



Annual Report 2020-2021



Cover image : Tourism Tasmania

This report has been prepared in accordance with the requirements of the Local Government Act 1993. The report relates to Council's Annual Plan and Strategic Plan for the year ending 30 June 2021 and provides an overview of Council's operations and achievements during this period.

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Fast Facts



Municipal area

- 3809 square kilometres



Population

- 6104 (ABS 2016 data) permanent residents to more than 15,000 in the summer months
- Rated properties: 6386



Natural Attractions

- Bay of Fires
- Peron Dunes
- Mt Victoria
- Blue Tier
- Evercreech White Gum reserve
- Mt William National Park
- Eddystone Point
- St Columba Falls
- Halls Falls
- St Patricks Head



Major Industries

- Tourism
- Retail Trade
- Health Care and Social Assistance

Industries of growth

- Tourism
- Fishing and Aquaculture
- Agriculture
- Forestry
- Mining



Adventure

- St Helens Mountain Bike Network (Opened November 2019)
- Blue Derby Mountain Bike Trails
- Fishing – Game fishing including tuna, marlin, swordfish, shark, deep sea and reef fishing for a variety of species as well as Bay River and estuary fishing.
- Surfing
- Diving - Bay of Fires
- Bush walking – there are a range of trails on offer in our municipality for all fitness levels
- Camping - there are a number of free camping grounds in our municipality located at the Bay of Fires.

Connect with us:

**Location: 32-34 Georges Bay Esplanade,
St Helens, Tasmania, 7216**

Phone: (03) 6376 7900

Email: admin@bodc.tas.gov.au

Office Hours:

Monday - Friday 9am - 5pm

(Excluding public holidays)

After Hours Emergency: 6398 2281

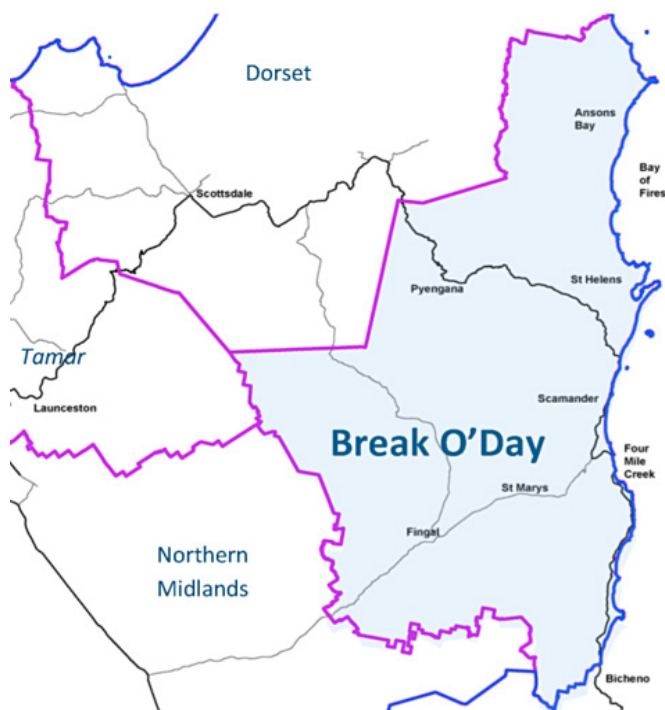


Website: www.bodc.tas.gov.au



www.facebook.com/BODCTas/

Region Snapshot



The Break O'Day municipality extends along the East Coast of Tasmania from Eddystone Point (Irapuna) in the north to Denison River in the south and west through the Fingal Valley. Our region includes a diverse range of scenery and townships from the arty and creative hub of St Marys, historic townships like Fingal, Mathinna and Weldborough, the mining town of Cornwall, rich farming

towns like Pyengana and Goulds Country as well as coastal towns and hamlets such as Seymour, Four Mile Creek, Falmouth, Ansons Bay, Scamander, Beaumaris, Binalong Bay and St Helens - the Game Fishing capital of Tasmania. St Helens is the major hub of the Break O'Day region and East Coast featuring a hospital, numerous accommodation options, a District High School that offers Kindergarten to grade 12, Trade Training Centre, Neighbourhood House, Business Enterprise Centre, numerous restaurants and cafés, retail outlets and more.

In November 2019 the St Helens MTB Network officially opened and has seen a range of MTB related businesses developed to support the MTB Network.

St Marys is the main hub of the Fingal Valley and features a District School offering Kindergarten to grade 12, a Community Health Centre, a range of unique local businesses, coffee shops and regular artisan markets.

While our region has won international acclaim for the coastal beauty of the Bay of Fires, which is synonymous with pristine white sand, turquoise water and distinguishable orange lichen covered rocks, we also have a range of national parks, conservation areas and reserves on our doorstep.

Mt William National Park, located in the northern reaches of the municipality blends beachscapes with the forest.

There are also some beautiful waterfalls in the area from

the striking St Columba Falls, one of Tasmania's highest, multi-tiered falls to beautiful Halls Falls. The Fingal Valley is also home to a number of waterfalls including the picturesque Mathinna Falls.

The beauty of the Blue Tier has long been a secret quietly kept by the locals but is now gaining recognition thanks to the Blue Tier Descent which is the jewel in the crown of the Blue Derby Mountain Bike Trails, as well as the 42km Bay of Fires Trail which takes riders from the top of the Tier all the way to Swimcart beach in the Bay of Fires. The Blue Tier also offers 4WD and bush walking opportunities. It is an area of diverse cultural and historic significance that starts with the region's aboriginal people through to the early days of tin mining which brought a large Chinese population to the area.

The Fingal Valley is predominantly an agricultural area but also features many forest walks and recreation areas. Head to the forest reserve of Evercreech which features some of the tallest gums in the world and visit Mathinna Falls while you are there. If you are the adventurous type you could climb St Patricks Head and get a 360 degree view of the coast and the valley; a trek well worth the effort.

From the mountains to the sea, the Break O'Day region is abundant in natural attractions, activities and development opportunity.

About Us

Our Vision

“A naturally beautiful environment that speaks to our heart. A diverse and thriving community; a place of opportunity. A place where everyone feels safe, welcome and connected.”

Our Values

Working as a TEAM with OPEN & HONEST COMMUNICATION; we act with INTEGRITY whilst showing RESPECT and being POSITIVE and proactive in our actions

Our commitment to our community

Leadership/ Ownership:

- We will be visionary and accountable leaders who advocate and represent the views of our community in a transparent way.
- We will make decisions for the greater good of Break O’Day by being accessible and listening to our community.

Great Communication:

- We will listen, consult and engage with the community and individuals.
- We will be open, honest and proactive in our communication. We will keep people informed about the things that matter to them.

Infrastructure and services:

- We will plan, deliver and maintain quality infrastructure and services.
- We will strive to deliver excellent customer service and promote Break O’Day as a desired destination.

Working together:

- We will build, and maintain strong relationships and partnerships through consultation, engagement and collaboration.
- We will support and facilitate our community.

Stewardship/ Custodian:

- We will be responsible in planning and management of the Break O’Day area.
- We will make good decisions about our environment and resources.
- We will balance competing needs and demands while keeping a sustainable future in mind.

Fiscal Responsibility:

- We will work within a culture of financial sustainability focusing on securing outside funding, spending wisely and being fair to all.
- We will recognise the limitations of resources and the community’s capacity to pay.
- By ensuring that all we do fits within the above mentioned ideals, we will be able to successfully, and positively influence our customer’s perception of us and therefore our brand.

Mayor's Message



Welcome.
Despite COVID it has been a massive and productive year for Break O'Day Council.

This financial year we have seen some massive projects completed including the official opening of the Georges Bay Multi-User track. This project was really important to me personally as a lifetime member of the Break O'Day Community and something I am really proud of as it has been decades in the making.

Like most large Council projects, the construction of the multi-user track required substantial external funding and we would not have been able to complete the project without funding from the Federal Government.

Tasmanian Liberal Senator Claire Chandler officially opened the multi-user track on Thursday 19 November. To celebrate the opening VIPs including Councillors and politicians walked the new section of the track from the wharf to Beauty Bay where we enjoyed a picnic lunch supplied by the East Coast Providore.

Since opening, the track has certainly been getting a lot of use from walkers and mountain bikers alike. Because the trail connects the centre of the St Helens township to the Flagstaff Trailhead, it means that the St Helens MTB Network is now connected to the township

making it easier to share the benefits of increased MTB visitation with the business community.

Senator Chandler also officially opened another massive project, decades in the making, the refurbishment and renovation of the Fingal Valley's Old Tasmanian Hotel. If you have not already dropped in to see the amazing transformation, make sure you do!

All the projects that Council deliver and the day to day tasks are the result of a real team effort and while I get to stand out the front and to some degree take the kudos, behind me stands a massive, dedicated and hardworking team of people.

Sometimes I think there are some members of our community that forget that Council staff are actually Break O'Day community members as well. At the end of the day our staff are just the same as anyone else, they are just employed by Council, they live and work here for all the same reasons the rest of us do... they love our beautiful piece of paradise. The wellbeing of our community and our environment are just as important to Council staff as the rest of us.

Without the team of competent Council staff working hard behind the scenes, the services and projects of Council simply would not happen. From Building and Planning to road works and construction and from community work to economic development, I may be

biased, but I think our staff are some of the brightest stars in Local Government in the state!

That may sound like a lofty statement, but when you consider the amount of awards that Break O'Day Council has won over the last 2 years, these are all a credit to the work of our staff.

Two of the larger awards include:

- 2021 Local Government Awards of Excellence - Small Council
- 2020 Local Government Professionals - Innovative Management Initiative

In the past the team have also won awards for the One night Stand Event and the St Helens MTB Network, Building Surveying team of the year, Young Professional of the year and more – they are just a bunch of over achievers and like me, our community should be proud to have these people working in our corner.

Not only do the staff work really hard Monday to Friday for their community, there is also a high number of staff who volunteer their own time to give back to the community. This is something I am really proud of as it shows the level of dedication our staff have to our community. Some of the roles are staff volunteer for include; the local fire brigade, the SES, Mentoring, local

sporting clubs and community groups.

I would like to take this opportunity to thank each and every one of the Council team whose commitment to our community is unwavering. Thank you for showing up every day and thanks for all you do for our community.

Mick Tucker
MAYOR

“Without the team of competent Council staff working hard behind the scenes, the services and projects of Council simply would not happen.”

Mayor Mick Tucker

Councillors enjoying a light lunch at Beauty Bay as part of the official opening of the Georges Bay Multi-User Track extension.



Mayor and Councillors

The Council is comprised of nine Councillors (including the Mayor and Deputy Mayor) elected by the community; each serve for a term of four years.

All Councillors must comply with Council's Code of Conduct. The Code covers issues such as the requirement to act in good faith, duty of due care and diligence, conflict and pecuniary interest, issues of improper use of power and information, independence, confidentiality and the obligation to uphold the law.

The Council meet monthly for workshops, scheduled Council meetings and as required when Special Council Meetings are called.

Member expenses are made up of printing and stationery, telephone charges, internet, travel and sustenance and delegate expenses (conferences, committee meetings, strategic planning sessions and workshops to name a few).

Councillor Attendance 2020-2021

Councillor	Ordinary Meetings Attended	Council Workshops Attended	AGM Attended	Total Meetings Attended
Mayor Mick Tucker	12/12	10/11	1/1	23/24
Deputy Mayor John McGiveron	12 / 12	10 / 11	1 / 1	23 / 24
Clr Kristi Chapple	11 / 12	7 / 11	0 / 1	18 / 24
Clr Janet Drummond	9 / 12	9 / 11	0 / 1	18 / 24
Clr Barry LeFevre	12 / 12	11 / 11	1 / 1	24 / 24
Clr Glenn McGuinness	12 / 12	9 / 11	1 / 1	22 / 24
Clr Margaret Osborne OAM	12 / 12	10 / 11	1 / 1	23 / 24
Clr Lesa Whittaker	12 / 12	7 / 11	0 / 1	19 / 24
Clr Kylie Wright	10 / 12	10 / 11	0 / 1	20 / 24

Organisational Structure



General Manager's Report



Over the last twelve months we have been feeling quite fortunate to live where we do in this special place in Tasmania and not having to ride the roller coaster of repeat COVID lockdowns which are happening on the mainland. Running the gauntlet of border closures have thrown many of our travel plans into chaos leading to tears and frustrations on not seeing family members and friends in not so far away lands that we can't visit. Not surprisingly, we have seen new faces appear in our community who have escaped from the mainland and who see Tasmania and our area as a place where they can live and work with a lot less drama.

Despite our relative freedoms, what we are going through does have an impact which we might not realise. During the year we have been working on a project which we see as really important to our community, but even more important at the moment, the Community Wellbeing Project. This is actually a really positive thing which has come out of the current situation and has numerous conversations about what we can do to look after ourselves and others, after all loneliness has increased during this time. The Tasmanian Community Fund could see the value and importance of this project and it was fantastic to receive funding from the TCF to enable us to start this project which will run for the next three years. To help

us with the project we were really fortunate to welcome Leah Page to the BODC team and enable us to draw on her wide range of experiences. We have some really inspirational people in our community who have leapt into the program and I can't wait to see the projects they develop which will draw in others in our community. There is talk of a Wellbeing Festival happening and wouldn't this be an exciting addition to events which happen in this area.

As we know, events took a hammering during the bulk of 2020 and this continued into 2021. It is really disheartening to those event organizing committees who put so much in to then see that hard work all for nothing. A glimmer of light and hope that we can return to a vibrant calendar of events appeared when some familiar events returned, Break O'Day Triathlon, St Marys Car Show, and Break O'Day Winter Arts Festival. A new event, Dragon Trail MTB which was our first major MTB event happened in March 2021 and it was an outstanding success with over 300 competitors taking part. It is the forerunner to many more MTB and Trail Running events which will happen here.

We all have those things which we want to do but don't, or maybe keep putting off, or just never get around to it. From a Council perspective, we have a few of them and 2020/21 was a year in which we dealt with a couple

of what I call 'legacy' projects – ones which have been around for a number of decades. It has been nearly 30 years since the first piece of the Georges Bay Foreshore Multi-user Track was built, yet the piece connecting it to the St Helens Foreshore was a bit like the gap with a missing tooth. It was really satisfying to see the project to bridge (pardon the pun) this gap completed in November 2020 and don't the community love it! We have had some great feedback and the bridge built by local boat builder, Lyndcraft, is something they and the community can be justifiably proud of.

Heading in land to the Fingal Valley is another 'legacy' project which has been around for around 40 years, renovating the upper storey of the Old Tasmanian Hotel in Fingal. Home to the Fingal Valley in the downstairs it was home to rats, mice, possums, spiders and numerous other creatures upstairs. It was derelict and in need of some extremely serious work. Now, you wouldn't believe the difference, it is simply amazing to see this area come to life. If you are passing through the Valley, take the time to stop and look.

For several years the Council has felt like it has been banging its head against a brick wall when trying to get the State Government to see the need to upgrade the Tasman Highway in our area. Finally, in 2021 we have seen action on the ground, and I would have to say it is

substantial action, we probably didn't think they would get this serious about the scale of the upgrade, but hey, so be it.

An initiative that started operating during the year is Break O'Day Employment Connect, BODEC as we affectionately call it. BODEC is a multi year project funded by the State Government through the Employment Partnership Program with a focus on addressing the barriers to employment experienced by job seekers and employers and it has been kicking goals in achieving sustainable employment outcomes. As an example, those traffic controllers you wave to on the current road works went through a training program in traffic management arranged by BODEC following discussions with a local St Helens business which hadn't been going that long who has the contract to provide this service. So much better to have local people doing this work than ones who are not local working with either a national or larger company. Something worth noting is that 75-80% of BODEC clients are not registered with Centrelink, without BODEC how easy is it for them to find work, even a few hours extra?

In closing, firstly I would like to express my thanks to the people who make up the BODC team (Councillors, employees and volunteers), we have a dedicated team committed to making this the best community

for everyone. After all, we live here for a reason just like you. Secondly, I would like to say thank you to our supporters and stakeholders including our Local Members of Parliament who play a key role in helping us to do what we do.

John Brown
GENERAL MANAGER

“We have some really inspirational people in our community who have leapt into the program and I can't wait to see the projects they develop.”

General Manager
John Brown

Annual Report Overview

On this page and the following you will find a quick snapshot of Break O'Day Council's Annual Plan and how we have gone towards achieving the plan this financial year.

Every year Council endorses an Annual Plan which will guide Council's activities for the financial year.

The Annual Plan is based on the 10 Year Strategic Plan which was developed in 2017 with a large amount of community input.

Our Annual Plan has five main sections with each containing: Strategies, Key Focus Areas and Activities.

Every Year Council staff report directly on each of these sections right down to action level.

This report represents an executive summary of this work however if you would like more detail you can find quarterly reports as well as the Strategic Plan on our website under My Council/Council Strategies/Annual Plans.

Annual Report Completion

91%

Strategies - 18

Key Focus Areas - 25

Activities - 98



■ Complete ■ Incomplete

Community - 100%

Strategies – 4
Key Focus Areas – 4
Activities - 14



■ Complete ■ Incomplete

Infrastructure – 85%

Strategies – 3
Key Focus Areas – 6
Activities - 28



■ Complete ■ Incomplete

Environment – 79%

Strategies – 4
Key Focus Areas – 4
Activities – 18



■ Complete ■ Incomplete

Economy – 90%

Strategies – 4
Key Focus Areas – 5
Activities - 22



■ Complete ■ Incomplete

Services – 100%

Strategies – 3
Key Focus Areas – 6
Activities - 16



■ Complete ■ Incomplete

1. Community - 100% complete

To strengthen our sense of community and lifestyle through opportunities for people to connect and feel valued.

Strategies

1. Create an informed and involved community by developing channels of communication.

2. Build community capacity by creating opportunities for involvement or enjoyment that enable people to share their skills and knowledge.

3. Foster and support leadership within the community to share the responsibility for securing the future we desire.

4. Foster a range of community facilities and programs which strengthen the capacity, wellbeing and cultural identity of our community.

Communication

Improve and develop communication processes that lead to the community feeling more informed and involved.

Meaningful communication that leads to a more informed and involved community is an activity that will always be a focus of Council. This financial year has seen the Communications Coordinator focusing on Plain English information and correspondence across Departments, the use of surveys for community input and feedback as well as the development of Electronic Direct Mail databases (EDMs). All activities in this space have progressed well with outcomes including:

- An increase in community members on various databases
- Implementation of Plain English land use planning information
- Implementation of a new resident kit
- Survey results influencing Council decisions
- Increase in reporting of the progress of Council projects through the website.

Combined, all these activities ensure that we are fostering community involvement and awareness of Council activities, processes and projects.

Events and Activities

Creates a culture of volunteering and support to enable vibrant and sustainable events, activities and community groups:

Good progress was made during the year in this area with a rebuilding of the events calendar within Break O'Day. The Community Services team assisted with the following Community Events:

- Ten Days on the Island
- St Marys Car and Bike Show
- Break O'Day Triathlon
- State League Netball
- Van Diemen's Band (Cancelled due to COVID-19)
- Bay of Fires Winter Arts Festival
- Stage Whisperers Production - Live streaming of the Tasmanian Symphony Orchestra
- Dragon Trail MTB 2021 & 2022
- Australia V New Zealand Woodchopping - Jan 2021

Council staff have also worked closely with event organisers to ensure that COVID Plans and risk assessments are in place and that they are compliant with State Government Regulations.

COVID has had some impact on the nature of volunteering in our community with what appears to be a preference by volunteers to assist with organisations and community

groups/events where they feel they are helping people or, achieving outcomes rather than attending meetings.

Despite this the Community Services team increased the volunteers in the Learner Driver Mentor Program by 2 and sourced 12 local volunteers for the Dragon Trail MTB event.

Community and Council Collaboration

Work within a community engagement framework which defines the relationship between community and Council in decision making and project delivery

The primary activity in this area was the progression of the Community Engagement Framework which was stalled due to its dependence on outcomes from the review of the Local Government Act requirements. In the meantime Council continues to undertake and refine its engagement activities.

One area of community engagement that has remained a focus of Council is the development and implementation of Township Plans. These were developed in collaboration with local communities and have influenced priority projects in these communities. We will be undertaking a review of all Plans during the forthcoming year to ensure they remain relevant to the communities.

Implementation of the Community Wellbeing Project commenced during this period. Key activities included the finalisation of the delivery of the Wellbeing Certificate and the process for community members to participate and be empowered by the project. Following an Expression of Interest process, 30 community members participated in the first Wellbeing Workshop on Saturday 20 March 2021.

Community - 100%

Strategies – 4

Key Focus Areas – 4

Activities - 14



■ Complete ■ Incomplete

Dragon Trail Event

In March 2021 the St Helens MTB Trails hosted their first event, the Dragon Trail.

This event is a three day Cross Country MTB event that sees competitors ride on average 50km a day through the Tasmanian Wilderness.

The first day saw competitors ride Blue Derby Trails, the second day the Bay of Fires and the third day, the Dreaming Pools Trail.

Both day 2 and Day 3 saw teams based in St Helens at the Bendigo Community Stadium which organisers set-up as a hub for the event. The hub included camping for competitors, food vans, bars, live music and guest speakers. Set to be an annual event, this was the events first year and it attracted a field of approximately 300 competitors. 70 of these were from Tasmanian with the rest largely from mainland Australia. The event already has a large International following that were unable to compete this year due to the Pandemic. It is hoped that COVID restrictions for the 2022 event will allow international competitors to compete in the event.

The event is run by Geocentric outdoors, who are experienced international event organisers based in

Australia. The Geocentric team ensured they utilized local businesses and services to deliver the event which included: food, shuttle services. Some competitors also utilised local accommodation, cafes and restaurants.

The Council team worked alongside the Geocentric team to ensure they were supported in delivering a highly successful event. This included: working through approvals, providing infrastructure and services like waste and cleaning and promotional support as well as volunteer support.

The last day of the event saw competitors finishing at the Flagstaff trailhead where a contingency of spectators gathered. Council employees used this opportunity to volunteer their time and sell trail merchandise and beer and cider donated to the event by St Helens MTB Trail Ambassadors, Little Rivers and Willie Smiths. All funds raised through this was given directly to the BOD Trail Collective to put towards the ongoing maintenance and development of the network.

On the completion of the event, Geocentric provided Council with statistical information on the event which showed the benefit of the event to our area. This included:

- 90% of competitors stayed in ST Helens for 2-4 days

- Around a third stayed in Tasmania for more than 14 days
- Around 80% travelled with 2-4 people
- Almost 40% spent \$51-99 per day
- 100% said they will return to St Helens
- 96% said they would recommend St Helens to friends and family.

Council staff also used modeling through economy .id which found the event brought over \$83,000 to the local economy. The Council team look forward to working with the Dragon Trail team again to build on the event and the opportunities that it provides our community.

Dragon Trail Competitors racing past the Dreaming Pools on the final day of the competition.



2. Economy - 90% Complete *To foster innovation and develop vibrant and growing local economies which offer opportunities for employment and development of businesses across a range of industry sectors.*

Strategies

- 1. Develop and highlight opportunities which exist and can be realised in a manner that respects the natural environment and lifestyle of the BOD area.**
- 2. Provision of relevant training and skills development programs to create a workforce for the future that meets the changing needs of business.**
- 3. Create a positive brand which draws on the attractiveness of the area and lifestyle to entice people and businesses' to live and work in BOD.**
- 4. Support and encourage innovation and growth in the economy through local leadership; infrastructure provision; support services and customer focussed service delivery.**

Opportunities

Prepare and maintain an economic prospectus which details opportunities; infrastructure and land availability; and local resources.

Completion and publication of the Prospectus has been an important achievement for Council this financial year. Other activity in this Area includes providing the Office of the Coordinator General with data and information on our area for the development of a Northern Prospectus.

Other opportunities that have been a focus for Council this year include supporting the Tasmania Irrigation Project. This is an ongoing project that involves the establishment of a large dam north of Fingal and include 'transmission' streams to cover the area Fingal/Mathinna area through to Epping Forest.

Council has also actively participated this financial year in two projects facilitated by the Northern Tasmania Development Corporation (NTDC) including;

- Aspire Circular Economy project which is about waste reduction which we are integrating into our own recycling activities where possible
- Population Attraction program which is linked to the Northern Tas jobs project and a key tool in attracting

people to the State and our area. This project dovetails in with the work of Break O'Day Employment Connect (BODEC).

Aged Care Housing and Social Housing remain a focus of Council. Unfortunately plans for Social Housing received significant community backlash resulting in plans being shelved by providers. This was disappointing to Council and members of our community desperately in need of accommodation.

Aged Care Housing will continue to be scoped next financial year with the Annie Street site, where the new Hospital is located, being closely examined for this purpose.

Tourism

Broadening, lengthening and improving the visitor experience through development of attractions and activities; promotion and signage; and great customer service.

A broad range of activities occurred in this area during the year which reflects the important role that Tourism plays in the Break O'Day area.

The majority of activities were completed with the exception of the review of visitor information provision. Council officers continue to work with East Coast Tasmania Tourism (ECTT) to get an outcome on this.

Commencement of the Bay of Fires Master Plan process started and this will be a major focus during the next financial year and will include community consultation.

Aside from promoting our area as a destination the Communications Coordinator has also been working on the promotion of the MTB trails, and therefore our region, in winter. The aim being to grow our visitation in winter to flatten out the slow winter months.

In order to understand, evaluate and monitor visitation relating to the MTB trails, the Council utilises a variety of

data including:

- Break O'Day's twice annual Business Visitation Survey
- New Resident Survey
- Trail Count Data
- Statistics and reports provided by East Coast Tasmania Tourism (ECTT) and Tourism Tasmania

St Helens History Room

The St Helens History Room located at 61 Cecilia Street, showcases the rich history of the Break O'Day area.

Despite being closed from 25 March to 17 June 2020 due to COVID, the History room has enjoyed fairly consistent visitation and the display of a range of exhibitions and events detailed below.

Exhibitions and Events

- National Reconciliation Week
- NAIDOC 2020
- Travel Through Time
- Reid Collection
- 'Eddystone Lighthouse – Comfort In The Storm
- Hirst Collection revamped
- Whiling Away the Winter
- Oral History Interview

- New negative scanner purchased
- Book Launch 'The Coast'
- New MTB Perpetual Trophy Display Case installed in Foyer
- Michael Watt's presentation 'German Settlement In The Fingal Valley'
- Rehousing and display of Historic Firearms
- East Coast Mapping Project (UTas) survey

Statistics:

876 visitors came into the St Helens History Room during this reporting period. Entry fees totalled \$ 5 047.35.

Visitor Information Centre

The St Helens Visitor Information Centre (VIC) is staffed by a core of two permanent part time employees, supported by one casual and a team of 10 enthusiastic and knowledgeable volunteers.

The VIC is open every day of every week from 9.00am to 5.00pm (except Good Friday, Christmas Day and ANZAC Day morning).

The VIC plays an integral role in tourism in our area. Not only do staff help visitors to our area find accommodation they also help them plan a range of activities to do and places to see. Working with local providers they ensure

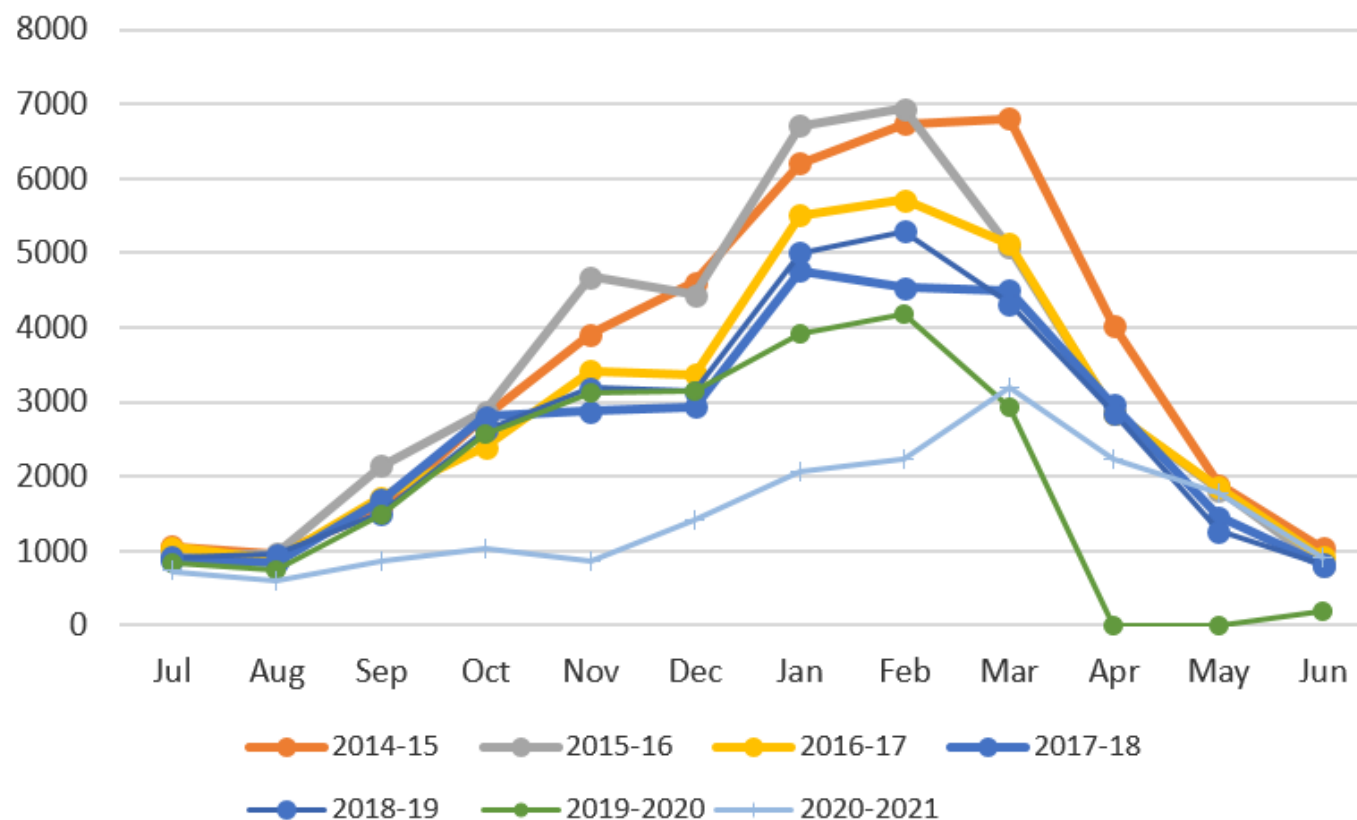
that our local businesses are represented in the centre.

Despite a changing visitor audience who tend to use their devices and apps to source information, the VIC still services thousands of visitors a year.

The change in visitor information seeking habits are reflected in the State Government's reinvention of their tourism strategy which will guide the future of VICs.

Total Visitors to the VIC for the 2020-2021 fy : 17,907

St Helens VIC Door Count



Employment:

Create a variety of jobs that will reduce the seasonality of the local economy and provide ample opportunities for youth to remain in the area:

Solid progress was made in this area with the Break O'Day Employment Connect project proving to be very successful at unlocking and facilitating employment opportunities in the Break O'Day area.

Business support is another key area and Council has continued to provide support in a number of areas including:

- Business Care Calls which occurred as part of Council's response to COVID 19
- Regular Business Email updates that include access to opportunities such as funding and skills development.
- The St Helens Visitor Information Centre offered assistance to businesses needing help listing on the Australian Tourism Data Warehouse.

Council continued its funding support of the Break O'Day Enterprise Centre (BEC) and will continue to work closely with the Break O'Day Employment Connect Team in order to ensure the community have access to employment and business services.

Brand Development:

Undertake and identify opportunities to develop a positive brand for Break O'Day Council and the area.:

This is an ongoing activity that is reflected across all things we do. Whether it is customer service, a positive news story, an award win or an event, everything we do as an organisation reflects on our personal brand or our area's brand.

Stand out activities in this space are:

- Entering St Helens in Tassie's Top Tourism Town - Gold 2020 and Silver in 2021.
- Extensive coverage of the MTB trails - 7 articles in MTB focussed magazines for the financial year
- Winning East Coast Tourism New Business Award for the St Helens MTB Trail Network.
- A regular column from the Mayor in the Examiner - pieces run always have a positive slant regarding our area
- A regular five minutes with the Mayor column in the Valley Voice - developed to ensure we were communicating directly with our Valley residents
- Entering and winning the Launceston Chamber of Commerce Awards and achieving; Finalist for Building Communities and winner for Outstanding Visitor Experience. Both awards were for the St Helens MTB trails

- Entering and winning the Local Government Professionals Award for the Trails Ambassador Program and the BOD Trails Collective Inc
- Numerous news stories on our area and our Council activities

Support:

Integrate and simplify processes and services to facilitate the development and growth of businesses.

This area of activity progressed as planned with the completion of participation in a statewide project and further steps forward in facilitating local leadership within the business community

Economy – 90%

Strategies – 4

Key Focus Areas – 5

Activities - 22



■ Complete ■ Incomplete

Break O'Day Employment Connect - Support and Benefits

In September 2020 Break O'Day Employment Connect or BODEC as it is known locally, was officially launched. This program is overseen by the Fingal Valley Neighbourhood House and is supported by Council.

The BODEC program is the result of a comprehensive Skills Audit conducted in 2018 which was completed with funding through the Tasmanian Government. The audit revealed gaps in employment service delivery in particular, matching an employer's desired skills with the right jobseekers.

Designed to complement employment service providers already operating in this space, the BODEC team takes a holistic approach to employment solutions by working to 'match' employees with employers and facilitate meaningful, long-term employment. The program employs three people, one full time Jobseeker Connector as well as a part time Employer Connector and part time Project Manager.

The team hit the ground running and quickly started getting employment results. By the end of the financial year, BODEC had successfully found employment for 47 local jobseekers. The main difference of the BODEC program is that the BODEC team actively work with employers to understand what skills they are looking for. They then try to facilitate

the appropriate training required to upskill the jobseekers if required. An example of this is when major road works on the Tasman Hwy started, contractors were desperately seeking traffic controllers. This resulted in the BODEC team facilitating a Traffic Control training session for 10 local participants. From this a Traffic Control business working locally, ended up employing 7 and they are now working with the contractors.

The team have also delivered two Career Expo's which were held at both district schools and now on an annual basis. The expo's featured potential employers and school leaver opportunities as well as workshop sessions for students on interview process and resume refining.

The main office is located in St Helens with the team also able to use a satellite office at the Fingal Valley Neighbourhood House



Pictured: BODEC Employer Connector Cindy with a client.

Tourism Initiatives

The East Coast of Tasmania is the fifth most dependent region on tourism in the nation. From March 2020 – March 2021 the east coast welcomed around 106,000 visitors who contributed \$192million to the East Coast economy. (Source: Tourism Research Australia.) Council understands the importance of the tourism sector on our region's economy and the dependence of our business community on visitation. Whether a large accommodation business, restaurant, petrol station attendant or corner store – all are affected by visitation and the tourism industry.

We understand that the largest drawcard of visitation to our area is the natural environment. This makes it imperative that sustainability of the environment is at the forefront of mind when considering any development in this area. In order to ensure this, Council is developing a Recreational Trails Strategy and a Bay of Fires Master Plan. Both of these documents aim to provide guidance on appropriate development as well as an understanding of the priorities from an industry, environmental, cultural and community perspective. Both these documents will involve community consultation and will be developed next financial year.

Encouraging and supporting the business community to leverage off opportunities the tourism industry presents

has been a focus this year, particularly with nationwide lockdowns meaning business had to rely almost solely on intrastate visitation.

Council staff continue to work with East Coast Tourism and Tourism Tasmania to share opportunities and encourage local businesses to get involved in marketing initiatives and industry development. This includes broad destination marketing opportunities as well as specific MTB marketing activities which are one of the focuses of Tourism Tasmania. This year Tourism Tasmania also ran a specific winter marketing campaign.

In order to understand the effect of tourism and where to put our focus, Council sends out a twice annual Business Survey, one in Summer and one in Winter. The survey is promoted to businesses through a direct email database, newsletter and Facebook. For the winter period 2020, the results showed that there has been growth in visitation – Key finds include:

- 50% of respondents experienced business growth over the usually slow winter period Business growth experienced was higher than last year
- Due to COVID lock down, the majority of visitation was intrastate

- 12.5FTEs were created during the winter period
- Night stays are increasing
- Occupancy rates are increasing
- A full report of the findings are published on our website under My Community/Community Consultation.

FLOW MTB presenter Krista learns how to surf with the 42 degrees Surf School.



3. Environment - 79% Complete

To balance our use of the natural environment to ensure that it is available for future generations to enjoy as we do.

Strategies

- 1. Ensure the necessary regulations and information is in place to enable appropriate use and address inappropriate actions.**
- 2. Increase the community's awareness of the natural environment; the pressures it faces; and actions we can take to sustain it and what it provides.**
- 3. Undertake and support activities which restore, protect and access the natural environment which enables us to care for, celebrate and enjoy it.**
- 4. Recognise and alleviate the issues and risks to the environment from our use, and the risk to us from a changing environment. (For example flood and fire.)**

Appropriate Development

Encourage sensible and sustainable development through sound land use planning, building and design:

Work in this area continues to progress steadily with a focus on a strategic approach, for example the development of the Local Provisions Schedule (LPS) for Break O'Day which will become part of the statewide Tasmanian Planning Scheme. Once completed the LPS will provide guidelines for development in our area.

Due to the reliance on other agencies and stakeholders we don't have a high degree of control over the timeframes for the LPS. However, we are committed to ensuring the community has its say on the Draft LPS and there will be a Community Engagement Strategy in the next financial year that will include Drop-in sessions, a webpage, FAQ sheets and more.

Enjoying our Environment:

Provide opportunities to access and learn more about our environment and the ways it can be enjoyed in a sustainable manner.

Good progress was made in raising environmental awareness and appreciation of the environment both within the community as well as with visitors to the area. This included a range of educational and informative information being developed across areas such as; waste reduction, weed and pest threats as well as climate change. Some of this was done specifically by Council as well as in collaboration with Tasmanian Government and other stakeholders.

Some of these activities included:

- Council's Velvet Worm Action Award - granted to the Break O'Day Biota in the Bush project from St Helens District High School
- Partnership with a community group dedicated to the protection of shore birds and Parks and Wildlife Service on shorebirds and dog management, including; producing educational material and messages and updating visitor information sites in Fingal, Scamander and St Marys with information on shorebirds and dog zones
- Provided information and advice on natural values, issues and their management, such as European Wasps, weeds, threatened species and river and flood management.

- Continued to develop ways to educate the community on waste and increasing costs in this sector
- Promoted the Parks and Wildlife Service’s Discovery Ranger program during the summer.

Land Management:

Develop the financial and human resources to undertake projects and activities which address environmental issues such as weeds and land degradation:

Progress in this area was variable with a number of important activities relating to dog management and weed management completed.

Unfortunately due to financial and human resource limitations some activities were not able to be commenced. This is being examined internally and in partnership with stakeholders.

A focus of the NRM Facilitator this year has been ensuring opportunities for funding and industry development have been referred to landholders, this includes:

- \$40,000 Drought Weeds funding from the Tasmanian Government was used for on-ground weed control and support for farmers, including \$29,000 of Break O’Day grants to nine Drought Weed farm projects

- and workshops on serrated tussock and other weedy Nassella grasses threatening agriculture
- Pursuing funding opportunities, such as the TFGA Landcare Action Grants Program and Australian Government funding offers for Safe Havens and Smart Farms
- Joint dog management implementation with Parks and Wildlife Services and community,
- Development and implementation of the Northern Regional Cat Management Strategy
- Monitoring of strategic environment and NRM priorities and issues for Council
- Secured funding for a Flood Risk Impact Assessment Project on the lower George River floodplain
- Support for a sustainable farming group in the George River catchment
- Local development and promotion of MTB Bike Hygiene video
- Developed and piloted a monitoring program for the MTB Weed and Disease Management Plan

Water:

Develop and implement strategies and activities to reduce the risk of flooding, inundation and erosion within our rivers, estuaries and coastal areas:

Progress in this area focussed on priorities identified in the Break O’Day Environment and NRM Action Plan. The \$400,000 St Marys Flood Risk Mitigation project was completed and is a great result for reducing flood risks for the St Marys community. The project included:

- Raising of The Flat bridge
- Construction of the Groom Street flood levee
- Implementation of a flood warning system
- Investigation of reducing vegetation cover and blockages downstream of Story Street for flood mitigation prospects and dangers

The Georges River Floodplain Impact Assessment project with the Lower George Riverworks Trust activities will start early in the next financial year and will examine flood scenarios including the River cutting a new course through the flood plain.

Environment – 79%

Strategies – 4

Key Focus Areas – 4

Activities – 18



■ Branch1 ■ Branch2

Weed Management Activity

Weed management continues to be a focus of Council and is a challenge that requires the cooperation and collaboration of landholders, the community, industry and government agencies.

Over the last financial year Council has taken a strategic approach to weed removal on council properties, worked with others to target declared and other priority weeds and has made the most of opportunities, as well as assist property owners with their weed control. Council is making steady progress on priority weeds and locations it is responsible for, such as pushing Spanish heath back out of the Irapuna / Bay of Fires region. Council also joined an inter-agency and community round table discussion as an opportunity for coordination of weed management on the east coast, convened by community weed interests.

A feature of this financial year was the Tasmanian Government funding provided through its Weed Action Fund Drought and Weed Management Program. The Break O'Day Council Drought Weeds Project provided a Drought Weeds Officer through NRM North, who has helped farmers deal with weeds impacting productivity after the 2019 drought and wet 2020 that followed. A report of their activities are regularly published in the Council Newsletter. Through this

program Council's Drought Weeds Project granted \$29,000 to nine farm projects for over \$62,000 worth of weed control works targeting gorse, thistles, horehound, ragwort, Spanish heath, cape weed and Patersons curse. The Break O'Day Drought Weeds Project also held a well-attended series of workshops on serrated tussock and other weedy Nassella grasses.

The regular Weed of the Month series in Council's Newsletter has informed and provoked weed control efforts in Break O'Day. The NRM Facilitator has also supported landholders and the community, providing advice and information to property owners and assistance to volunteer efforts.

Vulnerable shore bird activity

Council officers have been working with dedicated members of the community to raise awareness about shore birds and what can be done to protect them.

As dogs are considered to be a significant threat to vulnerable shore bird populations and can be managed, a focus has been education around the beach access zones for dogs in Council's Dog Management Policy.

Council activities this financial year included sending out an information sheet on responsible dog ownership. This information included a QR code linking to an online map of Dog Management Zones as well as information and images of the vulnerable bird species that return to our beaches every year to nest.

Council partnered with community members and the Parks and Wildlife Service to develop and trial a dogs and shorebirds campaign from Scamander to Dianas Basin during the shorebird breeding and nesting season. Council shared the cost of a shorebirds brochure with PWS, which were delivered to letter boxes and beach goers. The project also involved information signs erected at beach access tracks and coordination of a social media campaign and increased enforcement by Council and PWS.

An uncontrolled dog chasing vulnerable shore birds - Image credit Dr E. Woehler



4. Infrastructure - 85% Complete

To provide quality infrastructure which enhances the liveability and viability of our communities for residents and visitors.

Strategies

1. Be proactive infrastructure managers by anticipating and responding to the growing and changing needs of the community and the area.

2. Work with stakeholders to ensure the community can access the infrastructure necessary to maintain their lifestyle.

3. Develop and maintain infrastructure assets in line with affordable long-term strategies.

Community Facilities

Provide community facilities that encourage participation and supports the lifestyle of residents and growing visitor numbers

Activities in this area progressed well and it was really pleasing to see the Old Tasmanian Hotel in Fingal project completed. This project is a real 'legacy' project and has been some years in the making. Now the building will forever be part of the Fingal Valley Community. The Fingal Valley community and Fingal Valley Neighbourhood House are rapt with the finished product which included:

- Top floor renovation;
 - Office spaces
 - Conference rooms
 - Emergency accommodation
- Installation of a lift
- Inclusion of a history room

This project would not have been possible without Federal and State Government Funding and was officially opened by Senator Claire Chandler on 15 April 2021. Funding from the Federal Government was through the Community Development Grants Program (\$500,000) and the Drought Communities Extension Programme.

Towns

Create townships that are vibrant and welcoming through improvements to infrastructure such as streetscapes, parking, safety and signage.

Good progress continues to be made with improving the streetscapes of our townships through a number of construction projects.

Important work relating to car parking in St Helens and St Marys continues to lag due to the extremely large construction program Council delivered this financial year. While major carparking projects were not completed as planned, it is noted that two important projects were completed this year. These were:

- Car park sealing behind the St Marys Community Hall
- Morty's car park at St Helens

Federal Government funding through the Drought Communities Programme allowed Council to deliver multiple community infrastructure projects including; improvements to the Mathinna Streetscape, Mathinna and Fingal Cemeteries, road sealing and stormwater drainage works at Cornwall and infrastructure improvements at the St Marys Recreation Ground.

The Federal Government Local Roads and Communities Infrastructure Program – Round 1 enabled Council to complete the following projects:

- St Helens Foreshore Pathway
- St Helens Point Road – southern traffic lane reconstruction including parking lane
- Kirwans Beach Pathway – shared path and new pedestrian bridge
- Information mushroom signage (F, SM, Sc)
- Flagstaff Trail Head and Flagstaff Road (part) sealing, including minor stormwater works.

This financial year a plan was developed for the next stage of the St Helens Streetscape Project (eastern side of Cecilia Street, between Circassian Street and Georges Bay Esplanade). Works will include:

- Footpath renewal
- Kerb & channel
- Reconfiguration of parking bays
- Realignment of the Cecilia Street/ Georges Bay Esplanade intersection to improve sight distance for motorists.
- Provision of pedestrian crossing points

Telecommunications

Ensure residents and visitors can access telecommunication services such as NBN and mobile phone coverage where they are living and visiting.

Activity in this area is driven by the actions of the major Telcos. Council officers continue to work with both Telstra and Optus on communications upgrades particularly along the Tasman Highway. Upgrades this financial year included Optus macro-cell base station at Pyengana. Below is a list of Telecommunication Towers that were installed this financial year.

- Tasman Highway - Chain of Lagoons
- Tasman Highway – Seymour (one of two)
- Tasman Highway – Fourmile Creek
- Gardens Road – Binalong Bay
- Tasman Highway – Seymour (two of two)
- Eddystone Point Road – Mount William

Waste Management

Provide access to services and facilities which support a sustainable lifestyle:

Council continued its focus on a range of Waste Management and Waste Reduction activities which are

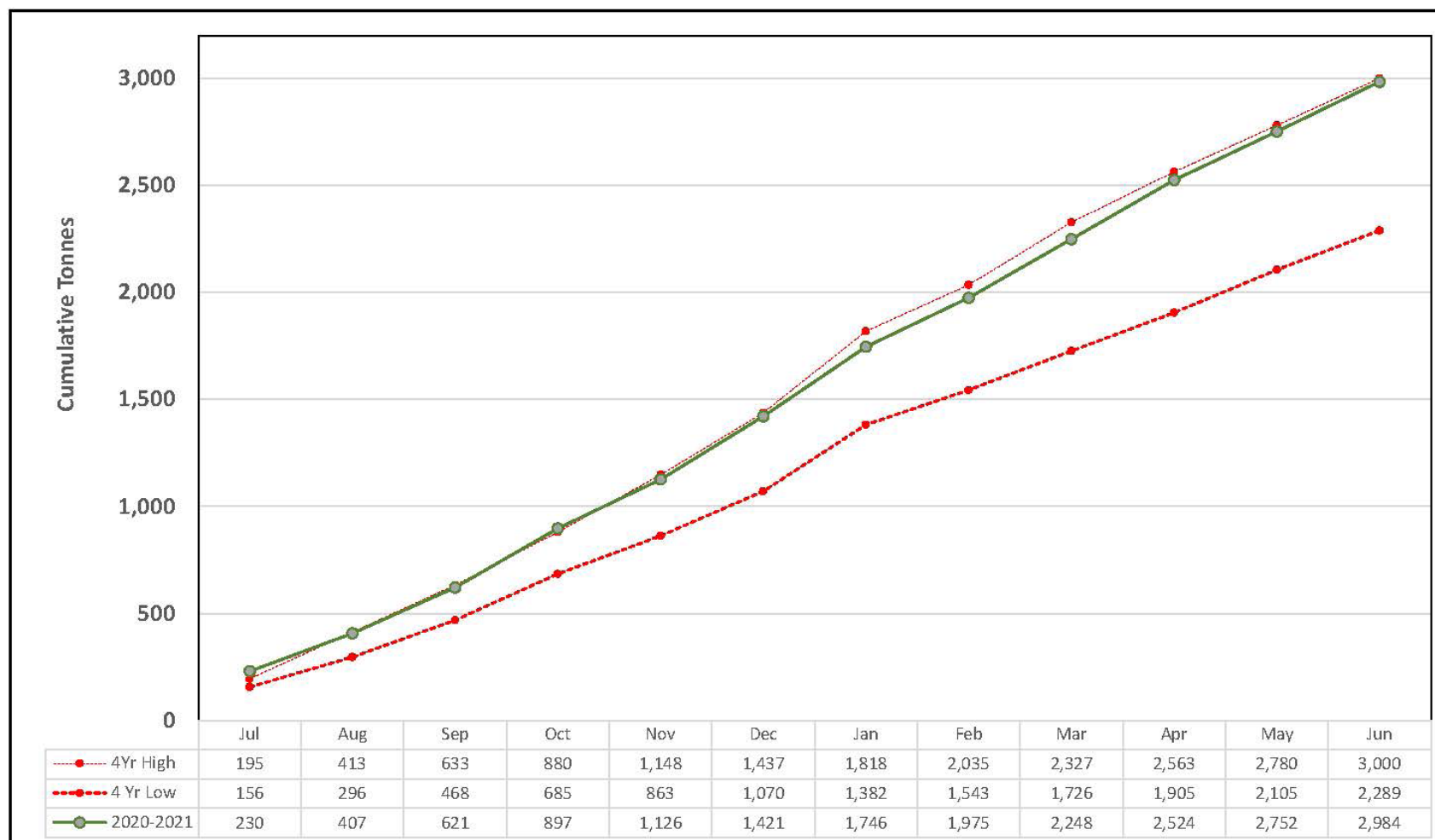
integral to developing a sustainable approach to waste for Council and our community.

Currently 3,000 tonnes of municipal waste is transported to the Copping landfill annually. This is collected from Waste Transfer Stations, via the kerbside general waste and town litter collection services provided by the Council.

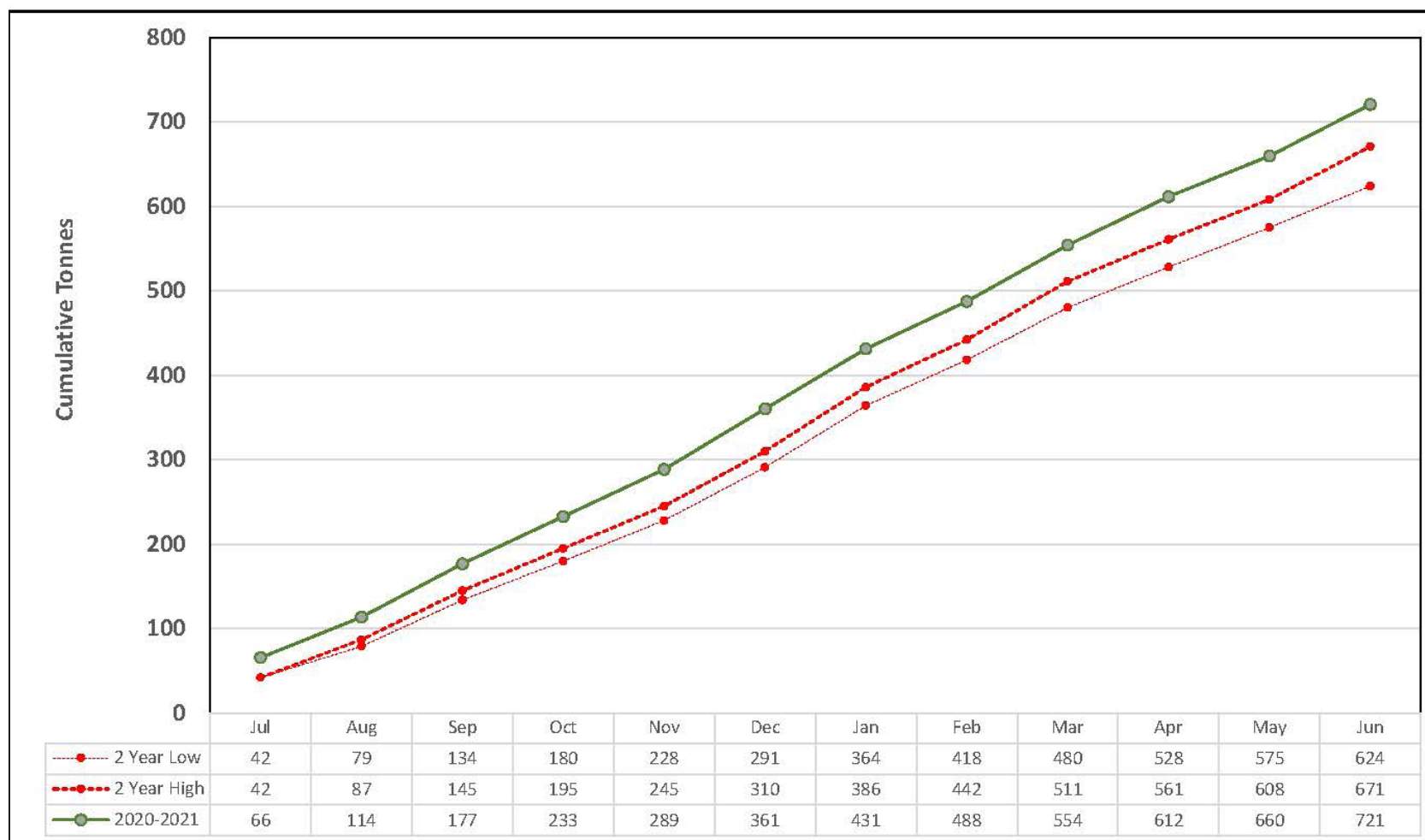
Over the past 12 months, there has been a general increase in the quantity of kerbside, co-mingled recyclables collected, however the contamination rate for the municipality remains unacceptably high at 20% by weight. This results in additional costs to Council and the community to recover recyclables as well as disposing of contaminated recyclables to landfill which defeats the purpose of recycling.

Opportunities to recover and reuse inert waste are being explored. Commercial and industrial builders waste contains large quantities of recyclable and inert materials. Maximising the remaining life of the St Helens Inert Landfill site is of high importance. Target materials for reuse include; soil, rock, concrete, ceramics and timber (including treated timber). You can read more about our waste challenges on page 37.

Waste Management - Municipal General Wastes to Copping Landfill



Waste Management - Municipal kerbside co-mingled recyclables collected by JJ's Waste



Roads and Streets:

Develop a well-maintained road network that recognises the changing demands and requirements of residents and visitors:

Progress in this area relating to State Government projects finally started to accelerate in recent months. Some of this work included;

- Shoulder widening on Binalong Bay Road which is in the process of handover to the State Government
- Alignment and overtaking lane works south of St Helens and Dianas Basin on the Tasman Highway
- Tasman Highway Intersection upgrade works (Upper Scamander Road/Tasman Highway junction) and further south along the Great Eastern Drive
- Skyline Drive/Tasman Highway junction upgrade which was undertaken by the Council

On the Council road network, major works were completed on St Helens Point Road, Gardens Road, Upper Esk Road and Mathinna Plains Road.

Challenges in relation to the progress of the Wrinklers carpark and replacement toilet block project are now easing and it is Council's intent to undertake these works in the 2021 calendar year. Challenges included; coordinating required design changes which satisfied all stakeholder

comments and requirements including; Community, Department of State Growth, Traffic Safety,

Parks & Wildlife Reserve Activity Assessments, Crown Land Consents and Planning Scheme Requirements.

Recreational Facilities:

Support an outdoor, active and healthy lifestyle for residents and visitors through a range of recreational facilities including walking trails, bike trails and other identified infrastructure.

This was a substantial area of activity this financial year for Council and there has been good solid progress across the municipality.

A number of large construction projects have now been completed including:

- Georges Bay Multi User Track - \$2.1 million project funded through the Federal Government Community development Grants Program which was completed and officially opened by Liberal Senator for Tasmania Claire Chandler on 19 November 2020
- Trail improvement works at Mathinna Falls and

Evercreech Forest Reserve

- New carpark and realignment of the top 2km of the Blue Tier/Bay of Fires MTB Trails
- Establishment of the BOD Trails Collective Inc - an elected General Committee of community members who will focus on the activation of the St Helens MTB trails network and encourage business engagement

Council has also started the process of developing a Recreational Trails Strategy which will include community input and provide a focus of priorities for Council in coming years. This includes walking, cycling and even aquatic trails.

Infrastructure – 85%
Strategies – 3
Key Focus Areas – 6
Activities - 28



■ Complete ■ Incomplete

Georges Bay multi-user Track extension - Part of Lyndcraft's custom designed 'whale bone' bridge is lifted into place.



Waste Challenges - We need the community's help

Waste continues to be a major challenge, not just for Break O'Day Council but the world. Waste impacts on many aspects of society, the economy, and a range of global issues that includes climate change, resource security and sustainability.

For Council, challenges in this waste sector include increasing tonnes of waste, processing charges, limited markets for recyclables and recycling contamination rates.

Despite introducing a kerbside recycling service in December 2017 which aimed to keep recyclables from landfill, bin audits have revealed that our rate remains high at around 20%. Contaminated material must be separated by the contractor and sent to landfill, which adds significant cost to the provision of this service. Since the introduction of this service, Council has strived to ensure that the community has all the information needed to understand what can and can't be recycled, however, unfortunately, there are many households that continue to place contaminated waste into the recycling bin.

Interestingly, an audit of our general waste bins found that there was around 21% by weight could have been recycled. As you can see there is a lot we can all do as individuals in our own households to help with this.

Over the last few years Council has strived to ensure that the community has all the information needed to understand what can and can't be recycled and Council is committed to continuing its education efforts but must also consider other ways to reduce our waste to landfill.

Reducing waste to landfill is not just an issue of environmental sustainability, it is also an economic challenge. Sending waste to landfill is a costly exercise that will become exponentially more expensive over the next few years.

In November 2021 the State Government will introduce a state wide waste levy which will see waste an increase from \$7.50 to \$20 per tonne of general waste placed into a landfill. This charge will increase to \$40 per tonne in 2022-2023 and to \$60 a tonne in 2023-2024. Local Governments will have no choice but to increase waste charges in order to accommodate this increase.

Due to factors that are impacting the global recycling market, such as contamination rates, the processing costs associated with separation and cleaning of materials is also expected to increase. Since 2019, Council has experience an increase in handling charges by more than 300%, which unfortunately need to be borne by our community.

Council is committed to finding ways to reduce our waste to landfill and keep waste costs down but we cannot do it alone, we need the community to do what it can as well. While recycling is important, we can all do more to find ways to Reduce our waste and Reuse. Reducing waste can be as simple as buying products with less packaging. Finding ways to reuse your waste can be as simple as taking unwanted items to the tip shops or finding innovative ways to reuse what waste you have.

Staff at JJ Richards conducting an audit on a Break O'Day's kerbside Recycling collection.



5. Services - 100% Complete *To have access to quality services that are responsive to the changing needs of the community and lead to improved health, education and employment outcomes.*

Strategies

1. Improve accessibility to a range of quality services and programs by advocating and pursuing for local delivery.

2. Work collaboratively to ensure services and service providers are coordinated and meeting the actual and changing needs of the community.

3. Ensure Council services support the betterment of the community while balancing statutory requirements with community and customer needs.

Health

Retain and expand local provision of disability, preventative, chronic and acute health care services including pursuing innovative healthcare delivery options - The provision of health services to be delivered at a local level addressing the community's needs.

Activity in this area was focused around Council support and collaborating with local Health Service providers.

Progress in this area includes:

- Working with the Royal Flying Doctor Service to ensure the delivery of health services in our area will continue.
- Working with the Department of Communities Tasmania on the future of the old Hospital site in St Helens which will continue to be used by Ochre Health as a COVID testing and vaccine centre until mid 2022. The Department of Communities Tasmania also advised that they will re-engage with Council after this to talk through the ideas for the use of the site that have community benefit.
- Council staff continue to work with Ochre Staff in relation to community issues - for example allowing Ochre to utilise our facilities to provide drive through

flu vaccination clinics.

- Continuing the promotion of the St Helens Neighbourhood House Mental Health Directory.

Youth

Council continued to provide support to initiatives and activities relating to our Youth throughout the financial year. This included working with and supporting the newly formed Youth Collective North East Coast (YCNECT) and Break O'Day Employment Connect (BODEC).

Support for YCNECT included Council approving funding for two youth representatives to attend and participate in a Tasmanian Youth Leadership Camp.

Council worked closely with Break O'Day Employment Connect (BODEC) who support youth employment skills development. This includes supporting BODEC's first annual Our Futures Job & Education Fair.

Mental Health

Improve the mental health of our community through stability in service delivery and a holistic approach to the provision of services locally.

Activity in this area during the year focused around Council providing support to Non-Government Organisations (NGOs) and community members working actively in this space.

This includes: Council staff working with THRIVE, a joint initiative between Council and the St Helens Neighbourhood House. Successes in this area include the Mentoring program, where volunteers work with young people at the St Helens District High School; the Community Garden, where Council has provided land at the St Helens Recreation Ground for the garden.

Education & Skills Training

Improve education and skills training opportunities and encourage greater personal development through delivery of programs locally which meet the needs of industry and the community.

Council's primary focus in the area of education and skills training is through the delivery of services provided by Break O'Day Employment Connect (BODEC).

Council continues to provide active support for BODEC through the involvement of Council officers on the Steering Committee.

The BODEC team have made some serious headway in the

community including establishing connections between jobseekers and employees that has resulted in a large number of jobseekers finding employment.

The BODEC team identified employment gaps in our municipality that has led to training courses in our area and more employment and even a news business being established. You can read more about BODEC on page 24.

Transport

Facilitate a range of transport options that support movement within and outside the Break O'Day area.

Transport was identified as a barrier to employment for the Break O'Day Community with transport barriers becoming an increasing concern. This is something the BODEC team, with support from Council will focus on in the next financial. Work in this space to date include the BODEC Project team working with the local Taxi provider to try and secure additional licensed Taxi drivers and researching a ride share option, similar to that delivered by the South Eastern Employment Hub.

Service Delivery

Ensure Council Services support the betterment of the community while balancing statutory requirements with community and customer needs. Service Delivery has been a focus for Break O'Day Council in relation to Development Services Activities.

A number of service delivery improvements have been implemented, particularly in the area of Development Services. This includes a cross departmental approach to 'Plain English' communications, fact sheets and educational material for Council services and activities.

Further development of Plain English communications will be a continual focus in order to provide an increase in customer service delivery and decrease the amount of recurring enquiries experienced by Development Services Staff.

Services – 100%

Strategies – 3

Key Focus Areas – 6

Activities - 16



■ Complete ■ Incomplete

The Below graph shows the number of Building Approvals Council has processed over the financial Year.



The Below graph shows the value of Building Approvals Council has processed over the financial Year.



Wellbeing Officer appointment and Community Wellbeing Project Program

Council secured \$375,000 from the Tasmanian Community Fund for a 3 year Community Wellbeing Project and earlier this year Council appointed a Mental Health and Wellbeing Coordinator to assist in the delivery of the project.

Due to the pandemic Council felt strongly that appointing an officer and seeking funding for a Wellbeing program would help our community thrive and foster resilience.

The Wellbeing Coordinator hit the ground running picking up the program and immersing them self in community engagement and empowerment through the program.

The program has several parts; the Community Conversations, Wellbeing Certificate and Community Wellbeing projects. Community Conversations involved gatherings of people who explored what wellbeing means to them and to learn more about tools and approaches to support wellbeing. The sessions were well attended and resulted in 30 people taking up the opportunity to complete the Wellbeing Certificate in 2021.

The Wellbeing Certificates see participants undertake a 3 month course that equips them with new tools to empower them to be Wellbeing Champions in our community. The

certificate program fosters strong connections between the participants who have already started sharing and developing ideas for the betterment of our community.

As the program progresses we will be able to share and help promote some of the amazing actions our Wellbeing Champions have developed with the community.

Council is proud to be a part of this program as it is all about supporting and empowering our community to be leaders.

Community participants taking part in Wellbeing Conversations at the Break O'Day Child and Family Centre.



Grant Funding

The focus on grant funding continued through the year with a success rate of approximately 95% being achieved – only one application out of 19 was unsuccessful. This achieved more than \$1.3 million being secured through competitive application processes.

Break O'Day Council received a further \$1.5 million as Grant Funding through:

- The Drought Communities Program
- Local Roads to Recovery and Community Infrastructure
- Election Promise to replace/refurbish jetties around Georges Bay

We also undertook capital works projects for Parks and Wildlife Services and the Department of State Growth totaling, \$420,280.

This brings total grant funding for the financial year: \$3,390,790

The table opposite shows funding applications submitted as part of a competitive process.

Application Title	Funding Source	Amount Sought	Status
Impact Assessment of Likely Changes in River Course over the George River Floodplain	Disaster Risk Reduction Grant Program	\$35,000	Successful
Electronic School Speed Sign - Groom Street, St Helens	Vulnerable Road Users Program 2020-2021	\$15,000	Successful
Gardens Road / Lyall Road, Binalong Bay	Black Spot Programme 2020 - 2021	\$200,000	Successful
Community Wellbeing Pilot Project for the Break O'Day Municipality	Tasmanian Community Fund	\$375,000	Successful
Australia Day 2021	COVID Safe Grants Program - Australia Day 2021	\$20,000	Successful
Safety Barrier on North Ansons Bay Road	Safer Rural Roads Program 2020 - 2021	\$30,000	Successful
Safety Barrier on Lottah Road corridor in Goulds Country	Safer Rural Roads Program 2020 - 2021	\$45,000	Successful
Safety Barrier on Mangana Road, Fingal	Safer Rural Roads Program 2020 – 2021	\$27,000	Successful
Additional Signage and Guideposts on Ansons Bay Road, St Helens	Safer Rural Roads Program 2020 – 2021	\$12,500	Successful
Bike Racks	DAP Grant Prog-Region Tourism Projects Prog-Rnd 2	\$7,500	Successful

Application Title	Funding Source	Amount Sought	Status
St Helens Airport Runway Resheeting	Regional Airports Program Round 2	\$70,000	Successful
St Helens Airport Perimeter Fence Upgrade	Regional Airports Program Round 2	\$90,000	Successful
Safety Improvements for Medeas Cove Esplanade and Circassian Street	Vulnerable Road User Program (VRUP)	\$120,790	Unsuccessful
Break O'Day Serrated Tussock WAF Eradication	Weeds Action Fund Stage 2	\$21,530	Successful
Telling the Story of Scamander Bridge	Regional Tourism Projects Program - Round 3	\$69,700	Successful
Digital Noticeboard and PA System at Flagstaff Trailhead	DAP Grants Regional Tourism Program Round 3	\$19,490	Successful
Learner Driver Mentor Program:	Road Safety	\$21,000	Successful
Quail Street / Medea Street Inter-section	2021-22 Black Spot Programme Funding	\$65,000	Successful
Bay of Fires Trail - Let's Make it EPIC:	Austrade	\$185,000	Successful

Grant Funding Acknowledgments

We would like to formally acknowledge and thank the grant funding bodies that have supported our projects this financial year – without this funding, many Council projects just simply would not happen.

To receive this funding, there is a lot of work that goes on behind the scenes with staff preparing, researching and drafting comprehensive grant documentation.

- Regional Airports Program – Australian Government
- Vulnerable Road User Program – Australian Government
- Black Spot Funding Program – Australian Government
- Disaster Risk Reduction Grant Program – Australian Government
- COVID Safety Grants Program – Australian Government

This financial year we would like to thank the following for their financial assistance:

- Financial Assistance Grants – from the Australian Government
- Drought Communities Program – Australian Government Department of Infrastructure
- Local Roads and Community Infrastructure Program – Australian Government
- Department of State Growth – Tasmanian Government
- Weed Action Fund – Tasmanian Department of Primary Industries, Parks, Water and Environment
- Regional Tourism Special projects – Tasmanian Department of State Growth
- Roads to Recovery – Australian Government
- Tasmanian Community Fund – Tasmanian Government

Legislated Requirements

Contributions and Requirements

Organisation / Group	Project	Amount received
Business Enterprise Centre	Financial Assistance 2020/21 1st Instalment	12,727.27
Lifeline Tasmania	Annual Donation Annette Johns Suicide Day	1,000.00
Free 2B Girls	Support with Program in 2020/21	2,600.00
Free 2B Girls	Assistance for 2 Young people to attend	400.00
Scamander Golf	2020/21 Council Support	2,000.00
Reconciliation Council Tas	Mannalargenna Day 2020	2,500.00
Business Enterprise Centre	Financial Assistance 2020/21 2nd Instalment	12,727.27
St Helens District High School	SHDHS Bursary Prize donated by BODC	500.00
GH Napier & Son	Drought Weed Control Cullenswood, Millbrook	3,000.00
St Helens Game Fishing	2020/2021 Council Sponsorship	2,000.00
10 Days on the Island	Support 2020/21	3,000.00

Break O'Day Tri Challenge	Sponsorship of Annual Event for 2020/21	2,000.00
Youth Collective NE Coast (YCNECT)	Council Support 2020/21	3,300.00
St Marys Car & Bike Show	2020-2021 Council Support	2,000.00
St Helens Marine Rescue	2020/2021 Council Support	3,000.00
Department of Police, Emergency Management	Annual Contribution for Break O'Day SES Unit	17,000.00
St Helens Surf Angling	Annual Council Support 2020/21	1,000.00
Bay of Fires Arts Assoc	2020/21 Support	14,000.00
Youth Collective NE Coast	April Meeting Council Support	5,000.00
St Marys Seaview Farm	Weed Control at Seaview Farm St Marys	1,495.45
Falmouth Community Centre	Completion of Resurfacing Tennis Court	5,718.60
Free 2B girls	Support Free 2B Youth Project 2021	5,200.00
Geocentric Outdoors	Sponsorship Dragon Trail MTB 2020/21	6,500.00

Paddys Head is a popular walk in St Marys.

Fingal Valley Neighbourhood House	2020/21 Tourism Marketing for the Valley	2,500.00
St Helens District High School	2021 Velvet Worm Action Award	2,000.00
Break O'Day Woodcraft Guild	Community Grant Funding 2020/21	1,625.00
Fingal Valley Neighbourhood House	Support Council 28/06/21 - Compactus	6,510.00
Business Enterprise Centre	2020/2021 BEC Directory Contribution	1,818.18



Rates and Charges

- Rates and Charges written off for the period: \$4,316
Rate remissions/donations provided by Council: \$167,126 (inc. commercial relief)
- Pensioner Rebates funded by State Government: \$442,569

Donation of Land Statement

Section 72(1)(da) of the Local Government Act 1993 requires Council to report on details of any land donated by Council during the year.

No donations were made during the 2020-2021 Financial Year.

Enterprise Power Statement

Under section 72 (1)(ca) of the Local Government Act 1993 the council is required to report on exercising of enterprise powers relating to the formation and operation of corporations, trusts, partnerships or other bodies (section 21).

The Council is an initial member and shareholder of Northern Tasmanian Development Corporation Ltd (NTDC). NTDC is a not-for-profit public company limited

by guarantee. The primary objectives of the NTDC are to:

- provide pro-active, engaged and strategic regional economic leadership;
- consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the Organisation's Members encompass;
- and implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and
- to provide effective representation and advocacy to State and Federal Government and other stakeholders.

The NTDC is currently engaged in a number of initiatives including the development of the Regional Economic Development Plan. This plan focuses on 6 key themes: Industry development, investment transaction, population growth, place-making, innovation and culture, and human capacity.

It is considered that Council, the Municipality and rate payers generally, will benefit from the investment in NTDC. The organisation will effect direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as

a consequence of NTDC achieving the objectives that it will be set up to achieve.

Council's shareholding is based on annual funding contributions calculated using a formula based on municipality population. Council's annual membership fee for 2020-2021 was \$30,561.30.

Code of Conduct Complaints

During the 2020-2021 Financial Year there were no Code of Conduct complaints received or referred to the Local Government Division, hence there being no financial cost incurred by Council.

Right to Information

Council received THREE request for information under the Right to Information Act 2009.

Public Interest Disclosure Statements

Current public interest disclosure procedures are available in Council's Policy LG30 – Public Interest Disclosure which can be viewed or downloaded from Council's website, under My Council, Policies.

Disclosures during 2020-2021

The number and types of disclosures made to Break O'Day Council during the year and the number of those disclosures that the Council determined to be public interest disclosures – Nil

The number of disclosures determined by Break O'Day Council to be public interest disclosures that it investigated during the year - Nil

The number and types of disclosed matters referred to Break O'Day Council during the year by the Ombudsman - Nil

The number and types of disclosed matters referred during the year by Break O'Day Council to the Ombudsman to investigate - Nil

The number and types of investigations of disclosed matters taken over by the Ombudsman from Break O'Day

Council during the year - Nil

The number and types of disclosed matters that Break O'Day Council has decided not to investigate during the year – Nil

The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation - Nil

Any recommendations of the Ombudsman under this Act that relate to Break O'Day Council – Nil

Financial Assistance Grants to Local Government

Break O'Day Council receives approximately \$3 million in Financial Assistance Grants (FAG's) each financial year. This is of vital importance to Council and our community because:

- It is a significant source of funds; and
- Unlike many other grants and subsidies, it is "untied", that is, Council has complete flexibility to use these funds to achieve identified priority outcomes.

Council utilises these funds in many ways to protect and maintain assets and infrastructure within the community:

- Capital and major maintenance works on Council owned/managed built facilities, eg halls, toilet blocks, BBQ facilities, etc.
- Undertake road and street upgrades, streetscape

works, footpaths, etc in townships.

- Bridge replacement programs.
- Natural Resource Management and community development activities, and more.
- Undertake road and street upgrades, streetscape works, footpaths, etc in townships.
- Bridge replacement programs.
- Natural Resource Management and community development activities, and more.

Remuneration Statement

The following table provides the remuneration for those positions designated by Council as senior positions as required under the Local Government Act 1993. The positions of General Manager, Manager Corporate, Services, Manager Infrastructure and Development Services, Manager Community Services and Building Services Coordinator, Works Operations Manager have all been defined as senior positions by Break O'Day Council.

The Remuneration Band Positions	Number
\$120,001 - \$140,000	3
\$140 001 - \$160 000	2
\$220 001 – \$240 000	1

Contracts and Tenders

The following contracts/tenders were awarded during 2020 - 2021 with a value greater than \$50,000.

Description	Period of Contract	Value Ex GST	Name	Address
Contract 030\001\125\ - 2020/2021 Bituminous Surfacing Program	October 2020 - December 2020	\$305,415.35	Fulton Hogan Industries Pty Ltd	Mowbray, Tas
Contract 030\001\130\ - Medeas Cove Esplanade - Pavement Remediation	November 2020 - February 2021	\$65,240.00	Tolleys Excavations Pty Ltd	St Helens, Tas
Contract 030\001\129\ - Upper Esk Road - Pavement Remediation	November 2020 - February 2021	\$166,288.00	Tolleys Excavations Pty Ltd	St Helens, Tas
Contract 030\001\132\ - Design & Construct - Bridge 2398 - Forest Lodge Road	November 2020 - April 2021	\$245,100.00	BridgePro Engineering Pty Ltd	Latrobe, Tas
Contract 030\001\127\ - Gardens Road - Sight Distance Works	February 2021 - April 2021	\$302,214.00	Civilscape Contracting Tasmania Pty Ltd	Highclere, Tas
Contract 030\001\133\ - St Helens Point Road Upgrade	November 2020 - March 2021	\$328,252.40	Civilscape Contracting Tasmania Pty Ltd	Highclere, Tas
Recreational Trails Strategy	May 2021 - December 2021	\$59,620.00	TRC Tourism Pty Ltd	Jindabyne, NSW

Public Health, Environmental Monitoring and Reporting

Public Health Statement

Responsibility for carrying out the legislative requirements of the Public Health Act 1997 and the Food Act 2003 lies with the Development Services Team. Council officers principally dealing with Public Health Matters includes Councils Environmental Health officer (0.6FTE) and Councils Natural Resources Management Officer (0.6FTE).

Functions carried out under the Public Health Act 1997

Recreational water quality

Council monitors seven (with multiple test sites at Grants Lagoon) beaches for compliance with the Public Health Act 1997 and the Recreational Water Quality Guidelines 2007.

Type of sampling conducted: Bacteriological – indicator organisms Enterococci/100ml .

Sampling Details

Sampling was conducted once in December 2020 & twice in January, February and March 2021.

Recreational Water Quality

The Public Health Act 1997 requires that Councils to monitor recreational waters (including public pools and spars) using the Tasmanian Recreational Water Quality Guidelines.

The 2021-2022 sampling season has now ended. Runoff from heavy rain affected some sampling sites initially in January but all locations returned good water quality results with confirmation follow-up tests.

The results for water samples indicate conditions for all these waters are safe for swimming according to the Tasmanian Recreational Water Quality Guidelines. All natural waters may be subject to local poorer water quality from time to time due to weather or other conditions.

* Enterococci /100ml # Recreational Water Quality class (from Tas. Guidelines)

Recreational Water	9 Dec. 2020		5&11 Jan. 2021		8&15 Feb. 2021		9&15 Mar. 2021	
	Ente*	Rec. WQ#	Ente*	Rec. WQ#	Ente*	Rec. WQ#	Ente*	Rec. WQ#
Grants Lagoon mouth A	N/A		31	Good	30	Good	<10	Good
Grants Lagoon mouth B	N/A		10	Good	N/A		N/A	
Grants Lagoon footbridge	<10	Good	10	Good	10	Good	<10	Good
Grants Lagoon (camp ground)	N/A		20	Good	10	Good	<10	Good
Beauty Bay	<10	Good	10	Good	20	Good	<10	Good
Yarmouth Creek	<10	Good	30	Good	41	Good	41	Good
Wrinklers Lagoon	10	Good	41	Good	195	Moderate	41	Good
Scamander River mouth	<10	Good	<10	Good	98	Good	<10	Good
Henderson Lagoon	<10	Good	10	Good	20	Good	<10	Good
Denison Rivulet	10	Good	86	Good	41	Good	109	Good

Immunisations

Programs were conducted for children in Grade 7 and 10, in addition to any catch-up required by the Department of Health and Human Services.

In 2020-2021 a total of 140 children were vaccinated and a total of 148 vaccines administered

Public Health Risk Activities

No. License to Carry out public health risk activity: 1

No. Registration of Premises to Carry out public health risk activity: 1

Place of Assembly Licences

NIL

Private burial

1

Functions Carried Out Under the Food Act 2003

- Permanent food business registered – 91
- Mobile food businesses – 28
- Food business complaints – Nil
- Food handling training – Nil.

Food business plans assessments and occupancy Reports

- Environmental Health Officer Report (Form 49) = 1
- Environmental Health Officer Occupancy Report form (Form 50) = NIL

Nuisance (Smoke & Noise)

Under the authorisation of the Environmental Management Pollution Control Act 1994, Local Government Act 1993 and the Caravan By-Law, the EHO investigated and resolved numerous complaints about noise relating to amplified music, motorbikes, heat pumps and roosters. Numerous complaints with smoke emissions were also dealt with informally

Caravan By-law

252 licences were issued.

Onsite Wastewater Compliance

All residential and commercial developments that require onsite wastewater systems were assessed for compliance against the Australian/New Zealand Standards AS 1547:2012 and plumbing consent provided. Also provided is planning advice to comply with the code requirements of the Break O'Day Planning Scheme 2013.

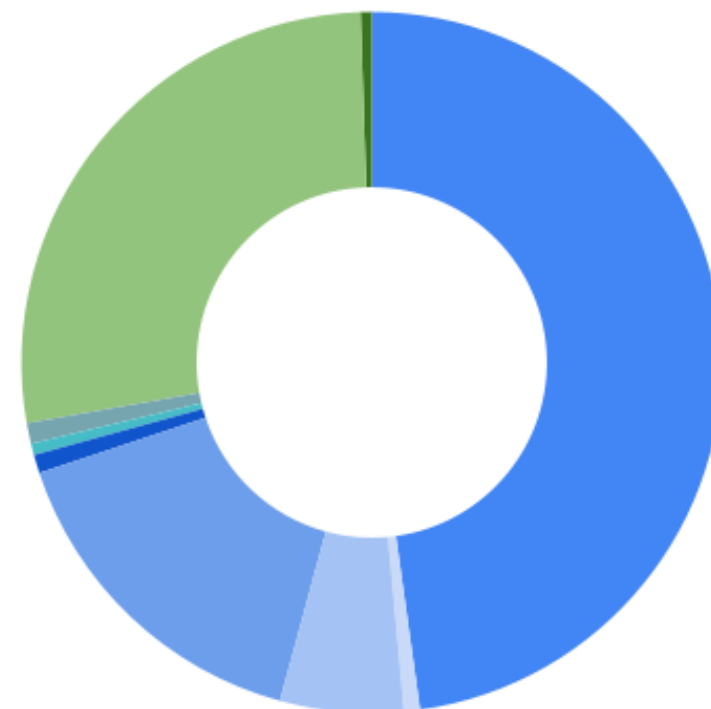
Any instances of on-site wastewater system failures were investigated and resolved through negotiation.

Financial Snapshots

The following financial snap-shots have been taken directly from the financial statements following.

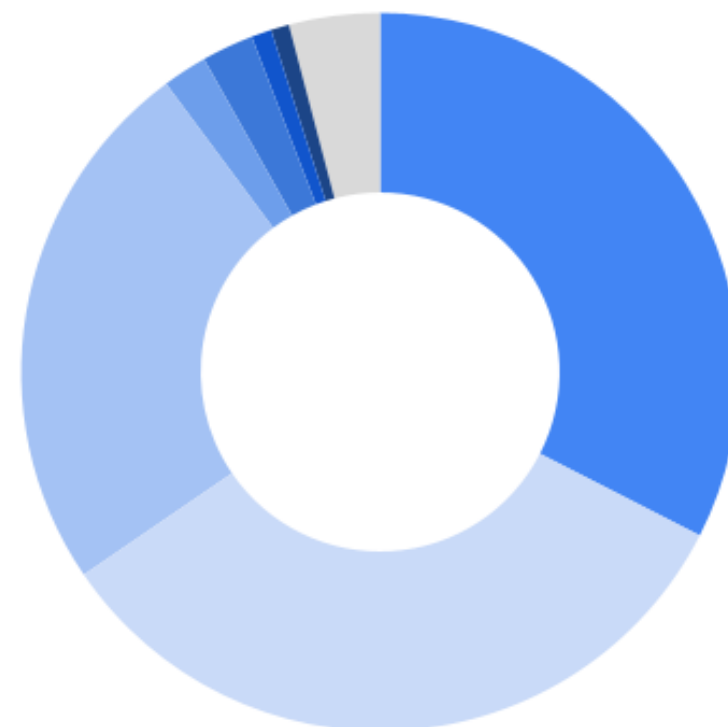
Income \$	
Rates and Charges	9,770,000
Statutory Fees and Fines	151,000
User Fees	1,162,000
Grants	3,204,000
Contributions - Cash	174,000
Interest	109,000
Investment revenue from TasWater	194,000
Capital Income -grants received specifically for new or upgraded assets	5,573,000
Other	104,000

- Rates and charges
- Statutory fees and fines
- User fees
- Grants
- Contributions - cash
- Interest
- Investment revenue from water corporation
- Capital grants received specifically for new or upgraded assets
- Other income



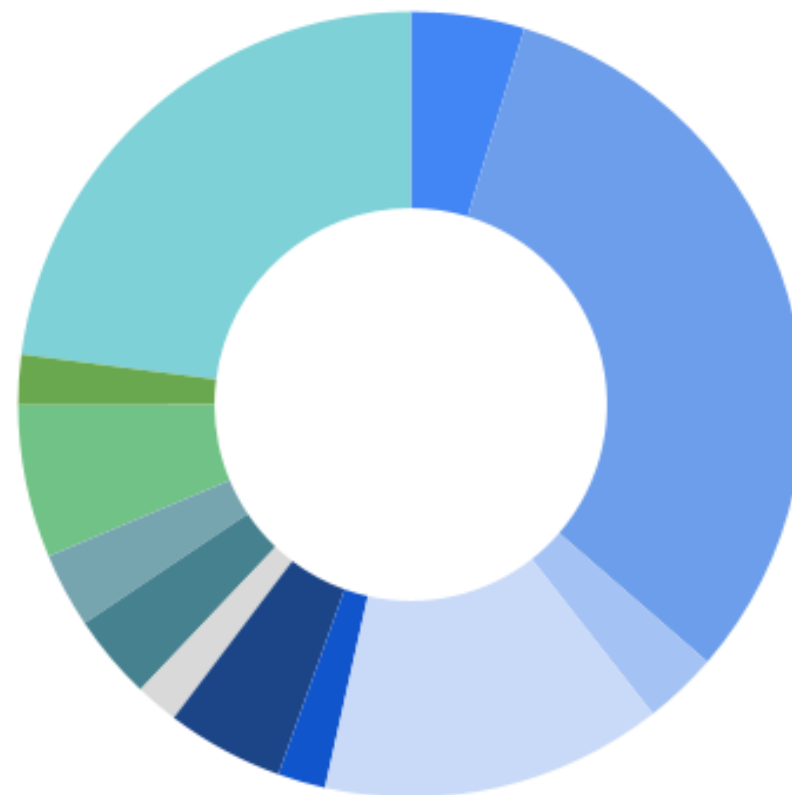
Expenses \$	
Employee Benefits	5,073,000
Materials and Services	5,136,000
Impairment of receivables	0
Depreciation and amortisation	3,802,000
Finance Costs	313,000
Fire levy	365,000
Light and Power	142,000
Community Support and donations	128,000
Other expenses	639,000

- Employee benefits
- Materials and services
- Depreciation and amortisation
- Finance costs
- Fire Levy
- Light and Power
- Community support and donations
- Other expenses



Expenses by function \$	
Government Administration	729,000
Roads, Streets and bridges	4,944,000
Drainage	477,000
Waste Management	2,196,000
Environmental Health and Management	307,000
Planning Services	754,000
Building Control	277,000
Community Amenities	549,000
Community Services	481,000
Recreation facilities	980,000
Economic Development	322,000
Other including unattributable administration and corporate activities	3,582,000

- Governance and administration
- Roads, streets and bridges
- Drainage
- Waste management
- Environmental health/environmental management
- Planning services
- Building control
- Community amenities
- Community services
- Recreation facilities
- Economic development
- Other



Independent Auditor's Report
To the Councillors of Break O'Day Council
Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of Property and infrastructure <i>Refer to notes 6.1 and 9.11</i>	
<p>At 30 June 2021, Council's assets included land, land under roads, buildings and infrastructure assets, such as roads and footpaths, bridges and drainage assets valued at fair value totalling \$148.12m. The fair values of these assets are based on market values and current replacement cost.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations Council considers the application of indexation to ensure that carrying values reflect fair values.</p> <p>During 2020-21, Council undertook a full revaluation of building assets. The valuations were determined by Councils contracted asset engineer and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none">• Assessing the scope, expertise and independence of experts involved to assist in the valuations.• Evaluating the appropriateness of the valuation methodology applied to determine fair values.• Critically assessed assumptions and other key inputs into the valuation model.• Testing the mathematical accuracy of the valuation model calculations.• Evaluating the adequacy of relevant disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by

an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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.

A handwritten signature in black ink, appearing to read 'D Bond'.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

3 November 2021
Hobart

Break O'Day Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2021

**Break O'Day Council
Financial Report
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Statement of Comprehensive Income For the Year Ended 30 June 2021

	Note	Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	9,731	9,770	9,655
Statutory fees and fines	2.2	127	151	132
User fees	2.3	704	1,162	969
Grants	2.4	3,000	3,204	3,134
Contributions - cash	2.5	-	174	99
Interest	2.6	150	109	212
Other income	2.7	152	104	321
Investment revenue from Water Corporation	2.9, 5.1	194	194	194
		14,058	14,868	14,716
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	4,091	5,573	5,393
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	25	(988)	(319)
		4,116	4,585	5,074
Total income from continuing operations		18,174	19,453	19,790
Expenses from continuing operations				
Employee benefits	3.1	(5,512)	(5,073)	(4,743)
Materials and services	3.2	(4,562)	(5,136)	(4,215)
Impairment of receivables	3.3	-	-	(4)
Depreciation and amortisation	3.4	(3,659)	(3,802)	(3,734)
Finance costs	3.5	(335)	(313)	(322)
Other expenses	3.6	(523)	(1,274)	(1,247)
Total expenses from continuing operations		(14,591)	(15,598)	(14,265)
Net result for the year		3,583	3,855	5,525
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1, 9.1	-	2,413	(9,090)
Net asset revaluation increment/(decrement)	9.1	-	3,541	6,087
Total Other Comprehensive Income		-	5,954	(3,003)
Total Comprehensive result		3,583	9,809	2,522

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

Statement of Financial Position As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	10,548	10,257
Trade and other receivables	4.2	691	1,094
Inventories	4.3	58	64
Other assets	6.4	24	39
Total current assets		11,321	11,454
Non-current assets			
Trade and other receivables	4.2	14	14
Investment in water corporation	5.1	31,996	29,583
Property, infrastructure, plant and equipment	6.1	162,049	154,922
Intangible assets	6.2	93	112
Right-of-use assets	6.3	29	41
Other assets	6.4	30	30
Total non-current assets		194,211	184,702
Total assets		205,532	196,156
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,101	1,779
Trust funds and deposits	7.2	652	231
Provisions	7.3	867	829
Lease liabilities	7.4	12	12
Contract liabilities	7.5	249	56
Interest-bearing loans and borrowings	8.1	1,882	356
Total current liabilities		4,763	3,263
Non-current liabilities			
Provisions	7.3	489	550
Lease liabilities	7.4	29	29
Interest-bearing loans and borrowings	8.1	6,256	8,128
Total non-current liabilities		6,774	8,707
Total liabilities		11,537	11,970
Net Assets		193,995	184,186
Equity			
Accumulated surplus		42,509	38,735
Reserves	9.1	151,486	145,451
Total Equity		193,995	184,186

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

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

	Note	Accumulated Surplus 2021 \$'000	Asset Revaluation Reserve 2021 \$'000	Fair Value Reserve 2021 \$'000	Other Reserves 2021 \$'000	Total Equity 2021 \$'000
2021						
Balance at beginning of the financial year		38,735	151,472	(6,500)	479	184,186
Net result for the year		3,855	-	-	-	3,855
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	2,413	-	2,413
Net asset revaluation increment/(decrement)	9.1	-	3,541	-	-	3,541
Total comprehensive income		42,590	155,013	(4,087)	479	193,995
Transfers between reserves		(81)	-	-	81	-
Balance at end of the financial year		42,509	155,013	(4,087)	560	193,995

	Note	Accumulated Surplus 2020 \$'000	Asset Revaluation Reserve 2020 \$'000	Fair Value Reserve 2020 \$'000	Other Reserves 2020 \$'000	Total Equity 2020 \$'000
2020						
Balance at beginning of the financial year		33,517	145,385	2,589	471	181,962
Adjustment due to AASB 15 adoption		(299)	-	-	-	(299)
Restated opening balance		33,218	145,385	2,589	471	181,663
Net result for the year		5,525	-	-	-	5,525
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	(9,089)	-	(9,089)
Net asset revaluation increment/(decrement)	9.1	-	6,087	-	-	6,087
Total comprehensive income		38,743	151,472	(6,500)	471	184,186
Transfers between reserves		(8)	-	-	8	-
Balance at end of the financial year		38,735	151,472	(6,500)	479	184,186

The above statement should be read with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2021

		2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates		9,834	9,468
User charges and other fines (inclusive of GST)		1,802	976
Grants (inclusive of GST)		3,193	3,116
Contributions (inclusive of GST)	2.5	174	-
Reimbursements (inclusive of GST)		-	71
Interest received		115	222
Investment revenue from water corporation	2.9	194	194
Other receipts (inclusive of GST)		104	355
Net GST refund/(payment)		388	398
Payments to suppliers (inclusive of GST)		(7,653)	(5,349)
Payments to employees (including redundancies)		(5,096)	(4,787)
Finance costs paid		(313)	(322)
Net cash provided by (used in) operating activities	9.2	2,742	4,342
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(8,385)	(8,021)
Proceeds from sale of property, infrastructure, plant and equipment		40	18
Capital grants (inclusive of GST)		5,819	5,578
Net cash provided by (used in) investing activities		(2,526)	(2,425)
Cash flows from financing activities			
Proceeds from trust funds and deposits		421	-
Repayment of lease liabilities (principal repayments)		-	(12)
Repayment of interest bearing loans and borrowings	9.3	(346)	(341)
Net cash provided by (used in) financing activities		75	(353)
Net increase (decrease) in cash and cash equivalents		291	1,564
Cash and cash equivalents at the beginning of the financial year		10,257	8,693
Cash and cash equivalents at the end of the financial year	9.4	10,548	10,257
Restrictions on cash assets	4.1		
Financing arrangements	9.5		

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

Note 1 Overview

1.1 Reporting entity

- (a) The Break O'Day Council was established in 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at St Helens, Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes, 5.1, 6.1, 7.3, 8.1 and 10.3(d).

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1.

Landfill and Quarry Rehabilitation

Assumptions and judgements are utilised in determining the projected rehabilitation cost of Council's landfill cells and quarry site, these are discussed in note 7.3.

1.4 Impact of Covid-19 on Financial Reporting for 2020-21

The COVID-19 pandemic has impacted this financial report, which may be reflected in the comparability of some line items and amounts reported in the statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic, or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and Tasmanian Government. Further details of such impacts are discussed in the following note on material budget variations.

1.5 Material Budget Variations

Council's original budget was adopted by the Council on **22 June 2020**. 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, the weather, and by decisions made by the Council. Material variations of more than 10% and \$50,000 are explained below:

Revenues

1 User fees

Revenue was up \$458k on budget (65%) due mainly to a very conservative estimate being made in the budget. Level and volume of development and building applications was higher than forecast.

2 Contributions

Revenue income up \$174k on budget due mainly to a nil estimate being made for public open space in the budget.

Expenses

3 Materials and services

Materials and services were up \$574k (12.6%) on budget, mainly due to a number of private works and other works projects completed for State agencies relating to their infrastructure which included roads and walking trails.

4 Other expenses

A significant increase on budget of \$751k (144%) due mainly to some items being budgeted for in materials and services.

1.6 Functions/Activities of the Council

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

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
Government and administration						
2020 - 2021	176	12	188	729	(541)	68
2019 - 2020	-	-	-	597	(597)	88
Roads, streets and bridges						
2020 - 2021	5,864	69	5,933	4,944	989	108,294
2019 - 2020	2,975	2,773	5,748	4,466	1,282	102,599
Drainage						
2020 - 2021	-	-	-	477	(477)	19,440
2019 - 2020	-	-	-	487	(487)	19,391
Waste management						
2020 - 2021	-	2,135	2,135	2,196	(61)	1,153
2019 - 2020	-	2,048	2,048	2,086	(38)	1,153
Environmental health/environmental management						
2020 - 2021	25	91	116	307	(191)	212
2019 - 2020	55	77	132	293	(161)	212
Planning services						
2020 - 2021	-	452	452	754	(302)	26
2019 - 2020	-	323	323	729	(406)	26
Building control						
2020 - 2021	-	214	214	277	(63)	28
2019 - 2020	-	206	206	277	(71)	28
Community amenities						
2020 - 2021	175	135	310	549	(239)	3,380
2019 - 2020	325	209	534	504	30	3,380
Community services						
2020 - 2021	331	3	334	481	(147)	626
2019 - 2020	2,856	18	2,874	558	2,316	626
Recreation facilities						
2020 - 2021	40	82	122	980	(858)	10,551
2019 - 2020	260	76	336	865	(529)	10,668
Economic development						
2020 - 2021	-	45	45	322	(277)	555
2019 - 2020	-	30	30	319	(289)	555
Other - not attributable						
2020 - 2021	2,166	7,438	9,604	3,582	6,022	61,199
2019 - 2020	2,055	5,502	7,557	3,082	4,475	57,430
Total						
2020 - 2021	8,777	10,676	19,453	15,598	3,855	205,532
2019 - 2020	8,526	11,262	19,788	14,263	5,525	196,156

1.6 Functions/Activities of the Council (Continued)

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

	2021	2020
	\$'000	\$'000
Current assets	11,321	11,454
Non-current assets	194,211	184,702
	205,532	196,156

(c) Governance and administration

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

Roads, streets and bridges

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

Drainage

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

Waste Management

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

Environmental Health/Environmental Management

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

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

Planning Services

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

Building control

The development and maintenance of building constructions standards.

Community amenities

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

Community services Reconciliation of liabilities arising from financing activities

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

Recreation facilities

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

Economic development

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2021 \$'000	2020 \$'000
Note 2 Revenue		
Note 2.1 Rates and charges		
Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is its estimated gross annual rental value.		
The valuation base used to calculate general rates for 2020-21 was \$81.16 million (2019-20 \$80.688 million). The 2020-21 rate in the AAV dollar was \$0.0810 (2019-20, \$0.0810).		
General Rate	7,459	7,415
Fire Levy	366	368
Garbage charge	1,231	1,192
Wheelie bin charge	714	680
Total rates and charges	9,770	9,655

The date of the latest general revaluation of land for rating purposes within the municipality was 29 March 2019, and the valuation was first applied in the rating year commencing 1 July 2019.

Accounting policy

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

Note 2.2 Statutory fees and fines

Infringements and costs	3	13
Land information certificates	148	119
Total statutory fees and fines	151	132

Accounting policy

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

Note 2.3 User fees

Waste and garbage	189	157
Health food licences/fees	25	-
Dog registrations and associated revenue	36	43
Building and development services	415	355
Commission received	16	16
Facility leases and hall hire	128	111
Private works	262	204
Other fees and charges	91	83
Total user fees	1,162	969

Accounting policy

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

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.

	2021 \$'000	2020 \$'000
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	8,149	7,684
State funded grants	628	842
Total	8,777	8,526
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants (Untied)	2,941	2,893
Learner Driver	20	20
26TEN Communities	-	45
Regional Workforce Development Plan	-	16
Flood Claim 2016	-	105
Drought a Statement	-	55
Australia Day - COVID Safe	20	-
Wellbeing	176	-
Other	47	-
Total recurrent grants	3,204	3,134
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	971	971
Mountain Bike Trails - State	59	600
Mountain Bike Trails - Federal	720	1,833
Drought Communities	900	988
St Marys Flood Mitigation	40	360
Georges Bay Foreshore Multi-User Track	1,785	315
Old Tasmanian Hotel Fingal Restoration	175	325
Local Roads and Community Infrastructure	617	-
State - road safety	306	-
Other	-	1
Total capital grants	5,573	5,393
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	103	101
Add: Funds received and not recognised as revenue in the current year		58
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(62)	(56)
Balance of unspent funds at 30 June	41	103
Capital		
Balance of unspent funds at 1 July	-	570
Add: Funds received and not recognised as revenue in the current year	208	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	(570)
Balance of unspent funds at 30 June	208	-
Total unspent funds	249	103

Accounting policy

Council recognises untied grant revenue and those without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, revenue is recognised as or when control of each performance obligations is satisfied. (i.e. when it transfers control of a product or provides a service.) A contract liability is recognised for unspent funds received in advance and then recognised as income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include completion of construction milestones and delivery of programs, events and studies.

	2021 \$'000	2020 \$'000
Note 2.4 Grants (Continued)		
Accounting policy Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have a 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. 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), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised and revenue as the unspent funds are expended at the point in time at which required performance obligations are completed. 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 the acquisitions of assets, revenue is recognised when the asset is acquired and controlled by the Council. In both years the Commonwealth has made early payment of the first two quarterly instalments of untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2020-21 by \$1,520,937, (2019-20, \$1,486,557). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.		
Note 2.5 Contributions - cash		
Heavy Vehicle Contribution Fees	49	49
Parks, open space, streetscapes and other	125	50
Total	174	99
Accounting policy Council recognises contributions without performance obligations when received. In cases where the contributions is for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled.		
Note 2.6 Interest		
Interest on financial assets	39	145
Interest on rates	70	67
Total	109	212
Accounting policy Interest income Interest is recognised progressively as it is earned.		
Note 2.7 Other income		
Sale of goods	33	144
Empl+F162oyment subsidies	-	18
S137 unclaimed funds	1	99
Reimbursements	-	54
Other	70	6
Total other income	104	321
Accounting policy Other income Other income is recognised as revenue when the payment is due or the payment is received, which ever occurs first.		
Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale	40	18
Write down value of assets disposed	(1,028)	(337)
Total	(988)	(319)
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.		

	2021 \$'000	2020 \$'000
Note 2.9 Investment revenue from water corporation		
Dividend revenue received	163	163
Tax equivalent received	31	31
Total investment revenue from water corporation	194	194

Accounting policy

Investment revenue

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

Note 3 Expenses

Note 3.1 Employee benefits

Wages and salaries	4,139	3,963
Workers compensation	116	81
Annual leave and long service leave	405	377
Superannuation	541	516
Fringe benefits tax	34	35
Staff training, recruitment and conferences	58	38
Uniforms and protective clothing	35	25
Payroll tax, licences and membership fees	244	229
	5,572	5,264
Less amounts capitalised	(499)	(521)
Total employee benefits	5,073	4,743

Accounting policy

Employee benefits

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

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

Note 3.2 Materials and services

Materials and services	1,624	1,129
Contract payments	1,441	1,255
Waste collection contracts	1,005	1,052
Plant and equipment maintenance and hire	384	205
Professional and consultants fees	537	447
Fuel and lubricants	145	127
Total materials and services	5,136	4,215

Accounting policy

Materials and services expense

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

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

Note 3.3 Impairment of receivables

Rates debtors	-	3
Other debtors	-	4
Recoveries of previous bad debts	-	(3)
Total impairment of receivables	-	4

Accounting policy

Impairment expense

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

	2021 \$'000	2020 \$'000
Note 3.4 Depreciation and amortisation		
<i>Property</i>		
Land improvements	217	214
Buildings		
Buildings	248	247
<i>Plant and Equipment</i>		
Plant, machinery and equipment	434	373
Fixtures, fittings and furniture	150	152
<i>Infrastructure</i>		
Roads	1,890	1,887
Bridges	453	452
Drainage	376	375
<i>Intangible assets</i>		
Intangible assets	22	22
<i>Right-of-use of assets</i>		
Right-of-use of assets	12	12
Total	3,802	3,734

Accounting policy

Depreciation and amortisation expense

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

Land improvements, buildings, Infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation rates and methods are reviewed annually.

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

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

The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

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

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

	Period
<i>Property</i>	
Land improvements	25 years
Buildings	
Buildings	50-220 years
<i>Plant and Equipment</i>	
Plant, machinery and equipment	3-20 years
Fixtures, fittings and furniture	3-20 years
Computers and telecommunications	5-10 years
<i>Infrastructure</i>	
Roads	
Road pavements and seals	22-85 years
Road substructure	100 years
Road formation and earthworks	100 years
Road kerb, channel and minor culverts	85 years
Bridges	
Bridges deck	20-80 years
Bridges substructure	20-80 years
Other Infrastructure	
Footpaths and cycleways	60 years
Drainage	60-80 years
Recreational, leisure and community facilities	25 years
Waste management	25 years

	2021 \$'000	2020 \$'000
Parks, open space and streetscapes		25 years
Intangible assets		
Intangible assets		6 years
Right-of-use of assets		
Right-of-use of assets		5 years

Note 3.5 Finance costs

Interest - borrowings	313	322
Total finance costs	313	322

Accounting policy

Finance expense

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

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).

Finance costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

Note 3.6 Other expenses

External auditors' remuneration	36	41
Internal auditors' remuneration and expenses	14	7
Councillors' allowances and reimbursements	185	188
Fire levy	365	365
Light and power	142	142
Rates discounts and remissions	325	330
Community support and donations	128	109
Land tax	50	46
Variable lease payments not included in the measurement of leases (2020 only)	-	10
Tip site rehabilitation provision	(7)	-
Other	36	9
Total	1,274	1,247

Accounting policy

Other expenses

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

Note 4 Current Assets

Note 4.1 Cash and cash equivalents

Cash on hand	3	3
Cash at bank	344	49
Cash on deposit	10,131	10,146
Committee accounts	70	59
Total cash and cash equivalents	10,548	10,257

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

i) Trust funds and deposits (note 7.2)	652	231
ii) Unspent grant funds with conditions (note 2.4)	249	103
iii) Reserve funds (note 9.1)	561	480
iv) Provisions	1,356	1,379
Restricted funds	2,818	2,193
Total unrestricted cash and cash equivalents	7,730	8,064

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) Includes contributions received for public open space and other restricted reserve funds.
- iv) Includes provisions for employee entitlements and the provision for landfill and quarry site rehabilitations.

	2021 \$'000	2020 \$'000
Note 4.2 Trade and other receivables		
Current		
Rates debtors	395	459
Other debtors	333	685
Provision for expected credit loss - other debtors	(50)	(50)
Net GST receivable	13	-
Total	691	1,094
Non-current		
Loans and advances to community organisations	14	14
Total	14	14
Total trade and other receivables	705	1,108
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	50	52
Amounts written off during the year	-	(6)
Amounts recovered during the year	-	(3)
Increase / (decrease) in provision recognised in profit or loss	-	7
Carrying amount at 30 June	50	50

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

Accounting policy

Trade and other receivables

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

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

Note 4.3 Inventories

Inventories held for distribution	58	64
Total inventories	58	64

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 5.1 Investment in water corporation

Opening balance	29,583	38,673
Fair Value adjustments on equity investment assets	2,413	(9,090)
Total investment in water corporation	31,996	29,583

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 2.03% (2019/20: 2.05%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6	Non-current assets		
Note 6.1	Property, infrastructure, plant and equipment	2021	2020
		\$'000	\$'000
	Summary		
	at cost	21,315	20,934
	Less accumulated depreciation	(7,384)	(6,645)
		13,931	14,289
	at fair value as at 30 June	217,263	199,938
	Less accumulated depreciation	(69,145)	(59,305)
		148,118	140,633
	Total	162,049	154,922
	Property		
	Land		
	at fair value as at 30 June	5,752	5,752
		5,752	5,752
	Land under roads		
	at fair value at 30 June	2,581	2,581
		2,581	2,581
	Land improvements		
	at cost	12,961	6,350
	Less accumulated depreciation	(2,802)	(2,585)
		10,159	3,765
	Total Land	18,492	12,098
	Buildings		
	at fair value as at 30 June	23,868	11,052
	Less accumulated depreciation	(8,731)	(756)
		15,137	10,296
	Heritage improvements		
	at fair value as at 30 June	17	17
	Less accumulated depreciation	(2)	(2)
		15	15
	Total Buildings	15,152	10,311
	Total Property	33,644	22,409
	Plant and Equipment		
	Plant, machinery and equipment		
	at cost	5,124	4,930
	Less accumulated depreciation	(2,968)	(2,582)
		2,156	2,348
	Fixtures, fittings and furniture		
	at cost	2,223	2,133
	Less accumulated depreciation	(1,614)	(1,478)
		609	655
	Total Plant and Equipment	2,765	3,003

Note 6.1 Property, infrastructure, plant and equipment (continued)	2021 \$'000	2020 \$'000
Infrastructure		
Roads and footpaths		
at fair value as at 30 June	121,850	118,523
Less accumulated depreciation	(39,808)	(38,772)
	82,042	79,751
Bridges		
at fair value as at 30 June	32,177	31,348
Less accumulated depreciation	(8,954)	(8,501)
	23,223	22,847
Drainage		
at fair value as at 30 June	31,018	30,665
Less accumulated depreciation	(11,650)	(11,274)
	19,368	19,391
Total Infrastructure	124,633	121,989
Works in progress		
Buildings at cost	153	756
Roads and footpaths at cost	339	1,197
Land improvements at cost	392	5,172
Drainage at cost	72	137
Bridges at cost	51	259
Total Works in progress	1,007	7,521
Total property, infrastructure, plant and equipment	162,049	154,922

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	5,752	-	-	-	-	-	-	5,752
Land under roads	2,581	-	-	-	-	-	-	2,581
Land improvements	3,765	-	-	(217)	-	-	6,611	10,159
Total land	12,098	-	-	(217)	-	-	6,611	18,492
Buildings	10,296	-	3,541	(248)	-	-	1,548	15,137
Heritage improvements	15	-	-	-	-	-	-	15
Total buildings	10,311	-	3,541	(248)	-	-	1,548	15,152
Total property	22,409	-	3,541	(465)	-	-	8,159	33,644
Plant and Equipment								
Plant, machinery and equipment	2,348	264	-	(434)	(22)	-	-	2,156
Fixtures, fittings and furniture	655	103	-	(150)	-	-	-	609
Total plant and equipment	3,003	367	-	(584)	(22)	-	-	2,765
Infrastructure								
Roads	79,751	-	-	(1,890)	(1,005)	-	5,186	82,042
Bridges	22,847	-	-	(453)	-	-	829	23,223
Drainage	19,391	-	-	(376)	-	-	353	19,368
Total infrastructure	121,989	-	-	(2,719)	(1,005)	-	6,368	124,633
Works in progress								
Buildings	755	898	-	-	-	-	(1,500)	153
Roads	1,198	4,312	-	-	-	-	(5,171)	339
Land Improvements	5,171	2,136	-	-	-	(200)	(6,715)	392
Drainage	138	250	-	-	-	-	(316)	72
Bridges	259	617	-	-	-	-	(825)	51
Total works in progress	7,521	8,213	-	-	-	(200)	(14,527)	1,007
Total property, infrastructure, plant and equipment	154,922	8,580	3,541	(3,768)	(1,027)	(200)	-	162,049

Note 6.1 Property, infrastructure, plant and equipment (continued)

Reconciliation of property, infrastructure, plant and equipment (continued)

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	5,752	-	-	-	-	-	-	5,752
Land under roads	2,628	-	(47)	-	-	-	-	2,581
Land improvements	2,831	-	-	(214)	(9)	-	1,157	3,765
Total land	11,211	-	(47)	(214)	(9)	-	1,157	12,098
Buildings	10,356	-	-	(247)	-	-	187	10,296
Heritage improvements	15	-	-	-	-	-	-	15
Total buildings	10,371	-	-	(247)	-	-	187	10,311
Total property	21,582	-	(47)	(461)	(9)	-	1,344	22,409
Plant and Equipment								
Plant, machinery and equipment	1,927	807	-	(373)	(13)	-	-	2,348
Fixtures, fittings and furniture	686	110	-	(152)	-	-	11	655
Total plant and equipment	2,613	917	-	(525)	(13)	-	11	3,003
Infrastructure								
Roads	72,928	-	4,951	(1,887)	(315)	-	4,074	79,751
Bridges	21,804	-	1,183	(452)	-	-	312	22,847
Drainage	18,154	-	-	(375)	-	-	1,612	19,391
Total infrastructure	112,886	-	6,134	(2,714)	(315)	-	5,998	121,989
Works in progress								
Buildings	117	825	-	-	-	-	(187)	755
Fixtures, fittings and furniture	11	-	-	-	-	-	(11)	-
Roads	3,239	2,033	-	-	-	-	(4,074)	1,198
Land Improvements	2,888	3,440	-	-	-	-	(1,157)	5,171
Drainage	1,475	275	-	-	-	-	(1,612)	138
Bridges	39	532	-	-	-	-	(312)	259
Total works in progress	7,769	7,105	-	-	-	-	(7,353)	7,521
Total property, infrastructure, plant and equipment	144,850	8,022	6,087	(3,700)	(337)	-	-	154,922

Note 6.1 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, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold \$'000
Land	
Land	5
Land under roads	5
Land improvements	5
Buildings	
Buildings	5
Building improvements	5
Heritage improvements	5
Plant and Equipment	
Plant, machinery and equipment	1
Fixtures, fittings and furniture	1
Computers and telecommunications	1
Leased plant and equipment	1
Infrastructure	1
Roads	
Road pavements and seals	5
Road substructure	5
Road formation and earthworks	5
Road kerb, channel and minor culverts	5
Bridges	
Bridges deck	5
Bridges substructure	5
Footpaths and cycleways	5
Drainage	5
Recreational, leisure and community facilities	5
Parks, open space and streetscapes	5
Off street car parks	5
Municipal Revaluations	5

Note 6.1 Property, infrastructure, plant and equipment (continued)

Accounting policy (Cont.)

Revaluation

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

Land	fair value
Land under roads	fair value
Land improvements	cost
Buildings	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
Heritage	fair value
Investment in water corporation	fair value

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

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

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

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

Impairment of assets

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

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

	2021 \$'000	2020 \$'000
Note 6.2 Intangible assets		
Municipal revaluation	93	112
Total intangible assets	93	112

Reconciliation of intangible assets

	Municipal Revaluation \$'000	Total \$'000
Gross carrying amount		
Balance at 1 July 2019	151	151
Additions	-	-
Balance at 30 June 2020	151	151
Additions	-	-
Balance at 30 June 2021	151	151
Accumulated amortisation and impairment		
Balance at 1 July 2019	14	14
Amortisation expense	22	22
Balance at 30 June 2020	36	36
Amortisation expense	22	22
Balance at 30 June 2021	58	58
Net book value at 30 June 2020	115	115
Net book value at 30 June 2021	93	93

Accounting policy

Intangible assets

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

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$1,500 and consistent with the prior year.

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

Municipal Revaluation	6 years
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Note 6.3 Right-of-use assets
a) Right-of-use assets

	Property \$'000	Total \$'000
2021		
Opening Balance at 1 July 2020	41	41
Additions	-	-
Depreciation expense	(12)	(12)
Balance at 30 June 2021	29	29

	2021 \$'000	2020 \$'000
Note 6.3 Right-of-use assets (continued)		
2020		
Opening Balance at 1 July 2019	53	53
Disposals	-	-
Amortisation expense	(12)	(12)
Opening Balance at 1 July 2020	41	41

Accounting policy

Leases - Council as Lessee

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

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

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

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.

Note 6.4 Other assets

Current

Prepayments	22	33
Interest accrued	-	6
Bonds paid	2	-
Total	24	39

Non-current

Shares in Bendigo Bank	30	30
Total	30	30

	2021 \$'000	2020 \$'000
Note 7 Current liabilities		
Note 7.1 Trade and other payables		
Trade payables	771	1,241
Rates and charges in advance	228	256
Accrued expenses	102	282
Total trade and other payables	1,101	1,779

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.

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

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

Note 7.2 Trust funds and deposits

Refundable building deposits	9	9
Section 137 seizures	408	156
Refundable civic facilities deposits	5	4
Retention amounts	219	47
Other refundable deposits	11	15
Total trust funds and deposits	652	231

Accounting policy

Tender deposits

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

	Annual leave and Long service TOIL/RDOs	Long service leave	Landfill & quarry restoration	Other	Total
Note 7.3 Provisions					
2021	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	451	583	267	78	1,379
Additional provisions	360	110	-	37	507
Amounts used	(358)	-	-	(29)	(387)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	-	(124)	(9)	(10)	(143)
Balance at the end of the financial year	453	569	258	76	1,356
Current	453	379	-	35	867
Non-current	-	190	258	41	489
Total	453	569	258	76	1,356

Notes to the Financial Report
For the Year Ended 30 June 2021

Note	7.3 Provisions (Continued)	Annual leave and TOIL/RDOs	Long service leave	Landfill & quarry restoration	Other	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
	2020					
	Balance at beginning of the financial year	438	641	262	82	1,423
	Additional provisions	361	107	5	32	505
	Amounts used	(348)	(165)	-	(36)	(549)
	Balance at the end of the financial year	451	583	267	78	1,379
	Current	451	320	-	58	829
	Non-current	-	263	267	20	550
	Total	451	583	267	78	1,379

(a) Employee benefits	2021	2020
	\$'000	\$'000

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	3.00%	9.05%
Weighted average discount rates	0.61%	0.39%
Weighted average settlement period (days)	10	10

Employee Numbers (FTE)	55	55
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Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

iv) *Defined benefit plans*

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

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

v) *Defined contribution plans*

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

Note 7.3 Provisions (Continued)
(b) Land fill restoration

Accounting policy

Land fill restoration

Under legislation Council is obligated to restore the landfill site to a particular standard. Current projections indicate that the landfill site will cease operation in 2027 and restoration work is expected to commence shortly thereafter. The forecast life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

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

(c) Quarry rehabilitation

Accounting policy

Quarry restoration

Under legislation Council is obligated to restore quarry sites to a particular standard. The forecast life of the quarry site is based on current estimates of remaining capacity and the forecast rate of extraction. The provision for quarry restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

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

	2021 \$'000	2020 \$'000
Current	-	-
Non-current - landfill and quarry restoration	258	267
Total	258	267

	2021 \$'000	2020 \$'000
Note 7.4 Lease liabilities		
Lease liabilities	41	41
	41	41
Current	12	12
Non-Current	29	29

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

As at 30 June 2021	Minimum lease payments due						Total
	Within 1 Year \$ '000	1-2 Years \$ '000	2-3 Years \$ '000	3-4 Years \$ '000	4-5 Years \$ '000	After 5 Years \$ '000	
Lease payments	12	12	10	4	3	-	41
Net present value	12	12	10	4	3	-	41
As at 30 June 2020							
Lease payments	12	12	10	4	3	-	41
Net present value	12	12	10	4	3	-	41

Accounting policy

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.

Note 7.5 Contract Liabilities

Current

Funds received to acquire on construct an asset controlled by Council	208	-
Funds received prior to performance obligation being satisfied (Upfront payments)	41	56
	249	56

Accounting policy

Council recognised the following contractual liabilities:

i) Grant funds received in advance includes the construction of a community roads and infrastructure. The funds received are under an enforceable contract which requires 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. Revenue is expected to be recognised in the next 12 months.

Revenue recognised that was included in the contract liability balance at the beginning of the period

Funds received prior to performance obligation being satisfied (upfront payments) – AASB 15	56	-
	56	-

	2021 \$'000	2020 \$'000
Note 8 Non-current		
Note 8.1 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	1,882	356
	1,882	356
Non-current		
Borrowings - secured	6,256	8,128
	6,256	8,128
Total	8,138	8,484
Borrowings		
Borrowings are secured over Council's rate revenue.		
The maturity profile for Council's borrowings is:		
Not later than one year	1,882	356
Later than one year and not later than five years	1,665	3,093
Later than five years	4,591	5,035
Total	8,138	8,484

Accounting policy

Interest bearing liabilities

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

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

Note	9	Other financial information	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
Note	9.1	Reserves	\$'000	\$'000	\$'000	\$'000
		(a) Asset revaluation reserve				
		2021 Property				
		Land	823	-	-	823
		Land improvements	16	-	-	16
		Buildings	929	3,541	-	4,470
			1,768	3,541	-	5,309
		Infrastructure				
		Roads and footpaths	132,740	-	-	132,740
		Bridges	3,398	-	-	3,398
		Drainage	13,566	-	-	13,566
			149,704	-	-	149,704
		Total asset revaluation reserve	151,472	3,541	-	155,013
		2020 Property				
		Land	870	-	(47)	823
		Land improvements	16	-	-	16
		Buildings	929	-	-	929
			1,815	-	(47)	1,768
		Infrastructure				
		Roads and footpaths	127,789	4,951	-	132,740
		Bridges	2,215	1,183	-	3,398
		Drainage	13,566	-	-	13,566
			143,570	6,134	-	149,704
		Total asset revaluation reserve	145,385	6,134	(47)	151,472
The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.						
		(b) Fair value reserve				
		2021 Equity Investment assets				
		Investment in water corporation	(6,501)	2,413	-	(4,088)
		Total fair value reserve	(6,501)	2,413	-	(4,088)
		2020 Equity Investment assets				
		Investment in water corporation	2,589	-	(9,090)	(6,501)
		Total fair value reserve	2,589	-	(9,090)	(6,501)
Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.						
		(c) Other reserves				
		2021 Facilities and properties	80	46	-	126
		Other Reserves	400	35	-	435
		Total Other reserves	480	81	-	561
		2020 Facilities and properties	80	-	-	80
		Other Reserves	391	112	(103)	400
		Total Other reserves	471	112	(103)	480
Facilities and properties reserve recognises those funds that are being retained for future contributions to capital works on Council properties, buildings and recreational facilities. It includes contributions from developers towards establishment of public open space areas.						
Other reserves are amounts set aside for specific purposes. These largely include funds received for various community development and cultural projects.						
Total Reserves					2021 \$'000	2020 \$'000
					151,486	145,451

	2021	2020
	\$'000	\$'000
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	3,855	5,525
Depreciation/amortisation	3,790	3,722
Depreciation of right-of-use assets	12	12
(Profit)/loss on disposal of property, infrastructure, plant and equipment	988	318
Capital grants received specifically for new or upgraded assets	(5,819)	(5,578)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	403	(203)
Decrease/(increase) in other assets	15	1
Decrease/(increase) in inventories	6	82
Increase/(decrease) in trade and other payables	(678)	487
Increase/(decrease) in provisions	(23)	(44)
Increase/(decrease) in other liabilities	193	20
Net cash provided by/(used in) operating activities	2,742	4,342

Note 9.3 Reconciliation of liabilities arising from financing activities

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

	Interest-bearing loans and borrowings	Lease liabilities
Balance as at 30 June 2020	8,484	41
Changes from financing cash flows:		
Cash repayments	(346)	-
Balance as at 30 June 2021	8,138	41
Balance as at 1 July 2019	8,825	53
Changes from financing cash flows:		
Cash repayments	(341)	(12)
Balance as at 30 June 2020	8,484	41

Note 9.4 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 4.1)	10,548	10,257
Total reconciliation of cash and cash equivalents	10,548	10,257

Note 9.5 Financing arrangements

Credit cards	30	30
Used facilities	(8)	(7)
Unused facilities	22	23
Security Deposit Guarantee		
Used Facility	150	150
Unused facilities	(109)	(109)
	41	41

Note 9.6 Superannuation

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

For the year ended 30 June 2021 the Council contributed 0% (2020 0%) of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

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

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

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

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

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

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

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

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).
The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of superannuation contributions paid to defined benefits schemes was \$0 (2019-20, \$0), and the amount paid to accumulation schemes was \$546,090 (2019-20, \$516,161).
- During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$550,000.

Note 9.6 Superannuation (Continued)

- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the Fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

	2021	2020
Fund	\$'000	\$'000
Defined benefits fund		
Employer contributions to Quadrant	-	-
Employer contributions to Spirit Super	-	-
Employer contributions payable to Spirit Super at reporting date	-	-
Accumulation funds		
Employer contributions to other super funds	546	516
Employer contributions payable to other super funds at reporting date	-	-
	-	-

Note 9.7 Commitments

Contractual commitments

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

Waste transfer stations and collections	3,068	3,792
Cleaning contracts for council buildings	508	134
Total contractual commitments	3,576	3,926

Note 9.8 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 current 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 current replacement cost.

The future (undiscounted) lease payments to be received on an annual basis for all operating leases is at follows:

Maturity analysis of operating lease payments to be received

Year 1	15	52
Year 2	12	15
Year 3	10	12
Year 4	10	10
Year 5	10	10
Later than 5 years	-	10
Total	57	109

The following table presents the amounts reported in profit or loss:

Lease income on operating leases	52	-
Therein lease income relating to variable lease payments that do not depend on an index or rate	52	-

Note 9.9 Contingent Liabilities and contingent assets

Contingent liabilities

Security deposit guarantees	109	109
	109	109

Contingent assets

Security deposit guarantees	119	177
	119	177

Note 9.10 Financial Instruments

(a) Interest Rate Risk

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

2021

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	0.10%	10,475	70	-	-	3	10,548
Trade and other receivables	3.82%	395	-	-	-	310	705
Investment in water corporation		-	-	-	-	31,996	31,996
Total financial assets		10,870	70	-	-	32,309	43,249
Financial liabilities							
Trade and other payables		-	-	-	-	1,101	1,101
Trust funds and deposits		-	-	-	-	652	652
Interest-bearing loans and borrowings	3.61%	-	1,882	1,665	4,591	-	8,138
Total financial liabilities		-	1,882	1,665	4,591	1,753	9,891
Net financial assets (liabilities)		10,870	(1,812)	(1,665)	(4,591)	30,556	33,358

2020

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	0.67%	1,218	9,036	-	-	3	10,257
Trade and other receivables	3.36%	459	-	-	-	649	1,108
Investment in water corporation		-	-	-	-	29,583	29,583
Total financial assets		1,677	9,036	-	-	30,235	40,948
Financial liabilities							
Trade and other payables		-	-	-	-	1,779	1,779
Trust funds and deposits		-	-	-	-	231	231
Interest-bearing loans and borrowings	3.65%	-	356	3,093	5,035	-	8,484
Total financial liabilities		-	356	3,093	5,035	2,010	10,494
Net financial assets (liabilities)		1,677	8,680	(3,093)	(5,035)	28,225	30,454

Note 9.10 Financial Instruments (Continued)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	10,548	10,257	10,548	10,257
Trade and other receivables	705	1,108	705	1,108
Investment in water corporation	31,996	29,583	31,996	29,583
<i>Total financial assets</i>	<u>43,249</u>	<u>40,948</u>	<u>43,249</u>	<u>40,948</u>
<i>Financial liabilities</i>				
Trade and other payables	1,101	1,779	1,101	1,779
Trust funds and deposits	652	231	652	231
Lease liabilities	41	41	41	41
Interest-bearing loans and borrowings	8,138	8,484	8,779	8,484
<i>Total financial liabilities</i>	<u>9,932</u>	<u>10,535</u>	<u>10,573</u>	<u>10,535</u>

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Note 9.10 Financial Instruments (Continued)
(d) Risks and mitigation (Continued)

Credit risk

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

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

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

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

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

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

	Financial Institutions (AAA credit rating) \$'000	Government agencies (BBBB credit rating) \$'000	Other (min BBB credit rating) \$'000	Total \$'000
2021				
Cash and cash equivalents	10,548	-	-	10,548
Trade and other receivables	-	-	705	705
Total contractual financial assets	10,548	-	705	11,253
2020				
Cash and cash equivalents	10,257	-	-	10,257
Trade and other receivables	-	-	1,108	1,108
Total contractual financial assets	10,257	-	1,108	11,365

Movement in Provisions for Impairment of Trade and Other Receivables

	2021 \$'000	2020 \$'000
Balance at the beginning of the year	50	52
New Provisions recognised during the year	-	7
Amounts already provided for and written off as uncollectible	-	(6)
Amounts provided for but recovered during the year	-	(3)
Balance at end of year	50	50

Ageing of Trade and Other Receivables

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

	2021 \$'000	2020 \$'000
Current (not yet due)	72	626
Past due by up to 30 days	237	24
Past due between 31 and 180 days	11	18
Past due between 181 and 365 days	314	4
Past due by more than 1 year	71	436
Total Trade & Other Receivables	705	1,108

Note 9.10 Financial Instruments (Continued)
(d) Risks and mitigation (Continued)
Credit risk (Continued)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$50,425 (2019/20: \$50,425) were impaired. The amount of the provision raised against these debtors was \$50,425 (2019/20: \$50,425). 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:

	2021 \$'000	2020 \$'000
Past due by more than 1 year	50	50
Total Trade & Other Receivables	50	50

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for non-lease Financial Liabilities. For lease liabilities refer to note 7.4.

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

2021	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,101	-	-	-	-	1,101	1,101
Trust funds and deposits	652	-	-	-	-	652	652
Interest-bearing loans and borrowings	684	1,188	389	1,276	4,591	8,128	8,138
Total financial liabilities	2,437	1,188	389	1,276	4,591	9,881	9,891

2020	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,779	-	-	-	-	1,779	1,779
Trust funds and deposits	230	-	-	-	-	230	230
Interest-bearing loans and borrowings	176	180	1,872	1,220	5,035	8,483	8,825
Total financial liabilities	2,185	180	1,872	1,220	5,035	10,492	10,834

Note 9.10 Financial Instruments (Continued)

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2021	\$'000				
Financial assets:					
Cash and cash equivalents	10,548	(105)	(105)	105	105
Trade and other receivables	705	(7)	(7)	7	7
Financial liabilities:					
Interest-bearing loans and borrowings	8,138	(81)	(81)	81	81

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2020	\$'000				
Financial assets:					
Cash and cash equivalents	10,257	(205)	(205)	103	103
Trade and other receivables	1,108	(22)	(22)	11	11
Financial liabilities:					
Interest-bearing loans and borrowings	8,484	170	170	(85)	(85)

Note 9.11 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land
 - Land under roads
 - Buildings
 - Roads and footpaths
 - Bridges
 - Other infrastructure
 - Drainage

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

(a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2021.

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

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	31,996	31,996
Land	6.1	-	-	5,752	5,752
Land under roads	6.1	-	-	2,581	2,581
Buildings	6.1	-	-	15,152	15,152
Roads and footpaths	6.1	-	-	82,042	82,042
Bridges	6.1	-	-	23,223	23,223
Drainage	6.1	-	-	19,368	19,368
		-	-	180,114	180,114

As at 30 June 2020

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	29,583	29,583
Land	6.1	-	-	5,752	5,752
Land under roads	6.1	-	-	2,581	2,581
Buildings	6.1	-	-	10,311	10,311
Roads and footpaths	6.1	-	-	79,751	79,751
Bridges	6.1	-	-	22,847	22,847
Drainage	6.1	-	-	19,368	19,368
		-	-	170,193	170,193

Note 9.11 Fair Value Measurements (Continued)

(a) Fair Value Hierarchy (Continued)

Transfers between levels of the hierarchy

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

Investment in water corporation

Refer to Note 5.1 for details of valuation techniques used to derive fair values.

Land

Land fair values were determined by the Valuer General, effective 30 June 2019. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

The revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years by providing all councils with revaluation indices. However, indices were not provided for 1 July 2020 as planned due to the COVID-19 pandemic. Appropriate indices are not expected to occur until the year ending 30 June 2022.

Land under roads

Land under roads is based on Council valuations at 1 July 2019 using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation.

Buildings

The fair value of buildings were determined by a Gavin Boyd, Council's contract Asset Engineer effective 30 June 2021. Fair value has been derived based on current replacement cost determined for the location by Rawlinsons Construction Costs 2020. The most significant input into this valuation approach was price per square metre.

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

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

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in note 6.1.

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.

Note 9.11 Fair Value Measurements (Continued)

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

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

Roads, including footpaths & cycleways

A full valuation of roads was undertaken by independent valuers, Maloneys Asset Management Systems and Asset Management Engineer Gavin Boyd, effective 30 June 2020 on depreciated replacement cost basis.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments of 100-250m, while rural roads are managed in 1km segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of x cms for high traffic areas and y cms for lower traffic locations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 30 June 2020. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's officers with rates supplied by AJL Consulting Engineers, effective 30 June 2019. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

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

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

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value) \$'000	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	82,042	Unit replacement cost per square metre.	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost the higher the fair value.
		Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Bridges	23,223	Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Drainage	19,368	Unit replacement cost per metre.	from \$79/m upto \$1,649/m, depending on pipe diameter	The higher the unit cost the higher the fair value.
		Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Investment in Water Corporation	31,996	Refer to note 5.1 for a description of the valuation basis.		

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

(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.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 8.1 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration 2021

Name	Position	Period	Short term employee benefits		Expenses ²	Total allowances and expenses section 72
			Allowances	Total Compensation AASB 124		
			\$	\$	\$	\$
Mr M Tucker	Mayor	Full Year	46,074	46,074	2,898	48,972
Mr J McGiveron	Deputy Mayor	Full Year	25,764	25,764	500	26,264
Mrs M Osborne	Councillor	Full Year	13,164	13,164	1,415	14,579
Ms L Wittaker	Councillor	Full Year	13,164	13,164	1,199	14,363
Ms K Chapple	Councillor	Full Year	13,164	13,164	1,199	14,363
Ms K Wright	Councillor	Full Year	13,164	13,164	1,199	14,363
Mr B LeFevre	Councillor	Full Year	13,164	13,164	2,997	16,161
Ms J Drummond	Councillor	Full Year	13,164	13,164	3,374	16,538
Mr G McGuinness	Councillor	Full Year	13,164	13,164	1,199	14,363
Total			163,986	163,986	15,980	179,966
Councillor Remuneration 2020						
Mr M Tucker	Mayor	Full Year	44,988	44,988	8,999	53,987
Mr J McGiveron	Deputy Mayor	Full Year	25,157	25,157	2,229	27,386
Mrs M Osborne	Councillor	Full Year	12,854	12,854	1,209	14,063
Ms L Wittaker	Councillor	Full Year	12,854	12,854	1,607	14,461
Ms K Chapple	Councillor	Full Year	12,854	12,854	1,508	14,362
Ms K Wright	Councillor	Full Year	12,854	12,854	1,199	14,053
Mr B LeFevre	Councillor	Full Year	12,854	12,854	2,935	15,789
Ms J Drummond	Councillor	Full Year	12,854	12,854	5,185	18,039
Mr G McGuinness	Councillor	Full Year	12,854	12,854	1,199	14,053
Total			160,123	160,123	26,070	186,193

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

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

(ii) Key Management Personnel Remuneration 2021

Number of Staff per Band	Remuneration band	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Super-annuation ⁵	Termination Benefits ⁶		
		\$	\$	\$	\$	\$	\$	\$
1	\$220 001 - \$240 000	186,815	-	7,907	23,998	-	9,990	228,710
2	\$140 001 - \$160 000	237,125	-	20,000	29,640	-	10,912	297,677
3	\$120 001 - \$140 000	284,319	-	37,693	37,543	-	16,647	376,202
Total		708,259	-	65,600	91,181	-	37,549	902,589
Key Management Personnel Remuneration 2020								
1	\$220 001 - \$240 000	192,033	-	4,356	23,751	-	7,110	227,250
2	\$140 001 - \$160 000	237,782	-	18,309	29,561	-	13,056	298,708
3	\$120 001 - \$140 000	304,353	-	26,016	37,195	-	11,629	379,193
1	\$ 50 001 - \$ 70 000	85,606	-	-	7,057	-	(30,506)	62,157
Total		819,774	-	48,681	97,564	-	1,289	967,308

Note 10 Other matters

Note 10.1 Related party transactions (Continued)

(ii) Key Management Personnel Remuneration (Continued)

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes.

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

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

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

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

⁷ Non-monetary benefits include annual and long service leave movements.

(iii) Remuneration Principles

Councillors

Elected member remuneration is determined independently of Council.

Executives

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.

Acting Arrangements

When members of key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to their Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

- In the current year, Mr B Hoogland was appointed to the position of Acting General Manager, whilst Mr J Brown was on leave.

(v) Transactions with related parties

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

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provision for doubtful debts related outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from related parties</i>
St Helens Newsagency	\$2,106	Nil	30-day terms on invoices	-	-
St Helens Auto Electrics	\$2,365	Nil	30-day terms on invoices	-	-

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

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

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

- Payment of rates on a primary residence
- Dog registration

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

Note 10.2 Special committees and other activities

	Opening Balance	Movement	Closing Balance
Pyengana Ground and Hall Committee	\$58,964	\$11,490	\$70,454

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

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

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

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's assessment of the impact of the relevant new standards is that there is no material impact.

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

Note	10.4 Management indicators	Benchmark	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
(a)	Underlying surplus or deficit					
	Net result for the year		3,855	5,525	2,750	3,344
	Less non-operating income					
	Capital grants		(5,573)	(5,393)	(1,720)	(2,300)
	FAGs in advance		(34)	9	(34)	(85)
	Flood/emergency fund grant		-	(105)	-	-
	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		988			126
	Contributions - non monetary assets		-	-	-	(409)
	Add non-operational expenses					
	Rate remissions - COVID-19		-	106	-	-
	State related private works funded by capital grant.		181	-	-	-
	Flood/emergency repair expenditure		200	-	-	17
	Underlying surplus/deficit	0	(383)	143	997	692

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

(b)	Underlying surplus ratio					
	<u>Underlying surplus or deficit</u>		(383)	143	997	692
	Recurrent income*		14,868	14,715	14,111	13,744
	Underlying surplus ratio %	0%	-3%	1%	7%	5%

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

(c)	Net financial liabilities					
	Liquid assets less		11,321	11,350	9,582	10,217
	total liabilities		11,537	11,970	11,506	11,335
	Net financial liabilities	0	(216)	(619)	(1,924)	(1,118)

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

(d)	Net financial liabilities ratio					
	<u>Net financial liabilities</u>		(216)	(619)	(1,924)	(1,118)
	Recurrent income*		14,868	14,715	14,111	13,744
	Net financial liabilities ratio %	0% - (50%)	-1%	-4%	-14%	-8%

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

(e) Asset consumption ratio

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

Buildings

Fair value (Carrying amount)	15,137	10,296	10,356	10,619
Current replacement cost (Gross)	23,868	11,052	10,865	11,593
Asset consumption ratio %	63%	93%	95%	92%

Transport Infrastructure

Fair value (Carrying amount)	105,265	102,599	94,732	95,508
Current replacement cost (Gross)	154,027	149,871	143,223	142,664
Asset consumption ratio %	68%	68%	66%	67%

Drainage

Fair value (Carrying amount)	19,368	19,391	18,154	17,237
Current replacement cost (Gross)	31,018	30,665	29,053	27,241
Asset consumption ratio %	62%	63%	62%	63%

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

Note 10.4 Management indicators (cont.)

2021
\$'000

2020
\$'000

2019
\$'000

2018
\$'000

(f) Asset renewal funding ratio

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

Buildings

Projected capital funding outlays**	898	753	320	148
Projected capital expenditure funding***	898	150	245	200
Asset renewal funding ratio %	90-100%	100%	502%	131%

Transport Infrastructure

Projected capital funding outlays**	4,929	3,404	1,239	1,849
Projected capital expenditure funding***	5,102	1,340	1,380	1,547
Asset renewal funding ratio %	90-100%	97%	254%	90%

Drainage

Projected capital funding outlays**	249	76	50	50
Projected capital expenditure funding***	250	50	50	50
Asset renewal funding ratio %	90-100%	100%	152%	100%

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

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

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

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets	2,664	4,062	3,918	3,918
Annual depreciation expense	3,700	3,733	3,442	3,546
Asset sustainability ratio %	100%	72%	109%	114%

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

2021	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Land improvements	81	1,860	1,941
Buildings	522	376	898
Plant, machinery and equipment	135	130	265
Fixtures, fittings and furniture	29	74	103
Roads	1,454	2,858	4,312
Bridges	331	286	617
Drainage	112	137	249
Total	2,664	5,721	8,385

2020	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Land improvements	204	3,236	3,440
Buildings	758	67	825
Plant, machinery and equipment	467	340	807
Fixtures, fittings and furniture	54	55	109
Roads	1,855	178	2,033
Bridges	532	-	532
Drainage	192	83	275
Total	4,062	3,959	8,021

Certification of the Financial Report

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



John Brown
General Manager

Date : 2/11/2021