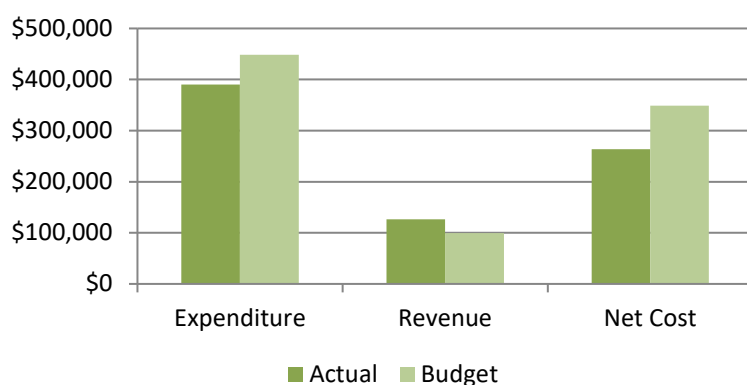
### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Advance individual actions identified in the Economic Development Strategy 2015-2020.	✓
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.	✓
Attract and promote the advantages of living and investing in Kentish.	✓
Support pre-feasibility studies for major development opportunities.	✓
Ensure resources are available to source and secure grants.	✓
Support the actions recommended in the 'Mt Roland Developing a Destination' document.	✓
Consider options to encourage economic growth to the area ('can do' approach for development).	✓

### Performance against Budget

#### Economic Development – Operating Budget



### Key Challenges

- Increasing calls on the public purse for grants and the growing need to fund projects on at least a one for one basis has resulted in less funding opportunities for some, together with the reduced chances of achieving a grant. This is expected to continue to grow.

### Plans for the next 12 months

- Advance individual actions identified in the Economic Development Strategy 2015-20.
- Contribute senior staff resources to work with similar resources from other councils and the Cradle Coast Authority to implement the Regional Futures Plan 2019-2022.

## Objective 2.2 Tourism

To promote, develop and support tourism.

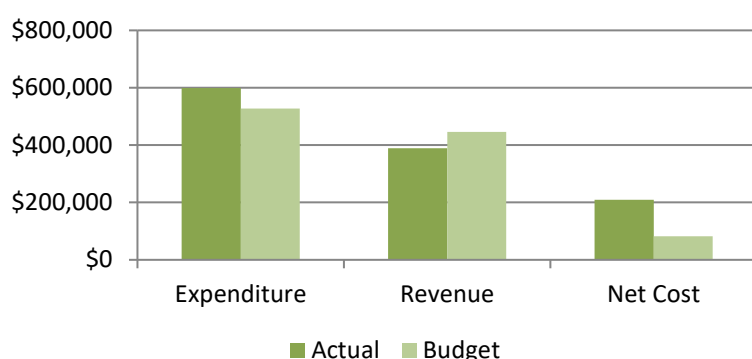
### Performance against Annual Plan

Key: ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Purchase land to enable expansion of the Redwater Creek Railway site in Sheffield as proposed in the 'Sheffield Refresh' Report.	✓
Work with the Latrobe Council to develop a website and marketing plan for Wild Mersey Mountain Bike Trails.	✓
Work with the Cradle Coast Authority Regional Tourism Organisation to ensure effective visitor information services are provided to visitors to the region.	✓
Participate in Devonport-Cradle Country Marketing Group to market the Kentish-Devonport-Latrobe-Central Coast region as a holistic, exciting and diverse tourism destination.	✓
Investigate developing a Kentish Art Strategy that will be the blueprint for the development and diversification of the Kentish art experience to position it as a must-see tourism experience in Tasmania.	✓
Work with Kentish tourism operators and organisations, plus state and regional tourism stakeholders, to develop a diverse and robust tourism industry (based on the five pillars of art, wilderness, food, history and adventure) through product development, industry development, marketing and lobbying.	✓
Continue to lobby for State and Federal financial assistance for the final stage of the Wild Mersey Mountain Bike Trails in Kentish.	✓
Contribute towards Kimberley Trail and Bell Mountain Trail upgrades.	✗
Actively engage with the Cradle Coast Authority Regional Tourism Organisation.	✓
Work in partnership with business operators and local tourism related groups to increase viability of Visitor Information Services.	✓
Support projects that improve the attraction of towns and villages (landscaping, signage etc).	✓
Actively promote Kentish as a visitor destination.	✓
Connect local businesses to relevant information, product development and funding opportunities.	✓

### Performance against Budget

#### Visitor Information Centre – Operating Budget





## Key Challenges

- The resignation of the Cradle Coast Authority from the coordination of tourism promotion for the North West and West Coast, and the subsequent wait for a new Regional Tourism Organisation to be appointed, caused coordination problems and potentially resulted in missed opportunities for promotion of the North West as a whole.
- Central Coast's resignation from the Cradle Country Marketing Group at the end of the financial year means a review of the marketing plan will be needed due to the shortfall in funds.

## Plans for the next 12 months

- Purchase land to enable expansion of the Redwater Creek Railway site in Sheffield as proposed in the Sheffield Refresh report (\$312,000).
- Lobby for state and federal financial assistance for a raised pedestrian causeway at the Wild Mersey Mountain Bike Trails in Kentish.
- Work with the Cradle Coast Authority Regional Tourism Organisation to ensure effective visitor information services are provided to visitors to the region.

## Objective 2.3 Culture, Festivals and Events

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

### Performance against Annual Plan

**Key:** ✓ Completed

↑ In Progress

✗ Delayed

2018/19 Annual Plan Actions	Status
Continue to assist the development and promotion of various local community events.	✓
Continue to support Mural Fest and Kentish Arts Events.	✓
Assist Kentish events to procure State and Federal Government funding.	✓
Work with relevant groups to increase awareness of local arts, history and culture.	✓
Maintain, foster, promote and continue to improve a calendar of events that encourages community involvement and increased visitor numbers.	✓
Support the Public Arts Committee Kentish (PACK) to approve or decline public art works in-line with relevant policy.	✓

## Key Challenges

- The demise of the proposed new festival for winter, Fire and Ice, was a disappointment and considerable time was taken up in an effort to find person/s willing to take over the organisation and planning of the ambitious project.

## Plans for the next 12 months

- Continue to assist the development and promotion of various local community events (\$10,000).
- Continue to support Mural Fest and Kentish Arts Festival Events (\$12,000).
- Assist Kentish events to procure State and Federal Government funding.

## Objective 2.4 Community Facilities/Services

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

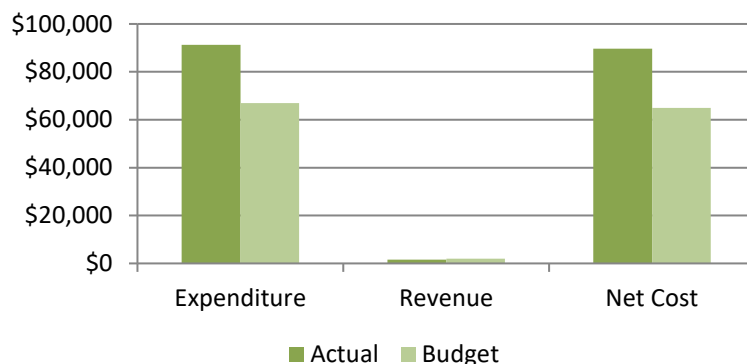
### Performance against Annual Plan

Key: ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Continue to improve walkways and bikeways within the Council area.	✓
Encourage community management of local cemeteries.	↑
Support the Wilmot Museum.	✓
Encourage volunteers through the recognition and celebration of their valuable contribution.	✓

### Performance against Budget

#### Youth Services – Operating Budget



Operating expenditure exceeded budget mainly due to community development and community participation costs being allocated to this cost centre in addition to the youth services costs budgeted.

### Key Challenges

- Maintaining a steady base of community volunteers to assist with the running of Council owned facilities was challenging. Volunteers move on from organisations for various reasons and the need to balance this with continuity of access to facilities and services is key.

### Plans for the next 12 months

- Continue to improve walkways and bikeways within the Council area.
- Support the Wilmot Museum.
- Encourage volunteers through the recognition and celebration of their valuable contribution.



## STRATEGIC OBJECTIVE # 3

### 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 2018.

Total Actions	Complete	In Progress	Delayed
39	25	11	3



## Objective 3.1 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.

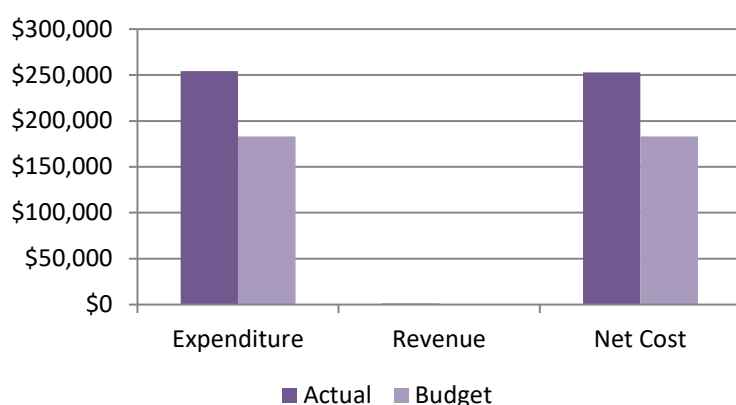
### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Participate in discussions with Latrobe Council, Devonport City Council, Central Coast Council and the Devonport Chamber of Commerce to support the attraction of a low-cost airline to the Devonport Airport.	✓
Work with the Federal Government and communications providers to attract funding under the Commonwealth Government's Mobile Black Spot Program.	↑
Engage with State, Regional and Local Government bodies.	✓
Develop and implement the Emergency Management Plan (includes Community Safety Plan).	✓
Support the retention and upgrading and increased flights to Devonport Airport.	✓
Support the rollout of the National Broadband Network to the Council area and improved phone and television coverage in rural areas.	✓
Advocate and promote the provision of a range of high quality education and life-long learning opportunities in the municipality including 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 municipality.	✓
Hold regular meetings with major service providers within the Kentish area (health, police, schools, clubs etc).	✓

### Performance against Budget

#### Elected Members – Operating Budget



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

### Key Challenges

- The relatively short-term nature of Government funding for community and health services such as those provided by Kentish House and Rural Health Tasmania makes it difficult for these organisations to confidently plan and deliver services over the longer term.

### Plans for the next 12 months

- Participate in discussions with Latrobe Council, Devonport Council, Central Coast Council and the Devonport Chamber of Commerce to support the attraction of a low-cost airline to the Devonport Airport.
- Work with the Federal Government and communications providers to attract funding under the Commonwealth Government's Mobile Black Spot Program.

## Objective 3.2 Governance

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

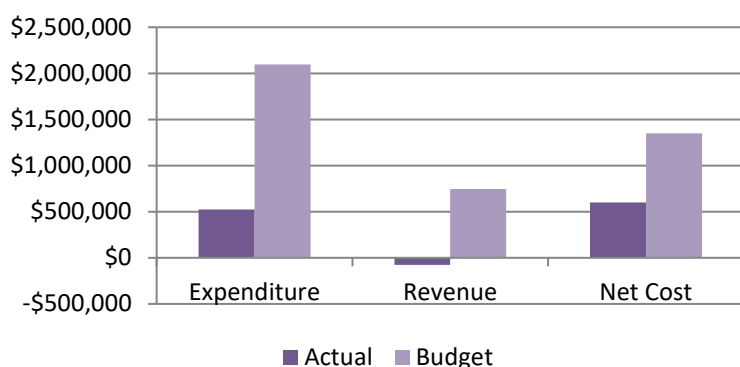
### Performance against Annual Plan

Key: ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Continue to participate with North-West Councils in a detailed study of the potential opportunities for shared services between the councils.	✓
Expand and embed resource-sharing with Latrobe Council so that it underpins all of the service delivery activities of Council providing similar cost saving opportunities to amalgamation without compromising each Municipality's sense of place, individual community spirit and local voice.	✓
Promote the professional development of elected members.	✓
Promote awareness of Council's Code of Conduct to elected members.	✓
Participate in relevant state and regional initiatives and partnership agreements.	✓
Utilise the Annual Report and Annual General Meeting to promote achievements of the Council.	✓
Examine specific service delivery options between Council and other providers.	✓
Promote resource-sharing as an alternative to amalgamation with other councils with governance remaining in Sheffield.	✓
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.	✓

### Performance against Budget

#### Executive Support – Operating Budget



Operating expenditure was much less than originally budgeted mainly because much of the costs originally budgeted to this cost centre is now allocated as internal overhead costs to the actual services provided to give a better reflection of the full cost of the service provided.

#### Plans for the next 12 months

- Continue to participate with North-West councils in a detailed study of the potential opportunities for shared services between the Councils.
- Expand and embed resource sharing with Latrobe Council so that it underpins all of the service delivery activities of Council providing similar cost saving opportunities to amalgamation without compromising each Municipality's sense of place, individual community spirit and local voice.

## Objective 3.3 Financial Management

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

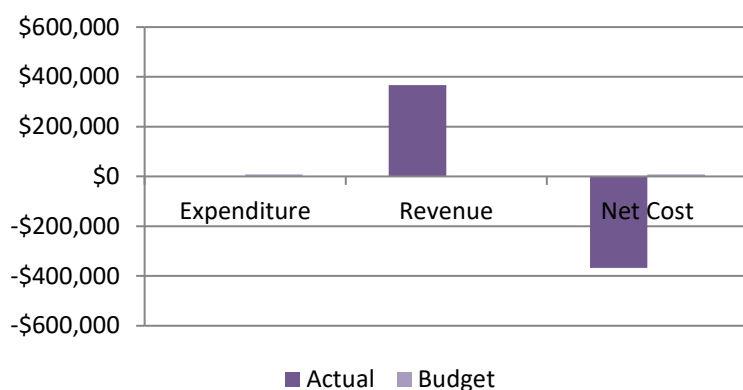
### Performance against Annual Plan

Key: ✓ Completed    ↑ In Progress    ✗ Delayed

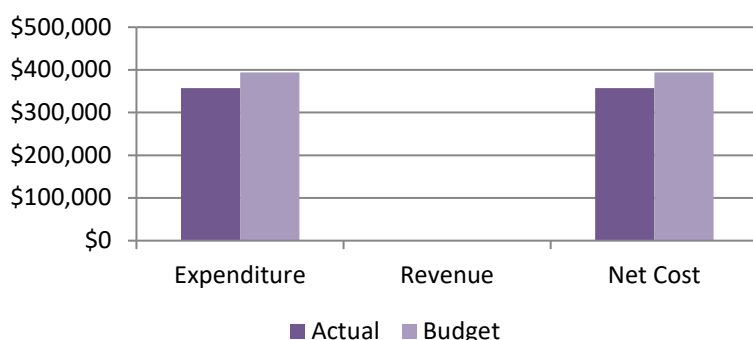
2018/19 Annual Plan Actions	Status
To achieve an underlying surplus over the medium to long-term.	✓
To maintain fair and equitable rating levels.	✓
Annually review financial strategy outlining how Council intends to meet the financial requirements of its Asset Management Plans and other strategic plans.	✗
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.	✓
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.	↑
Implement common enterprise software with Latrobe Council.	↑
Replace PC printers and server in accordance with Council's Information Technology and Communications Strategy.	↑
Upgrade the Council website.	↑
Replace fleet vehicles.	↑

### Performance against Budget

#### Finance and Administration – Operating Budget



#### Finance and Administration – Capital Expenditure





## Key Challenges

- Implementation of common enterprise software with Latrobe Council has presented many challenges. Staff movement and resourcing issues both at the software provider and at the Councils contributed to delays in implementing the software and in some cases a reduction in the scope of the implementation to enable Council's "business as usual" services to continue to be delivered. An ongoing challenge for Council is to ensure a best practice implementation of the new software to maximise the benefits to Council and its customers.

## Plans for the next 12 months

- 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.
- Implement common enterprise software with Latrobe Council (\$376,000).
- Upgrade Council website (\$10,000).

## Objective 3.4 Employee Development

To develop skilled, experienced, motivated and accountable staff.

### Performance against Annual Plan

**Key:**    ✓ Completed                      ↑ In Progress                      ✗ Delayed

2018/19 Annual Plan Actions	Status
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.	↑
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.	↑
Complete a leadership development program for senior management and team leaders.	↑

## Key Challenges

- Recruitment of staff for specialised positions has been difficult due to a small pool of qualified applicants and competition for the applicants from other organisations.

## Plans for the next 12 months

- Continue to develop and implement Council's workforce development and succession plans.
- Complete a leadership development program for senior management and team leaders.

## Objective 3.5 Risk Management

To be actively committed to risk management.

### Performance against Annual Plan

Key:    ✓ Completed                    ↑ In Progress                    ✗ Delayed

2018/19 Annual Plan Actions	Status
Maintain and improve Council's risk management systems and culture.	↑
Promote community awareness of risk management systems.	✗

### Key Challenges

- Significant changes in the organisational structure and the implementation of Council's new TechOne software have seen many challenges with delivery of some day-to-day services and other priority improvements within Council operations. Significant resources were allocated to the success of the restructure and new software. The short-term implementation stress encountered over the last 12 months will be realised and rewarded in future years with vast improvements in Council's ability to operate and manage through best practice risk management systems and reporting.

### Plans for the next 12 months

- Maintain and improve our risk management systems through implementation of the WHS module in Council's new TechOne software.
- Improve records management for processes identified in the WHS legislation.
- Promote community awareness of risk management systems.
- Review and update of Council's Corporate and Operational Risk Registers.



## 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 2018.

Total Actions	Complete	In Progress	Delayed
28	11	14	3



## Objective 4.1 Planning and Building Services

To effectively manage land use planning and building issues.

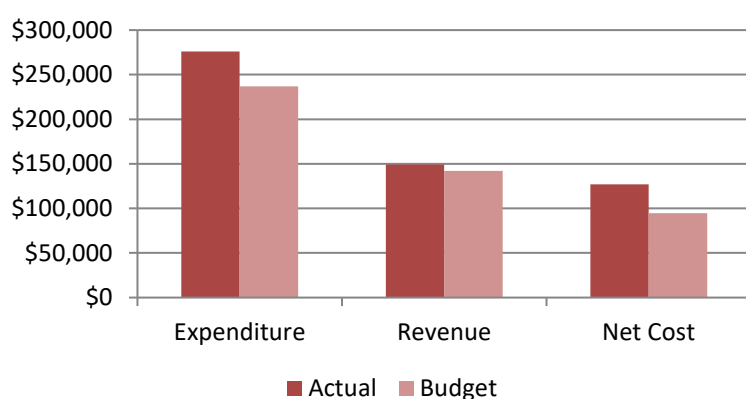
### Performance against Annual Plan

**Key:** ✓ Completed      ↑ In Progress      ✗ Delayed

2018/19 Annual Plan Actions	Status
Develop Strategic Development Plans for key localities within Kentish.	
Finalise the local planning provisions for the Tasmanian Planning Scheme.	↑
To administer and update the Planning Scheme to manage development and land use.	↑
Enforce planning scheme and planning permit requirements.	↑
Meet Council's statutory building services.	↑
Maintain and protect important elements of natural, cultural and built heritage.	↑
Consider providing opportunities for rural lifestyle allotments.	↑
Undertake Strategic Planning Reviews for all towns and villages.	↑

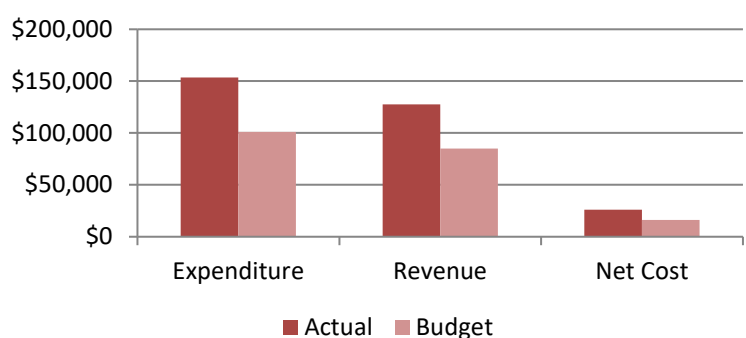
### Performance against Budget

#### Planning Services – Operating Budget



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

#### Building Control – Operating Budget



Operating expenditure exceeded budget mainly due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided. In addition to the additional overhead allocation, wages allocated to building control were also higher than originally budgeted.

### Key Challenges

- Loss of staff from the planning team for an extended period of time created major challenges in meeting statutory timeframes.
- Increasing enforcement of non-compliance in relation to planning, building and plumbing functions.

### Plans for the next 12 months

- Develop Strategic Development Plans for key localities within Kentish.

## Objective 4.2 Environmental Health Services

To promote and maintain public health standards.

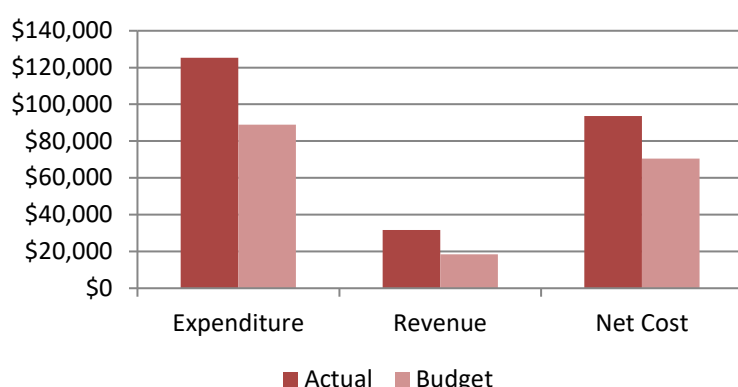
### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Prepare a Kentish Council Municipal Health Plan.	↑
Prepare a Kentish Council Municipal Health Report.	✗
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.	↑
Work in partnership with other service providers to meet the health and wellbeing needs of the Kentish Community.	✓
Co-ordinate Municipal Immunisations.	✓

### Performance against Budget

#### Environmental Health and Natural Resource Management – Operating Budget



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

### Key Challenges

- Awareness and education of the types of short-term food permits required for activities such as one-off events, markets and stalls.

### Plans for the next 12 months

- Conduct inspection of food premises to ensure a high level of food safety.
- Co-ordinate Municipal Immunisations.
- Undertake monitoring compliance, education and licensing to ensure public health and environmental standards are maintained.

## Objective 4.3 Natural Resource Management

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

### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Provide a cash contribution to support the activities of the Mount Roland Rivercare Group.	✓
Provide labour, plant and materials support to assist Mount Roland Rivercare Group.	✓
Utilise the Cradle Coast NRM strategy to identify and develop projects of greatest priority.	✓
Support and assist local NRM groups and the community to deliver approved projects.	✓
Review the Council's Weed Management Plan.	✗

### Key Challenges

- The balance between standard operations of Council and community expectations whilst retaining and protecting natural resource values is challenging. Through the resource sharing arrangement, suitably qualified staff are becoming available to progress involvement in coordinated activities with Mount Roland Rivercare.

### Plans for the next 12 months

- Provide a contribution to support the activities of the Mount Roland Rivercare Group (\$10,000).

## Objective 4.4 Waste Management

To provide responsible waste management services.

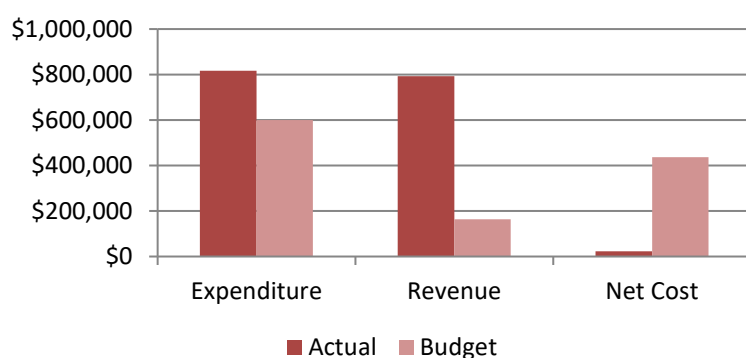
### Performance against Annual Plan

**Key:** ✓ Completed    ↑ In Progress    ✗ Delayed

2018/19 Annual Plan Actions	Status
Review Waste Management services for the Municipality and implement strategy changes.	↑
Landscape and improve appearance of Council Transfer Stations.	↑
Consider introduction of a Food Organics Green Organics (FOGO) roadside collection service.	✗

### Performance against Budget

#### Waste Management – Operating Budget



Waste management revenue was higher than budget due to ongoing improved financial returns from Council's ownership interest in Dulverton Waste Management Authority. Operating expenditure exceeded budget mainly due to a change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided. In addition, contractor costs exceeded the original budget.



## Key Challenges

- An emerging challenge is to manage Councils Waste Transfer Stations in a safe and efficient manner and to the sole benefit of ratepayers and tenants of the municipality.

## Plans for the next 12 months

- Review waste management services for the Municipality and implement strategy changes.

## Objective 4.5 Animal Control and Regulatory Services

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

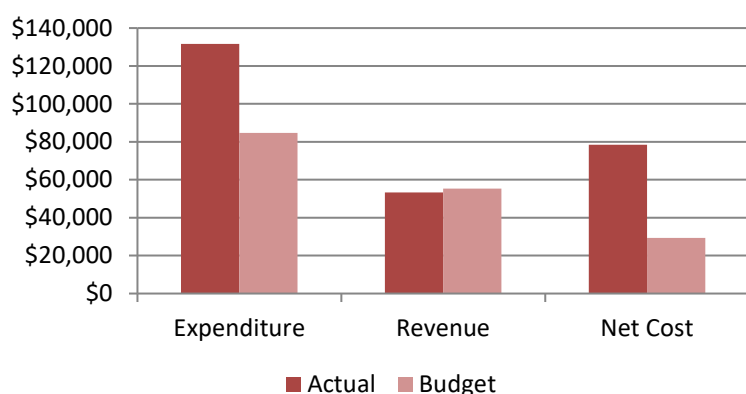
### Performance against Annual Plan

**Key:** ✓ Completed      ↑ In Progress      ✗ Delayed

2018/19 Annual Plan Actions	Status
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.	↑
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 when required.	✓

### Performance against Budget

#### Animal Control – Operating Budget



Operating expenditure exceeded budget mainly due to other regulatory services being allocated to this cost centre in addition to the animal control costs budgeted. Operating costs were also higher due to the change in the method used to allocate internal overhead costs to provide a better reflection of the full cost of the service provided.

## Key Challenges

- There has been a general increase in the number of enforcement appeals and court proceedings resulting in pressure on the functional area budget and higher workloads.

## Plans for the next 12 months

- Promote responsible dog ownership including compliance with the *Dog Control Act 2000* and Council's Dog Management Policy.

# Governance



# Corporate Governance

## Good Governance

There are many definitions for what constitutes good governance. The Tasmanian Government's Department of Premier and Cabinet states:

*"Good governance in local government involves managing many and complex responsibilities effectively and in the best interests of the community."*

*"It is achieved when the structures, activities and operations of local government are conducted in accordance with the principles of legal compliance, probity, transparency, accountability and respect for people (within council and for all other stakeholders). When a council practices good governance, public trust and confidence is maintained, and the reputation of local government is protected."*

## 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.

The Kentish Council is one of 29 Tasmanian councils that derive their roles, powers and functions from the *Local Government Act 1993*. Section 20 of the act sets out the following broad functions of councils:

- 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.

## Elected Representatives – Councillor Elections

Local Government elections were held in October 2018; on an all-in, all-out basis. Two new councillors were elected. The next elections will be held in October 2022.



## Vision and Values

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

### Our Vision

Our vision is that 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

These are the values that guide our choice and behaviour as we seek to implement our vision for the area.

#### **As a community and as a council, we value our people by:**

- 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.

#### **As a community and as a council, we value our environment by:**

- Providing good and 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.

#### **As a community and as a council, we value our financial security by:**

- 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.

## Decision Making

Council decisions are made in one of two ways:

1. By resolution at council meetings and Special Committees of Council
2. By council officers delegated under authority.

Council decisions are guided by Council's risk management framework, policies, strategic plans and other plans developed through community consultation, asset management plans and Council's Long-Term Financial Plan.

Decisions made at council meetings are supported by advice from appropriately qualified council staff who prepare reports to Council in a standard format.

Most decisions of an operational nature have been delegated to officers through the General Manager. This system recognises the General Manager's responsibility under the Local Government Act in managing the day-to-day operations of the council.

The table below depicts the number of decisions made by Council at its monthly meetings.

No. of Meetings	Open Session Items	Closed Session Items	Total Items
12	198	85	283

## Council Meetings

The Council held 12 ordinary meetings, 1 special meeting and an annual general meeting during the financial year.

Ordinary council meetings were generally held on the third Tuesday of each month. Attendance by the public was welcomed and copies of the meeting agendas and supporting documentation were made available on Council's website, from the Council Office prior to the meeting, and also at

the meeting. A 15-minute public question time was provided at each council meeting.

Council held its Annual General Meeting on 4<sup>th</sup> December 2018.

19 Council forums were held where matters of a general and informal nature were considered.

The following workshops were held between 18<sup>th</sup> February and 4<sup>th</sup> June 2019 to discuss the 2019-20 Budget:

18/02/2019	Municipal bus tour
05/03/2019	Budget Workshop – Capital Works Program
02/04/2019	Budget Workshop – Capital Works Program 2 <sup>nd</sup> draft and Operational Budget 1 <sup>st</sup> draft
07/05/2019	Budget Workshop – Operational Budget 2 <sup>nd</sup> draft
04/06/2019	Final Draft Budget

### 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 23 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 pages 55 - 57 for councillor representation on various committees.

### Audit Panel

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.

The Council's Audit Panel consisted of Mr Ben Coull as the independent Chairman, Cr Kate Haberle and Cr Steve Mawer.

The Audit Panel met four times during, and once since the end of the 2018/19 financial year, and work relevant to this annual report completed during that time included review of:

- Council's significant accounting policies including Council's response to changes to related party disclosure requirements
- Reports by Council's external Auditor
- Review of risk management policy and framework including business continuity planning, review of fraud and corruption control policies and review of Council's investment policy.
- Council's budget process including review of the 2019/20 Annual Planning and budget process
- Reporting on Councillors' expenses and pecuniary interests.

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

A copy of the annual report of the Audit Panel is available on Council's website at [www.kentish.tas.gov.au](http://www.kentish.tas.gov.au)

### Kentish/Latrobe Municipal Alliance Committee

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

- Mayor Tim Wilson (Kentish) – Deputy Mayor prior to November 2018
- Deputy Mayor Don Thwaites (Kentish) – Mayor prior to November 2018
- Cr Penny Lane (Kentish)
- Mayor Peter Freshney (Latrobe)
- Deputy Mayor Graeme Brown (Latrobe) – from November 2018
- Deputy Mayor Rick Rockliff (Latrobe) – prior to November 2018
- Cr Mike McLaren (Latrobe)
- General Manager, Gerald Monson

The Committee met three times during the 2018/19 financial year and made recommendations to the respective councils regarding:

- Appointment of a Project Manager on a 3 day per week contract to manage and implement the Wild Mersey Project
- The General Manager encouraged to apply for an extension of his contract of employment for an additional period to

be mutually agreed between the Councils and the General Manager

- The Councils purchase a knowledge base management software package (LivePro) to allow staff easy access to corporate knowledge and a decision matrix to assist to answer customer enquiries
- Investigate the opportunities and efficiencies of having a same size garbage bin used in parks and outdoor areas across both Councils (including a dual waste/recycling bin system)
- The logo for each council to be included jointly on stickers for plant and equipment, advertisements for positions vacant and business cards
- Installation of bike racks across both Council municipalities
- Both Councils move to an outsourced model to manage and operate their target state IT function
- Endorsement of a Draft ICT Strategic Plan 2019-2024
- Endorsement of a combined Latrobe and Kentish email signature for staff
- Identifying assets that may be suitable for upgrades as part of a rolling program of building security and access control upgrades
- A joint effort involving 3 Garden Clubs (Sheffield, Latrobe and Port Sorell), along with Council staff, be coordinated to participate in the Blooming Tasmania Flower and Garden Festival.

## Business Planning Framework

### 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 2019/20.

Title	Date
Dog Management Policy	17 Jul 18
Sheffield Strategic Plan 2018	16 Oct 18
Annual Report 2017/18	4 Dec 18
Code of Conduct	19 Mar 19
Transport Services Asset Management Plan 2019	18 Jun 19
Road Hierarchy	18 Jun 19

### 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 an Asset Management Steering Group made up of:

- General Manager
- Infrastructure and Assets Manager
- Operations Manager
- Business Support Officer
- Customer and Business Services Manager.

This group meets regularly to oversee the development and ongoing improvement of Council's asset management strategy and asset management plans ensuring their integration into Council's strategic plan, annual plans and long-term financial plans.

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, updated in June 2018, fully funds the asset renewal requirements of the asset management plans. Based on current levels of expenditure Council's Operations Manager has commenced a process to review 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.

### 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 to provide for the design, implementation, monitoring, review and continuous improvement of risk management. These documents are available on Council's website.

### 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. 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.

### 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 2018-19 included:

- Twice yearly community forums in Sheffield, Wilmot, Railton, Acacia Hills/South Spreyton and surrounding areas. These community forums provide opportunity for residents and Council to pitch ideas and provide updates and feedback to one another;
- Consultation for a range of important plans and strategies including the Upgrade to Hopes Mill Corner, Sheffield Main Street Revitalisation and the Wilmot Streetscape Projects.



## Our Councillors



### Mayor Tim Wilson

Cr Wilson has served on Council since November 2007 and was elected as Mayor in October 2018.

Committee Membership:  
Barrington Hall Committee proxy, Sheffield Tree Committee, Cradle Coast Authority, Tas Water, Tandara Lodge Community Care Inc, Mt Roland Rivercare Catchment Inc, Wild Mersey Mountain Bike Trail Advisory Group, Mersey Emergency Management Group, Local Government Association of Tasmania, Municipal Alliance Committee, General Manager Review Committee, Economic Development Committee.

**M** 0438 912 280

**E** [mayorwilson@kentish.tas.gov.au](mailto:mayorwilson@kentish.tas.gov.au)



### Deputy Mayor Don Thwaites

Cr Thwaites has served on Council since July 2003 and was elected as Deputy Mayor in October 2018.

Committee Membership:  
Sheffield Recreation Ground Committee, Beulah Hall Committee, Working Art Space Sheffield proxy, Public Arts Committee proxy, Kentish Health Care Centre, Sheffield Tree Committee proxy, Sheffield Art Centre Committee, TasWater proxy, Dulverton Regional Waste Management Authority, Cradle Coast Authority Regional Waste, Mt Roland Rivercare Catchment Inc, Wild Mersey Mountain Bike Trail Advisory Group proxy, Mersey Emergency Management Group, Local Government Association of Tasmania proxy, Municipal Alliance Committee, General Manager Review Committee.

**T** 6491 1682

**M** 0458 343 059

**E** [crthwaites@kentish.tas.gov.au](mailto:crthwaites@kentish.tas.gov.au)



### Cr Kate Haberle

Cr Haberle has served on Council since October 2014.

Committee Membership:  
Sheffield Museum Committee, Economic Development Committee, Audit Panel, Grants Committee proxy, Kentish Health Care Centre Committee, Kentish/Latrobe Road Safety Group proxy, Tandara Lodge Community Care, General Manager Review Committee.

**T** 6491 1149

**M** 0439 911 649

**E** [crhaberle@kentish.tas.gov.au](mailto:crhaberle@kentish.tas.gov.au)



#### **Cr Penny Lane**

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Cr Lane has served on Council since November 2007.

Committee Membership:  
Sheffield Recreation Ground  
Committee proxy, Beulah Hall  
Committee proxy, Claude Road  
Hall Committee proxy,  
Barrington Hall Committee,  
Wilmot Hall Committee proxy,  
Sheffield Museum Committee  
proxy, Grants Committee,  
Public Arts Committee,  
Cement Australia Community  
Liaison Group, Kentish/Latrobe  
Road Safety Group, Sheffield  
Inc, Kentish ACT, Wilmot  
Tourist & Progress Association,  
Municipal Alliance Committee.

**T 6492 3176**

**E** [crlane@kentish.tas.gov.au](mailto:crlane@kentish.tas.gov.au)



#### **Cr Stephen Mawer**

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Cr Mawer was elected to Council in October 2018.

Committee Membership:  
Economic Development  
Committee, Lorinna Cemetery  
Committee, Audit Panel.

**T 0407 253 163**

**E** [crmawer@kentish.tas.gov.au](mailto:crmawer@kentish.tas.gov.au)



#### **Cr Phillip Richards**

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Cr Richards has served on Council since October 2014.

Committee Membership:  
Wilmot Recreation Ground  
Committee, Wilmot Hall  
Committee, Grants  
Committee, Dulverton  
Regional Waste Management  
Authority.

**M 0448 431 047**

**E** [crrichards@kentish.tas.gov.au](mailto:crrichards@kentish.tas.gov.au)



#### **Cr Linda Cassidy**

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Cr Cassidy has served on Council since October 2014.

Committee Membership:  
Railton Recreation Ground  
Committee proxy, Railton  
Community Facilities  
Committee, Economic  
Development Committee,  
Grants Committee, Railton  
Neighbourhood Centre  
Committee proxy, Sheffield Art  
Centre Committee proxy,  
Sheffield Inc.

**M** 0417 241 315

**E** [crcassidy@kentish.tas.gov.au](mailto:crcassidy@kentish.tas.gov.au)



#### **Cr Rodney Blenkhorn**

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Cr Blenkhorn has served on Council since October 2014.

Committee Membership:  
Railton Recreation Ground  
Committee, Railton  
Community Facilities  
Committee proxy, Economic  
Development Committee,  
Railton Neighbourhood Centre  
Committee, Cement Australia  
Community Liaison Group.

**M** 0448 338 992

**E** [crblenkhorn@kentish.tas.gov.au](mailto:crblenkhorn@kentish.tas.gov.au)



#### **Cr Nicole Meijer**

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Cr Meijer was elected to Council in October 2018.

Committee Membership:  
Claude Road Hall Committee,  
Sheffield Art Centre  
Committee, Wilmot Tourist  
and Progress Association.

**M** 0439 468 070

**E** [crmeijer@kentish.tas.gov.au](mailto:crmeijer@kentish.tas.gov.au)

## 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 also 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 (\$)	Vehicles (\$)	Superannuation (\$)	Total Allowances (\$)	Expenses (\$)	Total Allowances and Expenses (\$)
Mayor Wilson	30,749	0	0	30,749	2,348	33,098
Deputy Mayor Thwaites	27,571	0	0	27,571	2,717	30,288
Cr Lane	10,551	0	0	10,551	1,841	12,392
Cr Haberle	10,551	0	0	10,551	1,281	11,832
Cr Cassidy	10,551	0	0	10,551	500	11,051
Cr Richards	10,551	0	0	10,551	1,192	11,742
Cr Blenkhorn	10,551	0	0	10,551	1,489	12,040
Cr Meijer	6,215	0	0	6,215	856	7,071
Cr Mawer	6,215	0	0	6,215	292	6,507
Cr Hughes	4,336	0	0	4,336	814	5,150
Cr Willock	4,336	0	0	4,336	4,802	9,137
<b>Total</b>	<b>132,175</b>	<b>0</b>	<b>0</b>	<b>132,175</b>	<b>18,132</b>	<b>150,307</b>

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.

## Councillor Attendance at Meetings

Date	Meeting	Cr Wilson	Cr Thwaites	Cr Lane	Cr Willock	Cr Haberle	Cr Cassidy	Cr Richards	Cr Hughes	Cr Blenkhorn	Cr Meijer	Cr Mawer
14/07/2018	Ordinary	X	✓	✓	✓	✓	✓	✓	✓	✓		
21/08/2018	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓		
18/09/2018	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓		
16/10/2018	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓		
20/11/2018	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
04/12/2018	Special	✓	✓	✓		✓	✓	✓		✓	✓	✓
04/12/2018	AGM	✓	✓	✓		✓	✓	✓		✓	✓	✓
18/12/2018	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
22/01/2019	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
19/02/2019	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
19/03/2019	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
16/04/2019	Ordinary	✓	X	✓		✓	✓	✓		✓	✓	✓
21/05/2019	Ordinary	✓	✓	✓		✓	✓	✓		✓	✓	✓
18/06/2019	Ordinary	X	✓	✓		✓	✓	✓		✓	✓	✓

Note: Councillors were not eligible to attend meetings marked with grey.



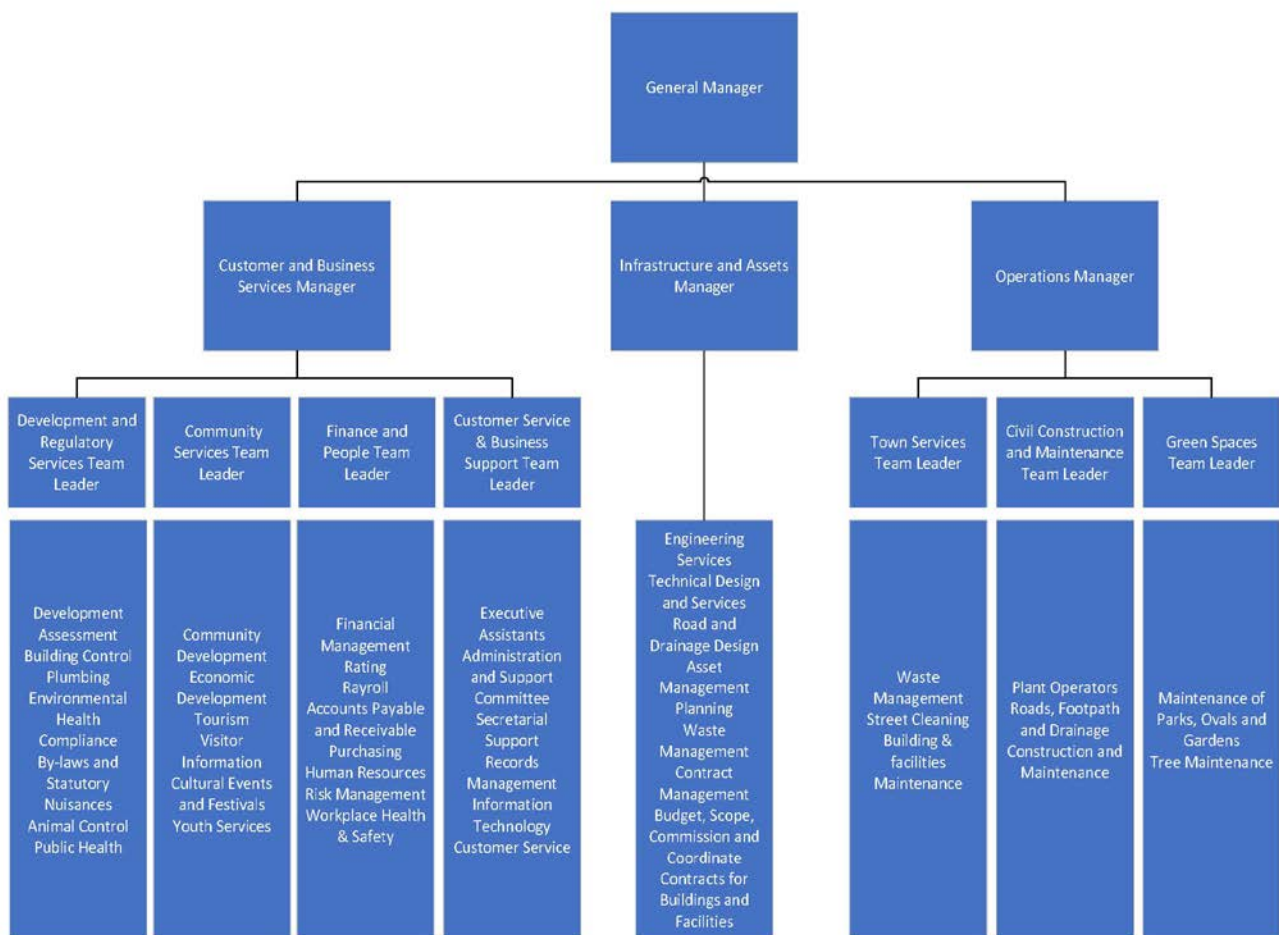
# Our Organisation

## Organisation Structure

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

Kentish Council's new organisational structure consists of three departments – Operations, Infrastructure and Assets and Customer & Business Services. Each department is led by a manager who reports directly to the General Manager. The General Manager is directly accountable to the mayor and councillors. Transition to this new structure began in June 2018 and continued during 2018/19.

### New Organisation Structure



## Our Staff

### Executive Management Team

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

### Customer and Business Services Manager - Andrew Cock

Andrew was appointed to the position of Customer and Business Services Manager a part of the re-structure in July 2018. His qualifications include a Bachelor of Business in Accounting, CPA.

Areas of responsibility include finance, information technology, records management, building and planning, environmental health, customer service,

business support, community development, economic development and human resources.

### 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
\$130,001 - \$150,000	1

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 and Manager Assets and Infrastructure.

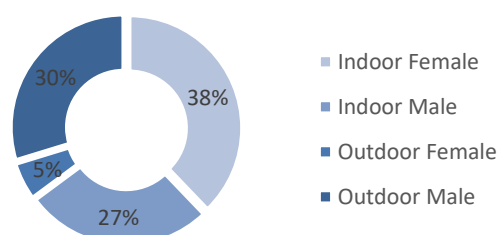
### Full Time Equivalent Staff

	2019	2018
Full-Time Equivalent staff at 30 June	30.6	29.5

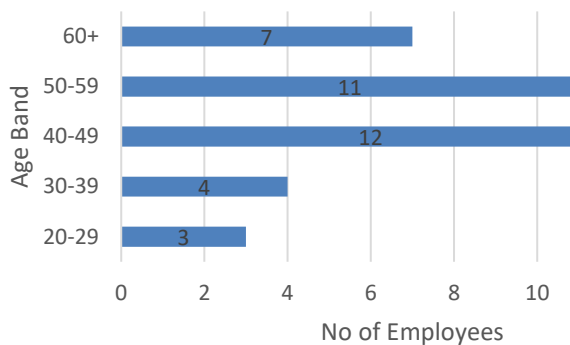
### Employee Profile

As at 30 June 2019, Council employed 37 people in a diverse range of positions. The 37 positions comprise 27 full-time, 6 part-time and 4 casuals. Thirteen positions are based outdoor, with 24 positions based indoor.

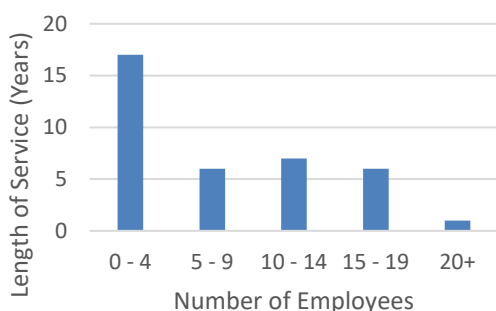
The overall gender profile of the workforce is 43% female and 57% male. The following graph provides a further breakdown.



The average age of the workforce is 48 years (compared with 50 years as at 30 June 2018). The following chart provides a further break-down by age band.



The average length of service is 7 years. The following chart provides a further break-down. Of special note, one employee has completed 26 years of service.



### Enterprise Bargaining Agreement

The Kentish Council Enterprise Agreement 2015 is currently being discussed with unions and employees. Agreement on the category of agreement sought is close. The Unions have requested a Single Enterprise Agreement and Council has submitted a request for a Ministerial Declaration. The categories of agreements are as follows:

- Individual site agreements (as is currently)
- Single Enterprise Agreement (whereby both sites, being Kentish Council and Latrobe Council, are deemed to operate as one and a Ministerial Declaration is granted)
- Multi- Employer Agreement (an agreement that covers multiple sites).

The agreement/s relate to all staff not under a fixed term employment contract and provides general terms and conditions under which staff are employed.

### Staff Changes and Recruitment

The following positions were recruited in the 2018-19 financial year:

- Team Leader Finance and People
- Human Resources Officer

- Customer Service Officer (incumbent transferred to a position within another department)
- Finance Officer (incumbent re-verted to casual, a full-time replacement was required)
- Visitor Information Centre Officer
- Trails Project Officer
- Community Development Officer
- Leading Hand – Civil Construction & Maintenance (new position)
- Development & Regulatory Services Support Officer

Vacant positions are advertised in The Advocate newspaper, as well as on the Council website and Facebook page.

Six staff members left Council employment, one staff member reverted to part-time and one reverted to casual during the financial year.

### Employee Performance

All staff participate in an annual performance appraisal with their manager. This provides a formal opportunity to assess individual and team performance, identify achievements and discover where improvements are required.

A core component of performance management is development. The appraisal process allows staff to review recent and current performance and plan and identify future training requirements and development opportunities.

The current performance review format and content are due to be reviewed in the 2019 -2020 financial year with the intention of incorporating both performance and development plans together.

### Training and Development

In 2018-19, 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
- Working under live wires
- First Aid
- Technology One Software

### **Appreciating our People**

Skilled, motivated and dedicated staff are critical to Council's success. Council strives to continually strengthen its culture that recognises, encourages and celebrates employees' achievements.

### **Staff Health and Wellbeing**

Council is committed to providing a workplace that upholds the health and wellbeing of employees.

Council provides a wellbeing service through the use of CLS Counselling.

Council also provides staff with the opportunity to have a flu vaccination and a skin check on an annual basis.

## **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 Visitor Information Centre amended its name to 'Sheffield Visitor Information Centre'. The centre has seen upwards of 30,000 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 18 volunteers and 4 staff who provide assistance 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. Staff and volunteers participated in training sessions including with Tas Fire Service on emergency alerts distribution, TCCI Customer Service and Selling Skills Essentials. The team each month have also undertaken familiarisation trips, visiting local businesses and experiences throughout the North West region.

### **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 15 special committees during the financial year with over 75 volunteers from the community involved on these committees.



# Workplace Health and Safety

## Legislation

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

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

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

## Structure

To ensure an orderly risk-based approach to tasks identified, an Objectives and Targets Program was set to achieve improvements to risk management and work health and safety for workers, volunteers and the community. The Objectives and Targets Program will assist in meeting Council's legal requirements of protecting its workers and compliance to legislation.

## Highlights

A number of initiatives were implemented and/or completed during the 2018-2019 year including:

- Reviewed and updated the Safe Work Method Statements (SWMS) and Standard Operating Procedures (SOPS).
- Reviewed the contractor management online induction process.
- Conducted WHS focussed training. Training improves the capabilities of Council's workforce and ensures that staff skills and competencies are up to date with the latest techniques and technology to perform their tasks safely. Training included; TasNetworks working near live electrical equipment, traffic management training, and first aid refresher training.
- Implemented electronic recording of employee training records and incident reporting.
- Reviewed the Corporate & Operational Risk registers. Workshops have been planned to further develop a new strategic risk register with the aim of identifying the risks that threaten the achievement of Council's strategic objectives.

## Health and Safety Committee

Council has a Health and Safety Committee comprising two trained Health & Safety Representative (HSR), three management representatives and two other staff representatives. The Committee met on a bi-monthly basis during the 2018/19 year to review WHS procedures, which is the key forum to raise and progress WHS items and initiatives.

## Workplace Injuries

The total number of reported workplace injuries during 2018-19 were 10, with 1 injury becoming a Workers Compensation Claim.

# Legislative Reporting

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.

## 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 2018/2019 financial year.

## Cradle Coast Authority (CCA)

It is my great pleasure to provide this report for a business that I am extremely proud to be a part of. It's a very different business to the one that existed at the start of the financial year, and it will be a different and even stronger business by this time next year.

In 2018-19, Kentish Council's contribution was \$47,294. Total Member Council contributions totalled \$869,388 and a further \$1,480,197 was received as government grants.

Throughout 2018-19, our people – my staff, the Board, Committee Members and Representatives – have turned this business around and set it on a positive trajectory. I am confident and determined that by this time next year, Councillors and others will no longer ask “What does CCA do?”; instead, they will view CCA as a vital public institution, the kind of business that more organisations want to partner with and more people aspire to work for.

While the 2019-20 financial year can accurately be considered in two halves – a period of crisis, followed by a period of reform, our people continued to do the kind of work that makes our region an even better place to live, work, visit and invest right throughout that period. They have done this since well before my time, and the project summaries in our own Annual Report will illustrate that.

The period from June to December saw the continuation of calls for organisational reform from Member Councils, State and Federal Government, our own Natural Resource

Management (NRM) Committee and tourism stakeholders. While tourism didn't go our way, our successful reform has been widely acknowledged. Tangible evidence of our positive change includes significant new State and Federal Government funding, a leaner organisational structure, cost reductions and numerous examples of really good cooperation between Member Councils and CCA.

While total employee numbers have remained roughly the same at around 16 FTEs and continue to fluctuate as we secure NRM and other funding, the business has undergone a significant restructure. Management roles have been replaced with economic development roles, and more of those roles are externally funded. Adjusted to remove tourism staff, this time last year, 8.4 FTEs were funded by Council contributions, and today, that figure is 5.7 FTEs. When I commenced the CEO role in December, we had one dedicated economic development team member at 0.8 FTEs, and today we have 4.4 FTEs in the economic development team, plus a significant share of my time is dedicated to economic development activities.

Some roles have been made redundant, and some staff opted to pursue new opportunities. Importantly, those who have joined the team since December, have been fully aware of, excited by and have already made a major contribution to, our new approach:

Other key changes include:

- Streamlined processes
- Fewer, shorter meetings
- Overhead cost reductions
- Simpler, more transparent reporting
- Repairing the relationship between our NRM Committee and CCA more broadly
- Getting the Regional Futures Plan “back on track, and making good progress vis-à-vis leading this ambitious new approach to regional economic development.

The most important reform of all however, is a much sharper focus on and commitment to a clearer purpose – helping Councils achieve regional outcomes and maintain strong local government, by working together. Far from being just a tagline, “stronger councils, stronger region” has and will continue to guide everything we do. We exist within and for, Local Government - the layer of government that is closest to the people – and we should never lose sight of that. The end of the financial year was marked by the formal adoption of our 2019-20 Annual Plan and

Budget by the Representatives in June. The Annual Plan clearly spells out what our owners have agreed that CCA should be working on this year. It is ambitious and exciting and includes new ground for CCA, such as playing a role in shared services. Anybody who is interested can monitor our progress on our website, where we will report against it quarterly, in a strong show of our commitment to our vision, purpose and values.

I would like to thank all of the Councillors and other people who continue to believe in the regional approach and I would like to acknowledge the encouragement and support provided by Mayor Tim Wilson and General Manager Gerald Monson in particular. We now have a track record of successfully pulling together in adversity, and that is what provides me with the utmost confidence that we can make the Cradle Coast Authority everything that it can and should be, for the sake of the one in five Tasmanians who call our corner of the island “home”.

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

#### **Dulverton Waste Management**

Dulverton Waste Management (DWM) has concluded another year stronger than budgeted due to unforeseen once-off waste stream revenues. Expenditure was also well constrained following continued operational refinements at the landfill and composting facility.

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

Workplace Health and Safety (WHS) continues to be a major focus for the Board, management, staff and contractors. Directors commenced a program of site safety inspections during the 2012/13 financial year which continues today. DWM consistently outperforms the WHS standard set by many larger organisations and remains active in avoiding complacency and continuing to advance all aspects of WHS.

Robust systems for WHS, environment, finance, business, risk management and records management have brought DWM stability, enabling Owner Representatives, Board and staff to focus on business growth and development which has also resulted in revenue growth.

The DWM Strategic Plan 2019 – 2024 was approved in June 2019 and included a consideration of waste treatment technologies that support the communities and industries of our region and the state; an exciting time for waste management in the region.

The transition into the new landfill cell (B1 North) occurred in January 2019 and Cell 2/3c was capped and closed in June 2019. DWM also installed a larger weighbridge in June 2019, enabling the site to accommodate the longer trucks increasingly being deployed across the state.

As the primary waste management provider in the region, DWM continues to deliver waste expertise to the Cradle Coast Waste Management Group (CCWMG) via staff with in-depth knowledge in landfill, organics recycling, kerbside recycling and other industry relevant activities. In 2018/19 DWM assisted the CCWMG in setting up additional recycling services at a transfer station in each Council area, providing a direct benefit to the community and the environment.

2018/19 was another successful financial year for DWM, concluding far stronger than budgeted. The result was influenced by a number of waste stream revenues generated by the considerable effort of the entire DWM team. Both income and profit exceeded budget and DWM covered all 2018/19 capital works from its own funds. It should be noted that the forecast in the five year financial plan is to avoid further borrowing other than for land acquisition, major plant replacement and landfill cell construction.

The total quantity of chargeable waste disposals managed by DWM was 116,290 tonnes made up of 86,648 tonnes to landfill (including 27,475 from a one-off waste stream) and 29,642 tonnes to the Dulverton Organics Recycling Facility (DORF) for recycling into compost (excluding approximately 5,927 tonnes of green-waste also accepted at the DORF.)

Pleasingly, the amount of tax equivalents (or NTER - National Tax Equivalent Regime) paid and payable to the Owner Councils for the 2018/19 financial year, plus dividends paid, increased on previous years. Dividends to Owner Councils are forecast into the foreseeable future.

**Mel Pearce, Acting Chief Executive Officer  
Dulverton Waste Management**

### 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)
Trailscapes	PO Box 467 Kent Town SA 5071	Wild Mersey Mountain Bike Trails Stage 1 and the installation of trail bridges	01/07/18 - 30/06/19	\$430,215

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

Regulation 29(2) Local Government (General) Regulations 2015 - requires Council to include prescribed information about non-application of the public tender process. There were no instances of non-application of the public tender process during the financial year.

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)
Mead Con	PO Box 703 QUOIBA TAS 7310	Building and Civil Construction	01/07/18 - 30/06/19	\$161,827
Treloar TG & KE (TAZTANKS)	160 Paradise Rd PARADISE TAS 7306	Hire of Equipment and Civil Construction	01/07/18 - 30/06/19	\$111,899
Hardings Hotmix Pty Ltd	PO Box 708 ULVERSTONE TAS 7306	Supply of Hotmix Asphalt	01/07/18 - 30/06/19	\$117,247
Treloar Transport	PO Box 21 SHEFFIELD TAS 7306	Lower Beulah Road landslip remediation works	01/07/18 - 30/06/19	\$241,464

### 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 2018/19  
was 3.

Nature of Complaint	No. of Complaints
Product or service	3
Employee or agent	0
Council decision	0

### 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*.

### 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](http://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 2018-19 financial year, the Integrity  
Commission received one complaint about Kentish  
Council which was dismissed.



## 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
<b>Public Health Act 1997</b>		
Mass Gatherings	1	Rowing facilities
Private water supplies licenses	43	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	2	Lake Barrington – Kentish Park and Rowing Course sampled regularly throughout the summer months
Recreation waters – pools and spas	4	Two pools and two spas
Immunisations	143	Number of doses administered
Water complaints investigated	0	Water quality
<b>Food Act 2003</b>		
Registered food businesses	110	89 annual licenses and 33 notifications
Temporary food businesses	11	Events and one-off occasions
Prosecutions	0	
Infringement Notices	0	
Food complaints investigations	2	The investigation conducted regarded food-borne illness.
<b>Other</b>		
Special plumbing permits	37	On-site waste water disposal systems were approved for new installations and upgrades to septic tank systems, aerated waste water treatment systems etc
Notifiable diseases	0	Confirmed notifiable diseases.
Private Burials	1	Private burial
Litter infringement notice	0	No litter infringement notices were issued.
Customer Requests	96	Various requests including noise, smoke, odour, oil spills, effluent, litter etc.

## Grants, Assistance and Benefits Provided

Section 77 (2) Local Government Act 1993

Details of grants, assistance and benefits made by the Council during the 2018/2019 financial year are as follows:

GRANTS AND SPONSORSHIP		
Organisation	Purpose	Amount (\$)
<b>Community Events</b>		
Junior Cattle Handlers Show of Tasmania	Sheffield School Show	1,000
Kentish Axeman's Club	Gowrie Park Wood Chopping Carnival	250
Kentish Rodeo Association	Gowrie Park Rodeo	500
Kentish Endurance Riders Inc	Kentish Endurance Ride	250
Redwater Creek Steam & Heritage Society	Steamfest	1,500
Tasmanian Regional Arts - Kentish	Mural Fest	12,000
Kentish Garden Club Inc	Daffodil and Spring Flower Show	500
Taste of the North West Committee	Taste of the North West	1,500
Kentish Garden Club	Hopes Mill Corner Maintenance	200
Oss Foley Endurance Riders Inc	Oss Foley Endurance Ride	250
Knights Templar Tasmania	Medieval Festival	1500
Weindorfer Memorial Committee	Weindorfer Memorial Service	750
<b>Total</b>		<b>20,200</b>
<b>Specific Funding Requests</b>		
MAST	Pontoon	10,000
<b>Total</b>		<b>10,000</b>
<b>Organisation Funding</b>		
Kentish SES	Operational Costs	10,500
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
Tandara Lodge	Mature Age Program	2,200
<b>Total</b>		<b>31,150</b>
<b>Large Community Grants</b>		
Kentish U3A	Railton Topiary	616
Kentish Pony Club	Ground Resurfacing Works	2,000
Kentish Rowing Club	Safety Boat	1,250
Sheffield RSL Sub Branch	Sheffield Cenotaph Refurbishment	2,000
Wilmot Tourist and Progress Association	Glass Security Door	1,786
Railton Bowls Club	Aluminium Seating	1,500
Kentish Polocrosse Association	Ground Re-development Works	2,500
Apple Isle Carriage Drivers	Storage Shipping Container	1700
<b>Total</b>		<b>13,352</b>

Organisation	Purpose	Amount (\$)
<b>Donations and Sponsorship</b>		
Individual	Equine Championships	100
Railton Community Progress Association	Railton Bike Show	300
AllNet Balloon Creations	Balloon twisting workshops	150
Sheffield Community Garden	Equipment Purchase	500
Railton Community Progress Association	Christmas Activities	750
Wilmot Tourist & Progress Association	New Year Activities	750
Kentish Lions Club	Christmas Activities	750
Individual	Youth Scholarship	1,250
<b>Total</b>		<b>4,550</b>

RATE REMISSIONS – COMMUNITY ORGANISATIONS	
Organisation	Amount (\$)
Tashi Choling Dharma Foundation Inc.	981
Railton Bowls Club	1,073
Redwater Creek Steam & Heritage Society Inc.	1,503
Sheffield Rifle Club	397
Kentish Rodeo Association	1,050
The Tasmanian Arboretum Inc	374
Rowing Tasmania Inc	3,856
Tandara Lodge Community Care Inc.	18,005
The Hub Incorporated	1,654
Tandara Lodge Community Care Inc.	1,734
Lower Barrington Hall Committee	885
Railton Squash Association	959
Wilmot Tourist & Progress Association Inc	820
Lorinna Residents & Ratepayers Association Inc	830
Sheffield Golf Club	842
<b>Total</b>	<b>34,963</b>

## General Reporting

### Building Application

The number of building permits issued during 2018/19 was 84 compared to 90 the previous financial year. A breakdown of the types of building applications received during the 2018/19 year is provided below.

Application Type	No.
Dwelling	20
Dwelling additions/alterations	17
Outbuildings	37
Commercial/Industrial	5
Miscellaneous Structures	4
Demolition	1
<b>Total</b>	<b>84</b>
Substantial Compliance/Permit to Proceed	0

## Development Applications

The number of development applications issued during 2018/19 was 81 compared to 96 the previous financial year. A breakdown of the types of development applications received during the 2018/19 year is provided below.

Application Type	No.
Dwellings and Dwelling Additions	
General Residential and Closed Residential Zone	5
Rural Living, Env Living, Village Zones	13
Natural Resource and Rural Resource Zone	14
Outbuildings (buildings incidental to a residence)	
General Residential	1
Rural Living, Env Living, Village Zones	14
Natural Resource and Rural Resource	6
Agricultural Sheds	1
Signage	1
Boundary Adjustment	
Multiple Dwelling Development	
Subdivision	12
Commercial Development/Tourism	6
Heritage Area Works	
Industrial Development	1
Miscellaneous	7
<b>Total Applications</b>	<b>81</b>

## Animal Control

Dog Registration: 1,757 dogs were registered in 2018/19.

Customer Requests: 168 customer requests were received including:

- 31 relating to barking dogs
- 20 dog attacks/threats to people
- 16 animals were reported lost
- 28 dogs at large
- 37 relating to straying livestock
- 28 stray dogs
- 8 nuisances

Of the 56 requests received regarding stray/at large dogs, 36 dogs were collected and impounded at the Devonport Dogs Home. 22 dogs were subsequently reclaimed by their owners.

Three dogs were declared dangerous during the year. One owner decided to keep their dog as a dangerous dog on their property.

## Waste Management

**Waste:** 260 large bins and 1,418 small bins comprise the collection service which is undertaken for premises located in Railton, Sheffield, Acacia Hills, Barrington, Lower Barrington and South Spreyton plus households on route that have opted to use the service.

**Recycling:** All households with waste collection service are provided with 240L bins which are serviced once a fortnight. Near the end of the financial year, 1,664 bins were serviced fortnightly throughout the community.

## Professional Service Providers:

**Auditors:** Tasmanian Auditor-General

**Bankers:** Commonwealth Bank of Australia

**Insurance Brokers:** AON Risk Solutions

**Valuers:** Office of the Valuer-General

**Legal:** Shaun McElwaine & Associates, Tremayne Fay and Rheinberger

## Use of Council Website and Social Media

### Council website

	2017/18	2018/19
Hits	24,743	29,939
Unique Visits	13,107	14,665

### Facebook

	2017/18	2018/19
Post Reach	376,470	324,196
Likes	1,444	1,676



# Financial Report





# 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 2019.

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 2019.

### 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 2019.

**KENTISH COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2019*

The enclosed financial report is an unaudited version. The audit is currently underway but not yet concluded. The final result may alter should there be any adjustments required by the Tasmanian Audit Office following the conclusion of their audit.

**KENTISH COUNCIL**  
Financial Report  
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**Financial Report**  
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**Statement of Comprehensive Income  
For the Year Ended 30 June 2019**

	Note	Budget 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000
<b>Income from continuing operations</b>				
<b>Recurrent income</b>				
Rates and charges	2.1	5,286	5,256	5,159
Statutory fees and fines	2.2	277	304	261
User fees	2.3	101	238	178
Grants	2.4	2,798	2,715	3,037
Interest	2.5	190	258	197
Other income	2.6	1,129	1,318	1,097
Investment revenue from Water Corporation	2.8, 4.2	86	88	132
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	4.1	80	235	134
		<b>9,947</b>	<b>10,412</b>	<b>10,195</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	2.4	489	318	907
Capital grants received specifically for renewal of assets	2.4	588	489	428
		<b>1,077</b>	<b>807</b>	<b>1,335</b>
<b>Total income from continuing operations</b>		<b>11,024</b>	<b>11,219</b>	<b>11,530</b>
<b>Expenses from continuing operations</b>				
Employee costs	3.1	(3,244)	(3,273)	(2,655)
Materials and services	3.2	(3,233)	(3,205)	(3,132)
Depreciation and amortisation	3.3	(2,836)	(2,543)	(2,546)
Finance costs	3.4	(79)	(21)	(94)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.7	-	(68)	(404)
Other expenses	3.5	(724)	(672)	(790)
<b>Total expenses from continuing operations</b>		<b>(10,116)</b>	<b>(9,782)</b>	<b>(9,621)</b>
<b>Result from continuing operations</b>		<b>908</b>	<b>1,437</b>	<b>1,909</b>
<b>Net result for the year</b>		<b>908</b>	<b>1,437</b>	<b>1,909</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Fair value adjustments on equity investment assets	9.1	-	1,091	-
Net asset revaluation increment/(decrement)	9.1	-	-	1,559
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	9.1	-	4	24
		<b>-</b>	<b>1,095</b>	<b>1,583</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale				
— Fair Value adjustment on equity investment assets	9.1	-	-	88
		<b>-</b>	<b>-</b>	<b>88</b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>1,095</b>	<b>1,671</b>
<b>Total Comprehensive result</b>		<b>908</b>	<b>2,532</b>	<b>3,580</b>

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

**Statement of Financial Position  
As at 30 June 2019**

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	10,369	10,933
Trade and other receivables	5.2	434	529
Inventories	5.4	18	14
Other assets	6.1	154	116
<b>Total current assets</b>		<b>10,975</b>	<b>11,592</b>
<b>Non-current assets</b>			
Trade and other receivables	5.2	24	27
Financial assets	5.3	18	18
Investments in associates accounted for using the equity method	4.1	1,391	1,152
Investment in water corporation	4.2	7,995	6,904
Property, infrastructure, plant and equipment	6.2	121,759	120,364
<b>Total non-current assets</b>		<b>131,187</b>	<b>128,465</b>
<b>Total assets</b>		<b>142,162</b>	<b>140,057</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7.1	917	1,249
Trust funds and deposits	7.2	68	75
Provisions	7.3	634	382
Interest-bearing loans and borrowings	8.1	110	235
<b>Total current liabilities</b>		<b>1,729</b>	<b>1,941</b>
<b>Non-current liabilities</b>			
Provisions	7.3	12	69
Interest-bearing loans and borrowings	8.1	1,007	1,164
<b>Total non-current liabilities</b>		<b>1,018</b>	<b>1,233</b>
<b>Total liabilities</b>		<b>2,747</b>	<b>3,174</b>
<b>Net Assets</b>		<b>139,415</b>	<b>136,883</b>
<b>Equity</b>			
Accumulated surplus		42,182	40,745
Reserves	9.1	97,233	96,138
<b>Total Equity</b>		<b>139,415</b>	<b>136,883</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
2019		2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
<b>Balance at beginning of the financial year</b>		40,745	95,408	730	-	136,883
Adjustment due to AASB 9 adoption	10.4(i)	-	-	-	-	-
Adjustment on change in accounting policies		-	-	-	-	-
<b>Restated opening balance</b>		<b>40,745</b>	<b>95,408</b>	<b>730</b>	<b>-</b>	<b>136,883</b>
Surplus / (deficit) for the year		1,437	-	-	-	1,437
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value						
Fair Value adjustment on equity investment assets	4.2	-	-	1,091	-	1,091
Net asset revaluation increment/(decrement)	9.1	-	4	-	-	4
Total comprehensive income		<b>42,182</b>	<b>95,412</b>	<b>1,821</b>	<b>-</b>	<b>139,415</b>
Transfers between reserves		-	-	-	-	-
<b>Balance at end of the financial year</b>		<b>42,182</b>	<b>95,412</b>	<b>1,821</b>	<b>-</b>	<b>139,415</b>

		Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
2018		2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Balance at beginning of the financial year		38,836	93,825	642	-	133,303
Surplus / (deficit) for the year		1,909	-	-	-	1,909
Other Comprehensive Income:						
Fair Value adjustment on available for sale asset	4.2	-	-	88	-	88
Net asset revaluation increment/(decrement)	9.1	-	1,583	-	-	1,583
Total comprehensive income		<b>40,745</b>	<b>95,408</b>	<b>730</b>	<b>-</b>	<b>136,883</b>
Transfers between reserves		-	-	-	-	-
<b>Balance at end of the financial year</b>		<b>40,745</b>	<b>95,408</b>	<b>730</b>	<b>-</b>	<b>136,883</b>

The above statement should be read with the accompanying notes.



## Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		5,229	5,188
Statutory fees and fines		304	229
User charges and other fines		421	398
Grants		2,715	4,393
Interest		164	195
Investment revenue from water corporation	2.8	88	132
Other receipts		321	660
Payments to suppliers		(2,611)	(3,005)
Payments to employees		(3,078)	(2,779)
Finance costs		(21)	(95)
Other payments		(672)	(508)
<b>Net cash provided by (used in) operating activities</b>	9.2	<b>2,860</b>	<b>4,808</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(4,013)	(2,991)
Proceeds from sale of property, infrastructure, plant and equipment		7	19
Capital grants		807	1,335
Dividends received from associate		65	83
Loans and advances to community organisations		-	5
<b>Net cash provided by (used in) investing activities</b>		<b>(3,134)</b>	<b>(1,549)</b>
<b>Cash flows from financing activities</b>			
Trust funds and deposits		(7)	4
Repayment of interest bearing loans and borrowings		(283)	(214)
<b>Net cash provided by (used in) financing activities</b>	9.3	<b>(290)</b>	<b>(210)</b>
Net increase (decrease) in cash and cash equivalents		(564)	3,049
Cash and cash equivalents at the beginning of the financial year		10,933	7,884
<b>Cash and cash equivalents at the end of the financial year</b>	9.4	<b>10,369</b>	<b>10,933</b>
Restrictions on cash assets	5.1		
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 of Profit and Loss and Other Comprehensive Income, Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Local Government Act 1993 (LGA1993) (as amended)*. Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.2, 5.3, 5.5, 6.2, 6.3, 7.3, 8.1 and 10.3(d).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 10.

**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 6.2.

*Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 4.2.

**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
Government and administration						
2018 - 2019	1,545	5,612	7,157	-723	6,434	19,615
2017 - 2018	1,540	5,031	6,571	-1,739	4,832	18,818
	0	0		0		0
Roads, streets and bridges	0	0		0		0
2018 - 2019	1,659	260	1,919	-4,896	-2,977	97,692
2017 - 2018	2,199	193	2,392	-4,361	-1,969	94,965
Drainage						
2018 - 2019	20	0	20	-59	-39	2,475
2017 - 2018	0	0	0	-8	-8	2,486
Waste management						
2018 - 2019	0	793	793	-832	-39	1,391
2017 - 2018	0	856	856	-597	259	1,152
Environmental health						
2018 - 2019	0	32	32	-128	-96	0
2017 - 2018	0	27	27	-88	-61	0
Planning services						
2018 - 2019	0	611	611	-1,080	-469	0
2017 - 2018	0	731	731	-874	-143	0
Buildings and community amenities						
2018 - 2019	79	170	249	-1,157	-908	13,607
2017 - 2018	286	235	521	-1,136	-615	16,528
Community services						
2018 - 2019	219	268	487	-658	-171	18
2017 - 2018	328	95	423	-590	-167	14
Parks and reserves						
2018 - 2019	0	6	6	-297	-291	6,367
2017 - 2018	20	6	26	-217	-191	5,054
Operations						
2018 - 2019	0	0	0	-7	-7	996
2017 - 2018	0	0	0	-28	-28	1,040
<b>Total</b>						
<b>2018 - 2019</b>	<b>3,522</b>	<b>7,752</b>	<b>11,274</b>	<b>-9,837</b>	<b>1,437</b>	<b>142,161</b>
<b>2017 - 2018</b>	<b>4,373</b>	<b>7,174</b>	<b>11,547</b>	<b>-9,638</b>	<b>1,909</b>	<b>140,057</b>

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

	2019	2018
Current assets	10,975	11,592
Non-current assets	131,187	128,465
	<b>142,162</b>	<b>140,057</b>

(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.

*Drainage*

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

*Waste Management*

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

*Environmental Health/Environmental Management*

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

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

*Planning Services*

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

*Building control*

The development and maintenance of building constructions standards.

*Community amenities*

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

*Community services Reconciliation of liabilities arising from financing activities*

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

*Recreation facilities*

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

*Economic development*

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

*Other - not attributable*

Rates and charges and work not attributed elsewhere.



## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Note 2.1 Revenue</b>		
<b>Note 2.1 Rates and charges</b>		
Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO).		
The valuation base used to calculate general rates for 2018-19 was \$44.8 million (2017-18 \$43.4million). The 2018-19 rate in the dollar of assessed annual value was 5.727 cents (2017-18, 5.615 cents).		
Residential	792	767
Rural residential	1,412	1,354
Commercial	383	381
Community services	118	115
Industrial	144	141
Mining	6	6
Recreation	15	15
Primary production	1,181	1,152
Vacant	208	208
Supplementary rates and rate adjustments	25	21
Fire Levy	205	198
Garbage charge	545	607
Rates and charges in advance	233	202
Add interest on late payments	11	12
Less discount for early payment	(22)	(20)
<b>Total rates and charges</b>	<b>5,256</b>	<b>5,159</b>

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.

### Accounting policy

#### Rates and charges income

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

### Note 2.2 Statutory fees and fines

Animal control	48	59
Building fees	146	86
Health	20	16
Land information certificates	28	32
Town planning fees	62	68
<b>Total statutory fees and fines</b>	<b>304</b>	<b>261</b>

### Accounting policy

#### Statutory fee and fine income

Fees and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

### Note 2.3 User fees

Rental/ hire - halls	46	-
Rental/ hire - other buildings	5	76
Rent	101	99
Other fees and hire charges	86	3
<b>Total user fees</b>	<b>238</b>	<b>178</b>

### Accounting policy

#### User fee income

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

## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Note 2.4 Grants</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Federally funded grants	3,364	3,730
State funded grants	158	642
<b>Total</b>	<b>3,522</b>	<b>4,372</b>
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	1,545	1,540
Commonwealth Government Financial Assistance Grants - Roads	1,111	1,198
Heavy Vehicle Motor Tax	59	59
National Disaster Recovery Assistance	-	238
Economic development	-	2
<b>Total recurrent grants</b>	<b>2,715</b>	<b>3,037</b>
<p>The Australian Commonwealth Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004: <i>Contributions</i>, Council recognised these grants as revenue when it received the funds and obtained control.</p> <p>In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2018-19 by \$1,346,315 (2017-18, \$1,383,859). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.</p>		
<b>Capital grants received specifically for new or upgraded assets</b>		
Economic Development - Wild Mersey MTB Tracks	219	326
Stormwater grants	20	-
Road Safety	-	295
Sport & recreation facilities	79	286
<b>Total capital grants specifically for new or upgraded assets</b>	<b>318</b>	<b>907</b>
<b>Capital grants received specifically renewal of assets</b>		
Roads to Recovery	489	428
<b>Total capital grants specifically for renewal of assets</b>	<b>489</b>	<b>428</b>
<b>Total capital grants</b>	<b>807</b>	<b>1,335</b>
<b>Conditions on grants</b>		
<p>Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</p>		
Unexpended at the close of the previous reporting period	-	6
Less: expended during the current period from revenues recognised in previous reporting periods		
Commonwealth Safer Streets Program - Sheffield CCTV	-	(6)
	-	(6)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the	-	
<b>Unexpended at the close of this reporting period</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in non-reciprocal grant revenues for the year:	-	(6)

## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

2019	2018
\$'000	\$'000

### Accounting policy

#### Grant income - operating and capital

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

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

### Note 2.5 Interest

Interest on cash and cash equivalents	258	197
<b>Total</b>	<b>258</b>	<b>197</b>

### Accounting policy

#### Interest income

Interest is recognised progressively as it is earned.

### Note 2.6 Other income

Commission income	336	378
Labour Hire to Latrobe Council - Inside Staff	414	-
Operations Labour and Plant Hire to Latrobe Council	185	174
Sundry resource sharing reimbursements from Latrobe Council	13	-
Property outgoings reimbursed	37	-
Sundry refunds and reimbursements	12	-
Collection Fees Reimbursed	5	-
Retail sales	55	67
Tax Equivalents - Dulverton Waste Management	185	-
Transfer station - scrap metal sales	15	-
Sundry Income	61	478
<b>Total other income</b>	<b>1,318</b>	<b>1,097</b>

### Accounting policy

#### Rental income

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

#### Other income

Insert policy on other items as required

#### Operating leases as lessor

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

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

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

# Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
<b>Note 2.7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.</b>		
Proceeds of sale	7	18
Write down value of assets disposed	(75)	(422)
<b>Total</b>	<b>(68)</b>	<b>(404)</b>

## Accounting policy

### Gains and losses on asset disposals

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

<b>Note 2.8 Investment revenue from water corporation</b>		
Dividend revenue received	44	81
Tax equivalent received	32	39
Guarantee fee received	12	12
<b>Total investment revenue from water corporation</b>	<b>88</b>	<b>132</b>

## Accounting policy

### Investment revenue

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

## Note 3 Expenses

### Note 3.1 Employee costs

Wages and salaries	1,983	1,655
Annual leave and long service leave	91	-
Superannuation	196	175
Fringe benefits tax	39	34
Payroll Tax	81	56
Training	3	-
Professional development	3	-
Protective clothing	14	13
Workers compensation insurance	50	39
Contract employee costs	785	651
Other employment related expenses	28	32
<b>Total employee costs</b>	<b>3,273</b>	<b>2,655</b>

## 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.



## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Note 3.2 Materials and services</b>		
General materials	11	(97)
Road maintenance materials	244	-
Infrastructure maintenance materials	236	-
Consumables	3	-
Contracts - buildings & facilities maintenance	119	-
Contracts - other	77	-
Fuel	103	106
Fleet maintenance	92	152
Repairs & maintenance	637	1,206
Minor equipment purchases	15	(3)
Property holding costs	5	-
Property maintenance costs	27	-
Communications costs	37	41
Marketing and Advertising	66	69
Legal costs	29	16
Consultants	163	161
General expenses	510	697
IT maintenance	143	81
Waste management contracts	498	509
Miscellaneous contracts	190	194
<b>Total materials and services</b>	<b>3,205</b>	<b>3,132</b>

### Accounting policy

#### Materials and services expense

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

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### Note 3.3 Depreciation and amortisation

#### Property

Land improvements	46	-
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#### Buildings

Buildings	261	266
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#### Plant and Equipment

Plant and Equipment	150	162
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Computers, furniture and fittings	49	34
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#### Infrastructure

Roads, bridges and footpaths	1,982	1,871
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Drainage	54	54
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Other infrastructure	-	152
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<b>Total</b>	<b>2,543</b>	<b>2,546</b>
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## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Accounting policy</b>		
<b>Depreciation and amortisation expense</b>		
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.		
Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.		
Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.		
Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.		
Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:		
		<b>Years</b>
Land improvements		5-100
Buildings		
buildings		20-120
building improvements		20-120
Leasehold improvements		
leasehold building improvements		20-120
Plant and Equipment		
plant, machinery and equipment		2-30
fixtures, fittings and furniture		5-20
computers and telecommunications		3-5
leased plant and equipment		2-30
Roads		
road surface - unsealed roads		4-10
road pavement - sub-base		200
road pavement - sealed basecourse		70-110
road surface - sealed roads		18-25
road kerb and channel		80
Bridges		
bridges deck		20-80
Other Infrastructure		25-50
footpaths and cycleways		80
drainage		80
other infrastructure <insert details>		25-50
Intangible assets		
Software configuration		10

**Note 3.4 Finance costs**

Interest - Borrowings	21	94
<b>Total</b>	<b>21</b>	<b>94</b>
Less capitalised borrowing costs on qualifying assets	-	-
<b>Total finance costs</b>	<b>21</b>	<b>94</b>

**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.

# Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Note 3.5 Other expenses</b>		
External auditors' remuneration (Tasmanian Audit Office)	35	27
Councillors' allowances	132	129
Councillors' expenses	33	31
Bank Fees	20	17
Electricity & Gas	120	160
Insurance	142	148
Impairment losses - sundry debtors	8	-
Contributions to community organisations and events	65	165
Registrations and licenses	2	-
Subscriptions	88	86
Land tax	27	27
<b>Total</b>	<b>672</b>	<b>790</b>

## Accounting policy

### Other expenses

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

## Note 4 Investments

### Note 4.1 Investment in associates

Investments in associates accounted for by the equity method are:

- Dulverton Regional Waste Management Authority	1,391	1,152
<b>Total</b>	<b>1,391</b>	<b>1,152</b>

#### 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 2019 was 8.48% (2018: 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	757	669
Reported surplus(deficit) for year	321	170
Transfers (to) from reserves	-	-
Distributions for the year	(65)	(82)
Council's share of accumulated surplus(deficit) at end of year	<b>1,013</b>	<b>757</b>

##### Council's share of reserves

Council's share of reserves at start of year	306	292
Transfers (to) from reserves	4	14
Council's share of reserves at end of year	<b>310</b>	<b>306</b>

##### Movement in carrying value of specific investment

Carrying value of investment at start of year	1,152	1,076
Share of surplus(deficit) for year	321	170
Share of asset revaluation	4	24
Distributions received	(65)	(82)
Prior year adjustments	(21)	(36)
Carrying value of investment at end of year	<b>1,391</b>	<b>1,152</b>

##### Council's share of expenditure commitments

Operating commitments	2	-
Capital commitments	60	-
	<b>62</b>	<b>-</b>

## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
<i>Council's share of contingent liabilities and contingent assets</i>		
<List relevant assets and liabilities eg site restoration costs>	101	162

### 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 4.2 Investment in water corporation

Opening balance	6,904	6,816
Fair Value adjustments on available-for-sale assets	-	88
Fair Value adjustments on equity investment assets	1,091	-
<b>Total investment in water corporation</b>	<b>7,995</b>	<b>6,904</b>

Council has derived returns from the water corporation as disclosed at note 2.8.

#### Accounting policy under AASB 9 - applicable from 1 July 2018

##### Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: *Financial Instruments* to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2019, Council continues to hold a 0.43% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

#### Accounting policy under AASB 139 - applicable for 2018 comparative

##### Equity Investment

Council's investment in TasWater is valued at its fair value determined by Council's ownership interest against the water corporation's net asset value at balance date. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to an Available-for-sale Fair value reserve each year (refer note 9.1).

Council has classified this asset as an Available-for-sale financial asset as defined in AASB 139 *Financial Instruments: Recognition and Measurement* and has followed AASB 132 *Financial Instruments: Presentation* and AASB 7 *Financial Instruments: Disclosures* to value and present the asset in the financial report. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

#### Note 5 Current Assets

##### Note 5.1 Cash and cash equivalents

Cash on hand	2	2
Cash at bank	2,002	2,828
Special Committee bank accounts	142	122
Trust bank accounts	4	35
Money market call account	410	3,457
Term Deposits	7,809	4,489
<b>Total cash and cash equivalents</b>	<b>10,369</b>	<b>10,933</b>

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

- Trust funds and deposits (note 7.2)	68	75
- Conditions on grants (note 2.4)	-	-
<b>Restricted funds</b>	<b>68</b>	<b>75</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>10,301</b>	<b>10,858</b>

# Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
<b>Accounting policy</b>		
<b>Cash and cash equivalents</b>		
For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.		

## Note 5.2 Trade and other receivables

### Current

Rates debtors	131	104
Other debtors	326	342
Less provision for impairment loss	(8)	-
Net GST receivable / (payable)	(15)	83
<b>Total</b>	<b>434</b>	<b>529</b>

### Non-current

Loans and advances to community organisations	24	27
<b>Total</b>	<b>24</b>	<b>27</b>
<b>Total trade and other receivables</b>	<b>458</b>	<b>556</b>

### Reconciliation of movement in expected credit loss

#### Carrying amount at 30 June 2018 under AASB 139

Amounts restated through Accumulated Funds

#### Carrying amount at 1 July under AASB 9

Amounts written off during the year

Amounts recovered during the year

Increase/(decrease) in provision recognised in profit or loss

#### Carrying amount at 30 June

### Reconciliation of movement in provision for impairment of receivables

#### Carrying amount at 1 July

Amounts written off during the year

Amounts recovered during the year

Increase / (decrease) in provision recognised in profit or loss

#### Carrying amount at 30 June

For ageing analysis of the financial assets, refer to note 9.11

### Accounting policy

#### Trade and other receivables

##### Accounting policy under AASB 9 - applicable from 1 July 2018

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.

##### Accounting policy under AASB 139 - applicable for 2018 comparative

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.



## Notes to the Financial Report

KENTISH COUNCIL

2018-2019 Financial Report

For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Note 5.3 Financial assets</b>		
<i>Current</i>		
Investment - Community Bank	-	-
<i>Non-current</i>		
Investment - Community Bank	18	18

### Accounting policy

#### Financial assets

The investment in the local Community Bank is a long-term investment to support the continuing operation of the community bank in Kentish. The shares are intended to be held long term and to potentially return dividends, but are not expected to be sold. The investment is measured at amortised cost. Council does not expect to incur any credit losses and has not recognised any impairment.

<b>Note 5.4 Inventories</b>		
Inventories held for sale	18	14
<b>Total inventories</b>	18	14

### 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 6 Assets

### Note 6.1 Other assets

#### Current

Prepayments	60	62
Accrued income	94	54
<b>Total</b>	154	116

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

Note	6.2 Property, infrastructure, plant and equipment	2019 \$'000	2018 \$'000
	<i>Summary</i>		
	at cost	7,880	4,549
	Less accumulated depreciation	(3,537)	(2,808)
		<b>4,343</b>	<b>1,741</b>
	at fair value as at 30 June	179,189	178,892
	Less accumulated depreciation	(61,773)	(60,269)
		<b>117,416</b>	<b>118,623</b>
	<b>Total</b>	<b>121,759</b>	<b>120,364</b>
	<i>Property</i>		
	<b>Land</b>		
	at fair value as at 30 June	4,966	4,799
		<b>4,966</b>	<b>4,799</b>
	<b>Land under roads</b>		
	at fair value at 30 June	4,399	4,399
		<b>4,399</b>	<b>4,399</b>
	<b>Land improvements</b>		
	at cost	1,893	288
	Less accumulated depreciation	(651)	(73)
		<b>1,242</b>	<b>215</b>
	<b>Total Land</b>	<b>10,607</b>	<b>9,413</b>
	<b>Buildings</b>		
	at fair value as at 30 June	23,875	22,884
	Less accumulated depreciation	(10,325)	(10,139)
		<b>13,550</b>	<b>12,745</b>
	<b>Total Buildings</b>	<b>13,550</b>	<b>12,745</b>
	<b>Total Property</b>	<b>24,157</b>	<b>22,158</b>
	<i>Plant and Equipment</i>		
	<b>Plant, machinery and equipment</b>		
	at cost	2,716	2,740
	Less accumulated depreciation	(1,892)	(1,790)
		<b>824</b>	<b>950</b>
	<b>Fixtures, fittings and furniture</b>		
	at cost	1,154	1,125
	Less accumulated depreciation	(994)	(945)
		<b>160</b>	<b>180</b>
		<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Total Plant and Equipment</b>	<b>984</b>	<b>1,130</b>
	<i>Intangibles</i>		
	<b>Intangibles</b>		
	at cost	443	-
	Less accumulated depreciation	-	-
		<b>443</b>	<b>-</b>
	<b>Total Intangibles</b>	<b>443</b>	<b>-</b>

**Note 6.2 Property, infrastructure, plant and equipment (cont.)**

*Infrastructure*

**Roads, Bridges and Footpaths**

at fair value as at 30 June	141,630	137,474
Less accumulated depreciation	(49,568)	(47,013)
	<b>92,062</b>	<b>90,461</b>

**Drainage**

at fair value as at 30 June	4,319	4,312
Less accumulated depreciation	(1,880)	(1,826)
	<b>2,439</b>	<b>2,486</b>

**Other Infrastructure**

at fair value as at 30 June	-	5,024
Less accumulated depreciation	-	(1,291)
	<b>-</b>	<b>3,733</b>

*Total Infrastructure*

<b>94,501</b>	<b>96,680</b>
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*Works in progress*

Land at cost	45	-
Land improvements at cost	114	40
Buildings at cost	48	50
Plant and equipment at cost	172	90
Fixtures, fittings and furniture at cost	2	-
Roads, bridges and footpaths at cost	1,230	104
Drainage at cost	37	-
Other	26	112
<i>Total Works in progress</i>	<b>1,674</b>	<b>396</b>

*Total property, infrastructure, plant and equipment*

<b>121,759</b>	<b>120,364</b>
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**Note 6.2 Property, infrastructure, plant and equipment (cont.)**

**Reconciliation of property, infrastructure, plant and equipment**

2019	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>								
Land	4,799	166						4,965
Land under roads	4,399							4,399
Land improvements	215	264		(46)			809	1,242
Total land	9,413	430	-	(46)	-	-	809	10,606
Buildings	12,745	1,017		(261)			50	13,550
Total property	22,158	1,447	-	(308)	-	-	859	24,157
<i>Plant and Equipment</i>								
Plant, machinery and equipment	950	(0)		(150)			24	824
Computers, furniture and fittings	180	29		(49)			1	160
Total plant and equipment	1,130	29	-	(199)	-	-	25	985
<i>Infrastructure</i>								
Roads, bridges and footpaths	90,461	479		(1,982)	(75)		3,180	92,063
Drainage	2,486	6		(54)				2,438
Other infrastructure	3,733						(3,733)	(0)
Total infrastructure	96,680	485	-	(2,036)	(75)	-	(553)	94,501
<i>Intangibles</i>								
Intangibles	-	443		(0)				443
Total intangibles	-	443	-	(0)	-	-	-	443
<i>Works in progress</i>								
Land at cost	-	45					-	45
Land improvements at cost	40	114					(40)	114
Buildings at cost	50	48					(50)	48
Plant and equipment at cost	90	107					(25)	172
Computers, furniture and fittings at cost	-	2					-	2
Roads, bridges and footpaths at cost	104	1,230					(104)	1,230
Drainage at cost	-	37					-	37
Intangibles	-	-					-	-
Other	112	26					(112)	26
Total works in progress	396	1,609	-	-	-	-	(331)	1,674
<b>Total property, infrastructure, plant and equipment</b>	<b>120,364</b>	<b>4,013</b>	<b>-</b>	<b>(2,543)</b>	<b>(75)</b>	<b>-</b>	<b>(0)</b>	<b>121,760</b>

Note 6.2 Property, infrastructure, plant and equipment (cont.)

Reconciliation of property, infrastructure, plant and equipment

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>								
Land	4,799	-	-	-	-	-	-	4,799
Land under roads	4,399	-	-	-	-	-	-	4,399
Total land	9,198	-	-	-	-	-	-	9,198
Buildings	12,992	19		(266)				12,745
Total property	22,190	19	-	(266)	-	-	0	21,943
<i>Plant and Equipment</i>								
Plant, machinery and equipment	1,093	106		(162)	(90)		-	947
Fixtures, fittings and furniture	14			(4)			-	10
Computers and telecommunications	109	98		(38)			-	169
Total plant and equipment	1,216	204	-	(204)	(90)	-	-	1,126
<i>Infrastructure</i>								
Roads, bridges & footpaths	88,641	2,436	1,558	(1,871)	(331)			90,433
Drainage	2,539			(54)				2,485
Other Infrastructure	4,191	12	(67)	(152)	-	-	-	3,984
Total infrastructure	95,371	2,448	1,491	(2,077)	(331)	-	-	96,902
<i>Works in progress</i>								
Buildings at cost	2	68					(3)	67
Plant and equipment at cost	20	126					(20)	126
Fixtures, fittings and furniture at cost								-
Roads, bridges and footpaths at cost	11	164					(11)	164
Intangibles								-
Other	-	40						40
Total works in progress	33	398	-	-	-	-	(34)	397
<b>Total property, infrastructure, plant and equipment</b>	<b>118,810</b>	<b>3,069</b>	<b>1,491</b>	<b>(2,547)</b>	<b>(421)</b>	<b>-</b>	<b>(34)</b>	<b>120,368</b>



**Note 6.2 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:

	<b>Threshold \$'000</b>
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
Intangible assets	
Intangible assets	5

**Note 6.2 Property, infrastructure, plant and equipment (cont.)**

**Revaluation**

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

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Intangibles	cost
Investment in water corporation	fair value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (and <name other classes>), 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. 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.

	2019 \$'000	2018 \$'000
<b>Note 7 Current liabilities</b>		
<b>Note 7.1 Trade and other payables</b>		
Trade payables	332	938
Accrued expenses	447	194
Payments received in advance	138	117
<b>Total trade and other payables</b>	<b>917</b>	<b>1,249</b>

#### Accounting policy

##### Trade and other payables

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

For ageing analysis of trade and other payables, refer to note 9.11

#### Note 7.2 Trust funds and deposits

Refundable bonds and deposits	68	75
<b>Total trust funds and deposits</b>	<b>68</b>	<b>75</b>

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.

#### Note 7.3 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Landfill restoration \$ '000	Other \$ '000	Total \$ '000
<b>2019</b>					
Balance at beginning of the financial year	200	221	-	30	451
Additional provisions	135	218	-	28	381
Amounts used	43	131	-	13	188
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-
Balance at the end of the financial year	<b>292</b>	<b>308</b>	<b>-</b>	<b>45</b>	<b>644</b>
<b>2018</b>					
Balance at beginning of the financial year	185	159	-	23	367
Additional provisions	15	62	-	7	84
Amounts used	-	-	-	-	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-
Balance at the end of the financial year	<b>200</b>	<b>221</b>	<b>-</b>	<b>30</b>	<b>451</b>

	2019 \$'000	2018 \$'000
<b>(a) Employee benefits</b>		
<b>(i) Current</b>		
Annual leave	272	181
Long service leave	275	144
Superannuation	42	34
Other	45	23
	<b>634</b>	<b>382</b>
<b>(ii) Non-current</b>		
Long service leave	9	56
Superannuation	3	6
Other	-	7
	<b>12</b>	<b>69</b>
Aggregate carrying amount of employee benefits:		
Current	589	359
Non-current	12	62
	<b>600</b>	<b>421</b>
<b>(v) Employee Numbers</b>	31	29

	2019 \$'000	2018 \$'000
<b>Accounting policy</b>		
<b>Employee benefits</b>		
<i>i) Short term obligations</i>		
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.		
<i>ii) Other long term employee benefit obligations</i>		
The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.		
The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.		
<i>iii) Sick leave</i>		
No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.		
<i>iv) Defined benefit plans</i>		
A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable.		
Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 <i>Employee Benefits</i> , Council does not use defined benefit accounting for these contributions.		
<i>v) Defined contribution plans</i>		
Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.		

**Note 8 Non-current**

**Note 8.1 Interest-bearing loans and borrowings**

*Current*

Leases

Borrowings - secured

-	-
110	235
<b>110</b>	<b>235</b>

*Non-current*

Leases

Borrowings - secured

-	-
1,007	1,164
<b>1,007</b>	<b>1,164</b>

**Total**

<b>1,117</b>	<b>1,399</b>
--------------	--------------

*Borrowings*

The maturity profile for Council's borrowings is:

Not later than one year

Later than one year and not later than five years

Later than five years

**Total**

110	235
519	400
488	764
<b>1,117</b>	<b>1,399</b>

2019	2018
\$'000	\$'000

**Accounting policy**

**Interest bearing liabilities**

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

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



Notes to the Financial Report  
For the Year Ended 30 June 2019

Note	9	Other financial information	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
Note	9.1	Reserves	\$'000	\$'000	\$'000	\$'000
		(a) Asset revaluation reserve				
		2019				
		Associate - Dulverton Waste Management Authority (note 4.1)	306	4	-	310
		Infrastructure, land and buildings	95,102	-	-	95,102
		<b>Total asset revaluation reserve</b>	<b>95,408</b>	<b>4</b>	<b>-</b>	<b>95,412</b>
		2018				
		Associate - Dulverton Waste Management Authority (note 4.1)	282	24	-	306
		Infrastructure, land and buildings	93,543	1,559	-	95,102
		<b>Total asset revaluation reserve</b>	<b>93,825</b>	<b>1,583</b>	<b>-</b>	<b>95,408</b>

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

(b) Fair value reserve

2019

Equity Investment assets

Investment in water corporation	730	1,091	-	1,821
<b>Total fair value reserve</b>	<b>730</b>	<b>1,091</b>	<b>-</b>	<b>1,821</b>

2018

Available-for-sale assets

Investment in water corporation	642	88	-	730
<b>Total fair value reserve</b>	<b>642</b>	<b>88</b>	<b>-</b>	<b>730</b>

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised. Equity Investment assets within the Fair value reserve were previously classified as 'Available-for-sale assets'.

	2019 \$'000	2018 \$'000
<b>Total Reserves</b>	<b>97,233</b>	<b>96,138</b>

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

Result from continuing operations	1,437	1,909
Depreciation/amortisation	2,543	2,546
(Profit)/loss on disposal of property, infrastructure, plant and equipment	75	404
Capital grants received specifically for new or upgraded assets	(807)	(1,335)
Share of Associates Profit/ Loss	(300)	(134)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	98	465
Decrease/(increase) in other assets	(38)	1,332
Increase/(decrease) in trade and other payables	(332)	(354)
Increase/(decrease) in provisions	184	(25)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,860</b>	<b>4,808</b>

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.

	Interest-bearing loans and borrowings	Lease liabilities	Other
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2018</b>	<b>1,399</b>	<b>-</b>	<b>-</b>
Cash repayments	(283)	-	-
<b>Balance as at 30 June 2019</b>	<b>1,116</b>	<b>-</b>	<b>-</b>
<b>Balance as at 1 July 2017</b>	<b>1,615</b>	<b>-</b>	<b>-</b>
Cash repayments	(216)	-	-
<b>Balance as at 30 June 2018</b>	<b>1,399</b>	<b>-</b>	<b>-</b>

**Note 9.4 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 5.1)	10,369	10,933
Less bank overdraft	-	-
<b>Total reconciliation of cash and cash equivalents</b>	<b>10,369</b>	<b>10,933</b>

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

**Note 9.5 Financing arrangements**

Bank overdraft	25	25
<b>Unused facilities</b>	<b>25</b>	<b>25</b>

**Note 9.6 Superannuation**

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

For the year ended 30 June 2018 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

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

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

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

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

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

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

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

Notes to the Financial Report  
For the Year Ended 30 June 2019

- 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 \$4,000 (2017-18, \$4,000), and the amount paid to accumulation schemes was \$192,321 (2017-18, \$179.).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$4,100, and the amount to be paid to accumulation schemes is \$197,200.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2018, showed that the Fund had assets of \$57.48 million and members' Vested Benefits were \$48.39 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2018 the fund had 119 members and the total employer contributions and member contributions for the year ending 30 June 2018 were \$1,515,272 and \$266,000 respectively.

	2019 \$'000	2018 \$'000
<b>Fund</b>		
<b>Defined benefits fund</b>		
Employer contributions	4	4
	<hr/> 4	<hr/> 4
<b>Accumulation funds</b>		
Employer contributions	192	4
	<hr/> 192	<hr/> 4

**Note 9.7 Commitments**

*Capital Expenditure Commitments*

Buildings	229	770
Plant and equipment	245	268
Roads	2,623	943
Drainage	105	
Parks & Reserves	401	523
<b>Total Capital expenditure commitments</b>	<hr/> 3,602	<hr/> 2,504

*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	531	-
Information systems and Technology	124	368
<b>Total contractual commitments</b>	<hr/> 656	<hr/> 368

2019  
\$'000

2018  
\$'000

**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 financial liabilities, both recognised and unrecognised, at balance date are as follows:

**2019**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<i>Financial assets</i>							
Cash and cash equivalents	1.69%	2,560	7,809	-	-	-	10,369
Financial assets	0.00%	-	-	-	-	18	18
Trade and other receivables	8.81%	131	-	-	-	327	458
Investment in water corporation		-	-	-	-	7,995	7,995
<i>Total financial assets</i>		2,691	7,809	-	-	8,340	18,840
<i>Financial liabilities</i>							
Trade and other payables		-	-	-	-	917	917
Trust funds and deposits		-	-	-	-	68	68
Interest-bearing loans and borrowings	6.64%	-	110	1,007	-	-	1,117
<i>Total financial liabilities</i>		-	110	1,007	-	985	2,102
Net financial assets (liabilities)		2,691	7,699	(1,007)	-	7,355	16,738

**2018**

	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		
<i>Financial assets</i>							
Cash and cash equivalents	2.89%	6,444	4,489	-	-	-	10,933
Financial assets	0.00%	-	-	-	-	18	18
Trade and other receivables	8.72%	104	-	-	-	452	556
Investment in water corporation		-	-	-	-	6,904	6,904
<i>Total financial assets</i>		6,548	4,489	-	-	7,374	18,411
<i>Financial liabilities</i>							
Trade and other payables		-	-	-	-	1,249	1,249
Trust funds and deposits		-	-	-	-	75	75
Interest-bearing loans and borrowings	6.64%	-	235	1,164	-	-	1,399
<i>Total financial liabilities</i>		-	235	1,164	-	1,324	2,723
Net financial assets (liabilities)		6,548	4,254	(1,164)	-	6,050	15,688

**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 Balance Sheet		Aggregate net fair value	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	10,369	10,933	10,369	10,933
Other financial assets	112	72	112	72
Trade and other receivables	458	556	458	556
Investment in water corporation	7,995	6,904	7,995	6,904
<i>Total financial assets</i>	<u>18,934</u>	<u>18,465</u>	<u>18,934</u>	<u>18,465</u>
<i>Financial liabilities</i>				
Trade and other payables	917	1,249	917	1,249
Trust funds and deposits	68	75	68	75
Interest-bearing loans and borrowings	1,117	1,399	1,117	1,399
<i>Total financial liabilities</i>	<u>2,102</u>	<u>2,723</u>	<u>2,102</u>	<u>2,723</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
<b>2019</b>				
Cash and cash equivalents	10,367	-	-	10,367
Trade and other receivables	-	-	434	434
Investments and other financial assets	-	-	-	-
<b>Total contractual financial assets</b>	<b>10,367</b>	<b>-</b>	<b>434</b>	<b>10,801</b>
<b>2018</b>				
Cash and cash equivalents	10,931	-	-	10,931
Trade and other receivables	-	-	529	529
Investments and other financial assets	-	-	-	-
<b>Total contractual financial assets</b>	<b>10,931</b>	<b>-</b>	<b>529</b>	<b>11,460</b>

**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:

	2019 \$'000	2018 \$'000
Current (not yet due)	64	265
Past due by up to 30 days	-	111
Past due between 31 and 180 days	21	95
Past due between 181 and 365 days	88	65
Past due by more than 1 year	304	20
<b>Total Trade &amp; Other Receivables</b>	<b>466</b>	<b>556</b>

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

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

	2019 \$'000	2018 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	8,151	-
Past due by more than 1 year	-	-
Total Trade & Other Receivables	8,151	-

**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 Financial Liabilities.

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

2019	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	917	-	-	-	-	917	917
Trust funds and deposits	68	-	-	-	-	68	68
Interest-bearing loans and borrowings	55	55	130	389	488	1,117	1,117
Total financial liabilities	1,040	55	130	389	488	2,102	2,102

2018	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	1,249	-	-	-	5,168	6,417	6,417
Trust funds and deposits	75	-	-	-	574	649	649
Interest-bearing loans and borrowings	118	118	100	300	764	1,399	1,399
Total financial liabilities	1,442	118	100	300	6,506	8,465	8,465

**(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%	
		-100 basis points		+100 basis points	
2019	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial assets:</b>					
Cash and cash equivalents	10,369	(104)	(104)	104	104
Trade and other receivables	434	(4)	(4)	4	4
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	1,117	(11)	(11)	11	11

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
2018	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial assets:</b>					
Cash and cash equivalents	10,933	(109)	(109)	109	109
Trade and other receivables	529	(5)	(5)	5	5
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	1,399	(14)	(14)	14	14

**Note 9.10 Fair Value Measurements**

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

- Investment property
- Investment in water corporation
- Property, infrastructure plant and equipment
  - Land
  - Buildings, including footpaths & cycleways
  - Roads
  - Bridges
  - Other infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

**(a) Fair Value Hierarchy**

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2019.

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 2019**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	4.2	-	-	7,995	7,995
Land	6.2	-	4,966	-	4,966
Land under roads	6.2	-	-	4,399	4,399
Buildings	6.2	-	-	13,550	13,550
Roads, bridges, footpaths & cycleways	6.2	-	-	92,062	92,062
Drainage	6.2	-	-	2,439	2,439
Other Infrastructure	6.2	-	-	-	-
		-	4,966	120,445	125,411
<b>Non-recurring fair value measurements</b>					
Assets held for sale	5.5	-	-	-	-
		-	-	-	219,912

**As at 30 June 2018**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	4.2	-	-	6,904	6,904
Land	6.2	-	4,799	-	4,799
Land under roads	6.2	-	-	4,399	4,399
Buildings	6.2	-	-	12,745	12,745
Roads, bridges, footpaths & cycleways	6.2	-	-	90,461	90,461
Drainage	6.2	-	-	2,486	2,486
Other Infrastructure	6.2	-	-	3,733	3,733
		-	4,799	120,728	125,527
<b>Non-recurring fair value measurements</b>					
Assets held for sale	5.5	-	-	-	-
		-	-	-	222,207

**Note 9.10 Fair Value Measurements (cont.)**

*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.

**Note 9.10 Fair Value Measurements (cont.)**

**(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 property and Investment in water corporation**

Refer to Notes 6.3 and 4.2 respectively for details of valuation techniques used to derive fair values.

**Land**

Land fair values were based on the latest land values issued by the Tasmanian Valuer General as at 30 June 2014.

*Land under roads*

Land under roads is based on Council valuations at 30 June 2015 using average per square metre property value rates supplied by the Valuer-General.

**Buildings**

The fair values of Council's special purpose buildings were determined by estimating the depreciated current replacement cost as at 1 July 2014 based on per square meter construction rates published in *Rawlinsons Handbook*. The fair value of non-special purpose buildings were determined by Council management based on the latest capital values issued by the Tasmanian Valuer General as at 1 July 2014.

**Infrastructure assets**

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's gross replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1(e).

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

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

Roads, including footpaths & cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. 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 300mm (150mm sub-base plus 150mm base-course) for sealed roads and 200mm (100mm sub-base and 100mm wearing surface for unsealed roads. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise 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 Management, effective 30 June 2014 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.

**Note 9.10 Fair Value Measurements (cont.)**

Drainage

A full valuation of drainage infrastructure was undertaken by Council's Engineer, effective 30 June 2013. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. This value has been adjusted to reflect the movement in the Australian Bureau of Statistics Road and Bridge Construction Index from June 2013 to June 2016.

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
Roads, including footpaths & cycleways	\$92,062	Useful life	refer note 6	The higher the useful life the higher the fair value
Roads, including footpaths & cycleways	\$92,062	Unit price per sq. metre	refer note 6	The higher the unit price the higher the fair value
Drainage	\$2,439	Useful life	refer note 6	The higher the useful life the higher the fair value
Drainage	\$2,439	Unit price per sq. metre	refer note 6	The higher the unit price the higher the fair value
Investment in Water Corporation	\$7,995	Refer to note 4.2 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 notes 4.1, 6.2, and 6.3 respectively.

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

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

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

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

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



**Note 9.11** **Events occurring after balance date**  
(a) There are no subsequent events after 30 June 2019 that have had a material impact on the accounts.

**Note 10** **Other matters**  
**Note 10.1** **Related party transactions**

(i) **Responsible Persons**

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

**Councillors** Councillor 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**

	Short term employee benefits				
	Allowances	Vehicles <sup>1</sup>	Total Compensation AASB 124	Expenses <sup>2</sup>	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	30,749		30,749	2,348	33,097
Deputy Mayor	27,571		27,571	2,717	30,288
Councillors	73,855		73,855	13,067	86,922
<b>Total</b>	<b>132,175</b>	<b>0</b>	<b>132,175</b>	<b>18,132</b>	<b>150,307</b>

	Short term employee benefits				
	Allowances	Vehicles <sup>1</sup>	Total Compensation AASB 124	Expenses <sup>2</sup>	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	36,671		36,671	4,663	41,334
Deputy Mayor	21,113		21,113	1,854	22,967
Councillors	75,843		75,843	16,551	92,394
<b>Total</b>	<b>133,627</b>	<b>-</b>	<b>133,627</b>	<b>23,068</b>	<b>156,695</b>

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

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

(iii) **Key Management Personnel Remuneration**

2019	Remuneration band	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits <sup>4</sup>	Total
			Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Termination Benefits <sup>7</sup>		
			\$	\$	\$	\$	\$	\$		\$
	\$140 001 - \$160 000	2	224,594	-	19,700	-	21,160	-	19,252	284,706
<b>Total</b>			<b>224,594</b>	<b>-</b>	<b>19,700</b>	<b>-</b>	<b>21,160</b>	<b>-</b>	<b>19,252</b>	<b>284,706</b>

Less key management personnel hired to Latrobe Council (est 1.1 FTE)	(156,588)
Add key management personnel services hired from Latrobe Council (est 1.4 FTE)	230,105
<b>Net total cost of key management personnel 2019</b>	<b>358,223</b>

(iii) Key Management Personnel Remuneration (Cont...)

2018	Number of employees	Short term employee benefits				Post employment benefits		Non-monetary Benefits <sup>7</sup>	Total
		Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Termination Benefits <sup>6</sup>		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	\$
<\$100,000	1	41,981	-	29,994	-	3,988	-	(6,905)	69,058
\$120 001 - \$140 000	1	92,838	-	11,180	-	17,920	-	10,658	132,596
\$140 001 - \$160 000	1	116,387	-	11,782	-	11,057	-	12,242	151,468
<b>Total</b>		<b>251,206</b>	<b>-</b>	<b>52,956</b>	<b>-</b>	<b>32,965</b>	<b>-</b>	<b>15,995</b>	<b>353,122</b>
<b>Less key management personnel hired to Latrobe Council (est 1.1 FTE)</b>									<b>(50,808)</b>
<b>Add key management personnel services hired from Latrobe Council (est 1.5 FTE)</b>									<b>210,024</b>
<b>Net total cost of key management personnel 2018</b>									<b>512,338</b>

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

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

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

<sup>4</sup> Other 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.

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

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

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

8 Due to a restructure implemented during the 2018/2019 year the number of employees considered to be key management personnel is now 2 not 3.

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

(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 4.1

Transactions with associates

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
Waste disposal services <sup>1</sup>	\$414,377	Council owes \$25,261	30-day terms on invoices	-	-
National Taxation Equivalent Regime (NTER) receipts <sup>2</sup>	\$119,825	Council recorded accrued revenue of \$43,693	As per Section 71 of the Government Business	-	-
Dividends <sup>3</sup>	\$65,296	-	As determined by	-	-

<sup>1</sup> 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.

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

<sup>3</sup> As part owner of Dulverton Waste Management Authority, Council receives dividend payments from time to time as declared by the board of the

(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	Agency Accommodation bookings	\$7,960	-	Payment received on bookings	-	-
2	Agency Accommodation commissions deducted by Council	\$1,194	-	Council Approved fees & charged	-	-
3	Agency Accommodation - net payment to Owner	\$6,766	-	30 - day Terms	-	-
4	Sheffield General repair and vehicle maintenance	\$14,741	-	7- day Terms	-	-
5	Caltex Gas Refill , fuel and oil	\$311	-	30 - day Terms	-	-
6	Wilmot Tourist and Progress Association	\$2,685	-	-	-	-

<sup>1</sup> Council received accommodation bookings receipts through the Kentish Visitor information Centre for a property owned by a related party of a Councillor. The terms and conditions of these bookings are the same as generally applied to all accommodation bookings.

<sup>2</sup> Council retained commissions on the above accommodation booking receipts through the Kentish Visitor information Centre on terms and conditions the same as those generally applied to all similar accommodation bookings.

<sup>3</sup> Council paid the net proceeds of the above accommodation bookings (after deducting commission ) on terms and conditions the same as those generally applied to similar accommodation bookings.

<sup>4</sup> Sheffield Mechanical and Try is generally used for care service and repairs, towing of abandoned vehicles identified by the council and general repairs to vehicles and trailers

<sup>5</sup> Caltex Sheffield for the purchase of daily consumables that including gas, fuel and oil.

<sup>6</sup> Annual Funding of the Wilmot Museum , Grants for a Christmas BBO in December 2018 and the purchase of trees for the Wilmot Cemetery.

(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 on a
- 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.

**2019**

<b>Special Committee</b>	<b>Opening Bank Balance</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Balance Sheet Transfers</b>	<b>Closing Bank Balance</b>
Barrington Hall Committee	22,100	3,177	2,676	1,850	24,451
Beulah Hall Committee	10,619	851	2,751	1,850	10,570
Claude Road Hall Committee	13,548	9,827	4,708	2,050	20,717
Kentish Museum	7,194	842	6,701	6,600	7,935
Railton Community Facilities Committee	16,920	9,273	4,918	-	21,275
Railton Recreation Ground Committee	2,296	12	1,259	1,850	2,898
Railton Squash Committee	5,378	1,100	2,476	-	4,002
TRAK	7,823	33,431	33,393	1,850	9,711
Wilmot Memorial Hall Committee	22,399	2,617	2,651	1,850	24,215
Wilmot Rec Ground Committee	10,625	1,850	-	-	12,475
Railton Neighbourhood Centre	3,278	4,862	7,191	3,850	4,800
	<b>122,181</b>	<b>67,842</b>	<b>68,725</b>	<b>21,750</b>	<b>143,048</b>

**2018**

<b>Special Committee</b>	<b>Opening Bank Balance</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Balance Sheet Transfers</b>	<b>Closing Bank Balance</b>
Barrington Hall Committee	20,325	4,180	4,255	1,850	22,100
Beulah Hall Committee	10,889	1,728	3,848	1,850	10,619
Claude Road Hall Committee	18,722	10,452	17,476	1,850	13,548
Kentish Museum	6,416	1,176	6,998	6,600	7,194
Railton Community Facilities Committee	23,097	2,710	12,587	3,700	16,920
Railton Recreation Ground Committee	446	-	-	1,850	2,296
Railton Squash Committee	3,594	1,470	2,286	2,600	5,378
TRAK	5,883	37,853	37,763	1,850	7,823
Wilmot Memorial Hall Committee	20,473	3,783	3,707	1,850	22,399
Wilmot Rec Ground Committee	8,775	-	-	1,850	10,625
Railton Neighbourhood Centre	3,446	8,674	10,692	1,850	3,278
	<b>122,066</b>	<b>72,026</b>	<b>99,612</b>	<b>27,700</b>	<b>122,180</b>

**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 9 *Financial Instruments***

This standard replaces the existing standard, AASB139: *Financial Instruments: Recognition and Measurement* and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by Council's business model for holding the particular asset and its contractual cash flows.

Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 \$'000
<b>Assets</b>		
Trade and other receivables	(a), (b)	0
<b>Total Assets</b>		<b>0</b>
<b>Total adjustment on equity</b>		<b>-</b>
Accumulated surplus	(a), (b)	0

The nature of adjustments are described below.

*(a) Classification and measurement*

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9. The classifications are primarily based on Council's business model in which a financial asset is managed and its contractual cash flow characteristics. The main effects resulting from reclassification are as follows:

- *Trade and other receivables* - classified as 'Loans and receivables' as at 30 June 2018, these are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at 'Amortised cost' beginning 1 July 2018.
- *Investment in water corporation* - classified as an 'Available-For-Sale' financial asset as at 30 June 2018. As Council does not hold this equity investment for trading purposes, it has made an irrevocable election for this equity instrument to present any subsequent changes in fair value in Other comprehensive income. Under this approach only dividends are recognised in profit or loss. Council's Investment in water corporation is classified and measured as an 'Equity instrument at fair value through other comprehensive income' beginning 1 July 2018.
- Council did not designate any financial assets as at fair value through profit or loss.
- Council has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for Council's financial liabilities.

In summary, upon the adoption of AASB 9, Council had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 Category and carrying amount			AASB 9 Category and carrying amount			
			Amortised Cost	Fair value through profit or loss	Fair value through OCI	Equity instrument at fair value through OCI
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and receivables						
Trade and other receivables*	5.2	556	556	-	-	-
Investment - Community Bank	5.3	18	18	-	-	-
Available-for-sale						
Investment in water corporation	4.2	6,904	-	-	-	6,904
			<b>574</b>	<b>-</b>	<b>-</b>	<b>6,904</b>

\*The change in carrying amount is a result of additional impairment allowance. Refer to discussion on impairment below.

*(b) Impairment of financial assets*

The adoption of AASB 9 has fundamentally changed Council's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach, with a forward-looking expected credit loss (ECL) approach. AASB 9 requires Council to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss.

Upon adoption of AASB 9, Council recognised an additional impairment on Trade and Other receivables.



Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018 \$'000	Re-measurement \$'000	ECL under AASB 9 as at 1 July 2018 \$'000
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

(h) **Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) **AASB 15 Revenue from Contracts with Customers**

The standard has been deferred by AASB 2016-7 *Deferral of AASB15 for Not-for-Profit Entities*, until the 2019-20 reporting period.

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

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 2.4. Council's assessment is that the majority of the amounts received unexpended for the year, \$0, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption however no adjustment is considered necessary as the balance of unexpended grants is nil.

(ii) **AASB 1058 Income of Not-for-Profit Entities**

This standard has been deferred until the 2019-20 reporting period.

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

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

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

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council has reviewed possible peppercorn leases and determined that any impact would not be material.

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

AASB 1058 requires the recognition of Volunteer services where they would have been purchased if not donated and the fair value of those services can be reliably measured. Council has assessed these requirements and determined that volunteer labor is generally utilised to support Visitor Information Centre operations. It is estimated that approximately 3120 hours of time are utilised which would generally be at the casual rate of \$28.033 per hour. This equates to a value of approximately \$87,000.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

(iii) AASB 16 *Leases*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Council will apply the standard from 1 July 2019. Exemptions allow councils to apply AASB 117 for the 30 June 2019 reporting year.

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

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Council's existing lease commitments are disclosed in Note 9.9.

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

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption, however as Council does not have any leases there will be no impact.

(iv) 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:

	Oneills Creek Overnight Camping	
	2018	2019
	\$'000	\$'000
<i>Revenue</i>		
Rates	0	0
User Changes	1	2
Grants	0	0
Total Revenue	1	2
<i>Expenditure</i>		
<i>Direct</i>		
Employee Costs	0	0
Materials and Contacts	1	1
Interest	0	0
Utilities	0	0
<i>Indirect</i>		
Engineering & Administration	0	0
Total Expenses	1	1
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	0	0
Opportunity cost of capital	0	0
Total Capital Costs	1	0
<i>Competitive neutrality adjustments</i>		
Rates and land tax	0	0
Loan guarantee fees	0	0
	0	0
<i>Calculated Surplus/(Deficit)</i>	0	1
Tax Equivalent rate	30%	30%
Taxation equivalent	-	0.00
Competitive neutrality costs	0.04	1.12

**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 O'Neills Creek Overnight Camping Area as defined above is a considered significant business activity. 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, in that 10% of the actual operating costs are determined to be in relation to overnight camping, with the remainder considered to be related to day use only.

Note 10.5 Management indicators	Benchmark	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>(a) Underlying surplus or deficit</b>					
Net result for the year		1,437	1,909	4,716	(836)
Less non-operating income					
National disaster relief grants received		-	(238)	(5,143)	(439)
Gain on disposal of surplus land		-	(18)	(29)	-
Grants specifically for new/ upgraded assets		(318)	(907)	(187)	(93)
Grants for renewal of assets		(489)	(428)	(654)	(898)
Grants received in advance - current year		(1,346)	(1,384)	(1,326)	-
Rates received in advance - current year		(233)	(202)	(193)	(186)
Grants received in advance - prior year		1,384	1,326	-	1,277
Rates received in advance -prior year		202	193	186	168
Add non-operational expenses					
Disaster relief and recovery expenditure		-	108	2,730	735
Loss on disposal of assets destroyed in floods		-	-	-	818
Underlying surplus/deficit		637	359	100	546

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

<b>(b) Underlying surplus ratio</b>					
<u>Underlying surplus or deficit</u>		637	359	100	546
Recurrent income*		10,419	9,872	9,407	9,547
Underlying surplus ratio %	0%	6%	4%	1%	6%

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

<b>(c) Net financial liabilities</b>					
Liquid assets less		10,915	11,530	10,328	8,549
total liabilities		2,747	3,174	3,786	3,229
Net financial liabilities	0	8,168	8,356	6,542	5,320

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

<b>(d) Net financial liabilities ratio</b>					
<u>Net financial liabilities</u>		8,168	8,356	6,542	5,320
Recurrent income*		10,419	9,872	9,407	9,547
Net financial liabilities ratio %	0% - (50%)	78%	85%	70%	56%

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

**(e) Asset consumption ratio**

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

<i>Transport Infrastructure</i>					
<u>Depreciated replacement cost</u>		92,062	90,461	88,641	82,486
Current replacement cost		141,630	137,474	132,558	123,583
Asset consumption ratio %		65%	66%	67%	67%
<i>Buildings</i>					
<u>Depreciated replacement cost</u>		13,550	12,745	12,992	13,098
Current replacement cost		23,875	22,884	22,865	22,683
Asset consumption ratio %		57%	56%	57%	58%
<i>Drainage</i>					
<u>Depreciated replacement cost</u>		2,439	2,486	2,539	2,524
Current replacement cost		4,319	4,312	4,313	4,245
Asset consumption ratio %		56%	58%	59%	59%

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

**Note 10.5 Management indicators (cont.)**

**2019**      **2018**      **2017**      **2016**  
**\$'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>		19,341	18,970	14,224	17,254
Projected capital expenditure funding***		10,740	11,198	12,111	11,702
Asset renewal funding ratio %	90-100%	180%	169%	117%	147%

*Buildings*

<u>Projected capital funding outlays**</u>		17	17	102	208
Projected capital expenditure funding***		17	17	17	17
Asset renewal funding ratio %	90-100%	100%	100%	600%	1224%

*Drainage*

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

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

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

**(g) Asset sustainability ratio**

<u>Capex on replacement/renewal of existing assets</u>		1,036	1,266	5,611	1,580
Annual depreciation expense		2,543	2,546	2,571	2,700
Asset sustainability ratio %	100%	41%	50%	218%	59%

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

**2019**

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Roads and Bridges	844	847	1,691
Stormwater Assets	37	0	37
Buildings	15	1,050	1,065
Land	0	212	212
Land Improvements	0	402	402
Office Furniture and Equipment	8	2	10
Plant and Equipment	115	12	127
Intangibles	0	443	443
Other	17	9	26
<b>Total</b>	<b>1,036</b>	<b>2,977</b>	<b>4,013</b>

**2018**

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Roads and Bridges	1,227	1,497	2,724
Stormwater Assets	4	0	4
Buildings	0	19	19
Land Improvements	0	12	12
Office Furniture and Equipment	0	98	98
Plant and Equipment	35	99	134
<b>Total</b>	<b>1,266</b>	<b>1725</b>	<b>2991</b>

### Management Certification of the Financial Report

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

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

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of Council's financial position as at 30 June 2019 and the results of its operations and cash flows for the year then ended.

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

The completed Financial Statements Preparation and Submission Checklist is enclosed.



*Andrew Cock*

**Manager Customer & Business Services**

Date: 5/12/2019



## Certification of the Financial Report

The financial report presents fairly the financial position of the Kentish Council as at 30 June 2019 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 : 5/12/2019