

Annual Report 2019/20

Kingborough



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Acknowledgement to Traditional Custodians

We acknowledge the Traditional Custodians who have walked upon and cared for this land for thousands of years.

We pay our respects to the elders, past and present, and acknowledge today's Tasmanian Aboriginal people who follow in their ancestors' footsteps.



Council is committed to transparent reporting and accountability to the community.

This Annual Report provides the Kingborough community with information about Council's operations and performance during the financial year, and meets all obligations in accordance with the provisions of Section 72 of the *Local Government Act 1993* ("the Act").

Established on 20 August 1907, the Kingborough municipal area has grown to approximately 720 square kilometers and is served by 10 Councillors and 229 employees. Kingborough is one of the largest growing municipalities in Tasmania with an approximate population of 38,310 residents across the municipality.

Our Vision

Our community is at the heart of everything we do

Our Purpose

To make Kingborough a great place to live

Our Values

Accountability, respect, excellence and inclusiveness

PART A

Our Council



Role of Council

The role of the Council is to govern its affairs, be responsible for the performance of its functions, oversee the allocation of its finances and resources and determine its policies.

The Mayor's Role

The Mayor is to:

- Preside at meetings in accordance with the *Local Government Act 1993*;
- Provide leadership and guidance to the community;
- Carry out civic and ceremonial duties;
- Speak on behalf of the Council;
- Liaise with the General Manager on the local government's affairs and the performance of its functions.

The Councillors' Role

Councillors are to individually:

- Represent the interests of electors, ratepayers and residents of the municipality;
- Provide leadership and guidance to the community;
- Facilitate communication between the community and Council;
- Participate in the local government's decision making processes at Council meetings.

and collectively to:

- Develop and monitor budgets and strategic plans;
- Appoint the General Manager;
- Facilitate planning and development in the best interests of the community.

Councillor Conduct

Kingborough Council's Councillor Code of Conduct outlines the role of the Council and provides an overview of councillor responsibilities in accordance with the Act.

The code includes guidelines for rules of conduct, decision-making and use of Council resources. It also includes procedures for disclosure of

interests and conflicts of interest that go beyond legislative requirements.

The General Manager's Role

The General Manager is to:

- Advise the Council in relation to the functions of local government;
- Ensure advice and information is available to Council for informed decision making;
- Implement Council decisions;
- Liaise with the Mayor on the municipality's performance
- Manage day to day administration of the municipality.

Delegations

Kingborough Council's powers under the Act or any other Act may be delegated to the General Manager or an officer. Officers are accountable to the General Manager. The Council approves the policy and Council officers make decisions in accordance with that policy. The exercise of delegation is subject to Council's *Delegated Authority Policy 1.1*.

Participating in Council

Kingborough Council welcomes community and stakeholder attendance and participation at Council meetings.

Members of the public may ask questions at ordinary Council meetings. A 15-minute period is provided for questions at the beginning of each meeting.

Records of meetings, meeting dates, times and information on how to interact with Council are available on Council's website.

Message from the Mayor

I am pleased to present the 2019/20 Annual Report for Kingborough Council.

Our community – like the rest of the world – faces uncertainty as COVID-19 spreads across the globe.

While most of 2019/20 was a positive, productive year, the last three months had a significant impact on Kingborough both as a community and as an organisation.

With the State imposing a state of emergency and restrictions across business and community, our Council needed to adapt quickly and support our community where we could.

One of the decisions I am most proud of was that Council kept its parks, beaches and reserves open, even while the State closed its own public spaces. We did this because we understood that a lockdown for any length of time would have detrimental impacts on community members' mental and physical health if they were not able to get outside and exercise. The result was that many of our tracks, trails, parks and reserves were the busiest they had ever been. While keeping to their family groups and social distancing, our community filled our public places to maintain their own health and wellbeing.

We enter 2020/21 in a strong financial position, but with significant financial risks to manage.

Allocations have been made for bad debts for those households and businesses who will not be able to pay rates and Council has resolved to provide hardship assistance to ensure that those who need support, receive it.

Our Kingston Park project continues to progress, with the new playground well underway. Our ambition is to make it the best playground in Tasmania. If it is not, it will certainly be close.

The City Deal was signed in early 2019 which is a plan between the Australian, Tasmanian and four metro Hobart councils to prioritise and deliver projects that improve liveability for Hobart. Focus areas are housing and transport and we were delighted to secure \$20.8 million from the State Government to deliver congestion-busting infrastructure. This is a significant opportunity for our Council.

It has further progressed, with our partnership with the Tasmanian Government now seeing the \$20.8 million allocated across several important projects:



- Huntingfield and Firthside Park and Ride facilities – \$6.75 million.
- Kingston Bus Interchange development – \$800,000.
- Kingston Place Strategy being led by Council – \$100,000.
- Bus stop upgrades – \$2.65 million.
- Expansion of bus services – \$3.5 million.
- Complementary Council initiatives – \$7 million.

Kingborough Council will allocate \$2.5 million towards the Transform Kingston Project and complete its \$6 million playground and public open space project at Kingston Park, as part of its contribution to the City Deal.

With the Franklin Electorate not being 'marginal' we have not received the level of Australian Government assistance that many other municipalities have received. No Local Government area in the Franklin electorate received a single dollar of Australian Government support through the 2019 election. For Kingborough ratepayers, this means we have to undertake projects like the Kingston Parklands without financial assistance, while the equivalent project in Launceston, and other local government areas, was paid for by the Australian Government.

Finally, while all our staff make a significant contribution to our municipality every year, I want to particularly acknowledge our staff members who have worked to ensure Council services remained in place during the pandemic. Our community relies on this organisation to provide the public places and services that they rely on. It's our people that continue to deliver to high standards and we appreciate their commitment, perhaps even more than ever this year.

A handwritten signature in dark ink, appearing to read 'Dean Winter'.

Dean Winter
MAYOR

Message from the General Manager

The Annual Report provides an informative overview of Council's operations and performance over the past year.

Dealing with a global pandemic proved to be challenging for everyone but as this Annual Report highlights, those challenges have not stopped our community and Council achieving great things over the past 12 months.

Highlights during the year included:

- Council adopted a Covid-19 Response package and Rates Hardship Policy.
- Completed Snug River and Adventure Bay flood studies.
- Council adopted the Kingborough Play Space and Playground Strategy.
- Council adopted the Kingston Place Strategy.
- Commenced construction of the new playground at Kingston Park.
- Received a record number of planning applications.
- Undertook over a thousand recreational water quality samples at our beaches throughout the year.

Council has been proud to once again partner with a host of dedicated community groups, clubs and organisations over the past year as part of our community grants program. We know that working

together and supporting those terrific organisations achieves positive outcomes for our community.

We put significant emphasis on capital works delivery during the year. Council has many assets that it holds on behalf of the community, everything from roads to stormwater pipes, footpaths to community buildings. We are focussing on maintenance of these assets to make sure they continue to provide benefit to the community now and into the future.

While Council's finances have been impacted by the pandemic it is too early to predict the ongoing and longer-term impacts given the current uncertainty.

Thank you

I would like to take this opportunity to acknowledge the leadership of Councillors, and support of local business, community groups and volunteers.

Everyone plays a role in delivering the numerous successful projects, plans, strategies and events over the year.

Finally, I would like to acknowledge and pay tribute to the resilience and dedication of the Council staff who have ensured that, above all else, we continue to deliver the services that our community needs, expects and deserves.



Gary Arnold
General Manager



Elected Members



Mayor Dean Winter

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Councillor Paula Wriedt

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Council Meetings and Workshops

Meeting dates, Agendas, Minutes and audio recordings of meetings are published on Council's website and are also available in hard copy from the Civic Centre.

Council meetings are open to the public unless closed under subregulation 15 of the *Local Government (Meeting Procedures) Regulations 2015*.

Workshops are held as required, which allow for a more detailed discussion between Councillors and staff on specific matters and projects.

Council Meetings *(including Special Meetings and Annual General Meeting)*

Councillors	Attended
Mayor, Cr Dean Winter	24/25
Deputy Mayor, Cr Jo Westwood	24/25
<i>Cr Richard Atkinson (resigned 13/8/2019)</i>	2/5
Cr Sue Bastone	24/25
Cr Gideon Cordover <i>(elected 26/8/2019)</i>	22/22
Cr Flora Fox	21/25
Cr David Grace	19/25
Cr Amanda Midgley	25/25
Cr Christian Street	25/25
Cr Steve Wass	24/25
Cr Paula Wriedt	22/25

Council Workshops

Councillors	Attended
Mayor, Cr Dean Winter	22/23
Deputy Mayor, Cr Jo Westwood	22/23
<i>Cr Richard Atkinson (resigned 13/8/2019)</i>	2/4
Cr Sue Bastone	22/23
Cr Gideon Cordover <i>(elected 26/8/2019)</i>	16/18
Cr Flora Fox	19/23
Cr David Grace	7/23
Cr Amanda Midgley	22/23
Cr Christian Street	20/23
Cr Steve Wass	20/23
Cr Paula Wriedt	18/23

COVID-19 Response to Attendance at Council Meetings

As part of our efforts to contain the spread of COVID-19, Council meetings were closed to the public. In order to provide the opportunity for members of the public to view Council meetings, they were live streamed through Council's Facebook page from 27 April 2020.

Council meetings were streamed live on its Facebook page and members of the public were encouraged to follow the live stream. Audio recordings continue to be published on the website following each meeting.

Members of the public were encouraged to continue to submit their public questions to Council via email. Public questions received in writing were tabled in the Agenda together with an Officer's response.

Approved Leave of Absence

Councillors	Leave Approved
Mayor, Cr Dean Winter	13/8/2019 - 18/8/2019
Deputy Mayor, Cr Jo Westwood	Nil
<i>Cr Richard Atkinson (resigned 13/8/2019)</i>	13/7/2019 - 5/8/2019
Cr Sue Bastone	6/12/2019 - 20/12/2019; 17/3/2020 - 3/4/2020
Cr Gideon Cordover <i>(elected 26/8/2019)</i>	Nil
Cr Flora Fox	3/2/2020 - 26/4/2020
Cr David Grace	Nil
Cr Amanda Midgley	Nil
Cr Christian Street	12/11/2019 - 18/11/2019; 15/1/2020 - 22/1/2020
Cr Steve Wass	Nil
Cr Paula Wriedt	5/9/2019 - 9/9/2019; 26/1/2020 - 3/2/2020

Audit Panel

The Audit Panel consists of an independent chairman, two elected representatives and two independent members, who collectively have a broad range of skills and experience relevant to the operations of the Council, in line with the *Local Government Act 1993*.

The panel's objective is to provide assurance and advice to the Council about the assessment, management and review of risk across all activities and services of Council. The panel undertakes reviews of performance in areas including:

- Council's financial system, financial governance arrangements and financial management arrangements
- strategic planning arrangements, including strategic and annual plans, long-term financial management plan and asset management plans
- policies, systems and controls the City has in place to safeguard its long-term future.



Audit Panel Membership

Independent Chair	Independent Members	Council Nominees
Nick Burrows (to 18/10/2019)	Robert Hogan	Cr Mike Percey (to 12/8/2018)
Paul McTaggart (from 6/12/2019)	Paul McTaggart (to 19/11/2019)	Cr Richard Atkinson (to 12/8/2018)
	John Hills (from 6/12/2019)	Cr Flora Fox (from 7/11/2018)
	Colette Millar (from 7/2/2020)	Cr Christian Street (from 7/11/2018)

Audit Panel Meetings

Committee Members	Attended
Mr Nick Burrows (Chair until 18/10/2019)	2/2
Mr Paul McTaggart (Chair from 6/12/2019)	5/5
Mr John Hills	5/5
Ms Colette Millar (appointed on 7/2/2020)	2/2
Cr Flora Fox	5/5
Cr Christian Street	4/5

Code of Conduct Complaints

	2018/19	2019/20
Number of Complaints	4	-
Complaints Upheld	0	-
Complaints Dismissed	4	-
Total Cost	-	\$4,367

NOTE: Four complaints were lodged in 2018/19, but not invoiced until 2019/20.

Remuneration of Councillors

Councillor allowances are set by the State Government under the *Local Government (General) Regulations 2015*.

Council has resolved that the following information relating to the payment of allowances and reimbursement of expenses is included in Council meeting Agendas on a quarterly basis and also provided in the Annual Report:

- 1 Allowances paid during the financial year.
- 2 Reimbursements paid under the *Payment of Councillors Expenses and Provision of Facilities Policy* broken down into:
 - i. mileage claims;
 - ii. telephone and internet costs;

iii. conference and meeting expenses paid / claimed;

iv. child care; and

v. other reimbursements claimed.

- 3 Code of Conduct costs incurred are attributed to individual Councillors when complaints which have been lodged are substantiated and upheld.

Councillor	Allowance	Mileage Claimed	Bruny Island Ferry	Internet and Telephone	Conference and Seminars	Code of Conduct	Total
Mayor Cr Dean Winter	\$ 104,575	\$ 6,173	\$ 108	-	\$ 562	-	\$ 111,418
Deputy Mayor Cr Jo Westwood	\$ 50,641	-	-	\$ 541	-	-	\$ 51,182
Cr Richard Atkinson (resigned 13/8/2019)	\$ 3,478	-	-	-	-	-	\$ 3,478
Cr Sue Bastone	\$ 29,880	-	\$ 38	-	-	-	\$ 29,918
Cr Gideon Cordover (elected 26/8/2019)	\$ 29,880	-	-	-	-	-	\$ 25,452
Cr Flora Fox	\$ 29,880	\$ 1,598	\$ 38	\$ 1,397	\$ 1,169	-	\$ 34,082
Cr David Grace	\$ 29,880	\$ 2,564	\$ 304	\$ 1,488	\$ 136	-	\$ 34,373
Cr Amanda Midgley	\$ 29,880	-	-	-	-	-	\$ 29,880
Cr Christian Street	\$ 29,880	-	-	-	-	-	\$ 29,880
Cr Steve Wass	\$ 29,880	-	-	-	-	-	\$ 29,880
Cr Paula Wriedt	\$ 29,880	-	-	-	-	-	\$ 29,880
Code of Conduct Complaints						\$ 4,367	\$ 4,367
TOTAL	\$ 393,304	\$ 10,335	\$ 488	\$ 3,426	\$ 1,867	\$ 4,367	\$ 413,788

Notes:

- Bruny Ferry = cost of fares at \$38 per trip from 01/11/2018
- Council Minute C390/14-12 determined that Councillor Allowances and Expenses paid under the "Payment of Councillors Expenses and Provision of Facilities" Policy be reported. Bruny Ferry costs are also included as required in Minute GF101/6-12.

Council Representation on Sub-Committees

Committee Name	Type of Committee	Appointee
Abel Tasman Art Prize Committee	Community	Cr Fox
Channel Heritage Museum	Community	Cr Fox
Cycling South	Regional	Cr Atkinson (<i>resigned on 13/8/2019</i>) Cr Midgley
Kingborough Access Advisory Committee	Section 24 Special Committee	Cr Wriedt (Chair)
Kingborough Bicycle Users Group	Section 24 Special Committee	Cr Fox (Chair)
Kingborough Community Enterprise Centre	Community	Cr Bastone
Kingborough Community Safety Committee	Community	Deputy Mayor Westwood (Chair)
Kingborough Municipal Emergency Planning	Statutory	Mayor Winter
Local Government Association of Tasmania	Statewide	Mayor Winter
Southern Tasmanian Councils' Authority	Regional	Mayor Winter General Manager
Southern Waste Strategy Authority	Regional	Mayor Winter Cr Bastone (Proxy)
TasWater	Statewide	Mayor Winter



PART B

Performance Reporting



COVID-19

The coronavirus pandemic significantly impacted communities across the world during 2020, and the long-term impacts from the pandemic and global movement restrictions will continue to affect the health and well-being of all people for some time. It has also had a significant effect on global, national and local economies.

The challenges for Tasmanians are far reaching, although the continued efforts of everyone to keep each other safe and healthy has been tremendous. All Tasmanians should be commended for their determination and resilience in containing and eliminating the coronavirus from our communities.

However, those who were affected are still waiting to see what the long-term impacts may be, and local businesses and tourism operators will take time to recover. We continue to develop ways to respond and adapt to our changing environment.

New priorities came into focus with the arrival of COVID-19 such as:

- Physical health and hygiene and potential exposure to the virus.
- Mental health and well-being as lockdown restrictions came into being and businesses closed.
- Financial capability with the closure of businesses and loss of income for operators and staff.
- Food sources and delivery options for people self-isolating.
- Safe places to exercise for all, particularly with the closures of national parks and reserves.
- Technical knowledge and capability to keep connected as everyone moved online to do business and connect with each other across the world.



Council Response

The Council was presented with many challenges from March 2020 and we had to be flexible and responsive to the ongoing changes to protect and support our community and staff while still being able deliver our essential services.

An Incident Management Team was organised within Council to plan, prepare, and implement scenarios for the safety of the community, staff and councillors.

This team prepared and implemented alternative working plans, improved online business services and facility changes to make sure the Council could continue its business should any COVID-19 cases presented.

Responses to the pandemic included:

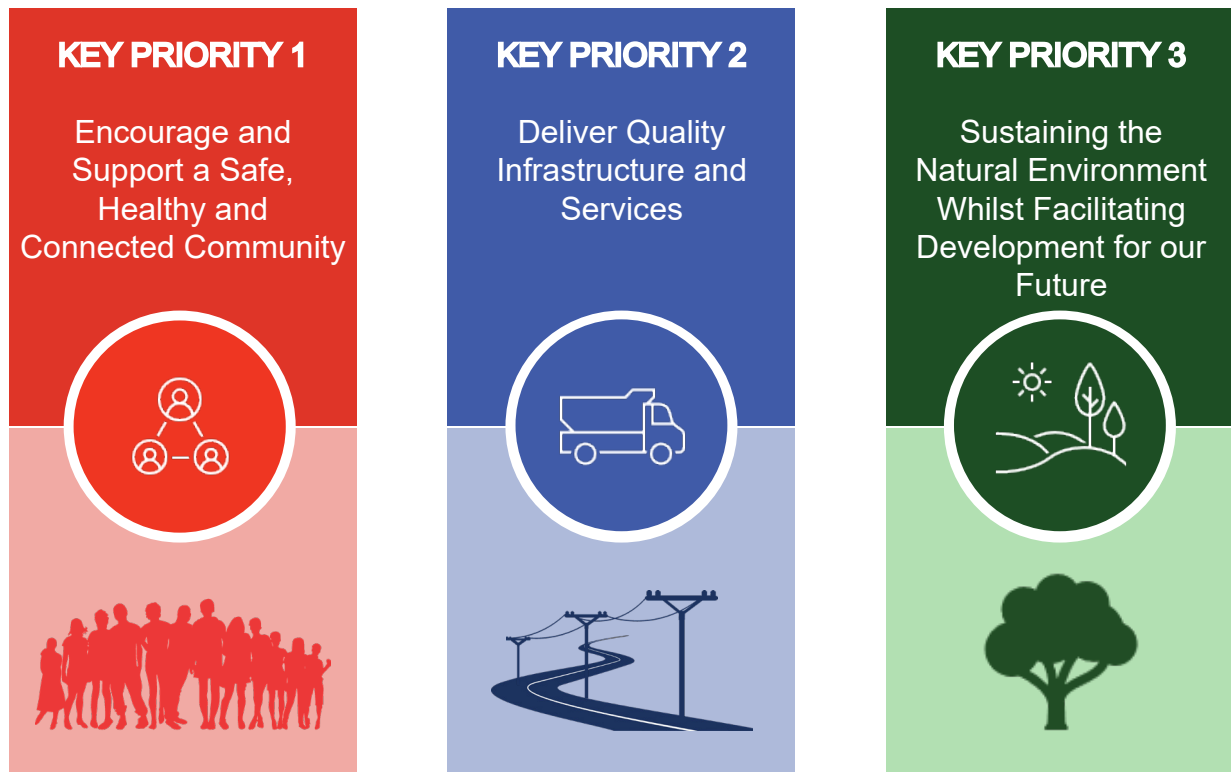
- Financial hardship policy rates relief for residential ratepayers, commercial/industrial ratepayers, and rental relief for tenants of Council properties.
- The establishment of a Recovery Working Group to develop and deliver a range of community information documents, support services and engagement activities to address the needs of the community.
- Staff relocations and improved online connections to ensure the protection of staff health as well as business continuity.
- A variety of pandemic policies and health procedures and support mechanisms for staff, including pandemic leave provision, coordinated flu vaccinations, protective equipment, and mental health support services.

Our road to recovery remains a priority for the Council into 2021, along with addressing the financial impacts to the organisation through loss of income and revenue. It will continue to be a challenge for us to recover these losses while keeping rates affordable and being able to deliver our essential services.

Planning Framework

Council's Strategic Plan 2020-2025 (the Plan) updates and replaces the Kingborough Strategic Plan 2015-2025 following a review by Councillors, community members and staff. It provides the direction for the future delivery of services by Council, which influence the quality of life for residents and businesses. Council's commitment is to put the community at the heart of its priorities and decisions.

The Plan is based on three key priorities under which is supported by five strategic outcomes that describe what Council aims to achieve, and is consistent with its vision.



Actions to achieve these outcomes have been developed and included in a Service Delivery Plan. Performance measures are included in the Service Delivery Plan to enable Council to track its progress against each of the strategic outcomes.

The Annual Report provides an update as to how the strategic outcomes have been achieved throughout the year.

KEY PRIORITY 1

Encourage and Support a Safe, Healthy and Connected Community

1.1 A Council that engages with and enables its community



KEY ACTIONS	PERFORMANCE MEASURE	STATUS
1.1.1 Implement the <i>Corporate Engagement Framework</i> to provide a consistent approach to community engagement across the organisation	Number of engagement plans prepared	100%
1.1.2 Implement the <i>Kingborough Youth Strategy 2019-2024</i> to ensure the needs, issues and aspirations of young people in our community are embedded into program delivery by Council	Achievement of outcomes identified in the Strategy	100%
1.1.3 Implement the <i>Kingborough Positive Ageing Strategy 2018</i> to provide services and programs that meet the needs of older people in our community	Achievement of outcomes identified in the Strategy	100%
1.1.4 Collaborate with Destination Southern Tasmania, the Huon Valley Council and the tourism industry to develop a tourism marketing strategy for the region south of Hobart	Production of strategy document	N/A ¹
1.1.5 Support the operations of the Kingborough Community Consultative Committee as a means of receiving feedback on Council's policies, strategies and projects	Participation statistics at Forum meetings	100%

¹ Not scheduled for completion in 2019/20

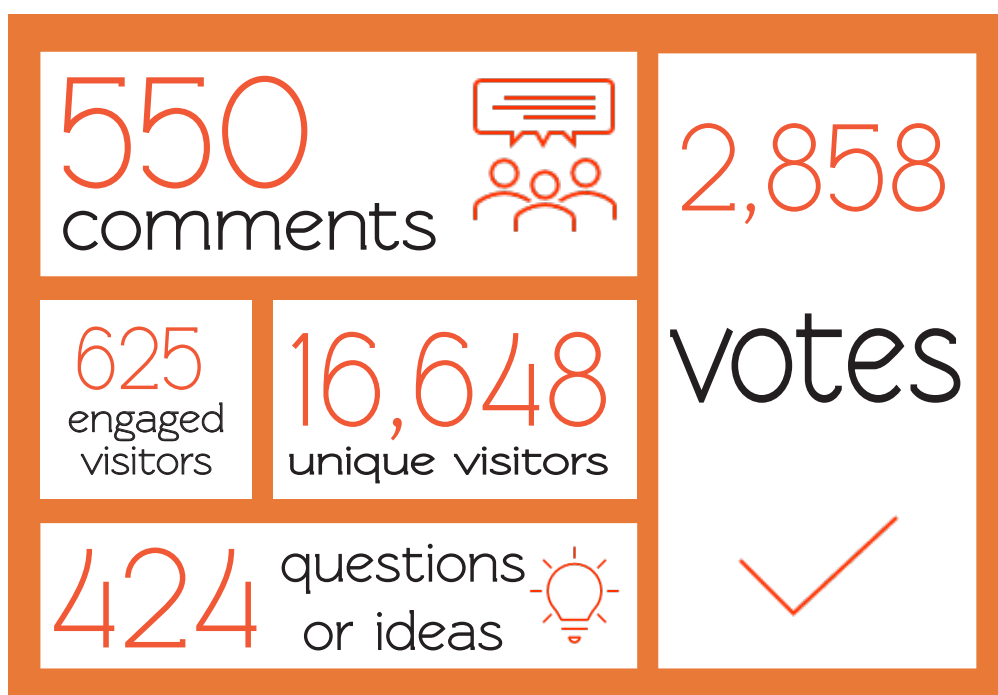


Communications & Engagement Framework

The Communications and Engagement Framework has been used for several projects during the year. These projects, the engagement model and the status of the projects are listed below.

Project	Engagement Model	Status
Silverwater Park Future	Consult	Ongoing <i>(design for feedback pending)</i>
Water Quality at Blackmans Bay	Inform	Complete
North Roslyn Avenue Survey	Consult	Complete
Aquatic Centre Feasibility	Consult	Ongoing
Play Spaces and Playground Strategy	Consult	Complete
May 2018 Storm Survey	Consult	Complete
Draft North West Bay River Catchment Plan	Consult	Complete
Draft Budget 2019/20	Inform	Complete
COVID-19 How are you?	Consult	Complete
Green Waste Bin rollout	Inform	Ongoing
Kingston Place Strategy – in partnership with consultants Place Score	Consult	Complete
Various works projects	Inform	Ongoing
Pandemic Communications and Engagement	Inform, Consult	Ongoing
Building and Plumbing Permits Expiry	Inform	Complete
Memorials Policy	Consult	Complete
Louisa Hinsby Park	Collaborate	Ongoing
Taroona Community Hall	Consult	Ongoing

Engagement Statistics



Programs for Youth

Several weekly term-time workshops were delivered at Council's Youth Centre (yspace), which provided recreational opportunities as well as improving the employment prospects for young people. These were planned and organised after consultation with young people as well as parents to make sure the programs continue to meet the needs of the community. The most popular workshops were barista training, first aid training, art from trash and construction sessions.

The new four-day Get Ready for Work program was delivered in the January and October school holidays for young people aged 16 and over. Elements included certified courses (Safe Food Handling, Senior First Aid, Responsible Serving of Alcohol) as well as work ready workshops such as barista training, CV writing and Interview Techniques.

School Holiday Programs were organised in each of the four holiday periods except April (where activities were cancelled due to COVID-19 restrictions). Activities at yspace and excursions were held offsite. These activities included street art projects, stand-up paddle boarding, Bruny Book Houses project, YMCA skate event, cooking, art and drama workshops. All were well attended with many new participants joining in.

Youth outreach programs were delivered throughout the year including a regular Youth Activities Program at Kingston Neighbourhood House consisting of a variety of activities for youth one afternoon a week. Individual support and

referrals to support services were provided for young people experiencing difficulties in their lives. Attendance at Kingston High Mental well-being day and Woodbridge Work Readiness Program.

Youth Services, in partnership with Kingston High School, Pulse Youth Health Services, PCYC, Colony47, and Drug Education Network (DEN), has successfully delivered programs designed specifically for young men and young women who have been identified as being at risk. The programs provide the opportunity for students to access information that they may not feel comfortable doing in a mixed group. The students participated in a variety of information sessions and educational activities over six weeks at yspace with support from youth outreach services to improve their well-being.

Youth Action Kingborough (YAK) members met on a regular basis through to December, providing advice to staff in relation to program and activity development. YAK was involved with organizing and the running of the Colour Festival and a Clothes Swap event that raised funds for Hobart City Mission and youth homelessness.

Around 60 young people in Kingborough shared their skills and talents as part of the Home Made competition, which was organised during the lockdown period. They submitted their entries online for the categories of sport, art, cooking, writing, music. Gift cards were given to all winners and Highly Commended certificates were awarded by the Deputy Mayor, Councillor Jo Westwood.



Positive Ageing Strategy

The Tuesday Talks program was held from July to December in 2019 to inform and connect older residents with services and programs to encourage positive ageing.

Socially isolated older residents were invited to be part of the Keeping Connect Program. Council developed a partnership with Woolworths and a local newsagent, where reading material and a sweet treat were delivered to the participants by Council staff.

The annual Seniors Week intergenerational lunch and Christmas in July event were hosted at the Twin Ovals Function Centre. Over 100 people enjoyed three-course meals at each event, prepared by young people who had completed cooking classes with a professional chef.

A guided bushland walk along the North West Bay River was hosted as part of Seniors Week 2019. The walk was offered as a taster for those who were new to bush walking and welcomed those who wanted to learn more about walks and the natural environment.

Tourism

Council again commissioned Destination South Tasmania (DST) to deliver a regional tourism marketing service, in conjunction with Huon Valley Council and the local tourism industry. The Southern Trove brand formed the cornerstone of this marketing effort and the region was promoted through a variety of channels.

The published visitors guide, and map continued to be very popular. A much stronger digital promotional presence for Kingborough was provided, with increased blog posts and associated social media activity. Both the Channel and Bruny Island areas benefited economically from increased visitor levels until the impact of the coronavirus hit in the later part of the year. This resulted in the entire closure of the industry, both within Kingborough and elsewhere.





1.2 An inclusive community that has a strong sense of pride and local identity

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
1.2.1 Deliver a range of civic, cultural and community events that celebrate local attributes	Number of events and participation statistics	100%
1.2.2 Implement the Kingborough Arts and Events Strategy 2019-2023 as a framework for planning service delivery, advocacy and leadership for arts and culture	Achievement of outcomes identified in the Strategy	100%
1.2.3 Maximise the usage of the Kingborough Community Hub as a focal point for community activities	Usage statistics and achievement of Key Performance Indicators	75% ¹
1.2.4 Prepare a Local Historic Heritage Code to protect the historic cultural heritage significance of places, precincts and landscapes	Council approval of the Heritage Code document	20% ²
1.2.5 In partnership with local community groups, develop heritage trails and interpretative signage for areas of historical and cultural significance	Trail and signage development	100%

¹ The Hub was closed for a number of months due to COVID-19

² The workload associated with record levels of development applications meant that only limited progress on this initiative was possible

Community Events

Love Living Locally was held on Sunday, 23 February at the Kingborough Community Hub. Over 40 stalls were spread in and around the Hub and over 3,000 visitors enjoyed the event. The Kids Love Science, children's activities, family entertainment and information stalls were very successful.

A Lantern Parade light up the night on Friday, 5 July 2019 at Kingston Beach Hall. Over 400 people joined an all-access lantern parade around Kingston Beach Oval before enjoying entertainment and food vendors at the Hall.

The official opening of the Ashton Denehey Park was arranged in partnership with the Denehey family and was held on Friday, 4 October. The event attracted upwards of 200 on people, who witnessed an unveiling of an information sign about Mr Denehey, before enjoying family friendly activities on the oval. The Channel Football Club and Cricket Club participated in the event providing activities and a BBQ.

The annual summer youth event, the Colour Festival, is held at the end of the academic year at Kingston Beach. Over 300 young people enjoyed live music from local youth band 'the Moonshine Collective' and activities including a sand sculpture competition and badge designing.



Arts and Culture Strategy

A variety of exhibitions and workshops were organised across the year, with the majority being hosted at the new Kingborough Community Hub in Kingston, as well as the KIN Creative Space, which is located at the rear of the Kingston Beach Hall.

- **Women's Word:** An art exhibition of work by women who were given a linen tea towel as the starting point for their creation.
- **Kingborough Community Bee Talks and Garden Preparation:** Talks from local bee expert Ronnie Voight from natural Beekeeping Tasmania. Working bees were also held at the KIN Bee Garden (Kingston Beach Hall courtyard) with a group painting a mural, lining planter boxes, filling with soil and planting bee friendly plants. Two volunteers supported the beginner bee-keeping workshops.
- **Salvaged Art and Draw(er) Up a Seat:** The popular Salvaged Art returned to Kingborough, with a range of artists of all ages taking part. Draw(er) Up a Seat was an art competition for young people, where their artwork now adorns seat cubes at the Kingborough Community Hub. Both exhibitions were well visited and enjoyed by participants.
- **Diwali @ The Hub:** Diwali was held at the Kingborough Community Hub with the film 'Monsoon Wedding' screened, along with a range of Indian food and collaborative art in the form of a floor mural- Rangoli- made out of herbs, spices and flowers.
- **designed;made 'Design by Making' exhibition:** Bauhaus inspired exhibition including ceramics, furniture jewellery and textiles.
- **'Stepping Out' solo exhibition by Blackmans Bay artist Peter James:** An artistic reflection focusing on the onslaught of digital technologies, the perceived need for speed and what goes with it.
- **Mr Caterpillar and the Special Timbers Incident:** A book launch, exhibition and performance with photography and text by Professor Jamie Kirkpatrick.
- **Blue Mondays Open Indigo Vat:** Each third Monday from December 2019 to March 2020, the Arts Officer hosted textile dyeing workshop in the renamed KIN Creative Space (formerly Arts Hub at Kingston Beach Hall).
- **A Beautiful Spectrum:** A community art project 'A Beautiful Spectrum' was installed at the Kingborough Community Hub. This work was completed as a Harmony Day event in 2019 and was installed as part of the decorations for Love Living Locally.





1.3 A resilient community with the capacity to flourish

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
1.3.1 Support the operations of the Kingborough Community Resilience Working Group to promote a safe, sustainable and resilient community through practical planning for risk mitigation, preparedness and recovery	Project delivery and outcomes from the Working Group meetings	0% ¹
1.3.2 Continue to develop and implement Council's Public Health Emergency Management Sub-Plan to guide the management of risks to the community	Review and update of the plan	100%
1.3.3 Operate the Kingborough Volunteer Program to assist older residents to continue to live in the community with dignity	Client and volunteer statistics	75% ²
1.3.4 Enhance organisational support for volunteering opportunities and recognise and celebrate volunteers in the community	Number of volunteering initiatives and volunteer statistics	100%
1.3.5 Provide support to community groups through a transparent and targeted provision of grants for community based projects	Community grant statistics	100%

¹ Early Feedback suggested that better outcomes could be achieved by working with individual community groups as required and so this action is not be progressed

² The program did not operate for a period of time due to COVID-19

Community Resilience

Staff from Kingborough Council assisted neighbouring councils in the responding to bushfire impacts in early 2019, and in particular, assisting in the management of the evacuation centre in Huonville.

Although Kingborough was not impacted by fire, the region did experience significant periods of smoke cover. We opened the Kingborough Sports Centre as a Smoke Refuge and were on standby to take any overflow from the Huonville Evacuation Centre should it reach capacity.

Grants from the extreme weather event in May 2018 were finalised during the year. The information will be used to inform planning and preparation for future events. The Kingborough Municipal Emergency Management Committee has continued to meet, and officers have participated in several State and Regional meetings and working groups. The Municipal Plan is being updated, along with the provision of several supporting standard operating procedures.

Work related to the response to COVID-19 has dominated the latter half of the year. As well as

the response to the pandemic, several planning activities have taken place especially regarding the provision of an evacuation centre in such an environment.

Community Support Programs

KIND ACTS, which stands for Kingborough, Daily, Art, Community, Teaching and Support, was created in response to lockdown restrictions across Tasmania. KIND ACTS provided a series of activities, ideas and resources shared online, via social media and as a range of themed packages which were mailed out to eligible Kingborough residents.

The resources included:

- Activities to engage the bodies and minds of older people.
- Health and well-being packs for young people.
- Support for home schooling.
- Art, craft and creative activities for everyone.

The CARE (Connect And Re-engage Easily) program was developed in response to the easing of the pandemic restrictions. The program provided small-scale COVID Safe activities to encourage people to start reconnecting, particularly if they had been self-isolating. The program offered youth activities, arts-based activities for all ages and specific senior's activities. The program aimed to engage local business operators to help promote their product/service and to support them financially by engaging their services.

A community photographic competition called Images of Isolation was aimed to capture the stories and experiences of our residents during lockdown. There were three categories, Child, Teen and Adult, which meant people of all ages could take part. Over 150 entries were received and local photographer Jose Navarro shortlisted these for Councillors Sue Bastone and Amanda Midgley to select the winners and a commendation award.

Voucher prizes to the winners were awarded to support local businesses. The photographs will be used by Kingborough Council for promotion and advertising purposes, with full credit being given to the photographer. An exhibition of the entries is planned for 2020/2021.

Public Health

The Environmental Health Team has played a significant role in Council's COVID-19 response with a considerable amount of time dedicated to advice on internal processes and the delivery of services to the community. The Unit has managed Council's infection control measures and been involved with many aspects of the organisation's pandemic planning and response. This has included the following:

- Developing procedures on infection response and COVID-19 in the workplace, shared vehicle usage, inspection processes, use of staff communal areas, visitors to Council buildings and contact tracing.
- Managing stock and supplies for hand sanitisers, disinfectants etc for all Council worksites, facilities and fleet.
- Preparation of cleaning schedules/attachments for each COVID-19 Safety Plan; a total of 18 different plans prepared across the various stages of restrictions.
- Coordinating cleaning processes with Council cleaners and other relevant staff.

- Coordination of Clean Teams and advice on personal workspace cleaning as part of the COVID-19 Safety Plans.
- Representation on Council's Incident Management Team.
- Liaison with Council's Medical Officer of Health on likely impacts and specific processes / programs.
- Liaison with Public Health Services (Department of Health) and the Local Government Association of Tasmania (LGAT) on a range of COVID-19 related issues.
- General public health advice to management and staff on processes/programs.

Immunisation Services

Council coordinated a range of immunisation services for the community including monthly infant clinics and the School Based Immunisation Program. The school program was conducted over several visits throughout the school year. Immunisation services continued to operate throughout the COVID-19 period as they were considered an essential service for the community.

Council's monthly clinics were conducted on the third Friday of each month. The clinics conducted from March to May saw an unprecedented demand for the service; most clinics had double the number of children that would usually attend. The venue was moved from the Kingston Community Health Centre to the Community Hub to allow for increased space. Several changes were implemented for these clinics including a booking system, increased time for the clinic to allow for the increased numbers (double the clinic time), social distancing/queueing management and general hygiene/sanitising. An additional Fluvax clinic for children under five years was also held in April.

The final round of the 2019 School Based Immunisation Program was completed in October 2019. This involved the administration of the second dose of the Human Papillomavirus (two-dose course) vaccine to Grade 7 students. The scheduling of the 2020 School Based Immunisation Program was adjusted based on COVID-19 requirements. Council completed the first round of the program in March prior to school attendances decreasing. The second round of the program was completed in June for Grade 10 students only; offered Meningococcal ACWY. The third round, scheduled for October, has been adjusted accordingly to finalise the program for the year.

Public Health Statement

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

Council's public and environmental health functions are carried out by the Environmental Health Unit; part of the Environmental Services Department. The Unit's organisational structure consists of a Manager Environmental Services, Senior Environmental Health Officer, three Environmental Health Officers, and an Administration and Immunisation Officer. A Medical Officer of Health and two Nurse Immunisers are employed on a casual basis.

Functions administered by the Unit in accordance with the provisions of the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Building Act 2016*, *Environmental Management and Pollution Control Act 1994*, *Burial and Cremation Act 2019* and other identified programs include:

- Food safety.
- Notifiable diseases.
- Immunisations.
- Public health risk activities.
- Unhealthy premises.
- Water quality including recreational, bathing and private water suppliers.
- Public health and environmental nuisances.
- Public health education and promotion.
- Emergency management.
- Climate change.
- Onsite wastewater management.
- Private burials.
- Pollution (air, land and water).

2



Registered public health risk activities

7



Registered water carters

8



Notifiable disease notifications / investigations

74



Registered mobile food businesses

100



Plumbing permits (on-site wastewater)

185



Registered temporary food businesses

206



Registered food businesses

457



Recreational water samples

1689*



Vaccines administered at Council immunisation clinics (including School Immunisation Program)

* reduced figure from last year due to changes in School Immunisation Program scheduling because of COVID-19

Kingborough Volunteer Program

The Kingborough Volunteer Program completed another successful year in supporting older members of the Kingborough community. Over 200 clients (ranging from 65 to 102 years of age) were provided volunteer support from 65 volunteers during 2019/20. Support was requested and provided to clients for transport to medical and personal appointments, as well as volunteer support with grocery and general shopping, gardening and walking client's pets as well as many valued social interactions.

The Program is a whole of community health and well-being program to assist older people to remain in their own homes for longer than might be otherwise possible. Kingborough Council funds this and continues to be recognised for the valuable contributions this program provides to the community.

Celebrating Volunteers

The 2020 Kingborough Awards was hosted on Saturday, 11 January 2020 to an audience of 150, and several media outlets publicized the winners and their achievements.

Two awards for Citizen of the Year were presented to:



Anna Burgess for community development projects particularly in the Coningham/Snug areas.



Brian Williams for leadership and outstanding commitment to the Blackmans Bay Scout Group and a variety of community programs and events.

Young Citizen of the Year:



Emelia Howell for her outstanding commitment and leadership to young women through sport.

Community Group of the Year:



Kingston Volunteer Fire Brigade for commitment to protecting life and property from fire and their contributions towards families experiencing extreme difficulty with the ill health of a child.

Certificate of Appreciation:



Jill Sward for her broad and ongoing commitment to community projects and activities in Kingborough.





1.4 A Council that acknowledges the existence of a climate change and biodiversity emergency and has in place strategies to respond

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
1.4.1 Implement the <i>Kingborough Climate Change Action Plan 2019-2024</i> to reinforce Council's commitment to understanding climate change, the risk it poses and response strategies	Energy and greenhouse gas targets and scheduled actions	50% ¹
1.4.2 Progress the development of an alternative energy precinct at the Barretta Waste Disposal Site	Achievement of project milestones	75% ²
1.4.3 Develop and Implement a Stormwater System Management Plan to address the management of the flood risk and within Council's urban drainage catchments	Number of flood studies highlighting under capacity systems in accordance with 2030 climate change predictions	100%
1.4.4 Develop and implement a strategy for reducing Council's carbon footprint	Strategy adopted by council and various performance measures contained within the strategy	50% ³
1.4.5 Implement Council's Waste Wise Policy to encourage waste minimisation for events run by Council or conducted on Council premises	Waste audit statistics	75% ⁴

1 Unable to be fully implemented due to resourcing constraints

2 Delayed due to COVID-19

3 Draft Strategy prepared but not endorsed by Council

4 Not fully implemented due to events being shut down by COVID-19

Climate Change

Several mitigations works, modelling and investigations have been carried out of the year in our response to climate change.

- Innovative works were completed at Tyndall Beach to stabilise banks and provide opportunities for revegetation to be completed.
- Research and modelling is being conducted to better understand Council's energy usage and carbon footprint changes over the last

15 years. This will inform ongoing emissions reduction commitments, which will be identified through the course of 2020.

- Potential inundation / flood mitigation options, their technical feasibility and financing requirements continued to be developed for Kingston Beach. Procedures and protocols for the management of potential flooding issues posed by the periodic closing of the mouth of Browns River have been identified.



Stormwater Solutions

Council maintains 322 kilometres of stormwater drainage systems that includes open drains, culverts, piped stormwater drains and pits. There are several controls over stormwater discharge with gross pollutant traps on several major outlets or vegetated cleansing swales in discrete locations. These collect rubbish washed into stormwater systems, which significantly prevents pollution entering the environment.

We considered options to improve the environmental qualities of stormwater outflows by improving wetlands, controlling system outfalls and making sure new developments apply environmentally sensitive stormwater systems.

We continued our program of developing flood models and investigations for at risk catchments. Studies were carried out for the Kingston CBD, Blackmans Bay, and Adventure Bay areas. Several other catchments were identified for future investigation driven by the major flood event in May 2018.

Major stormwater construction projects for 2019/20 included:

- Taronga Road.
- Taroon Crescent.
- Tabors Road Road realignment and culvert upgrade.
- Stormwater outlet quality control for major outlets discharging on Blackmans Bay Beach.
- Several rural culvert replacements.
- Tyndall Beach stabilisation.
- Continued work on a regional project to install rain gauges across the greater Hobart area including installations at Kingston, Longley and Adventure Bay.



1.5 An active and healthy community, with vibrant, clean local areas that provide social recreational and economic opportunities



KEY ACTIONS	PERFORMANCE MEASURE	STATUS
1.5.1 Complete the construction of the children's playspace within Kingston Park to provide recreational opportunities for children of all ages and abilities	Project delivery	50% ¹
1.5.2 Implement the Kingborough Open Space Strategy 2019 which provides direction on the planning, provision, development and management of public open space and recreational facilities in Kingborough	Achievement of strategies and recommendations	100%
1.5.3 Subdivide and sell the designated land parcels in accordance with the Kingston Park project delivery agreement and in partnership with the developer, Traders in Purple	Land sales	100%
1.5.4 Implement the recommendations and strategies in the Bruny Island Destination Action Plan and Bruny Island Tourism Strategy	Project delivery	100%
1.5.5 Review and implement the Recreational Water Quality Management Strategy to improve the water quality of Council's beaches used for recreational activities	Achievement of recommendations and actions in the Strategy	100%

¹ Construction of the playground was delayed due to the impacts of COVID-19

Kingston Park and Traders in Purple Partnership

Council has continued to work closely with its private development partners, Traders in Purple. Development approval was obtained for the first stage of the residential development within the site and Traders in Purple were very successful in generating a great deal of public interest. This marketing was put on hold for a few months at the end of the year because of the coronavirus.

A review was conducted into the existing Specific Area Plan (SAP) within the planning scheme. A planning scheme amendment was lodged for a new Kingston Park SAP that ensures internal property boundaries are in accordance with zoning boundaries and that the Zones themselves are consistent with the intended future development. This SAP was approved by Council and forwarded on to the Tasmanian Planning Commission.



During the year the land transfer of the former high school property from the Crown to Council was finalised. Council completed its purchase of the entire land parcel except for that part which is occupied by the Kingston Health Centre. A number of no-interest loans were also obtained from the Tasmanian government and they have greatly assisted the ongoing progress of this project.

Open Spaces and Recreational Facilities

During the year, Council embarked on the development and implementation of Masterplans for the Taroona Hall, Silverwater Park in Woodbridge and the Blowhole Reserve in Blackmans Bay. Playground renewal works were carried out on the Blackmans Bay foreshore and at Tinderbox, while construction of the anticipated Kingston Park playground started.

The Kingborough Sports Precinct Masterplan was completed to provide a vision for the area for the next 20-30 years. Work has now started on the update of the Kingborough Sport and Recreation Strategy. A Feasibility Report was prepared for a potential mixed-use trail from Sandfly to Margate along the North West Bay River.

The Kingborough Sports Centre continues to provide a major focal point for community health and well-being with some 2,500 people passing through its doors each week. The Centre maintains a close relationship with Kingston High School and various sporting clubs, associations and facilities at the site, including gymnastics and indoor cricket. The facility was closed for 103 days during the lockdown, which provided the opportunity for staff to renovate and rejuvenate the centre.

Recreational Water Quality

Council has continued a strong focus on recreational water quality at the southern end of Blackmans Bay Beach over the last 12 months. Investigations into this issue have been prioritised with a focus on public health and stormwater management to ultimately ensure that the high community value placed on recreational use at this site can be restored.

An extensive monitoring program has been undertaken since November 2018 involving marine and stormwater outfall monitoring. From July 2019 to June 2020, a considerable improvement in results has been demonstrated. Council has continued to work collaboratively with TasWater, the Derwent Estuary Program (DEP), the Department of Health and the Environment Protection Authority (EPA) on source tracking and joint investigations.

With the improved results and significant investment in stormwater management and infrastructure improvements, Council has now submitted a Recreational Water Quality Investigation Report for Blackmans Bay Beach (South) to the Department of Health. The report is for consideration and endorsement by the Director of Public Health for lifting the public health advisory at the southern end of Blackmans Bay Beach, removal of associated signage and a restart of the recreational water quality grading at the site. At the time of preparation of this publication, the report is under review and being considered by the Director of Public Health.



Bruny Island

The continued popularity of Bruny Island was placing high demands on existing infrastructure prior to the impacts of the coronavirus pandemic, and Council worked closely with the State Government to address issues.

Substantial infrastructure funding for Bruny Island was provided from the Government's Visitor Economy Roads Package. A \$1.5M grant was provided to Council and this has been allocated to a variety of individual projects that the local community felt had the highest priority. They include pedestrian safety improvements at Alonnah, Adventure Bay and Dennes Point, an upgrade of the Dennes Point toilets, new waste and recycling bins and repairs to the Mavista Nature Walk.

In addition to these infrastructure upgrades, a Bruny Island visitor engagement program was initiated. Consultants 'For The People' were appointed to assist in the development of a framework that would enable the establishment of a local Bruny-based information program that could meet the future needs of both visitors and

the community. This will provide an opportunity for Bruny Islanders to play a role in educating visitors so that they might better connect with, understand, and value what Bruny Island has to offer.

The Bruny Island Destination Action Plan leadership group has continued to meet regularly and has overseen the initial development of the visitor engagement program. It has also overseen a local works program that was jointly funded by the State Government, Pennicott Wilderness Journeys and Kingborough Council. Most of the available funds have been expended, but several projects were funded this year including walking track upgrades, interpretation signage and repair of the Whale Pod sculpture at Adventure Bay.





KEY PRIORITY 2

Deliver Quality Infrastructure and Services



2.1 Service provision meets the current and future requirements of residents and visitors

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
2.1.1 Complete the public road and stormwater infrastructure required to complete the Kingston Park development	Project delivery	100%
2.1.2 Continue to lobby the State Government to improve public transport services within Kingborough	Transport service statistics	100%
2.1.3 Review and update Council's By-Laws to provide strong governance, transparency and accountability in the provision of Council's regulatory services	Updated by-laws	50% ¹
2.1.4 Develop service level standards for infrastructure assets	Council adopted service level charter for infrastructure assets	100%
2.1.5 Develop a process to measure community satisfaction with the delivery of infrastructure and services	Process in place	100%

¹ The By-Law review process is taking place over a two year period and is scheduled for completion in 2021

Kingston Place Strategy

Council commissioned Place Score consultants to prepare a Kingston Place Strategy. The initial aim of this exercise was to obtain recommendations on how the reconstruction of the Channel Highway within the Kingston CBD should be designed - and in manner that best meets the needs and expectations of the most affected stakeholders and the broader community. An extensive public consultation program was conducted during the year.

The strategy was completed early in 2020 and subsequently endorsed by Council. The final Kingston Place Strategy 2020-50 provides a long-term vision for the sustainable growth and liveability of the CBD. The final document contains a wealth of information, including details on what the community told us. The vision for central

Kingston is that it will be a green, walkable and engaging place to stay. The Strategy includes recommendations across four main areas – infrastructure investment priorities (including the main street upgrade), planning and governance, public realm, and communication and branding. The 'Place' objectives for Kingston are that it will be self-sufficient, walkable, green and stayable and that it attracts investment.

Council will be commencing the implementation of the Strategy in 2020/21 under the banner of 'Transform Kingston', with a strong focus on community and stakeholder engagement, forward planning, economic development and, in particular, the implementation of the necessary public infrastructure that is required to achieve the Place Strategy's vision.

Kingston Park

This year has again seen significant on-ground progress for Council's Kingston Park project. This project aims to both provide a range of much needed community facilities whilst also stimulating investment and activity across the whole of central Kingston. It is therefore vitally important for Kingborough's social and economic future. Kingborough is one of the state's fastest growing areas and local residents need to be provided with more local attractions and services.

The Community Hub was opened in 2019 and was a popular venue for a range of activities and events until the advent of the coronavirus. It was the venue for the Love Living Locally festival in March 2020. By this time, the proposed adjoining children's playground had been designed following an extensive public consultation program. Tenders were called and construction commenced, also in March 2020. The playground is planned to be completed by the end of 2020.

Council has continued to work closely with its private development partners, Traders in Purple. Development approval was obtained for the first stage of the residential development within the site and Traders in Purple were very successful in generating a great deal of public interest. This marketing was put on hold for a few months at the end of the year because of the coronavirus. Since then, investigations have continued into other related infrastructure needs such as stormwater treatment and road designs.

A review was conducted into the existing Specific Area Plan (SAP) within the planning scheme. A planning scheme amendment was lodged for a new Kingston Park SAP that ensures internal property boundaries are in accordance with zoning boundaries and that the Zones themselves are consistent with the intended future development. This SAP was approved by Council and forwarded on to the Tasmanian Planning Commission.

During the year the land transfer of the former high school property from the Crown to Council was finalised. Council completed its purchase of the entire land parcel except for that part which is occupied by the Kingston Health Centre. A number of no-interest loans were also obtained from the Tasmanian government and they have greatly assisted the ongoing progress of this project.

Kingston Park Infrastructure

The Kingston Park project has completed the first stage of the Goshawk Way construction together with the Skipper Lane connection through to John Street. Plans are in place for the second stage of construction which will link Goshawk Way through to the Huon Highway. This work is scheduled to occur during 2021 as part of a broader upgrade of road infrastructure throughout central Kingston. Temporary stormwater management measures have been put into place within the Kingston Park in preparation for a long-term solution. This is anticipated to involve an upgrade of the existing Kingston Wetlands facility which treats all stormwater from the Kingston CBD catchment.



Hobart City Deal

Council is a signatory of the Hobart City Deal, together with the other Greater Hobart councils, and the Tasmanian and Australian governments. Within this City Deal there is a Kingston Congestion Package that has been funded and which focuses on improving public transport services within Kingborough. The objective is to get many more people to travel by bus into both Hobart and Kingston, rather than use their private cars. This will involve improvements to the existing bus interchange within the Kingston CBD, the provision of new park-and-ride facilities at Huntingfield and Firthside, an upgrade of bus stops and the additional express buses for commuters into Hobart. These proposals were confirmed during this year.

Service Levels and Community Satisfaction

Service levels for carrying out maintenance tasks on Council's infrastructure assets are being developed and are due for finalisation by June 2021. The service levels will provide an indication of when Council will act to fix a maintenance defect, how long it will take to respond to the issue, and to what standard the defect will be rectified to. Further service level triggers for the replacement of assets will be undertaken as a secondary project.

A final stage at the completion of established service levels for infrastructure assets will be the development of regular community surveys as to whether these meet the community expectations. This information is currently captured through feedback through specific engagement projects and customer service requests.





2.2 Infrastructure development and service delivery are underpinned by strategic planning to cater for the needs of a growing population

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
2.2.1 Implement the Kingston Congestion Package as outlined in the Greater Hobart City Deal Implementation Plan	Project delivery	100%
2.2.2 Develop and implement a CBD Masterplan and associated Central Kingston Parking Strategy	Project Delivery	100%
2.2.3 Review and update the Kingborough Sport and Recreation Strategy to provide a coordinated and strategic approach to the development and management of Council's recreational facilities.	Achievement of recommendations in Strategy	50% ¹
2.2.4 Deliver the annual infrastructure Capital Works program	Completion of projects within timeframe and budget	100%
2.2.5 Review Asset Management Strategy	Strategy adopted by Council	100%

¹ The update of the strategy is taking place over a two year period

Transforming Central Kingston

Council commissioned Place Score consultants to prepare a Kingston Place Strategy. The initial aim of this exercise was to obtain recommendations on how the reconstruction of the Channel Highway within central Kingston should be designed - and in manner that best meets the needs and expectations of the most affected stakeholders and the broader community. An extensive public engagement was carried out during the year.

The strategy was completed early in 2020 and subsequently endorsed by Council. The final Kingston Place Strategy 2020-50 provides a long-term vision for the sustainable growth and liveability of central Kingston. The final document contains a wealth of information, including details on what the community told us.

The vision for central Kingston is that it will be a green, walkable and engaging place to stay. The Strategy includes recommendations across four main areas – infrastructure investment priorities (including the main street upgrade), planning and governance, public realm, and communication and branding. The 'Place' objectives for Kingston are that it will be self-sufficient, walkable, green and stayable and that it attracts investment.

Council will be commencing the implementation of the Strategy in 2020/21 under the banner of 'Transform Kingston', with a strong focus on community and stakeholder engagement, forward planning, economic development and, in particular, the implementation of the necessary public infrastructure that is required to achieve the Place Strategy's vision.

Capital Works Program

There were 167 capital projects for the 2019/20 financial year (a 50% increase in projects from the previous financial year), with the majority of these completed on time and to budget. The delivery of the program was disrupted due to the COVID-19 pandemic, with some redistribution of resources and delays in equipment delivery.

Major road and bridge projects for 2019/20 included:

- Approximately \$1,200,000 of road reseals for a variety of sealed roads.
- Approximately \$1,000,000 of gravel road re-sheets.
- Brightwater Road reconstruction in Blackmans Bay.
- John Street reconstruction in central Kingston.
- Talone Avenue upgrade commenced in Blackmans Bay.
- Tarooma Crescent footpath replacement.
- Continuing upgrade works on Peverata Road.
- Installation of traffic islands in Alfred Gardens.
- Successful rollout of LED streetlights across the Kingborough network.
- Various road safety and accessibility improvement projects.

Council is responsible for halls and other buildings, many reserves and sporting ground, an extensive network of trails and a wide variety of playground areas suitable for various age groups. Some of the major capital works for these include:

- Kingston Beach toilet redevelopment into a state-of-the-art facility for a variety of uses.
- Upgrade of the Kelvedon Park changerooms.
- Additional CCTV cameras acquired for the central Kingston.
- Replacement of the Lunawanna public toilet facilities.
- Margate Hall roof replacement.
- Drainage and irrigation work for Lightwood Park 3.
- Margate Oval drainage works.
- Alum Cliff shot tower step improvements.
- Snug oval play space development.



2.3 Community facilities are safe, accessible and meet contemporary standards



KEY ACTIONS	PERFORMANCE MEASURE	STATUS
2.3.1 Prepare Disability Access Toolkit to ensure Council's services, buildings and information is accessible to people with a disability	Functional Toolkit available for use	100%
2.3.2 Implement the Kingborough Public Toilet Strategy and ensure effective provision, upgrading and maintenance of Council owned public toilets throughout the Municipal Area	Implementation of Strategy recommendations	75% ¹
2.3.3 Develop a Playground Strategy to provide a comprehensive network of quality, accessible and well-maintained playgrounds throughout Kingborough	Strategy adopted by Council	100%
2.3.4 Develop a Building Maintenance Schedule and inspection regime to provide proactive maintenance of Council's buildings and community facilities	Planned maintenance programs implemented on time and budget	100%
2.3.5 Implement schedule of inspections of community facilities	Inspection statistics	100%

¹ Contractor availability has delayed the implementation of some of the projects identified within the Strategy

Kingborough Public Toilet Strategy

Council has endorsed a Strategy that aims to progressively improve the standard of its public toilets over a ten year period. The Strategy aims to provide safe, accessible, clean, and environmentally sustainable public toilets across the Kingborough Municipal Area. During the 2019/20 financial year, new facilities were opened at Kingston Beach and at the Lunawanna Hall on Bruny Island. Construction of a new facility at Coningham Beach commenced and planning was undertaken for the upgrade of facilities at Blackmans Bay Beach and Christopher Johnson Park.



Kingborough Playspace and Playground Strategy

In March 2020, Council endorsed the Kingborough Playspace and Playground Strategy 2020-2025. This document provides a framework through which to transform the way we approach the provision of play and recreational spaces within our community. The Strategy outlines a whole-of-park approach to play space and playground design, and encourages a move away from the predominately equipment-based approach that has informed historical outcomes across Kingborough. The Strategy is structured to allow Council to respond to the unique challenges, constraints and opportunities at each site (over time, and as funding priorities and community expectations change and develop). During the year, an upgrade of play equipment at Tinderbox and the Blackmans Bay Foreshore was undertaken, with work commencing on the much anticipated playground in Kingston Park. The Ashton Denehey Park at Snug was opened in September 2019, featuring a new children's playspace that includes a flying fox, an outdoor table tennis table and traditional play equipment.

2.4 The organisation has a corporate culture that delivers quality customer service, encourages innovation and has high standards of accountability



KEY ACTIONS	PERFORMANCE MEASURE	STATUS
2.4.1 Develop a business improvement strategy using methodologies, such as Lean 6 Sigma, to deliver continuous improvement culture	Strategy document	50% ¹
2.4.2 Develop and deliver a Customer Service Strategy for the organisation	Strategy document	25% ²
2.4.3 Develop an operational plan which clearly articulates the values, key results areas, performance measures and deliverables for the organisation and that this plan is clearly conveyed to all employees	Operational plan	100%
2.4.4 Implement the Kingborough Council Leadership Framework for managers and supervisors as a key driver of continuous improvement and accountability	Participation statistics	100%
2.4.5 Review the Long Term Financial Plan to ensure the strategic actions identified in the Plan are delivered and implement strategies to improve the financial performance of the organisation	Strategic actions delivered	50% ³

¹ The business improvement strategy is being implemented over a number of years

² Council commissioned a Kingborough specific Community Satisfaction Survey following the same state-wide survey conducted by the LGAT in 2019. The outcomes of the survey will contribute to the development of our Customer Service Strategy and associated actions in the 2020/21 reporting period.

³ Strategic actions identified in the Long Term Financial Plan are scheduled for implementation over a number of years

Business Improvement

Council commissioned a Kingborough specific Community Satisfaction Survey following the same state-wide survey conducted by the Local Government Association Tasmania in 2019.

The outcomes of the survey will contribute to the development of Council's Customer Service Strategy and associated actions in the 2020/21 reporting period.





2.5 Council is a desirable place to work, attracting committed and engaged staff through progressive human resource practices and a positive work environment

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
2.5.1 Undertake negotiations for the 2020 Kingborough Council Enterprise Agreement	Enterprise Agreement approved by Fair Work Commission	25% ¹
2.5.2 Develop and implement the annual Workforce Plan which sets the priorities for workforce strategies, learning and development programs and resourcing capacity	Workforce Plan implementation	100%
2.5.3 Undertake the biennial employee engagement survey and link the results into the Workforce Plan	Completion of the Survey and delivery of actions	0% ²
2.5.4 Review the Council's Work Health and Safety Management Plan and System and deliver the identified WHS strategies to meet Council's obligations under the <i>Work Health and Safety Act 2012 (Tas)</i>	WHS Plans and Systems are compliant with legislative requirements and assessed by external auditors	100%
2.5.5 Implement and deliver an annual employee health and well-being program with a key focus delivering the community action plan for mental health	Program delivered.	50% ³

¹ Delayed due to COVID-19

² Survey no scheduled to be undertaken until 2020/21

³ Reduced program delivery due to COVID-19

Workforce Plan

Council has a Workforce Plan that aims to respond to the changing nature of service delivery in local government and the skill sets that will be required to meet the needs of this employment sector. The plan includes an analysis of Council's workforce demographics and assesses the likely impact on the ability of the organisation to deliver required services to the community – many of which Council has a statutory obligation to provide. Council is faced with the challenge of restoring its financial position following the impact of COVID-19 in the face of increasing demands for increased governance and compliance regimes, improved service provision and asset/infrastructure management.

Impacts of COVID-19 on Council's Workforce

The COVID-19 pandemic had a significant impact upon Council's workforce during the second half of the year, with many staff required to work from home or at alternate locations to the Civic Centre Offices. The Kingborough Sports Centre was closed to the public in March, whilst public access to the Civic Centre was restricted. All of Council's community halls were closed for a period of time, along with the Re-use Shop at the Barretta Waste Transfer Station. Procedures were established with advice from Council's Medical Officer of Health to minimise the risk of transmission in the workplace, whilst continuing to maintain service delivery to the community. A range of human resource policies were developed to support staff health and well-being and maintain organisational resilience. It was necessary to place the negotiations for the 2020 Enterprise Agreement on hold due to the uncertainty and disruption caused by the pandemic.



KEY PRIORITY 3

Sustaining the Natural Environment whilst facilitating Development for our future



3.1 A Council that values and prioritises its natural environment, whilst encouraging investment and economic growth

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
3.1.1 Improve the process for compliance on illegal vegetation removal based on recommendations from the compliance audit.	Number of investigations that are finalised with an infringement or prosecution	50% ¹
3.1.2 Review the Health and Environmental Services By-law to ensure that regulations provide appropriate protection for the natural environment.	Updated by-law	75% ²
3.1.3 Deliver biodiversity offset projects under the Kingborough Environmental Fund Implementation Plan 2019-2023	Conservation outcomes that equal or exceed biodiversity offset targets	100%
3.1.4 Manage the natural area reserve network through the development and implementation of both new and existing reserve management plans.	Implementation of management plan recommendations	100%
3.1.5 Continue to implement solutions to improve water quality and quantity impacts from stormwater in urban waterways.	Number of waterway projects	100%

¹ Process improvement is taking place over a number of years

² Review of the By-Law is taking place over a two year period

Environmental Fund

The aim of the Kingborough Environmental Fund (KEF) is to avoid a net loss of local biodiversity because of development and tree removals on private land. A partnership between the Tasmanian Land Conservancy and Kingborough Council was established in 2019 to help Council meet the biodiversity offset targets for private land conservation.

The partnership is on track to create seven new conservation reserves in the municipality and will see the biodiversity values within 532 hectares of native vegetation protected in-perpetuity. Other projects that have been implemented under the fund include:

- weed control at Bonnet Hill and Kingston Primary School,
- revegetation at Tramway Hill Reserve, Boddy's Creek and Whitewater Creek,
- a survey of *Eucalyptus rubida* in the Kingborough municipality, and
- funding for a rollout of environmentally sensitive moorings in North West Bay.
- Interpretive seagrass signage,
- funding for forty-spotted pardalote research,



3.2 A community that has a well-developed sense of natural and cultural heritage

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
3.2.1 Develop a natural areas interpretation plan that provides a framework of activities for community education.	Completion of plan	50% ¹
3.2.2 Provide a variety of opportunities for the community to actively participate in the conservation and management of our natural areas, flora and fauna through on ground activities, contribution to citizen science initiatives, wildlife management and surveys.	Participant statistics and evaluation	100%
3.2.3 Foster positive working relationships with landcare groups across the municipality, coordinating the network of volunteers to achieve good environmental outcomes.	Participation in landcare groups	100%
3.2.4 Foster community interest and involvement in the management of invasive weeds through actions contained in the Weed Management Strategy 2017-2027.	Survey results	100%
3.2.5 Implement the North West Bay River Catchment Management Plan in partnership with the community and key land managers in the catchment.	Project delivery	100%

¹ Plan is not scheduled for completion until 2022/23

Landcare Networks

Council has worked alongside and in partnership with the community to deliver on ground projects which have included the development of a unique soft sediment coastal monitoring program, the revegetation of 1200 native plants across various Landcare sites and the continued roll out of partnership agreements with our Landcare groups. We also invested in advancing the skills and training of our volunteers through funding qualifications, courses and an online Work, Health and Safety resource package.

In partnership with the Kingston Beach Coastcare group, Council received a grant for \$20,000 through the Australian Government's Communities Environment Program. The focus of the project is to engage the local community in the restoration of the Browns River saltmarsh at Kingston Beach. A discovery trail and observation deck will be installed to take people out to the river's edge.

There will also be some planting of native plants and shrubs, some changes in current management practices, and the closure of some of the tracks so we can better protect the area. The new viewing

platform will provide a place for birdwatching, art, photography, and general contemplation of the beauty of this area.

North West Bay River Catchment Plan

The updated North West Bay River Catchment Plan (2018-2027) highlights the need for Council to support action and re-engage the community in the conservation and maintenance of the river and its natural and cultural values. In the absence of specific funding to implement the plan we have been working within the catchment on Council land to restore the health of bush and riparian areas. This has involved updating the mapping of willows and other declared weeds along the river and working on a community project to celebrate the river. Scoping of possible trail linkages along the river corridor also commenced in partnership with the Trail Riders Action Club.



3.3 Council is able to demonstrate strong environmental stewardship and leadership

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
3.3.1 Implement the Kingborough Waste Management Strategy 2018 to deliver cost effective and efficient waste and recycling services to residents, improve recycling rates, reduce emissions and energy usage and reduce the impacts of illegal dumping and littering.	As outlined in SLA and strategy	100%
3.3.2 Implement the Kingborough Dog Management Policy 2018 and provide education and enforcement of restrictions in areas with environmental values.	Non-compliance statistics	On target ¹
3.3.3 Support and lead environmental projects through the provision of technical advice and the provision of plants from Council's native nursery.	Number of restoration projects	100%
3.3.4 Manage the natural area reserve through the development and implementation of both new and existing reserve management plans.	New reserve plans and percentage of completed actions	100%
3.3.5 Continue to provide leadership in responsible cat management by participating in Stage 2 of the Bruny Island Cat Management Project and implementing the Bruny Island Cat By-law.	Delivery of identified actions	100%

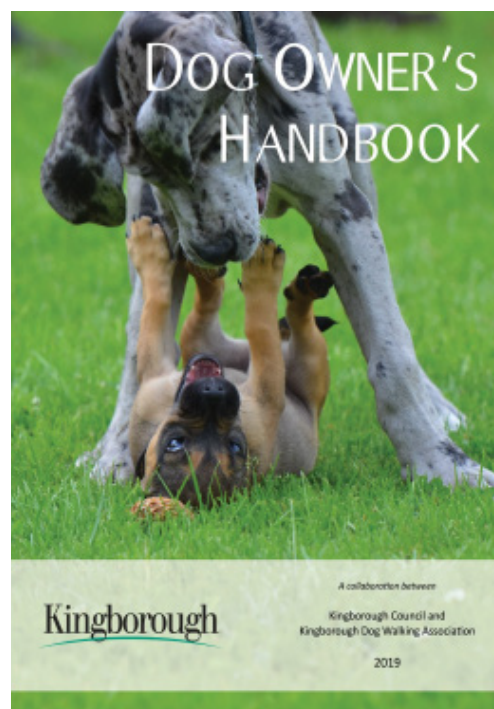
¹ This is a multi year Policy with no milestones required to be met this year

Dog Management Policy

Working in partnership has been the key to achieving outcomes in the Dog Management Policy. Working with the Kingborough Dog Walkers Association (KDWA), a successful grant application to the Tasmanian Community Fund was achieved to buy and install new dog exercise equipment for the Dru Point Reserve Dog Exercise Park.

The Kingborough Dog Owner's Handbook was developed with the KDWA and was launched in November 2019. It has been well received by both current and prospective dog owners.

Interpretation signage has been developed in collaboration with the KDWA, which will complement the new signage installed across Kingborough to support the Dog Management Policy.



Actions Completed by the Compliance Department



2 briefs of evidence lodged



48 open air fires extinguished



38 proactive fire inspections conducted



66 dog attacks investigated



91 nuisance complaints investigated



75 dogs impounded



180 abandoned vehicles removed



2422 attendances to requests by the public



2609 infringement notices issued



6200+ dog registrations

Natural Area Reserve Network

Some of the highlights of the work undertaken during the year in this area included:

- The Council nursery provided over 9000 local native plants for revegetation projects.
- Revegetation projects occurred in 20 natural area reserves. Many of these were planted by landcare groups and community volunteers.
- Stabilisation works were completed at Whitewater Creek.
- Wildlife and vegetation monitoring was undertaken across the natural area reserves network.
- Illegal bike tracks were removed from three bushland reserves and the areas rehabilitated.
- Completed working bees and population monitoring at four penguin colonies.



Environment Participation

We hosted a variety of events, citizen science opportunities, school activities, workshops and displays. Some of the events we were active at include the Taroona Seaside Festival, Middleton Fair and Love Living Locally.

Event highlights include:

- National Tree Day 2019 offered members of the community an opportunity to contribute to our landscape through on ground action while spending quality time in the natural environment at Huntingfield
 - 161 participants
 - 900 plants in ground
 - Celebrated 25 years of Landcare in Tasmania.
 - Involvement of two local schools and a childcare centre
- On the annual Threatened Species Day, 40 people participated in threatened species management by planting future habitats for the critically endangered Swift Parrot at Tramway Hill Reserve.
- To celebrate Seniors Week, we led a guided three-hour walk for 14 participants, which included lunch along the Sandfly - Northwest Bay river track. The walkers experienced the diversity of flora and fauna of the area, including many native orchids.
- We were pleased to facilitate Bush Kinder at Margate Primary School, which included an educational session and visits to the Margate Rivulet Reserve. The program has been very successful with one class of 25 in 2019, followed by four classes (with approximately 100 students) in 2020.
- A talk and walk with a local Scout group on stormwater management and the creation of habitat at the Kingston Stormwater Wetlands.
- A community education initiative to help reduce the roadkill of Tasmanian Devils when young devils are roaming in Spring/Summer. A variable message sign was located at a known roadkill hotspot area to warn motorists to watch for young devils on the road at this time of year.
- A partnership with the Parks and Wildlife Discovery Ranger Program delivered 59 environmental focussed activities to a total of 1571 people in Kingborough.





3.4 Best practice land use planning systems are in place to manage the current and future impacts of development

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
3.4.1 Review the Kingborough Land Use Strategy	Updated strategy	100%
3.4.2 Participate in a review of the Southern Regional Land Use Strategy.	Updated strategy	N/A ¹
3.4.3 Finalise the Local Provisions Schedule in order to enable the declaration of the new Kingborough Planning Scheme.	Completion of schedule	90%
3.4.4 Progress implementation of the Barretta Environmental Management Plan.	Achievement of priority actions	100%
3.4.5 Implement the Kingborough Weed Management Strategy 2017-2027	Achievement of priority actions	75% ²

¹ Review was not commenced by State Government

² Implementation impacted by COVID-19

Kingborough Planning Scheme Review

The existing Kingborough Interim Planning Scheme 2015 will in the near future be replaced by a new scheme in accordance with the legislated Tasmanian Planning Scheme requirements. Under the changes introduced by the State Government, each Council is required to prepare their own Local Provisions Schedule (LPS) in accordance with the imitation of the incoming Tasmanian Planning Scheme. Kingborough's draft LPS was endorsed by Council on 11 February 2020 and accordingly forwarded to the Tasmanian Planning Commission (TPC) for consideration. Council awaits direction from the TPC to undertake a post-lodgment meeting so that it can be directed to proceed to public consultation.

Kingborough continues to meet regularly with planners from other southern Tasmanian councils at meetings of the Southern Technical Reference Group for Strategic Planning matters. Additionally Kingborough continues to participate in Statutory Planners Reference Group which involves all Southern Councils.

Weed Management Strategy

The current municipal weed management strategy delivers an approach to weed control which includes accepted strategic objectives as well as novel concepts, both with roots based in science, data modelling and best practice weed control. Through this approach we are protecting key environmental assets from invasive weeds and co-operating with land owners across all tenures. In this reporting period we have implemented all high priority actions contained within the strategy including:

- The priority weeds contract with the Department of State Growth has allowed Council to control problem weed infestations on the state road network in Kingborough.
- A new ragwort biocontrol program is being implemented with a focus on Bruny Island.
- Council collaborated with Hobart City Council to target the eradication of orange hawkweed in the Fern Tree/Summerleas area.
- The annual Paterson's Curse Program reported a significant reduction in the weed's distribution compared to past years demonstrating the positive impact of the program and the successful steps council is taking to eradicate the weed from the municipality.



3.5 Management of environmental assets is based on professional advice and strategic planning

KEY ACTIONS	PERFORMANCE MEASURE	STATUS
3.5.1 Develop and implement a natural areas and biodiversity strategy to underpin the management of Council's natural area reserves network and approach to threatened species recovery and wildlife management.	Strategy completed	50% ¹
3.5.2 Implement recommendations from the Coastal Hazards Prioritisation Project and Bushfire Risk Reduction Strategy for Council land	Achievement of recommendations	75% ²
3.5.3 Contribute to projects that improve the health of local waterways and coastal areas through the D'Entrecasteaux and Huon Collaboration and the Derwent Estuary Program.	Number of projects undertaken	100%
3.5.4 Collaborate with key stakeholders to contribute to the recovery of threatened species and threatened vegetation communities using innovative methods and the latest research.	Collaboration and partners, number of projects undertaken of priority actions	75% ³
3.5.5 Develop and implement a biodiversity monitoring program for natural area reserves to improve knowledge of the values present and facilitate adaptive management programs	Improved data available to inform adaptive management	75% ⁴

¹ Not scheduled for completion until 2022/23

² Implementation scheduled over a number of years

³ Implementation scheduled over a number of years

⁴ Implementation scheduled over a number of years

Bushfire Emergency Response Plan

A Bushfire Emergency Response Plan was completed for Barretta Reserve which includes the Barretta Waste Management Facility (WMF) site. Barretta Reserve is Council's largest bushland reserve and has been identified in risk modelling as representing Council's highest bushfire risk. The emergency response plan is designed to be used by both Kingborough Waste Services staff and Tasmania Fire Service crews in response to a bushfire emergency occurring on or threatening the site. A network of fire trails and new signage has been established on the site to allow the Tasmania Fire Service to access the bushland areas in an emergency.

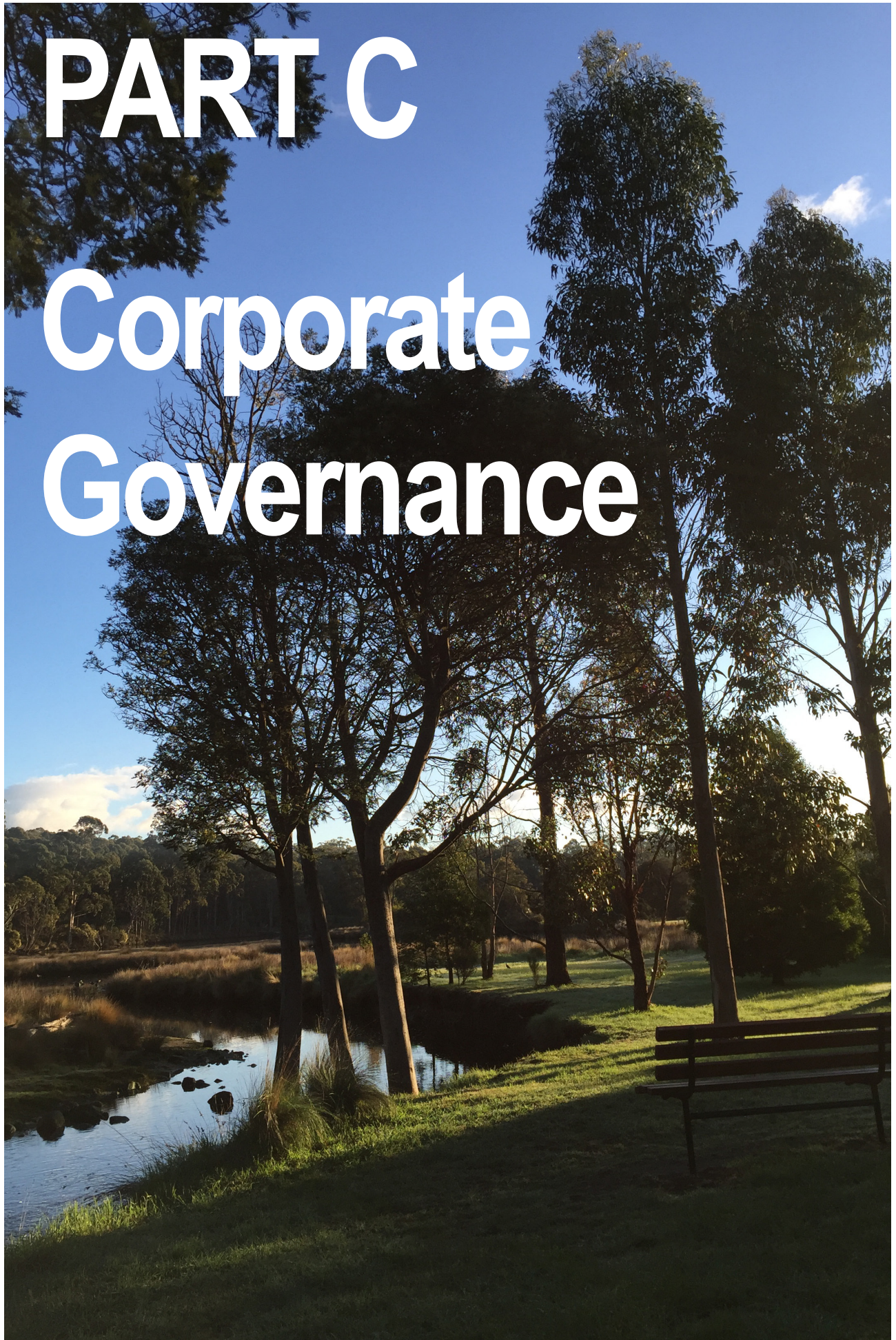
Bushfire fuel breaks in a number of Council reserves were upgraded. The upgrades included the creation of a new shaded fuel or 'green fuel break' as well as widening of existing breaks. Planning for fuel reduction burning had been

completed for burn units within Boronia Hill Reserve, Algona Bushland Reserve and Denison Street Reserve. A small burn was completed in Illawong Reserve in Taroona. Council's autumn fuel reduction burning program for 2020 was postponed due to the impact of the COVID-19 pandemic.

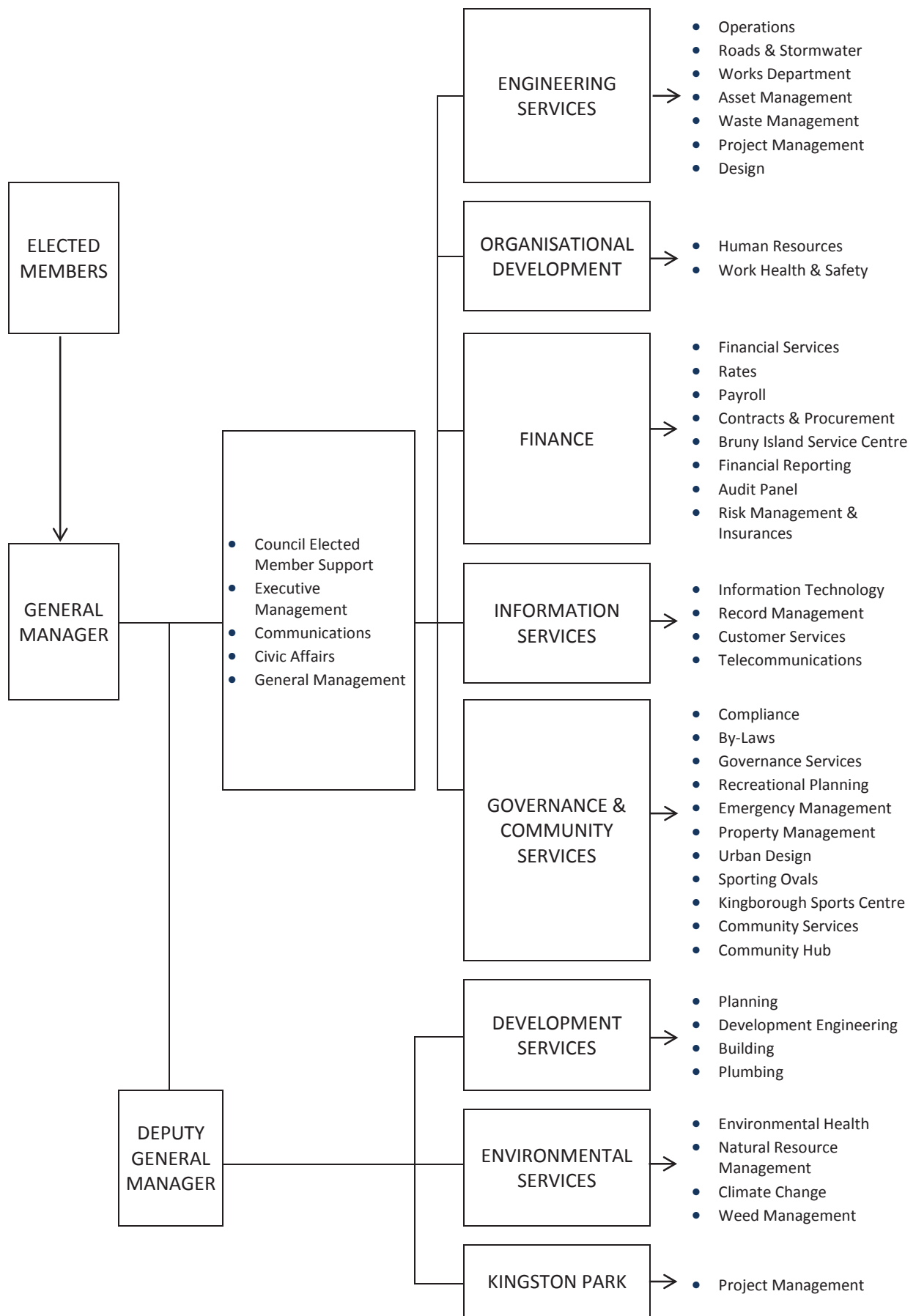


PART C

Corporate Governance



Organisational Structure



Corporate

Council aims to provide professional corporate support services across the organisation through strong financial management and human resources practices, as well as responsive and flexible information systems.



KEY ACHIEVEMENTS

Tourism

Council again commissioned Destination South Tasmania (DST) to deliver a regional tourism marketing service, in conjunction with Huon Valley Council and the local tourism industry. The Southern Trove brand formed the cornerstone of this marketing effort and the region was promoted by way of a number of different media.

The published visitors guide and map continued to be very popular. A much stronger digital promotional presence for Kingborough was provided, with increased blog posts and associated social media activity. Both the Channel and Bruny Island areas benefited economically from increased visitor levels until the impact of the coronavirus hit in the later part of the year. This resulted in the entire closure of the industry, both within Kingborough and elsewhere.

Organisational Development

The Organisational Development Department is responsible for employee development programs and work health and safety practices. This area develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services.

KEY ACHIEVEMENTS

Staffing

Council employed a staff of 190 effective full-time equivalent employees as at 30 June 2020, including Kingborough Waste Services. It should be noted that for the period March 2020 to July 2020, Council instituted a temporary halt to non-essential recruitment due to the COVID-19 pandemic.

Recruitment was undertaken in accordance with Council's Workforce Plan and recruitment guidelines. During the year, Council engaged 29 new employees, including permanent, temporary, casual and fixed-term employees. Council hosted four trainees through group training arrangements.

Training and Development

Council is committed to supporting staff in furthering their careers and learning opportunities. Employees engaged in a wide range of training and vocational studies with a focus on operational needs, customer service, work health and safety requirements, and professional development opportunities.

Industrial Relations

Council complied with all industrial relations requirements. Council and Kingborough Waste Services employees operate under Enterprise Agreements and the provisions of the Local Government Industry Award 2010. Negotiations have commenced to replace the general staff Enterprise Agreement. A new Enterprise Agreement covering employees at the Kingborough Sports Centre was finalised in late 2019.



Work Health and Safety (WHS)

Council is committed to providing a safe and healthy work environment. Incidents and work health and safety performance statistics are reviewed regularly by Council's Executive Management Team and the KWS Board. Council's workers compensation claims experience has resulted in a decrease in workers compensation premiums for the 2020/21 financial year.

During the year, Council implemented an online system for managing its safety obligations, WHS systems and compliance reporting. This system provides for the efficient reporting of incidents and hazards, as well as an employee safety training database and contractor safety inductions.

Specialist safety activities during the year included safety training, first aid training, manual handling sessions, ergonomic assessments for office based staff, a random alcohol and drug testing program and regular hearing checks to reduce the impact of noise induced hearing loss.

With the support of Relationships Australia, Council developed a Mental Health and Suicide Prevention Community Action Plan for the organisation. Mental health and wellbeing training and initiatives were delivered for all staff and managers.

Legislative Framework

Council is required to operate within the legislative framework established for local government in Tasmania and is required to appoint a General Manager for a term not exceeding five years.

The *Local Government Act 1993* outlines the roles of the General Manager. Sections 62 and 63 detail the functions and powers of the General Manager which, in essence, are to manage and direct the human and financial resources of the Council to achieve optimum use of the public monies and the most effective uses of the organisation's business assets and human resources. The General Manager's role is to make sure the Council is provided with professional advice and support in its strategic and policy making roles.

Senior Staff

Section 72 of the *Local Government Act 1993* requires that a statement be provided relating to the total annual remuneration paid to senior members of staff.

The annual remuneration is:

- the total of the salary payable;
- employer superannuation contributions;
- the value of private use of any motor vehicle; and
- any other benefits.

For the purposes of this statement an arbitrary benefit value of \$10,000 has been used for employees who have private use of a Council vehicle. In all instances these vehicles are available for specific or 'pooled' use.

The annual remuneration for Senior Staff is shown in Note 39(iii) of the Notes of the Financial Report for the Year Ended 30 June 2020.

Governance and Property Services

The Governance and Property Services Department is responsible for the management of a coordinated program of corporate governance that includes the administration of Council's property portfolio.

This includes the management of leases, licence agreements, land acquisitions, transfers, exchanges, easements and sales, along with the maintenance and development of Council's sporting facilities and building assets. The Compliance Unit has responsibility for the implementation of relevant State Government legislation, along with Council's own By-Laws. The Department also includes Council's emergency management function.

Information Services

Information Services is responsible for the delivery of information technology; information management; media and communications; and customer service functions.

Key activities include records management, provision and maintenance of Information Technology (IT) hardware and application software, website management, helpdesk support, telecommunications and media and communications.

The Customer Services Unit provides a range of services for both external and internal customers, including the provision of general Council information, lodgement of service requests, pre-assessment of building and planning applications, facilities bookings, cashiering and a range of internal administrative activities.

KEY ACHIEVEMENTS

- Implementation of Agenda Management software to streamline report generation agenda paper creation process.
- Major ICT response to COVID-19 pandemic ensuring access to business-as-usual operations for staff and public during lockdown and ongoing staff relocations.
- Facilitated early move to MS Teams for virtual Council meetings during lockdown including streaming to social media.
- Migration of selected services to cloud environment.
- Replacement of desktop/laptop hardware and OS
- Ongoing upgrades of various corporate applications.
- Continued development of system integrations with finance and asset management systems.
- Maintained Customer Service operations from various sites including work from home during COVID lockdown.
- Facilitated community engagement for major projects.
- Undertook a Kingborough based community satisfaction survey in line with the LGAT state wide survey. The results inform continuous improvement and resourcing programs. Refer Key Action 2.1.5 and 2.4.2

Council received 22 written complaints during 2019/20 (in accordance with the definition contained within Council's Customer Service Charter) as categorised below:

Nature of Complaint	No
Road Projects	1
Works Depot	1
Kingborough Waste Services	2
Infrastructure condition	2
Organisational Development	2
Stormwater	3
Compliance	4
Planning	7
Total	22

Finance

The Finance Department is responsible for the provision of financial reporting, ensuring the application of appropriate governance controls and the provision of support services for Council.

Finance is also responsible for the management of Council's financial assets including the investment of surplus funds, placement and operation of all insurance policies, procurement practices across the Council and the operation of the Bruny Island Service Centre, which includes an Australia Post branch.

KEY ACHIEVEMENTS

Council undertook an extensive budget development process which included workshops with Councillors to determine an appropriate rating structure to produce an underlying surplus for 2020/21. Towards the end of the process, it became clear that several assumptions contained within the budget would be changing due to the need to provide support to the community during the COVID-19 pandemic period. This required another review of the operational budget and a further round of workshops with Councillors to determine a budget that supports the community without putting the financial position of Council at risk. The revised operational and capital budgets were approved by Council in June 2020.

It was also decided to defer consideration of the long-term financial plan until early in 2021 when the impacts of the pandemic became clearer and a robust plan could be reviewed.

Development Services

Development Services performs that statutory functions for Council for both public and private development within the municipality.

Planning Services

Planning Services is responsible for the assessment of development applications, issuing planning permits and monitoring compliance in accordance with the *Land Use Planning and Approvals Act 1993* and the Kingborough Interim Planning Scheme 2015. This includes consultation, referral and assessment of planning applications, preparation of planning reports, recommendations and, where appropriate, delegated approvals. Officers are also responsible for the subsequent enforcement of planning permit conditions. Planning staff conduct strategic reviews of the planning scheme and process any amendment applications, as well as represent Council at hearings of the Resource Management and Planning Appeals Tribunal and the Tasmanian Planning Commission.

Building Services

Building Services administers the Building Permit Authority function of Council. Officers are responsible for the implementation of legislation controlling building and construction within the municipality, ensuring compliance with the *Building Act 2016*, Building Regulations 2016 and the National Construction Code.

Plumbing Services

Plumbing Services works closely with Building Services and is responsible for the legislated Plumbing Permit Authority function of Council. Plumbing staff are responsible for the implementation of plumbing related aspects within the *Building Act 2016*, including the role of Plumbing Surveyors who inspect plumbing works during construction and also prepare and maintain house connection details of all plumbing installations.

Development Engineering

Development Engineering staff assess the infrastructure requirements of development applications and monitor the requirements of conditions in approved planning permits, particularly in regard to works associated with subdivision developments and road works. These officers provide a link between the regulatory planning area of Council and Engineering

Services, as well as external referral agencies such as TasWater and the Department of State Growth..

Meeting Statutory Requirements

Council continued to implement quality assurance safeguards that ensure statutory planning and building requirements were met and that the Kingborough community was provided with an efficient development approval service. The Pathway process management system ensured that all timeframes and mandatory referrals were observed and assessment protocols followed. Routine audits were carried out by senior staff and all assessments and permits issued were independently vetted and endorsed by senior staff prior to issue.

Expiring Building and Plumbing Permits

As an outcome of State Government's introduction of changes in legislation relating to Building and Plumbing Permits Kingborough Council has undertaken a proactive program to assist the public in either finalising outstanding developments or extending the life of permits. This has been undertaken with a comprehensive communications plan and resourced accordingly to avoid the public getting caught out by the change in legislation that would have significant implications on their ability to complete development and avoid significant costs and stress. The program ran well and has been adapted to accommodate the changes introduced by the State Government in response to the Covid-19 pandemic.

Development Services Enforcement

Development Services has continued to develop the compliance framework for both Land Use Planning and Building to ensure compliance with the relevant Acts and to ensure that development is fair and equitable, as well as protecting the safety of our community.

Development Services, in conjunction with Council's Compliance team, has been successful in achieving compliance with the legislation through a number of means including obtainment of approvals, compliance with conditions, education or penalty to encourage change of behaviour in addition to a number of successful matters at the Magistrates Court where prosecution has been required.

Financial Assistance and Grants

1 July 2019 to 30 June 2020

NAME	DESCRIPTION	AMOUNT
Kingborough Community Enterprise Centre	Yearly funding instalment	\$ 35,000.00
Dept Primary Industries, Parks, Water and Environment	Derwent Estuary Program Contribution	\$ 26,891.00
Conservation Covenants	2019/20 Rate Remissions	\$ 11,355.00
Channel Heritage Centre	2019/20 Grant	\$ 11,000.00
Kingborough Bowls Club	Financial assistance	\$ 3,101.00
Taroona Bowls Club	Financial assistance	\$ 1,599.00
Kingborough Community Missions	Work Associated with the Disadvantaged	\$ 500.00
South Channel Ratepayers Assoc	Hire of Portable Toilets	\$ 400.00
Reconciliation Council of Tasmania	Contribution - Dark Emu Festival	\$ 400.00
Kingborough Tigers Football Club	Financial assistance	\$ 399.00
Jireh House Association	Contribution to advertising fees	\$ 309.00
Landcare Tasmania Inc	Mayor's Donation Towards Conference	\$ 300.00
Flynn Caro	World Age Gym Championships Contribution	\$ 200.00
Amber French	Contribution - World Trampolining Championships	\$ 200.00
Matthew French	Contribution - World Trampolining Championships	\$ 200.00
Sophie Newton	Contribution - Crimson Ed Tour 2020	\$ 200.00
Reconciliation Council of Tasmania	Mayor's Donation Towards Aboriginal Festival	\$ 200.00
Kingborough Dog Walkers Assoc	Launch of Dog Owners Handbook	\$ 200.00
Margate Primary School	Athletics Carnival Donation	\$ 200.00
Kingston Fire Brigade	Fundraiser BBQ and Car Wash	\$ 200.00
Jenna Shaw	Contribution - Fundraising for Medical Costs	\$ 200.00
Huntingfield Pony & Riding Club	Contribution to the disposal of jumps	\$ 200.00
Robert Sheers	Reimbursement costs Kingborough Bike Treasure Hunt	\$ 168.50
Margate Primary School	Signs for 'The Basics' project	\$ 132.40
Harry Page	Contribution to AFL National Schoolboy Championships	\$ 100.00
Lola de Kramer	Contribution to SSA Hockey Championship Costs	\$ 100.00
Miss Matilda Lange	Contribution to Aust Primary School Cross Country Championships	\$ 100.00
Miss Niamh Bawle	Contribution - U16 Basketball Tas Championships	\$ 100.00
Taroona Football Club	Donation to Quiz Night	\$ 100.00
Miss Alyssa Lee	National Gym Clubs Carnival	\$ 100.00
Miss Chloe Short	National Gym Clubs Carnival	\$ 100.00
Toby Barrett	Contribution Voyage Fees for Windward Bound	\$ 100.00
Blackmans Bay Primary School	School Citizenship Award 2019	\$ 100.00
Bruny Island District School	School Citizenship Award 2019	\$ 100.00
Calvin Christian School	School Citizenship Award 2019	\$ 100.00
Calvin Christian School	School Citizenship Award 2019	\$ 100.00
Illawarra Primary School	School Citizenship Award 2019	\$ 100.00

NAME	DESCRIPTION	AMOUNT
Kingston High School	School Citizenship Award 2019	\$ 100.00
Kingston Primary School	School Citizenship Award 2019	\$ 100.00
Margate Primary School	School Citizenship Award 2019	\$ 100.00
Snug Primary School	School Citizenship Award 2019	\$ 100.00
Southern Christian College	School Citizenship Award 2019	\$ 100.00
St Aloysius Catholic College	School Citizenship Award 2019	\$ 100.00
St Aloysius Catholic College	School Citizenship Award 2019	\$ 100.00
Taroona High School	School Citizenship Award 2019	\$ 100.00
Taroona Primary School	School Citizenship Award 2019	\$ 100.00
Woodbridge School	School Citizenship Award 2019	\$ 100.00
KC Allstars Fundraising Committee	Contribution Cheerleading Team Competition	\$ 100.00
Intrepid Foundation	Help the Kelp Art Auction	\$ 100.00
		\$ 96,054.90



Tenders and Contracts

During the year the public tender process was applied in all instances where the value of the works, services or goods was in excess of \$250,000 (excluding GST), which is the amount prescribed in the *Local Government (General) Regulations 2015*. Contracts awarded with a value above \$100,000 are listed below.

Contract	Period	Value of Tender	Contractor
Kingston Park Playground Construction	12/19 – 10/20	\$3,230,667.00	Specialised Landscaping Services 14-16 Hale Street, Derwent Park
Kerbside Collection Services for Green Waste	07/20 – 10/23	\$1,446,785.00	Veolia Environmental Services (Aust) Pty Ltd 95 Kennedy Drive, Cambridge
John Street Reconstruction and Skipper Lane Carpark	07/19 – 11/19	\$1,282,383.81	DCS Civil Tas Pty Ltd 181 East Tinderbox Road, Blackmans Bay
Talone Road Reconstruction	11/19 – 08/20	\$1,238,578.00	Bullock Civil Contracting Pty Ltd PO Box 74, Brighton
Brightwater Road and Stormwater Upgrade	03/20 – 09/20	\$592,222.51	Duggans Pty Ltd 8420 Channel Highway, Cradoc
Algona Road Stormwater Upgrade	05/20 – 10/20	\$388,105.00	Bullock Civil Contracting Pty Ltd PO Box 74, Brighton
Supply of LED Streetlights	09/19 - 11/19	\$335,038.00	Aldridge Traffic Systems 31 Brisbane Street, Eltham
Bulk Supply of Green Waste Bins	03/20 – 06/20	\$249,445.40	Trident Plastics (SA) Pty Ltd 589 Torrens Road, St Clair
D&C Lunawanna Toilet	07/19 – 01/20	\$217,278.40	AJR Construct Pty Ltd 8 Don Vista Drive, Don
Provision of Desktop and Laptop Computers	10/19 – 12/19	\$205,476.00	Intuit Technologies 39 Sandy Bay Road, Battery Point
Supply Backhoe 4x4 4WS Loader	11/19 – 12/19	\$190,450.00	Komatsu Australia 268-272 Georgetown Road, Rocherlea
Taroona Crescent Stormwater Upgrade Stage 1	04/20 – 07/20	\$184,628.00	Duggans Pty Ltd 8420 Channel Highway, Cradoc
Barretta Waste Transfer Station - Leachate Pump Station	06/20 - 08/20	\$182,098.64	BlackCap Construction Pty Ltd 367 Brightwater Road, Howden
Tabors Road Stormwater Upgrade	02/20 – 06/20	\$155,335.00	Duggans Pty Ltd 8420 Channel Highway, Cradoc
Barretta Waste Transfer Station Vehicle Wash Down Bay	06/20 – 08/20	\$131,239.74	Duggans Pty Ltd 8420 Channel Highway, Cradoc
Installation of LED Streetlights	09/19 - 12/19	\$111,352.00	Falbury Pty Ltd 62-64 Industrial Park Drive, Lilydale

Public Interest Disclosures

The *Public Interest Disclosures Act 2002* provides a mechanism to manage and regulate disclosures made to and against a public body in the public interest. It also protects those who make bona fide disclosures.

In compliance with the Act, Council has a policy and procedures to deal with such disclosures which may be obtained from Council's website www.kingborough.tas.gov.au or at the Civic Centre. Pursuant to the requirements of Section 86 of the *Public Interest Disclosures Act 2002*, Council provides the following information relating to actions taken under the Act during the 2019/20 financial year.

Section of PID Act	Disclosure Requirement	Reportable matters
86(b)	Number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures.	Nil
86(c)	Number of disclosures determined by the public body to be public interest disclosures that it investigated during the year.	Nil
86(d)	Number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil
86(e)	Number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate.	Nil
86(f)	Number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year.	Nil
86(g)	Number and types of disclosed matters that the public body has decided not to investigate during the year.	Nil
86(h)	Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigations.	Nil
86(i)	Any recommendations of the Ombudsman under this Act that relate to the public body.	Nil

PART D

Annual Financial Report



Analysis of the Annual Financial Report

The Annual Financial Report for 30 June 2020, as set out in this Annual Report, meets the requirements of the Local Government Act 1993 and Australian Accounting Standards, and has been audited by the Tasmanian Audit Office.

The 2019/20 financial result for Council was significantly affected by the outbreak of COVID-19 which impacted from March 2020. The main impacts were the loss of dividends from Taswater and the loss of revenue from closing the Sports Centre for 3 months.

When evaluating the financial performance of the Council, it is important to distinguish between recurring income and expenditure versus capital income and expenditure, to get a true picture of the underlying financial performance.

The Statement of Comprehensive Income shows a net surplus for 2019/20 of \$12.4 million, before other comprehensive income adjustments. If capital and non-recurring income and expenses of \$13.0 million are eliminated, the underlying financial performance is a deficit of \$0.6 million.

The results for the previous year 2018/19 show a similar deficit of \$0.6 million based on the underlying financial performance.

The main reason for the underlying deficit was the loss of \$0.6 million in Taswater dividends and the loss of \$0.3 million in user fees from the sports centre.

Council's Long Term Financial Plan (LTFP) is the key financial strategy document and will be updated to consider the impacts of the pandemic and be submitted to Council in early 2021. The LTFP covers a 10-year planning horizon and is an important part of Council's overall financial management framework.

The key principles underpinning the LTFP are:

Council's finances are managed responsibly on behalf of the residents and ratepayers of Kingborough.

Resources are allocated to activities and services which generate maximum community benefit.

Future population growth is supported by an infrastructure renewal program and development of new infrastructure.

A strong municipal economy supports business activity and facilitates higher commercial rate revenue.

Unexpected events are mitigated by risk management practices and by maintaining a robust financial position.

Accountability, transparency and good governance underpin the development, implementation and reporting on fiscal objectives.

The Statement of Financial Position at 30 June 2020 shows an decrease in total assets from \$672.2 million to \$658.7 million. This decrease was primarily due to the \$25.2 million reduction in the value of Council's investment in Taswater.

The Statement of Cash Flows shows a cash decrease of \$0.2 million during 2019/20 reducing cash to \$8.1 million.

The cash from operating activities was \$1.3 million greater than the previous year, while cash outflows from investment activities was \$0.8 million less than 2018/19 and the level of capital grants was \$1.4 million lower than last year. Loan funds of \$5.0 million were received to fund the capital expenditure at Kingston Park.

Audit Panel Chairman's Report

Kingborough Council Audit Panel Report July 2020

Composition and Attendance:

During the financial year ended 30th June 2020, the members of the Panel were:

Panel Member	Period	Capacity
Nick Burrows	Until 18 October	Independent Chairman until 18 October
Paul McTaggart	Full Year	Independent Chairman from 6 December
John Hills	Full Year	Independent Member
Colette Millar	From 7 February 2020	Independent Member
Councillor Flora Fox	Full Year	Councillor Member
Councillor Christian Street	Full Year	Councillor Member

During the year Nick Burrows retired as the Chair and Member of the Panel. Nick was Chair for six years and was instrumental in setting up and developing the Audit Panel. After an extensive recruitment process Colette Millar joined the audit Panel. Colette has extensive experience in Governance and has direct experience with Local Government.

The Panel met 5 times in the financial year ended 30th June 2020 (FY2019: Met Five times) with attendance by management, including the General Manager, Chief Financial Officer, Finance Manager, Executive Manager – Information Services and various other Council employees as required.

External Auditors from the Tasmania Audit Office (“TAO”) and representatives of our Internal Auditors (WLF Accounting & Advisory – “WLF”) attend the Audit Panel’s meetings on an “as required” basis.

Panel Member Meeting Attendance	9 Aug 2019	18 Oct 2019	6 Dec 2019	7 Feb 2020	15 May 2020	Total Attended
Nick Burrows	✓	✓	N/A	N/A	N/A	2 from 2
Paul McTaggart	✓	✓	✓	✓	✓	5 from 5
John Hills	✓	✓	✓	✓	✓	5 from 5
Colette Millar	N/A	N/A	N/A	✓	✓	2 from 2
Councillor Flora Fox	✓	✓	✓	✓	✓	5 from 5
Councillor Christian Street	x	✓	✓	✓	✓	4 from 5

External Audit Processes:

The Tasmanian Audit Office (TAO) is Council’s External Auditor. The TAO attended two Audit Panel meetings during the year. The Audit Panel Chairman also met separately with members of the TAO audit team during the year.

FY2019 External Audit:

The Audit Panel reviewed and endorsed the signing of the financial statements (and accompanying Management Representation Letters) for financial year ending June 2019 by the General Manager at its Meetings in August 2019 and October 2019.

FY2020 External Audit:

The 2019/2020 Financial Audit Services Strategy was outlined by the Assistant Auditor-General Financial Services of the Tasmanian Audit Office at the May 2020 Meeting and subsequently they issued their document on the 16 July 2020. He highlighted it will be a particularly challenging year due to the COVID 19 situation. This will result in the Audit Report not being issued until the 10 November 2020.

The Panel considered all reports received from the TAO on their activities undertaken in reviewing and auditing the control environment in order to assess the quality and effectiveness of the internal control system. At the time of writing no matters have been raised by the TAO from FY2020 audit activity and all prior year matters are being appropriately progressed towards close-out by Management.

Internal Audit Processes:

The primary benefit of Internal Audit is to provide Council and Management with independent and objective assurance services designed to add value and improve the Council's operations. It brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes and by recommending improvements where relevant.

There were a number of projects planned during the 2019/2020 Financial year. Two of these Compliance Framework and Facilities Management were able to be completed. Due to COVID 19 however a decision was made to suspend the internal audit activity. This was so the business could concentrate on managing the Council through the pandemic. As a result two projects Risk Management and a follow up of previous recommendations were deferred. This allowed the Panel to refresh the audit plan to ensure it was focussed on the evolving risks.

Review of Audit Panel Charter:

The Audit Panel Charter was reviewed at the May 2020 meeting. There were only minor changes suggested given extensive reviews in previous years.

Risk Management:

The Panel continued its focus on monitoring Management's progress in documenting and assessing strategic and material operational risk mitigation strategies and post-mitigation risk ratings (and assessing emerging risks).

The Panel also has initiated an ongoing series of "deep-dive" analyses across the risk portfolio to further challenge process robustness as well as assess "emerging risks".

There was also a review of risk management by the insurers where a number of recommendation raised are being tracked by the Panel to ensure they are "closed out".

Business Continuity Management:

The Panel reviewed the updated version of the Business Continuity and Disaster Recovery Plans at their December meeting. These were substantially re written by KPMG to make them easier to read and understand.

These proved very useful during the Pandemic and serve as a good reminder of the importance of good Risk Management.

Policy and Protocols Review Activities:

Over the course of the year the Panel reviewed and recommended best practice enhancements to the Policy and Protocol portfolio.

Other Activities in 2019/2020:

There were a number of other activities carried out by the Audit Panel that included items such as a performance review of its performance.

Future Internal Audit Program:

WLF Accounting & Advisory were re-appointed internal auditors of the Council in October 2018 for a period of three years, with an option for a further a further extension.

They prepared a new three-year agile audit plan that outlined the internal audit focus for the financial years ending 2021 through to 2023.



Independent Auditor's Report

To the Councillors of Kingborough Council

Report on the Audit of the Consolidated Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the consolidated statement of comprehensive income, the asset renewal funding ratio disclosed in note 43(f), nor the Significant Business Activities disclosed in note 42 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Property, infrastructure, plant and equipment <i>Refer to notes 14, 22 and 44</i>	
<p>Property, infrastructure, plant and equipment at 30 June 2020 includes land, buildings and infrastructure assets including roads and bridges, stormwater and minor infrastructure valued at fair value totalling \$509.78m. The fair values of land are derived from observable market information while the fair values of buildings and infrastructure assets are based on current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations.</p> <p>In 2019-20 Council revalued its building assets with effect from 1 July 2019 and then indexed the revalued amount to reflect movements in value to 30 June 2020. The carrying values of land, roads and bridges, stormwater and minor infrastructure assets were all indexed. The valuations are highly dependent upon a range of assumptions, including estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital payments in 2019-20 totalled \$17.08m on a number of significant programs to</p>	<ul style="list-style-type: none"> Assessing the scope, expertise and independence of experts involved in the valuations. Assessing the appropriateness of the valuation methodology and the key assumptions used. Evaluating unit rates applied to assets subject to valuation. Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. Evaluating management's assessment of asset useful lives. Performing substantive analytical procedures on depreciation expenses. Testing, on a sample basis, significant expenditure on capital works to corroborate appropriate treatment. Evaluated capital work-in-progress to ensure that active projects result in usable assets and that assets commissioned are transferred in a timely manner. Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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



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

Tasmanian Audit Office

22 December 2020
Hobart

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Annual Financial Report

for the year ended 30 June 2020

Certification of the Consolidated Financial Report For the Year Ended 30 June 2020

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



Gary Arnold

General Manager

3-Dec-20

Kingborough Council

Consolidated Financial Report

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Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2020

	Note	Budget 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Income from continuing operations				
Recurrent Income				
Rates and fire levies	3	29,882	30,238	28,609
Statutory fees and fines	4	2,486	2,393	2,036
User fees	5	2,500	2,296	2,645
Grants - operating	6(a)	2,410	2,659	3,019
Contributions - cash	7(a)	432	1,219	463
Interest	8	195	108	202
Other income	9	2,056	2,539	2,623
Investment revenue from Water Corporation	10	1,240	616	1,232
		41,201	42,069	40,828
Capital Income				
Capital grants received specifically for new or upgraded assets	6(b)	476	1,412	2,839
Contributions - non-monetary assets	7(b)	1,000	10,243	4,049
Initial recognition of infrastructure assets	7(c)	-	476	638
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	11(a)	-	26	(334)
Carrying amount of assets retired	11(b)	(500)	(734)	(585)
Share of net profits/(losses) of investment in associate	17	250	867	609
		42,427	54,359	48,044
Expenses from continuing operations				
Employee benefits	12	(15,616)	(15,707)	(15,559)
Materials and services	13	(9,239)	(9,513)	(9,450)
Depreciation and amortisation	14(a)	(10,353)	(10,916)	(10,351)
Finance costs	14(b)	(245)	(101)	(24)
Impairment of receivables	14(c)	-	(6)	(16)
Other expenses	15(a)	(3,890)	(4,018)	(4,193)
Fire levies	15(b)	(1,630)	(1,666)	(1,584)
		(40,973)	(41,927)	(41,178)
Total income from continuing operations		42,427	54,359	48,044
Net surplus / (deficit)				
	16	1,454	12,432	6,866
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Fair value adjustment on equity investment assets	18	-	(25,171)	13,689
Net asset revaluation increment (decrement)	28	-	(5,255)	14,475
		1,454	(17,994)	35,029

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

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 \$'000	Restated* 2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	19	8,060	8,287
Trade and other receivables	20	2,190	1,873
Other assets	21	42	45
Total current assets		10,292	10,205
Non-current assets			
Investment in associates	17	2,958	2,070
Investment in Water Corporation	18	83,410	108,581
Trade and other receivables	20	399	349
Property, infrastructure, plant and equipment	22	561,078	550,497
Intangible assets	23(a)	457	511
Right-of-use assets	23(b)	129	-
Total non-current assets		648,430	662,008
Total assets		658,722	672,213
Liabilities			
Current liabilities			
Trade and other payables	24	2,299	3,815
Trust funds and deposits	25	1,737	2,121
Provisions	26(a)	2,651	2,169
Lease Liabilities	26(b)	58	-
Contract Liabilities	26(c)	1,105	-
Total current liabilities		7,849	8,105
Non-current liabilities			
Provisions	26(a)	669	665
Lease Liabilities	26(b)	71	-
Interest-bearing loans and borrowings	27	12,900	7,912
Total non-current liabilities		13,640	8,577
Total liabilities		21,489	16,682
Net Assets		637,233	655,531
Equity			
Accumulated surplus		277,805	271,500
Reserves	28	359,428	384,031
Total Equity		637,233	655,531

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

* - Certain numbers shown do not correspond to the 2018-19 Financial Statements.

For details regarding the restated balances, please refer to Note 46.

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

		2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and fire levies		30,329	28,820
Statutory fees and fines		2,393	2,036
User fees		2,296	2,645
Grants		3,440	3,019
Developer contributions		1,219	463
Other cash inflows, incl. reimbursements		2,090	2,459
Investment revenue from Water Corporation		616	1,232
Interest received		108	202
Payments to suppliers		(15,402)	(14,841)
Payments to employees		(15,163)	(15,514)
Finance costs		(101)	(24)
Payments of fire levies		(1,666)	(1,584)
Net cash provided by operating activities	29	<u>10,159</u>	<u>8,912</u>
Cash flows from investing activities			
Proceeds from sale of property, infrastructure, plant and equipment		391	857
Investment in associates		-	0
Capital grants		1,412	2,839
Payments for property, infrastructure, plant and equipment		(17,078)	(19,757)
Net cash used in investing activities		<u>(15,275)</u>	<u>(16,061)</u>
Cash flows from financing activities			
(Advances) repayments for community organisation loans		(30)	30
Repayment of lease liabilities (principal repayments)		(69)	
Proceeds from interest bearing loans and borrowings		4,988	5,212
Net cash provided by financing activities		<u>4,889</u>	<u>5,242</u>
Net increase (decrease) in cash and cash equivalents		(227)	(1,907)
Cash and cash equivalents at the beginning of the financial year		8,287	10,194
Cash and cash equivalents at the end of the financial year	19	<u>8,060</u>	<u>8,287</u>
Financing arrangements	31		
Restrictions on cash assets	19		

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

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

	Note	Total 2020 \$'000	Accumulated Surplus 2020 \$'000	Asset Revaluation Reserve 2020 \$'000	Fair Value Reserve 2020 \$'000	Other Reserves 2020 \$'000
2020						
Balance at beginning of the financial year		655,531	271,500	376,443	(3,151)	10,739
Adjustment due to AASB 15 adoption		(360)	(360)	-	-	-
Restated opening balance		655,171	271,140	376,443	(3,151)	10,739
Surplus / (deficit) for the year		12,432	12,432	-	-	-
Other Comprehensive Income:						
Net asset revaluation increment(decrement)	28	(5,255)	-	(5,255)	-	-
Fair value adjustment on equity investment assets	18	(25,171)	-	-	(25,171)	-
Transfers between reserves and accumulated surplus		21	(5,802)	21	-	5,802
Retained equity in subsidiary	32	35	35	-	-	-
Balance at the end of the financial year		637,233	277,805	371,209	(28,322)	16,541

		Total 2019 \$'000	Accumulated Surplus 2019 \$'000	Asset Revaluation Reserve 2019 \$'000	Fair Value Reserve 2019 \$'000	Other Reserves 2019 \$'000
Restated*						
2019						
Balance at beginning of the financial year		622,476	263,939	361,969	(16,840)	13,409
Adjustment due to prior period error		(1,975)	(1,975)	-	-	-
Surplus / (deficit) for the year		6,866	6,866	-	-	-
Other Comprehensive Income:						
Net asset revaluation increment(decrement)	28	14,475	-	14,475	-	-
Fair value adjustment on equity investment assets	18	13,689	-	-	13,689	-
Transfers between reserves and accumulated surplus		-	2,670	-	-	(2,670)
Balance at the end of the financial year		655,531	271,500	376,443	(3,151)	10,739

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

* - Certain numbers shown do not correspond to the 2018-19 Financial Statements.

For details regarding the restated balances, please refer to Note 46.

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

Note 1 Overview

(a) Reporting Entity

- (i) The Kingborough Council was established in 1908 by an Order of the Governor in Council and is a body corporate with perpetual succession and a common seal. Council's main office is located at 15 Channel Highway, Kingston.
- (ii) The functions of Council in accordance with the *Local Government Act 1993* are to:
- provide for the health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good governance in the municipal area.

(b) Basis of accounting

This financial report is a general purpose financial report that consists of a Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated 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 (AASB) 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.

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 (Note 46).

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management and material subsidiaries and 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 40.

Consolidation

The financial report has been prepared as a consolidated report to include all the external transactions for Kingborough Waste Services Pty Ltd. Full provision to accommodate AASB 10 Consolidated Financial Statements has not been applied due to immateriality.

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 12 and note 26.

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 33.

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

Note 1 Overview

(b) Basis of accounting (cont.)

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 notes 14 (a) and in note 22.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 10 and in note 18.

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

Note 2 Functions/Activities of the Council

(a) Revenues, expenses and assets have been attributed to the following functions. Details of those functions are set out in Note 2(c).

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
Government and administration						
2019-2020	4,095	40,810	44,905	10,714	34,191	5,917
2018-2019	5,139	32,951	38,090	10,289	27,801	5,557
Roads, streets and bridges						
2019-2020	0	21	21	10,471	-10,450	276,625
2018-2019	0	73	73	10,894	-10,821	255,927
Drainage						
2019-2020	0	1,300	1,300	1,598	-298	86,065
2018-2019	0	1,110	1,110	1,469	-359	81,584
Waste management						
2019-2020	-	4,171	4,171	4,239	-68	0
2018-2019	0	2,870	2,870	2,521	349	0
Environmental health						
2019-2020	21	294	315	1,899	-1,584	0
2018-2019	326	319	645	1,983	-1,338	0
Planning services						
2019-2020	0	791	791	1,918	-1,127	0
2018-2019	0	672	672	1,879	-1,207	0
Building control						
2019-2020	0	773	773	763	10	0
2018-2019	0	630	630	644	-14	0
Community amenities						
2019-2020	0	141	141	1,974	-1,833	167,785
2018-2019	155	425	580	2,577	-1,997	175,794
Community services						
2019-2020	3	481	484	2,010	-1,526	0
2018-2019	50	472	522	1,868	-1,346	0
Recreation facilities						
2019-2020	0	868	868	5,382	-4,514	24,687
2018-2019	0	983	983	4,953	-3,970	22,694
Other - not attributable						
2019-2020	0	590	590	959	-369	97,643
2018-2019	188	1,681	1,869	2,101	-232	130,657
Total						
2019-2020	4,119	50,240	54,359	41,927	12,432	658,722
2018-2019	5,858	42,186	48,044	41,178	6,866	672,213

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

Note 2 Functions/Activities of Council (cont.)

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

	2020	2019
	\$'000	\$'000
Current assets	10,292	10,205
Non-current assets	648,430	662,008
	658,722	672,213

(c) The activities of Council are categorised into the following broad functions:

Governance and administration

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

Roads, streets and bridges

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

Drainage

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

Waste Management

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

Environmental Health/Environmental Management

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

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

Planning Services

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

Building control

The development and maintenance of building constructions standards.

Community amenities

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

Community services

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

Recreation facilities

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

Economic development

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

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

	2020	2019
	\$'000	\$'000

Note 3 Rates and fire levies

Council uses Capital Value (CV) as the basis of valuation of all properties in the municipality.

An assessed capital valuation is an assessment of the property value, at a specific date and in accordance with legislation. The Valuer-General determines the CV under the *Valuation of Land Act 2001*.

General rate	24,247	23,131
Stormwater rate	1,300	1,064
Garbage charge	3,021	2,832
Total rates	28,569	27,026
Volunteer brigade fire district service levy	924	873
Permanent brigade fire district service levy	410	393
General land fire service levy	336	316
Total fire levies	1,670	1,583
Total rates and fire levies	30,238	28,609

The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2014, and the valuation was first applied in the rating year commencing 1 July 2015. Since that date, the Valuer-General has advised biennial adjustment factors, which have been applied as at 1 July each year of issue.

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

Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Refer to Note 41 for accounting policy related to AASB 15 and AASB 1058.

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

Rates and charges income

Rates Income is recognised as revenues when Council obtains control over the assets comprising these receipts.

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 4 Statutory fees and fines

Dog registration fees & fines	342	328
Building & plumbing fees	768	630
Property & rating certificates	295	289
Planning & subdivision fees	790	566
Health fees & licenses	68	122
Recovered legal & collection costs	131	102
Total statutory fees and fines	2,393	2,036

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

Fees and fines (including parking fees and fines) are recognised when or as the performance obligation is completed, or when the taxable event has been applied and Council has an unconditional right to receive payment.

Refer to Note 41 for accounting policy related to AASB 15 and AASB 1058.

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

Statutory fees and fine income

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

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

	2020	2019
	\$'000	\$'000
Note 5 User fees		
Revenues from Kingborough Sports Centre*	648	926
Waste disposal charges	1,308	1,291
Rentals & leasing fees	192	185
Other charges	148	244
Total user fees	2,296	2,645

* The Kingborough Sports Centre was closed from March 2020 to June 2020 as a result of the COVID-19 pandemic, resulting in a revenue loss of approximately \$300k.

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

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

Where an upfront fee is charged such as membership fees for the leisure centre, the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue is recognised at the time that the licence is granted rather than the term of the licence.

Refer to note 41 for accounting policy related to AASB 15.

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

User fees income

User fees income is recognised as revenue when the service has been provided or the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

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.

Operating leases as lessor (Continued)

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
For the Year Ended 30 June 2020**

	2020 \$'000	2019 \$'000
Note 6 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	3,120	5,048
State funded grants	334	783
Others	617	20
Total	4,071	5,851
(a) Operational Grants		
Financial Assistance Grants	2,395	2,281
Manor Gardens Day Care Centre	-	154
Bruny Island Cat Management	8	190
Regional Cat Management	97	120
Community Recovery Grants	150	188
Kingborough Sports Precinct Future Directions Plan	-	50
Community Road Safety Grant	-	20
National Disaster Resilience Grant	9	9
Total operational grants	2,659	3,019

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

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include projects, events and asset construction.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Refer to note 41 for accounting policy related to AASB 15 and AASB 1058.

Accounting policy under AASB 1004 - applicable for 2019 comparative

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

Grant income - recurrent and capital

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

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

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

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2019-20 by \$1.23m, (2018-19, \$1.56m). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

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

	2020	2019
	\$'000	\$'000
(b) Capital grants received specifically for new or upgraded assets		
Commonwealth 'Roads to Recovery' Fund	596	-
Allonah Hall Upgrade	-	150
KSC LED Light Upgrade	55	-
Snug to Margate Trail	70	84
Community Hub	280	2,301
Kingborough Evacuation Centre Power Resilience	15	15
Taroona Crescent Footpath Improvements	-	100
Margate Sports Ground Drainage	-	113
Safer Communities Funding - CCTV	75	66
Woodbridge Hall Kitchen Upgrade	-	11
Taroona Football Clubrooms	300	-
Total capital grants	1,412	2,839
Total Grants	4,071	5,858
(c) Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Unexpended at the close of the previous reporting period		204
Less: expended during the current period from revenues recognised in previous reporting periods		
Community Health		56
Family and children		63
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		85
Community Health		225
Family and children		50
		360
Unexpended at the close of this reporting period		360
Note 7 Contributions		
(a) Cash		
Capital works projects	1,072	64
Payments in lieu of Public Open Space	91	170
Tree Preservation	49	140
Manor Gardens Club	3	68
Natural resource management	2	22
Engineering	3	-
Total	1,219	463
(b) Non-monetary assets		
Roads & footpaths	10,243	2,498
Stormwater piping	-	1,551
Total	10,243	4,049
(c) Non-monetary assets		
Initial recognition of infrastructure assets	476	638
Total Contributions	11,938	5,150

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

	2020 \$'000	2019 \$'000
Accounting policy under AASB 15 - applicable from 1 July 2019 Council recognises contributions without performance obligations when received. In cases where the contributions is for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled. Refer to note 41 for accounting policy related to AASB 15.		
Accounting policy Contribution income Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer. Unreceived contributions over which Council has control are recognised as receivables. Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year.		
Note 8 Interest		
Interest on financial assets	108	202
Total	108	202
Accounting policy Interest income Interest is recognised progressively as it is earned.		
Note 9 Other income		
Charges for external works	537	563
Refund of motor tax	226	219
Other revenues	632	727
Pensioner Rate Remissions (State Government)	1,144	1,112
Total other income	2,539	2,623
Accounting policy Charges for external works Income from external works is recorded as revenue once the external works have been completed and payment is due or received. Other income Income from other revenue sources is recorded as revenue on the receipt of funds.		
Note 10 Investment revenue from water corporation*		
Dividend revenue	516	908
Guarantee fee	-	166
Taxation equivalent	100	158
Total investment revenue from water corporation	616	1,232
*Due to the impacts of COVID-19, the water corporation is not paying investment revenue for the last six months of the year resulting in a \$616k loss of revenue.		
Accounting policy Investment revenue Dividends and other investment revenue is recognised when Council's right to receive payment is established.		

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

	2020 \$'000	2019 \$'000
Note 11 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
(a) Proceeds of sale:		
Plant & vehicles	391	348
Land & Buildings	-	509
Total	391	857
 Written down value of assets disposed		
Plant & vehicles	365	425
Land & Building	-	745
Furniture	-	21
Total	365	1,191
 Net Gain (Loss)	26	(334)
 (b) Carrying amount of assets retired		
Road pavements	(734)	(368)
Stormwater drainage	-	(217)
Total	(734)	(585)

Accounting policy

Gains and losses on asset disposals

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

Note 12 Employee benefits

Wages and salaries	13,176	13,214
Workers compensation	256	321
Annual leave and long service leave	617	355
Superannuation	1,665	1,632
Payroll Tax	902	887
Other	15	60
Total	16,630	16,468
 Less: Capitalised amounts	 (923)	 (909)
Total employee benefits	15,707	15,559

Accounting policy

Employee benefits

Expenses are recognised in the Consolidated 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.

The Employee benefits capitalised shows the amount of salary and wages included in capital projects.

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

	2020	2019
	\$'000	\$'000
Note 13 Materials and services		
Building maintenance	27	84
Consultants	493	218
Contract and materials	6,913	6,812
Fuel and oil	340	355
IT consumables	305	378
Plant and vehicles maintenance	273	357
Utilities	1,162	1,246
Total materials and services	9,513	9,450

Accounting policy

Materials and services expense

Expenses are recognised in the Consolidated 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 14(a) Depreciation and amortisation

Roads and Bridges	7,007	6,823
Stormwater	1,145	1,085
Buildings	1,173	899
Plant, Machinery and Equipment	858	858
Minor Infrastructure	440	470
Fixtures, Fittings, Furniture, and Computers	53	35
Computers and telecommunications	86	84
Total depreciation	10,762	10,254
Intangible assets		
Intangible assets	86	97
Right-of-use of assets	68	-
Total depreciation and amortisation	10,916	10,351

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

	2020 \$'000	2019 \$'000
Accounting policy		
Depreciation and amortisation expense		
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.		
Buildings, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Right-of-use of assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation 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 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 prior years:		
		Period
Buildings		
buildings		10 - 120 years
building improvements		10 - 120 years
Plant and Equipment		
plant, machinery and equipment		8 - 10 years
fixtures, fittings and furniture		8 - 15 years
computers and telecommunications		4 - 5 years
Roads		
road pavements and seals		10 - 30 years
road substructure		50 - 100 years
road formation and earthworks		200 years
road kerb, channel and minor culverts		80 years
Bridges		
timber		30 years
bridges concrete and steel		100 years
Stormwater		
pits		100 years
pipes		100 years
Other Infrastructure		
paths		20 - 60 years
recreational, leisure and community facilities		20 - 60 years
parks, open space and streetscapes		20 - 60 years
off street car parks		20 - 60 years
Intangible assets		
intangible assets		5 - 10 years
Right-of-use of assets		
Right-of-use of assets		4 - 10 years

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

	2020	2019
	\$'000	\$'000
Note 14(b) Finance Costs		
Interest - Borrowings	99	70
Interest - Lease Liability	1	-
Total	101	70
Less capitalised borrowings on qualifying assets	-	46
Total finance costs	101	24
Rate used to capitalise finance costs		3.47%

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 year.

Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

Note 14(c) Impairment of receivables

Other Debtors	6	16
Total impairment of receivables	6	16

Accounting policy

Impairment expense

Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Council's policy and events giving rise to impairment losses are disclosed in note 20.

Note 15 Other expenses and Levies to State Government

(a) Other expenses

Councillors Allowances & Expenses (refer Note 39)	453	628
Land Tax	270	246
Liability and Property Insurance	445	389
Rate Remissions	11	20
Government funded rate remissions	1,213	1,127
Legal Fees	192	271
Tourism	31	56
Valuation Fees	97	72
Advertising & Marketing	138	111
Bank Charges	90	89
Printing	24	22
Refunds	66	62
Subscriptions	92	104
Lease payments	-	38
Short term leases for 12 months or less	(8)	-
Postage	91	87
Other expenses	815	871
Total other expenses	4,018	4,193

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

	2020	2019
	\$'000	\$'000
(b) Levies to State Government		
Tasmanian Fire Service Contribution	<u>1,666</u>	<u>1,584</u>

Accounting policy

Other expenses

Expenses are recognised in the Consolidated 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.

Note 16 Underlying result

Council's underlying result for the period is calculated by excluding items included in the operating surplus (deficit) which are either capital in nature, non-recurring, or the result of contributions received in advance.

Surplus / (Deficit)	12,432	6,866
<i>exclude</i>		
Capital grants	(1,412)	(2,839)
Contributions - non-monetary assets	(10,243)	(4,049)
Contributions - capital projects	(350)	-
Initial recognition of infrastructure assets	(476)	(638)
Storm Damage	(526)	146
<i>Grant received in advance</i>		
Grants paid in 2018/19 relating to 2019/20	1,158	1,109
Grants paid in 2019/20 relating to 2020/21	(1,232)	(1,158)
Underlying Surplus (Deficit)	<u>(649)</u>	<u>(563)</u>

Note 17 Investment in associates

Investments in associates accounted for by the equity method are:

Copping Refuse Disposal Site Joint Authority (CRDSJA) - 20%	2,606	1,772
Investment in Copping C-Cell Pty Ltd as Trustee (Trust) - 8%	351	319
Total	<u>2,958</u>	<u>2,091</u>

Background

Council has a 20% (2018/19: 20%) ownership interest in the Authority, being a landfill refuse disposal facility.

Council has a 8% (2018/19: 8%) ownership in Copping C-Cell Pty Ltd.

Council uses the equity method to account for its interest.

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

	2020	2019
	\$'000	\$'000
Note 17 Investment in associates (Continued)		
Summarised financial information on CRDSJA:		
Current assets	9,756	7,403
Non-current assets	25,196	13,397
Total assets	34,952	20,800
Current liabilities	(3,938)	(2,980)
Non-current liabilities	(16,224)	(7,364)
Total liabilities	(20,162)	(10,344)
Net Assets	14,790	10,456
Minority Interests	(1,758)	(1,596)
Equity Attributable to Owners	13,032	8,860
Share of associates' net assets	2,606	1,772
 Total Income	 13,854	 9,882
Net result	3,368	1,907
Share of associates' result after tax	674	381
Additional equity injection	171	207
Tax Rate Adjustment	(10)	-
Total adjustment in Statement of Comprehensive Income	834	589
 Summarised financial information on the Trust:		
Current assets	1,021	568
Non-current assets	6,633	6,715
Total assets	7,654	7,283
Current liabilities	(49)	(118)
Non-current liabilities	(3,208)	(3,174)
Total liabilities	(3,257)	(3,292)
Net Assets	4,397	3,991
Share of associates' net assets	352	319
 Total Income	 1,013	 792
Net result	406	259
Share of associates' result after tax	32	21
Additional equity injection	-	-
Share of associates' previous loss	-	-
Total adjustment in Statement of Comprehensive Income	32	21

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 Consolidated Statement of Comprehensive Income.

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

	2020	2019
	\$'000	\$'000
Note 18 Investment in water corporation		
Opening Balance	108,581	94,892
Change in fair value of investment	(25,171)	13,689
Total investment in water corporation	83,410	108,581

Council has derived returns from the water corporation as disclosed at note 10.

Council does not have significant influence to allow it to use the equity method to account for this interest.

Accounting policy

Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 28) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2020, Council holds a 5.78% (2019: 5.84%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

Note 19 Cash and cash equivalents

Cash on hand	9	9
Cash at bank	4,833	1,590
Money market call account	3,218	6,687
Total cash and cash equivalents	8,060	8,287

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:

- Reserve funds allocated for specific future purposes (Note 28c)	16,539	10,737
- Conditions on grants (note 6)	-	360
- Grants received in advance (note 26c)	781	-
- Trust funds and deposits (Note 25)	1,737	2,121
Restricted Funds	19,057	13,218
Total unrestricted cash and cash equivalents	(10,997)	(4,931)

Accounting policy

Cash and cash equivalents

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

Restricted funds

- i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii) Contributions received for tree preservation and public open space reserves to support Council activities in those areas.

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

	2020	2019
	\$'000	\$'000
Note 20 Trade and other receivables		
<i>Current</i>		
Rates debtors	507	275
Loans and advances to community organisations	9	29
Other debtors	1,496	1,371
Provision for expected credit losses - other debtors	(22)	(16)
GST receivable	200	214
Total	2,190	1,873
<i>Non-Current</i>		
Loans and advances to community organisations	399	349
Total	399	349
Total trade and other receivables	2,589	2,221
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	16	
Amounts written off during the year	-	
Amounts recovered during the year	-	
Increase / (decrease) in provision recognised in profit or loss	6	
Carrying amount at 30 June	22	
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		16
Carrying amount at 30 June		16

For ageing analysis of the financial assets, refer to note 36

Accounting policy

Trade and other receivables

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Due to the low number of trade receivables with extended past due payments, Council reviews each debt to determine an appropriate 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 an increase in credit risk and require review to determine whether a provision is required against the asset. 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.

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

	2020	2019
	\$'000	\$'000
Note 21 Other assets		
<i>Current</i>		
Inventories held for distribution	42	45
Total	42	45

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.

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

Note 22	Property, infrastructure, plant and equipment	2020	Restated*
		\$'000	\$'000
	Summary		
	at cost	64,650	55,956
	Less accumulated depreciation	13,353	12,139
		51,297	43,817
	at fair value	824,223	798,773
	Less accumulated depreciation	314,442	292,093
		509,781	506,680
	Total	561,078	550,497
	Property		
	Land		
	at fair value at 30 June	54,760	54,733
		54,760	54,733
	Land under roads		
	at fair value at 30 June	60,848	60,848
		60,848	60,848
	Total Land	115,608	115,581
	Buildings *		
	at fair value	66,253	71,208
	Less accumulated depreciation	25,237	17,560
		41,017	53,648
	Total Property	156,625	169,230

* - Certain numbers shown do not correspond to the 2018-19 Financial Statements.
For details regarding the restated balances, please refer to Note 46.

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

Note 22 (a) Property, infrastructure, plant and equipment (cont.)

	2020 \$'000	2019 \$'000
Plant and Equipment		
Plant, machinery and equipment		
at cost	9,080	8,564
Less accumulated depreciation	3,759	3,263
	5,321	5,301
Fixtures, fittings and furniture		
at cost	1,457	1,254
Less accumulated depreciation	1,181	1,128
	276	126
Computers and telecommunications		
at cost	1,325	1,049
Less accumulated depreciation	1,005	919
	320	130
Total Plant and Equipment	5,917	5,557
Infrastructure		
Roads and Bridges *		
at fair value	525,569	501,313
Less accumulated depreciation	256,346	243,411
	269,223	257,902
Stormwater		
at fair value	116,793	110,671
Less accumulated depreciation	32,859	31,122
	83,934	79,549
Minor infrastructure		
at fair value	22,731	20,892
Less accumulated depreciation	7,408	6,829
	15,323	14,063
Total Infrastructure	368,480	351,514
Work in Progress		
Buildings, at cost	11,160	6,564
Other Infrastructure, at cost	9,364	8,631
Roads and Bridges, at cost	7,402	6,967
Stormwater, at cost	2,131	2,035
	30,057	24,197
Total Property, Infrastructure, Plant and Equipment	561,078	550,498

* - Certain numbers shown do not correspond to the 2018-19 Financial Statements.
For details regarding the restated balances, please refer to Note 46.

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

Note 22 Property, infrastructure, plant and equipment (cont.)

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	54,733	27	-	-				54,760
Land under roads	60,848	-	-	-				60,848
Total land	115,581	27	-	-	-	-	-	115,608
Buildings	53,650	45	(12,428)	(1,173)	(157)		1,080	41,017
Total buildings	53,650	45	(12,428)	(1,173)	(157)	-	1,080	41,017
Total property	169,231	72	(12,428)	(1,173)	(157)	-	1,080	156,625
Plant and Equipment								
Plant, machinery and equipment	5,301	1,243	-	(858)	(365)	-		5,321
Fixtures, fittings and furniture	126	203	-	(53)	-	-		276
Computers and telecommunications	130	-	-	(86)	-	-	276	320
Total plant and equipment	5,557	1,446	-	(997)	(365)	-	276	5,917
Infrastructure								
Roads & Bridges	257,903	7,335	5,498	(7,007)	65	-	5,430	269,223
Stormwater	79,549	3,252	1,346	(1,145)	(248)	-	1,180	83,934
Minor infrastructure	14,063	331	328	(440)	(394)	-	1,435	15,323
Total infrastructure	351,515	10,918	7,172	(8,592)	(577)	-	8,045	368,480
Works in progress								
Buildings	6,565	3,191	-	-	-	-	1,404	11,160
Other Infrastructure	8,631	3,239	-	-	-	-	(2,506)	9,364
Roads	6,967	7,554	-	-	-	-	(7,119)	7,402
Stormwater	2,035	1,276	-	-	-	-	(1,180)	2,131
Total works in progress	24,198	15,260	-	-	-	-	(9,401)	30,057
Total property, infrastructure, plant and equipment	550,500	27,696	(5,256)	(10,762)	(1,099)	-	-	561,078

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

Restated*

Note 22 Property, infrastructure, plant and equipment (cont.)

2019	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	51,434	2	6,157	-	(240)	-	(2,620)	54,733
Land under roads	57,814	325	-	-	-	-	2,709	60,848
Total land	109,248	327	6,157	-	(240)	-	89	115,581
Buildings *	60,304	907	745	(899)	(505)	-	(6,903)	53,650
Total buildings	60,304	907	745	(899)	(505)	-	(6,903)	53,650
Total property	169,552	1,234	6,902	(899)	(745)	-	(6,814)	169,231
Plant and Equipment								
Plant, machinery and equipment	5,361	1,223	-	(858)	(425)	-	-	5,301
Fixtures, fittings and furniture	125	57	-	(35)	(21)	-	-	126
Computers and telecommunications	105	-	-	(84)	-	-	109	130
Total plant and equipment	5,591	1,280	-	(977)	(446)	-	109	5,557
Infrastructure								
Roads & Bridges*	248,710	127	5,575	(6,823)	(368)	-	10,682	257,903
Stormwater	75,138	1,936	1,505	(1,085)	(217)	-	2,272	79,549
Minor infrastructure	4,078	1,401	493	(470)	-	-	8,561	14,063
Total infrastructure	327,926	3,464	7,573	(8,378)	(585)	-	21,515	351,515
Works in progress								
Buildings*	517	7,531	-	-	-	-	(1,483)	6,565
Other Infrastructure*	6,694	3,047	-	-	-	-	(1,110)	8,631
Roads*	10,818	6,093	-	-	-	-	(9,944)	6,967
Stormwater*	2,999	1,308	-	-	-	-	(2,272)	2,035
Total works in progress	21,028	17,979	-	-	-	-	(14,809)	24,198
Total property, infrastructure, plant and equipment	524,097	23,957	14,475	(10,254)	(1,776)	-	1	550,501

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

Note 22 Property, infrastructure, plant and equipment (continued)

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold
	\$
Land	1
Buildings	5,000
Plant and Equipment	1,000
Roads	5,000
Bridges	5,000
Other Infrastructure (paths, recreation, stormwater and community facilities)	5,000
Leased plant & equipment	5,000
Intangible assets	1,000
Revaluation	
Council has adopted the following valuation bases for its non-current assets as noted in note 44.	
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
Parks, recreation facilities and community amenities	cost
Heritage	cost
Investment in water corporation	fair value
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.	
In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.	
Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.	
Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.	
Impairment of assets	
Impairment losses are recognised in the consolidated 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.	

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

	2020 \$'000	2019 \$'000
Note 23(a) Intangible assets		
Software	697	1,443
Less: Accumulated amortisation	(240)	(932)
Total	457	511
Total intangible assets	457	511

Reconciliation of intangible assets

	Software	
	\$'000	\$'000
Gross carrying amount		
Balance 1 July	1,443	956
Additions	28	487
Written off	(778)	-
Balance 30 June 2019	693	1,443
Accumulated amortisation		
Balance 1 July	(932)	(836)
Amortisation expense	(86)	(96)
Written off	778	-
Balance 30 June	(240)	(932)
Net book value 30 June	457	511

Accounting policy

Intangible assets

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

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

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

Software	5 years
----------	---------

Note 23(b) Right-of-use assets

Right-of-use assets and concessional leases

	Concessional Property Lease \$'000	Plant & Equipment \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2019	-	38	38
Additions	6	153	159
Balance at 30 June 2020	6	191	197
Accumulated amortisation and impairment			
Balance at 1 July 2019	-	-	-
Amortisation	(2)	(66)	(68)
Balance at 30 June 2020	(2)	(66)	(68)
Net book value at 30 June 2020	4	125	129

Council has elected to measure the following classes of right-of-use assets at initial recognition at cost in accordance with AASB16.23-25.

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

Accounting policy under AASB 16 - Applicable from 1 July 2019

Leases - Council as Lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 26b for details on accounting policy of lease liability.

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

All right-of-use assets are measured as described in the accounting policy for property, infrastructure, plant and equipment in Note 22. Also, Council applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the aforesaid note.

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

Refer to Note 41 for accounting policy related to AASB 16.

	2020 \$'000	2019 \$'000
Note 24 Trade and other payables		
Trade payables	1,126	1,144
Accrued expenses	1,158	2,374
Other	14	297
Total trade and other payables	2,299	3,815

Accounting policy

Trade and other payables

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

Note 25 Trust funds and deposits		
Refundable building deposits and contract retentions	1,737	2,121
Total trust funds and deposits	1,737	2,121

Accounting policy

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

Note 26(a) Provisions

	Annual leave \$ '000	Long service leave \$ '000	Expense Provision \$ '000	Other leave \$ '000	Total \$ '000
2020					
Balance at beginning of the financial year	1,068	1,668	-	98	2,834
Additional provisions	1,255	374	-	494	2,123
Amounts used	(984)	(234)	-	(419)	(1,637)
Balance at the end of the financial year	1,339	1,808	-	173	3,320
2019					
Balance at beginning of the financial year	1,008	1,655	-	127	2,790
Additional provisions	1,202	358	-	390	1,950
Amounts used	(1,142)	(345)	-	(419)	(1,906)
Balance at the end of the financial year	1,068	1,668	-	98	2,834

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

Note 26(a) Provisions (cont)

	2020	2019
	\$'000	\$'000
Employee Provisions		
Current		
Annual leave	1,339	1,068
Long service leave	1,139	1,003
Other leave	173	98
	<u>2,651</u>	<u>2,169</u>
Non-current		
Long service leave	669	665
	<u>669</u>	<u>665</u>
Employee provisions for 2019/20 have been impacted by the COVID-19 pandemic due to employees not taking leave as normal leading to a substantial increase in the provision amount.		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.50%	2.50%
Weighted average discount rates	1.14%	1.74%
Weighted average settlement period	12	12
Employee numbers (Full Time Equivalents)	191	198

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

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

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

Note 26(b)	Lease Liability	2020
		\$'000
	Lease Liability	125
	Concessional Leases	4
		<u>129</u>
	Current	58
	Non-Current	71
		<u>129</u>

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

As at 30 June 2020	Minimum lease payments					Total
	Within 1	1-2	2-3	3-4	4-5	
	Year	Years	Years	Years	Years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	57	52	17	-	-	126
Finance charges	(1)	-	-	-	-	(1)
Net present value	<u>56</u>	<u>52</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>125</u>

Concessionary Lease

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

As at 30 June 2020	Minimum lease payments					Total
	Within 1	1-2	2-3	3-4	4-5	
	Year	Years	Years	Years	Years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	2	2	-	-	-	4
Finance charges	-	-	-	-	-	-
Net present value	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>

Council has a number of peppercorn leases that have an annual cost of between \$0 and \$18 and therefore are not material.

Accounting policy under AASB 16 - Applicable from 1 July 2019

Leases - Council as Lessee

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases and leases of low-value assets

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

Exposure from residual value guarantees

Council is committed to paying a residual value of \$10,572 in December 2022.

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

Note 26(c) Contract Liability	2020 \$'000
Current	
Rates and charges in advance	324
Grants received in advance	781
	1,105

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

Council recognised the following contract liabilities with customers:

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

ii) Grants received in advance includes funding for the construction of a new health facility for the provision of community health and family and children services. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

Refer to note 41 for accounting policy related to AASB 15 and AASB 1058.

Note 27 Interest-bearing loans and borrowings	2020 \$'000	2019 \$'000
Current		
Borrowings	-	-
	-	-
Non-current		
Borrowings	12,900	7,912
	12,900	7,912
Total		
Borrowings	12,900	7,912

Council's loan portfolio has been reviewed by Tascorp effective 30 June 2020 to determine the market value. Their advice is that having regard to the fixed rates of interest applicable for the remaining life of each loan, that the market value is \$13,426,530 compared to the actual value of \$12,914,194.

Borrowings are secured by a Deed of Charge over the present and future receivables of the Council representing Council's general revenue from general rates, service rates, permit fees, rents and other charges imposed by Council.

The maturity profile for Council's borrowings is;

Not later than one year	-	-
Later than one year and not later than five years	12,900	7,912
Later than five years	-	-
Total	12,900	7,912

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 2020**

Note 28 Reserves

	2020 \$'000	2019 \$'000
Asset revaluation reserve	371,209	376,443
Fair value reserve	(28,321)	(3,150)
Other reserves	16,539	10,737
Total	359,427	384,030

	Balance at beginning of reporting year \$'000	Increment / (decrement) \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting year \$'000
(a) Asset revaluation reserve				
2020				
Property				
Land and land under roads	98,635	0	-	98,635
Buildings	36,441	(12,428)	-	24,013
	135,076	(12,428)	-	122,648
Infrastructure				
Roads*	180,829	5,498	442	186,769
Bridges	13,269		(421)	12,848
Stormwater drainage	47,554	1,346	(730)	48,170
Minor infrastructure	(286)	329	730	773
	241,367	7,173	21	248,561
Total asset revaluation reserve	376,444	(5,255)	21	371,209
2019				
Property				
Land and land under roads	92,478	6,157	-	98,635
Buildings	35,696	745	-	36,441
	128,174	6,902	-	135,076
Infrastructure				
Roads	175,590	5,240	-	180,829
Bridges	12,934	335	-	13,269
Stormwater drainage	46,049	1,505	-	47,554
Minor infrastructure	(779)	493	-	(286)
	233,794	7,573	-	241,367
Total asset revaluation reserve	361,970	14,475	-	376,443

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

Note 28 Reserves (Continued)

	Balance at beginning of reporting year	Increment / (decrement)	Transfer to accumulated surplus	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(b) Fair Value reserve				
2020				
Change in fair value of investments				
- Water Corporation	(3,150)	(25,171)	-	(28,321)
Total fair value reserve	(3,150)	(25,171)	-	(28,321)
2019				
Change in fair value of investments				
- Water Corporation	(16,840)	13,690	-	(3,150)
Total fair value reserves	(16,840)	13,690	-	(3,150)

The fair value reserve was introduced to record the change in value of the investment in the water corporation

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(c) Other reserves				
2020				
Specific purpose reserves	2,118	395		2,513
Asset replacement reserves	739	1,659	(1,662)	736
Unexpended capital reserves	7,880	20,762	(15,352)	13,290
Total other reserves	10,737	22,816	(17,014)	16,539
2019				
Specific purpose reserves	2,394	(856)	580	2,118
Asset replacement reserves	(96)	2,253	(1,418)	739
Unexpended capital reserves	11,110	18,519	(21,749)	7,880
Total other reserves	13,408	19,916	(22,587)	10,737

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

Note 28 Reserves (Continued)

	2020	2019
	\$'000	\$'000
Specific Purpose Reserves comprise of amounts set aside for the following purposes:		
Unexpended specific purpose grants	781	360
Acquisition of Public Open Space	902	852
Tree Preservation	773	849
Acquisition of Public Car Parking	46	46
Sundry Purposes	11	11
Balances at the end of the year	2,513	2,118
 Movement in Specific Purpose Reserves:		
Balances at the beginning of the year	2,118	2,394
 Net changes during the year	395	(276)
 Balances at the end of the year	2,513	2,118
 Asset Replacement Reserves have been established to provide for the orderly replacement of plant, vehicles, furniture and equipment.		
Balances at the beginning of the year	739	(96)
Additions:		
Transfers from operational funds	1,659	2,253
Reductions:		
Purchase of Plant & Vehicles	(751)	(1,288)
Capital Works	-	-
Purchase of IT Equipment	(300)	(73)
Purchase of Furniture & Equipment	(611)	(57)
Balances at the end of the year	736	739
 Unexpended Capital Reserves are those amounts that have been allocated to various capital works projects, but at the reporting date have not yet been expended.		
Balances at the beginning of the year	7,880	11,110
Additional funds allocated	20,762	18,519
Capital Projects completed	(15,352)	(21,749)
Balances at the end of the year	13,290	7,880

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

	2020 \$'000	2019 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/(Deficit)	12,432	6,866
Non cash items		
Depreciation/amortisation	10,916	10,351
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(26)	334
Contributions - non monetary assets	(10,243)	(4,049)
Carrying Amount of assets retired	734	585
Share of net (profit)/loss of investment in associate	(867)	(609)
Initial recognition of infrastructure assets	(476)	(638)
Add (less) items classified as investing or financing included in Surplus/(Deficit)		
Capital grants received specifically for new or upgraded assets	(1,412)	(2,839)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(338)	148
Decrease/(increase) in inventories	3	(23)
Increase/(decrease) in trade and other payables	(1,915)	(1,258)
Increase/(decrease) in provisions	486	44
Increase/(decrease) in contract liabilities	865	-
Net cash provided by/(used in) operating activities	10,160	8,912
Note 29a 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.		
2020	Interest-bearing loans and borrowings \$'000	Lease liabilities \$'000
Balance at 1 July 2019	7,912	-
Changes from financing cash flows:		
Cash Received	4,988	-
Cash Repayments	-	126
Balance as at 30 June 2020	12,900	126
2019		
Balance at 1 July 2018	2,700	
Changes from financing cash flows:		
Cash Received	5,212	-
Cash Repayments	-	-
Balance as at 30 June 2019	7,912	-
	2020 \$'000	2019 \$'000
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 19)	8,060	8,287
Total reconciliation of cash and cash equivalents	8,060	8,287
Note 31 Financing arrangements		
Business Card - Credit Limit	26	26
Total amount unused at reporting date	7	10

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

Note 32 Subsidiaries

Kingborough Waste Services Pty Ltd

Kingborough Waste Services Pty Ltd (KWS) is an incorporated entity that has been formed by Kingborough Council to operate the Barretta Waste Transfer Station. KWS has operated and managed the Barretta Waste Transfer Station from 1 July 2011.

The directors of KWS are:

- Ms Debra Mackeen (Independent Chairman)
- Mr Bob Calvert (Independent Director)
- Mr Tony Ferrier (Council employee)
- Mr David Reeve (Council employee)

Council has provided a financial guarantee to KWS to discharge any debt that KWS owes, where KWS is unable to pay the debt itself.

The KWS Chairman is remunerated \$10,000 per annum, and the independent director, \$8,000 per annum.

	2020 \$'000	2019 \$'000
Financial Performance		
Revenue		
User Charges	1,001	907
Recycling Sales	407	485
Council Charges	1,008	935
Sundry Charges	12	6
Total Revenue	2,428	2,333
Expenditure		
Employee Costs	973	937
Disposal Costs	560	490
Hire & Maintenance	182	176
Other Expenses	548	503
Total Expenses	2,263	2,106
Surplus / (Deficit)	165	227
Financial Position		
Assets	1,066	887
Liabilities	422	402
Net Assets	644	485

The financial performance includes any internal transfers with Kingborough Council. Council provides corporate support to KWS and Council remains the owner of the infrastructure and equipment at the site. KWS charge Council a fee based on tonnage for garbage collection waste, recycling collection waste, and green waste disposed of at the Barretta Waste Transfer Station. Internal transfers are eliminated on consolidation.

Accounting Policy

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control was obtained until the date control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

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

Note 33 Superannuation

	2020 \$'000	2019 \$'000
Superannuation contributions paid:		
Accumulated Benefits	1,598	1,630
Defined Benefits	-	2

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2020 Council contributed 0.0% of employees' gross income to the Fund based on advice from the actuary. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, 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% pa
Price Inflation	n/a

The actuarial review concluded that:

1. 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.
2. 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.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017.

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

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

Council also contributes to other accumulation schemes on behalf of a number of employees; however 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 different from 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.

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

Note 33 Superannuation

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

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

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

The Fund is a defined benefit Fund.

The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.

During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2018-19, \$2), and the amount paid to accumulation schemes was \$1,598,000 (2018-19, \$1,693,000).

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

Note 34 Commitments

The Council has entered into the following commitments which are due and payable in the next twelve months.

	2020 \$'000	2019 \$'000
Capital commitments		
Road construction	1,169	7,168
Stormwater drainage	1,041	465
Other infrastructure	380	324
Kingston Park	1,952	971
Total	4,542	8,928

Operating lease commitments under AASB 117 (applicable for 2019 comparatives only)

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):

Not longer than one year	29
Longer than one year and not longer than five years	5
Longer than five years	-
	34

Accounting policy

Leases

ii) Operating leases as lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Contractual Commitments

Contractual commitments for operational expenditure at end of financial year but not recognised in the financial report are as follows and are due and payable in accordance with the periods stated.

		2020 \$'000 Future Commitment	2019 \$'000 Future Commitment
	Period		
Public toilet, barbecue cleaning and hall cleaning	01/19 - 01/24	809	1001
Kerbside Collection Service	10/18 - 10/23	3,511	4364
Public waste bin collection - Bruny Island	02/19 - 01/22	307	470
Public waste bin collection - Other	02/19 - 01/22	102	234
Internal Audit Services	07/18 - 06/22	76	101
Baretta Landfill Gas Monitoring	07/19 - 06/22	67	-
Total		4,872	6,170

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

Note 35 Contingent liabilities

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Guarantees for Loans to other entities

Council does not act as guarantor for loans raised by sporting clubs operating from Council's properties.

Council is not aware of any incident or action that may cause a future liability to be created. All existing claims against Council are covered by policies of insurance, and the maximum limits of the liability as set out in those policies, is believed to be adequate to meet all contingencies of those claims without further financial liability on Council.

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

Note 36 Financial Instruments
(a) Accounting Policy, Terms and Conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	19	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 1.14% (2.00% in 2018/19).
Interest is recognised as it accrues.			
Trade and other receivables			
Other debtors	20	Receivables are carried at amortised cost using the effective interest method. A provision for expected credit loss is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Rate arrears attract an interest rate of 8.12% (8.10% in 2018/19). Credit terms are based on 30 days.
Investment in Taswater	18	The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.	Investment in TasWater provided return of 0.6% (1.3% in 2018/19) excluding unrealised gains/losses
Financial Liabilities			
Trade and other payables	24	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	27	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over general rates of Council. The weighted average interest rate on borrowings is 2.49% (3.05% in 2018/19).

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

Note 36 Financial instruments (cont.)

(b) Interest Rate Risk

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

2020

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	1.14%	8,060	-	-	-	-	8,060
Trade and other receivables	8.12%	507	-	-	-	2,105	2,612
Investment in Water Corporation		-	-	-	-	83,410	83,410
Total financial assets		8,566	-	-	-	85,514	94,081
Financial liabilities							
Trade and other payables		-	-	-	-	2,299	2,299
Trust funds and deposits		-	-	-	-	1,737	1,737
Interest-bearing loans and borrowings	2.49%	-	-	12,900	-	-	12,900
Total financial liabilities		-	-	12,900	-	4,036	16,936
Net financial assets (liabilities)		8,566	-	(12,900)	-	81,478	77,145

2019

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	2.00%	8,287	-	-	-	-	8,287
Trade and other receivables	8.10%	275	-	-	-	1,963	2,238
Investment in Water Corporation		-	-	-	-	108,581	108,581
Total financial assets		8,562	-	-	-	110,544	119,105
Financial liabilities							
Trade and other payables		-	-	-	-	3,815	3,815
Trust funds and deposits		-	-	-	-	2,121	2,121
Interest-bearing loans and borrowings	3.05%	-	-	7,912	-	-	7,912
Total financial liabilities		-	-	7,912	-	5,936	13,848
Net financial assets (liabilities)		8,562	-	(7,912)	-	104,608	105,257

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

Note 36 Financial Instruments (cont.)

(c) Fair Values

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

Financial Instruments	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	8,060	8,287	8,060	8,287
Investment in Water Corporation	83,410	108,581	83,410	108,581
Trade and other receivables	2,612	2,238	2,612	2,238
<i>Total financial assets</i>	<u>94,081</u>	<u>119,105</u>	<u>94,081</u>	<u>119,105</u>
<i>Financial liabilities</i>				
Trade and other payables	2,299	3,815	2,299	3,815
Trust funds and deposits	1,737	2,121	1,737	2,121
Lease liabilities	129	0	129	0
Interest-bearing loans and borrowings	12,900	7,912	13,426	7,912
<i>Total financial liabilities</i>	<u>17,065</u>	<u>13,848</u>	<u>17,591</u>	<u>13,848</u>

(d) 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.

(e) Risks and mitigation

The risks associated with Council's main financial instruments and the policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of Council's 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 Council is 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. Interest rate liability risk arises primarily from long term loans and borrowings at fixed rates, however with minor holdings, there is limited exposure to this risk for Council.

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

Note 36 Financial Instruments (cont.)

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.

Interest charged on outstanding rates debtors is regulated by the *Local Government Act 1993* and contains a component of the official 10-year long-term bond rate.

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 has 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 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 balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2020				
Cash and cash equivalents	8,060	-	-	8,060
Trade and other receivables	-	-	2,612	2,612
Total contractual financial assets	8,060	-	2,612	10,671

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

Note 36 Financial Instruments (cont.)

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2019				
Cash and cash equivalents	8,287	-	-	8,287
Trade and other receivables	-	-	2,238	2,238
Total contractual financial assets	8,287	-	2,238	10,525

Movement in Provisions for Impairment

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	16	-
New Provisions recognised during the year	6	16
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	22	16

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 & Other Receivables was:

	2020 \$'000	2019 \$'000
Current (not yet due)	2,325	2,602
Past due by up to 30 days	7	176
Past due between 31 and 60 days	31	10
Past due between 61 and 90 days	176	2
Past due by more than 90 days	50	58
Total Trade & Other Receivables	2,589	2,848

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$22k(2010: \$16k) were impaired. The amount of the provision raised against these debtors was \$6k (2010: \$16k). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	2020 \$'000	2019 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	22	16
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
Total Trade & Other Receivables	22	16

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

Note 36 Financial Instruments (cont.)

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 asset 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 be invested various 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.

Council's objective is to maintain a balance between continuity of funding determined through forecasting of expected cash flows, and income generation through the investment of surplus funds in short-term investments. Income streams from rates, user charges and grants are considered to be highly stable and reliable. Investments are spread between secure financial institutions in marketable financial products that can be converted to cash at short notice.

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. For lease liabilities refer to Note 26(b).

These amounts represent undiscounted gross payments including both principal and interest amounts.

2020	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	2,299	-	-	-	-	2,299	2,299
Trust funds and deposits	1,737	-	-	-	-	1,737	1,737
Interest-bearing loans and borrowings	-	-	-	12,900	-	12,900	12,900
Total financial liabilities	4,036	-	-	12,900	-	16,936	16,936

2019	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	3,815	-	-	-	-	3,815	3,815
Trust funds and deposits	2,121	-	-	-	-	2,121	2,121
Interest-bearing loans and borrowings	-	-	-	7,912	-	7,912	7,912
Total financial liabilities	5,936	-	-	7,912	-	13,848	13,848

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

Note 36 Financial Instruments (cont.)

(f) 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 -1% in market interest rates (AUD) from year-end rates of 4.4%.

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	
		Profit	Equity	Profit	Equity
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	8,060	(81)	(81)	81	81
Trade and other receivables	2,612	-	-	-	-
Financial liabilities:					
Interest-bearing loans/borrowings	12,900	129	129	129	129
Trust funds and deposits	1,737	-	-	-	-
Trade and other payables	2,299	-	-	-	-
2019					
Financial assets:					
Cash and cash equivalents	8,287	(83)	(83)	83	83
Trade and other receivables	2,238	-	-	-	-
Financial liabilities:					
Interest-bearing loans/borrowings	7,912	79	79	79	79
Trust funds and deposits	2,121	-	-	-	-
Trade and other payables	3,815	-	-	-	-

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

Note 37 Auditor's remuneration

	2020 \$'000	2019 \$'000
Audit fee to conduct external audit - Tasmanian Audit Office	46	46
	46	46

Note 38 Events occurring after balance date

In October 2020, Council received title to the subdivision at Kingston Park. This will allow Council to sell the land to the developer in line with the approved contract.

Note 39 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:

			Period of Appointment
Councillors	D Winter	Mayor	2019-20
	J Westwood	Deputy Mayor	2019-20
	R Atkinson	Councillor	To August 2019
	S Bastone	Councillor	2019-20
	F Fox	Councillor	2019-20
	G Cordover	Councillor	From August 2019
	D Grace	Councillor	2019-20
	A Midgley	Councillor	2019-20
	C Street	Councillor	2019-20
	S Wass	Councillor	2019-20
	P Wreidt	Councillor	2019-20

(ii) Council Remuneration

Short term employee benefits

2020	Period	Allowances \$	Vehicles ² \$	Total Compensation AASB 124 \$	Expenses ³ \$	Total allowances and expenses \$
Mayor	<i>Full year</i>	104,575	-	104,575	6,843	111,418
Deputy Mayor	<i>Full year</i>	50,641	-	50,641	541	51,182
Councillors		238,090	-	238,090	8,732	246,822
Total		393,306	-	393,306	16,116	409,422

Council Remuneration

Short term employee benefits

2019	Period	Allowances \$	Vehicles ² \$	Total Compensation AASB 124 \$	Expenses ³ \$	Total allowances and expenses \$
Mayor	<i>Full year</i>	101,926	-	101,926	4,746	106,672
Deputy Mayor	<i>Full year</i>	39,335	-	39,335	1,076	40,411
Councillors		243,267	-	243,267	15,725	258,992
Total		384,528	-	384,528	21,547	406,075

2 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).

3. Expenses relate to the reimbursement of costs such as internet, telephone, mileage, conference and meeting attendance costs.

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

(iii) **Key Management Personnel Remuneration**

2020

Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁶	Total
		Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Super-annuation ⁴	Termination Benefits ⁵		
		\$	\$	\$	\$	\$	\$	\$
\$140 001 - \$160 000	2	259,332	20,000	1,040	32,047	-	(14,397)	298,021
\$160 001 - \$180 000	2	270,529	20,000	779	33,154	-	10,316	334,777
\$180 001 - \$200 000	2	318,872	20,000	323	39,552	-	(5,357)	373,390
\$260 001 - \$280 000	1	231,025	10,000	-	21,947	-	5,342	268,315
Total		1,079,757	70,000	2,142	126,700		(4,096)	1,274,504

Key Management Personnel Remuneration

2019

Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁶	Total
		Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Super-annuation ⁴	Termination Benefits ⁵		
		\$	\$	\$	\$	\$	\$	\$
\$140 001 - \$160 000	4	509,518	40,000	1,819	58,927	-	9,663	619,927
\$160 001 - \$180 000	1	141,258	10,000	-	17,545	-	3,608	172,411
\$200 001 - \$210 000	1	166,893	10,000	323	20,862	-	4,176	202,254
\$260 001 - \$280 000	1	229,556	10,000	-	21,808	-	5,739	267,103
		1,047,225	70,000	2,142	119,142		23,186	1,261,695

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

2 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).

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

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

5 Termination benefits include all forms of benefits paid or accrued as a consequence of termination

6 Non-Monetary benefits include annual and long-service leave movements.

(iv) **Remuneration Principles**

Councillors

Section 340A of the *Local Government Act 1993* entitles councillors to allowances prescribed in regulations. Mayors and Deputy Mayors are entitled to allowances in addition to those payable to them as councillors.

The Local Government Division of the Department of Premier and Cabinet publish each year a table of allowances. These allowances are applied to Councillors from 1 November of each year.

Executives

Remuneration levels for key management personnel are set in accordance with market forces. The remuneration of the General Manager is periodically reviewed by an independent consultants.

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

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 6 months prior to termination of the contract. Whilst not automatic, contracts can be extended.

Termination benefits

There were no termination benefits paid to key management personnel in 2019/20.

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

(v) Interest in other entities

Interest in subsidiaries

The group consists of Council and Kingborough Waste Services (KWS), which is 100% owned by Council.

Note 32 contains details of Council's investment in KWS.

The following transactions occurred with subsidiaries:

Subsidiary	Grant and subsidies provided by council	Goods and services supplied by council, on normal terms and conditions		
		Rental accommodation	Commercial rates and charges	Other
Kingborough Waste Services \$(000)	\$ -	\$ -	\$ 1,000	\$ 82

Transactions with associates

Council received \$171k in income tax equivalents from the Copping Refuse Disposal Site Joint Authority during 2019/20.

The investment in associates is accounted for using the equity method and details of the investment are in Note 17.

Council agreed to reinvest these payments back into the Authority.

(vi) Transactions with related parties

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

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

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

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

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 40 Special committees and other activities

As they are not considered to be of a material nature, the accounts and cash assets of the following Special Committees have not been consolidated into the financial statements of Council.

	Income	Expenditure	Cash
	\$	\$	\$
Adventure Bay Hall	2,623	4,231	675
Kettering Hall & Recreation Committee	5,225	5,365	17,170
Lower Longley Hall Committee	295	402	8,301
Lunawanna Hall Committee	3,614	2,899	2,111
North Bruny Community Centre Committee	8,627	7,227	7,698
Snug Hall Management Committee	3,847	3,497	8,990
Taroona Hall Management Comm	10,394	10,673	7,836
Woodbridge Hall Management Comm	3,741	4,408	8,039

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

Note 41 Other significant accounting policies and new 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 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 Profit or Loss and 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 Profit or Loss and Other Comprehensive Income represent revised budget amounts and are not audited.

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

Note 41 Other significant accounting policies and new accounting standards (cont.)

(g) Adoption of new and amended accounting standards

- (i) 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:

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

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

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

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

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

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

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

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

Council has elected to measure a class (or classes) of right-of-use assets arising under 'peppercorn (Concessionary) leases' at initial recognition at cost, in accordance with AASB 16.23-25, which incorporates the amount of initial measurement of the lease liability.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council previously excluded rates paid in advance from income, by recording them as a current liability, therefore no changes are required to meet this standard.

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

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

Note 41 Other significant accounting policies and new accounting standards (cont.)

Statement of Comprehensive Income (Extract)	Reference	Note	Amounts under AASB 118 & 1004	Adjustment	Amounts under AASB 15 & 1058
Recurrent income			\$'000	\$'000	\$'000
Capital grants			5,851	360	5,491
Statement of Financial Position (Extract)	Reference	Note	Amounts under AASB 118 & 1004	Adjustment \$'000	Amounts under AASB 15 & 1058 \$'000
Current liabilities					
Trade and other payables (rates in advance)		26c	3,815	(324)	4,139
Contract liabilities		26c	-	781	781
Equity					
Accumulated surplus			271,500	360	271,140

- 1 For grant funding where specific performance obligations are yet to be completed to acquire, construct or upgrade a recognisable non-financial asset, Council recognises a liability until obligations are fulfilled.

(iii) AASB 16 Leases

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

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

AASB 16 has resulted in 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 are disclosed in note 15.

The calculation of the lease liability has taken into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets has been recognised, which has been amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases has been through amortisation and interest charges. Council's current operating lease expenditure is shown at Note 15. In the Statement of Cash Flows lease payments has been shown as cash flows from financing activities instead of operating activities.

a) Impact of the new definition of a lease

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

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

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

Note 41 Other significant accounting policies and new accounting standards (cont.)

b) Impact of lessee accounting

i) Former operating leases

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

Applying AASB 16, for all leases, Council:

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

Lease incentives (e.g rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted into the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

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

ii) Former finance leases

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

iii) Lessor accounting

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

Under AASB 16, an intermediate lessor accounts for the head lease and sub-lease as two-separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under AASB 117).

Transition

On transition to AASB16, Council recognised one lease that was subject to the new leasing standard.

Reconciliation of operating lease commitments under AASB 117 and lease liabilities under AASB 16

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 July 2019 as disclosed in note 26(b) is explained as follows:

Operating lease commitments disclosed as at 30 June 2019	38
Discounted using Council's weighted average incremental borrowing rate.	38
Finance lease liabilities recognised as at 30 June 2019	
- Recognition exemption for leases with less than 12 months of lease term at transition	-
Lease liability recognised as at 1 July 2019	38

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

Note 41 Other significant accounting policies and new accounting standards (cont.)

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

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

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

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

This standard is not expected to have a material impact on the financial outcomes of Council.

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

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

Note 42 Significant Business Activities

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

	Sports Centre	
	2020	2019
	\$'000	\$'000
<i>Revenue</i>		
User Charges	648	873
Grants	0	50
Other revenues	50	55
Total Revenue	698	978
<i>Expenditure</i>		
<i>Direct</i>		
Materials, Contracts, Employee Costs	1,035	1,170
Other expenses	88	8
<i>Indirect</i>		
Engineering & Administration	0	0
Total Expenses	1,123	1,178
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	546	521
Opportunity cost of capital	1,032	1,032
Total Capital Costs	1,577	1,553
<i>Competitive neutrality adjustments</i>		
Rates and land tax	16	16
Loan guarantee fees	0	0
	16	16
<i>Calculated Surplus/(Deficit)</i>	(971)	(721)
Competitive neutrality costs	(2,018)	(1,769)

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the Sports Centre as defined above is considered a 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:

- The opportunity cost is based on applying a 4% earnings on funds invested in the activities.
- Materials, Contracts and employee costs are based on actual expenditure on each activity.
- Loan guarantee fees are not included as Council believes that no material advantage is obtained.
- Tax calculation has not been included as it is considered to be not material.
- Depreciation is based on assets associated with the activity.

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

Note 43	Management indicators	Benchmark	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
(a) Underlying surplus or deficit						
	Net result for the year		12,432	6,866	9,250	5,007
	Less non-operating income:					
	capital grants		(1,412)	(2,839)	(1,417)	(1,854)
	contributions-non-monetary assets		(10,243)	(4,049)	(7,963)	(2,710)
	contributions - capital		(350)	-	-	-
	initial recognition of infrastructure assets		(476)	(638)	(69)	-
	Add non-operating expenses					
	write down of carrying assets retired-prior periods		-	-	-	231
	grants received in advance in prior year		1,158	1,109	1,049	(1,049)
	grants received in advance in current year		(1,232)	(1,158)	(1,109)	-
	Storm Damage Expenditure		(526)	146	541	-
	Underlying surplus/deficit	0	(649)	(563)	282	(375)

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.
In 2019/20, Council delivered an underlying deficit for the year, which represents a -3% underlying surplus ratio.

(b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>	(649)	(563)	282	(375)
Recurrent income*	41,804	40,469	39,121	35,615
Underlying surplus ratio %	0%	-2%	-1%	1%

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

The ratio for 2019/20 resulted from the loss of \$600k in dividends from Council's investment in the water corporation (Note 10) and loss of revenue resulting from the close of the Sports Centre and provision of hardship benefits to the community.

(c) Net financial liabilities

Liquid assets less	10,250	10,160	12,215	10,401
total liabilities	21,489	16,726	12,684	7,280
Net financial liabilities	0	-11,239	-6,566	-469

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

This indicator indicates that the Council is not in a position to cover its total liabilities from its liquid assets. This outcome is not a concern to Council as a proportion of the liabilities will not mature for four years.

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>	-11,239	-6,566	-469	3,121
Recurrent income*	41,804	40,469	39,121	35,615
Net financial liabilities ratio %	0% - (50%)	-27%	-16%	-1%

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

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

43 Management indicators (cont.)		2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
(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>Road Infrastructure</i>					
<u>Depreciated replacement cost</u>		269,223	257,902	250,685	237,494
Current replacement cost		525,569	503,352	489,528	463,756
Asset consumption ratio %	50% - 80%	51%	51%	51%	51%
<i>Buildings</i>					
<u>Depreciated replacement cost</u>		41,017	53,649	60,304	57,594
Current replacement cost		66,253	71,208	77,522	73,086
Asset consumption ratio %	50% - 80%	62%	75%	78%	79%
<i>Drainage</i>					
<u>Depreciated replacement cost</u>		83,934	79,549	75,138	69,339
Current replacement cost		116,793	110,671	103,668	96,979
Asset consumption ratio %	50% - 80%	72%	72%	72%	71%
This ratio indicates the level of service potential available in Council's existing asset base.					
All ratios are in the acceptable range and indicate an acceptable level of service potential is available in the Council's existing asset base.					
(f) Asset renewal funding ratio					
An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
<i>Road Infrastructure</i>					
<u>Projected capital funding outlays**</u>		4,484	4,367	4,094	4,000
Projected capital expenditure funding***		5,606	5,458	5,118	4,000
Asset renewal funding ratio %	90-100%	80%	80%	80%	100%
<i>Buildings</i>					
<u>Projected capital funding outlays**</u>		751	575	596	366
Projected capital expenditure funding***		938	719	746	366
Asset renewal funding ratio %	90-100%	80%	80%	80%	100%
<i>Stormwater</i>					
<u>Projected capital funding outlays**</u>		733	694	645	766
Projected capital expenditure funding***		916	868	806	766
Asset renewal funding ratio %	90-100%	80%	80%	80%	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.					
The council is currently targeting renewal funding at 80% of depreciation.					

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

43	Management indicators (cont.)	2020	2019	2018	2017
		\$'000	\$'000	\$'000	\$'000
	(g) Asset sustainability ratio				
	<u>Capex on replacement/renewal of existing assets</u>	<u>9,239</u>	<u>9,608</u>	<u>7,875</u>	<u>6,251</u>
	Annual depreciation expense	10,916	10,351	10,351	9,097
	Asset sustainability ratio %	85%	93%	76%	69%

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

The capital expenditure on the replacement/renewal of existing assets has fluctuated between 69% and 88% over the past four years, depending on asset renewal plans.

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	2020	2020	2020
	\$'000	\$'000	\$'000
By asset class			
Land	-	27	27
Buildings	1,410	1,826	3,236
Infrastructure	6,355	5,950	12,305
Plant & Equipment	1,474	-	1,474
Total	<u>9,239</u>	<u>7,803</u>	<u>17,042</u>

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

Note 44 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land and land under roads
 - Buildings
 - Roads, including footpaths & cycleways
 - Bridges
 - Stormwater
 - Minor infrastructure

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

(a) Fair Value Hierarchy

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

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

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

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

As at 30 June 2020

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	18	-	-	83,410	83,410
Land and land under roads	22 (a)	-	54,760	60,848	115,608
Buildings	22 (a)	-	-	41,017	41,017
Roads (including bridges & footpaths)	22 (a)	-	-	269,223	269,223
Stormwater	22 (a)	-	-	83,934	83,934
Minor Infrastructure	22 (a)	-	-	15,323	15,323
		-	54,760	553,755	608,515

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

44 Fair Value Measurements (cont.)

As at 30 June 2019

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	18	-	-	108,581	108,581
Land and land under roads	22 (a)	-	54,733	60,848	115,581
Buildings	22 (a)	-	-	53,649	53,649
Roads (including footpaths & cycleways)	22 (a)	-	-	257,903	257,903
Stormwater	22 (a)	-	-	79,549	79,549
Minor Infrastructure	22 (a)	-	-	14,063	14,063
		-	54,733	574,593	629,326

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

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

(b) Highest and best use

AASB 13 Fair Value Measurement, requires the fair value of non-financial assets to be calculated based on their "highest and best use". All assets valued at fair value in this note are being used for their highest and best use.

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

Council has adopted AASB 13 *Fair Value Measurement* in relation to its recurring fair value measurement. There have been no changes in valuation techniques over the past year.

Investment in water corporation

Refer to Note 18 for details of valuation techniques used to derive fair values.

Land

During 2014/15 the Valuer-General undertook the revaluation of all properties in Kingborough, with the exception of certain non-rateable properties. The revaluation determined values as at 1st July 2014.

During 2019/20, land values were not escalated.

The average municipal value of land is derived by multiplying the area of land by the municipal unit site value. The municipal unit site value is calculated by dividing the total land value of properties in the municipality, as determined by the Valuer-General, by the total area of those properties. The most significant input into this valuation approach is price per square metre.

Land under roads

Land under roads is valued at the average municipal rate as described above.

Land under roads is classified as Level 3 in the fair value hierarchy due to the significant unobservable estimates required to provide the value.

Unobservable inputs including average municipal rate impact on the fair value of land and land under roads. An increase in municipal rates would increase the value of land under roads.

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

44 Fair Value Measurements (cont.)

Buildings

Buildings were independently revalued in July 2019 by Assetic. For 2019/20, buildings have been escalated by the Council Cost Index one year average (2020), leading to a 2.18% increase in value. Buildings acquired during the year have been valued at their acquisition cost.

Council has determined their remaining useful life as the basis for future depreciation.

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

Unobservable inputs including useful life impact on the fair value of buildings. An increase in useful life would increase the value of buildings.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) 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 'modern day equivalent' 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 14.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

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

Unobservable inputs including useful life and unit rates to construct infrastructure assets impact on the fair value of roads, bridges and drainage assets. An increase in useful life or unit rates would increase the value of infrastructure.

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. Roads are managed in segments based on the installed or renewed length and are categorised into a road hierarchy based on the type of road and vehicle numbers. Roads are valued based on typical construction type (pavement, seal, kerb etc) for the given width and hierarchical classification of the road. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

44 Fair Value Measurements (cont.)

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. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the actual cost of the works for the first year, and standard replacement rates thereafter. Construction costs were escalated by 2.27% for the 2019/20 year, which represents the average increase over the past four years (2017 to 2020) of the Council Cost Index.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 30 June 2014. 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. Costs were escalated by 2.31% for 2019/20, which represents the average increase over the past five years (2016 to 2020) of the Council Cost Index.

Drainage

A full revaluation and componentisation of drainage assets was undertaken by Council Engineers and effective from 1 July 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. Costs were escalated by 2.37% for 2019/20, which represents the average increase over the past four years (2017 to 2020) of the Council Cost Index.

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.

Minor Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position and is valued on a CRC basis. Values were escalated by 2.37% for 2019/20, which represents the average increase over the past five years (2017 to 2020) of the Council Cost Index.

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

(d) Unobservable inputs and sensitivities

Investment in water corporation

Carrying amount (at fair value)	\$'000	Key unobservable inputs	Expected range of inputs	Description of how the change in inputs will affect fair value
	83,410	Council's percentage holding in the Water Corporation, currently 5.91%	None	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.
		Net assets of the Water Corporation	Variable based on the net asset value of the Water Corporation at balance date	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.

Refer Note 18 for further details.

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

44 Fair Value Measurements (cont.)

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 22 (Property, infrastructure, plant and equipment) and note 18 (Investment in water corporation). 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 and investment in water corporation (recurring fair value measurements) is set out in note 18 and 22.

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer note 36)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 36 is provided by Tascorp (level 2).

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

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

Note 45 Material Budget Variations

Council's original budget was adopted by the Council in June 2019. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity and decisions made by the Council. No budget is estimated for expenditure included in Other Comprehensive Income due to the uncertain nature of the outcomes. Material variations of more than 10% are explained below:

Revenues

1 Contributions (Cash)

The positive variance of \$787,000 (+182%) primarily relates to the receipt of funds for capital projects from sport clubs and reimbursement of storm damage costs from the May 2018 storms.

2 Interest

The negative variance of \$87,000 (-45%) relates to cash balances remaining lower than expected throughout the year and the reduction in the interest rates to historical low levels.

3 Other Income

The increase of \$483,000 (+24%) relates primarily to income due to reimbursement of storm damage costs and the receipt of carbon credits.

4 Investment in Water Corporation

The negative variance of \$624,000 (-50%) was due to Taswater being unable to pay dividends for the last six months of the year due to the impacts of the COVID-19 pandemic.

5 Carrying Amount of Assets Retired

The carrying amount of assets retired was \$234,000 (-47%) over budget due to asset write-offs being above expectations.

6 Share of Profit in Associate

Council's share of the profit in associate was \$617,000 (+246%) over budget due to a substantially greater than expected return from the investment in Copping Refuse Disposal Site Joint authority.

7 Capital Grants Received

The increase of \$0.94 million (+197%) relates to grants for change rooms for sporting grounds and a number of capital works projects.

8 Contributions - Non Monetary Assets

The increase of \$9.243 million (+924%) relates to the contribution of assets resulting from the completion of major subdivisions at Whitewater Creek and Springfarm Road.

Expenses

1 Finance Costs

Finance Costs were \$144,000 under budget due to the usage of interest free loans from the State Government to fund works on Kingston Park.

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

Note 46 Correction of Prior Period Error

Comparative figures have been restated in the Statement of Financial Position and Statement of Changes in Equity. These changes are a result of prior period errors in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

During 2019/20, Council identified some errors in the data associated with vested assets that were capitalised at incorrect values. This work resulted in assets being overstated by \$1.98 million that related to the period before 1 July 2018.

As these adjustment reflected characteristics of assets that existed in the prior period, an adjustment to the prior period balances has been made. This is classified as an error in accordance with AASB 108. The prior period adjustment are detailed below, with the Statement of Financial Position balances as at 30 June 2019 restated as follows:

Statement of Financial Position

- * Infrastructure assets were reduced by \$1.98 million due to the impacts on asset values and accumulated depreciation.
- * Accumulated surplus was reduced by \$1.98 million due to expenditure attributed to the period to June 2018.

The following tables disclose the impact on the 2018-19 notes that have been restated for the adjustment of prior period errors discussed above.

Due to the minor nature of the prior period error, Council has chosen to disclose the error by using a note in the accounts rather than producing an additional column in the financial reports.

Adjustment: Note 22 - Property, Infrastructure, Plant & Equipment

	2019 (unadjusted)	2019 (adjusted)	Prior year error adjustment
	\$'000	\$'000	\$'000
Carrying Amount			
Roads & Bridges			
At fair value	503,352	501,313	(2,039)
less: accumulated depreciation	243,475	243,411	64
Total	259,877	257,902	(1,975)

Adjustment: Note 22 - Property, Infrastructure, Plant & Equipment (PIPE)

- reconciliation of movements (including fair value levels)

	PIPE (unadjusted)	PIPE (adjusted)	Prior year error adjustment
	\$'000	\$'000	\$'000
Carrying value as at 1 July 2018	552,472	550,497	(1,975)
Carrying value as at 30 June 2019	552,472	550,497	(1,975)

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

Note 46 Correction of Prior Period Error (cont.)

Accumulated Surplus

- reconciliation of accumulated surplus

	Accumulated Surplus (unadjusted) \$'000	Accumulated Surplus (adjusted) \$'000	Prior year error adjustment \$'000
Balance at 30 June 2018	263,939	261,964	(1,975)
Transfer to Accumulated Surplus	9,536	9,536	-
Balance at 30 June 2019	273,475	271,500	(1,975)

