

ANNUAL REPORT

2021/2022



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INTRODUCTION

The *Local Government Act 1993* requires every Council in Tasmania to produce an Annual Report. This gives an opportunity for the Council to inform the community of achievements and challenges in the last year, and review areas to be improved upon. This includes the annual corporate planning and reporting cycle of the Derwent Valley Council each year. This report covers the period of the 2021/2022 financial year.

This report contains a series of chapters, each devoted to a function of Council, and an explanation of how these functions interact within the Derwent Valley Council structure.

The report also includes as an attachment the audited standard, financial, and performance statements. This shows how monies raised via rates, charges, fees, and grants received have been expended.

Each year the Council, in consultation with the community, prepares an Annual Budget within the context of the actions identified in the Strategic Plan – Our Valley 2030. The Strategic Plan and Budget are used to inform the decisions and actions of Council for the coming year.

Derwent Valley Council values the input of the community. Members of the community are invited to make submissions on the Annual Report for discussion at Council's **Annual General Meeting, which will be held at the Courthouse, New Norfolk on Thursday 15 December 2022 at 7.30 pm.**



MESSAGE FROM THE MAYOR



It is my pleasure to present the Derwent Valley Council Annual Report for 2021/2022.

This report provides insight into Council's achievements for the year ending 30 June 2022, and outlines future plans and information on the Council's current financial position.

The Council had a strong focus on improving Governance processes and supporting frameworks, as well as strengthening levels of community engagement.

A new Governance Model and Framework guided the establishment of Advisory Bodies and Councillor portfolio governance structure. We developed and reviewed more than a dozen Policies and Strategies to help guide Council process and decision making.

A new Community Engagement Policy and Framework was adopted, providing structure for managing community engagement activities, stakeholder expectations, and community input into Council's decision-making.

We consulted with the community more than ever before, utilising an engagement platform, YourSay Derwent Valley to deliver a range of engagement activities.

Council continued to apply for grants and advocate for funding and important issues from both State and Federal Governments.

This includes grant funded infrastructure upgrades to Willow Court facilities, local sporting infrastructure, Westerway Hall amenities and BBQ shelter refurbishment at the Esplanade, as well as \$900,000 funding for flood resilience activities.

We submitted a paper and addressed the Senate Inquiry Committee on the need for increased GPs and related primary health services in the Derwent Valley.

We declared a Climate Emergency, consulted with the community on our Waste Strategy and introduced a Recycle Centre at Council Chambers.

Our COVID-19 Local Business Support and Recovery Action Plan supported the community and helped businesses to recover from ongoing impacts. This included a Go Local First campaign and a fully allocated Local Business Grants program.

Community Grants of \$20,000 provided meaningful help to support important initiatives for six community organisations.

We have achieved a great deal with limited means and I'm confident the next year will deliver more of the same.

A stylized, handwritten signature in black ink, appearing to read 'Michelle Dracoulis'.

Michelle Dracoulis, Mayor

MESSAGE FROM THE GENERAL MANAGER



This report marks the conclusion of my second full year at Derwent Valley Council.

This year our increased focus on governance has served us well and new frameworks and strategies which have put Elected Members in a strong position from which to govern.

A tighter financial position for council means that decisions must be thought out and long term impacts and considerations taken into account.

The rising cost of living also impacts council operations and we must continue to be prudent in our decision making and spending on behalf of the community.

We have made a commitment to balance our financial situation whilst dealing with the increasing costs of new and maintaining ageing infrastructure, the need for improvement and maintenance of community assets, and the need to mitigate and respond to the impacts of weather events and COVID19. The coming year will see us continue to respond to these

challenges and operated within the controls and practices we have set for ourselves.

Our improved community engagement practices will provide input into council projects and plans and ensure we focus on the things that are important to residents.

Through prudent financial management we strive to live within our means and provide best value for rate payers. When needed we will continue to advocate to other levels of government to get the necessary investment for our community.

Dean Griggs
General Manager

OUR VALLEY



4,101 km²

MUNICIPAL AREA

Area of world heritage area 2,789 sq km

Total area of Public Reserves 3,266 sq km

300 km

TOTAL LENGTH OF COUNCIL MAINTAINED ROADS

Sealed roads 121 km

Unsealed roads 179 km



11,114

TOTAL POPULATION OF THE MUNICIPALITY¹



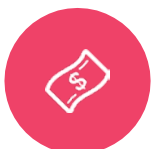
5,445

RATEABLE PROPERTIES

72% PURCHASING OR FULLY OWNED HOME

15.6% HOME RENTED PRIVATELY

4.7% SOCIAL HOUSING



\$15.961M

COUNCIL ANNUAL OPERATING INCOME (ACTUAL)

\$435M
GROSS REGIONAL PRODUCT²



3,091

JOBS IN THE VALLEY³

462
LOCAL BUSINESSES

NB: Gross Regional Product (as of 30 June 2018). GRP is the amount of the nation's wealth, which is generated by businesses, organisations and individuals working in the Derwent Valley.

¹ <https://profile.id.com.au/derwent-valley>

² <https://economy.id.com.au/derwent-valley/population>

³ <https://economy.id.com.au/derwent-valley>

COUNCIL PROFILE

The Derwent Valley Council is established under the provisions of the *Local Government Act 1993*. Council is made up of eight Councillors who each serve a four-year term, with elections held on an 'all in all out' basis. The term for elected Mayor and Deputy Mayor is also four years. During this calendar year, there were some changes in the Councillor line-up.

Elected Members

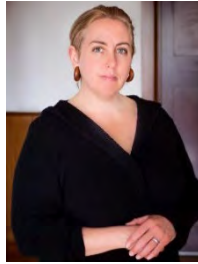
Mayor

Ben Shaw
(to 11 December 2021)



Mayor

Michelle Dracoulis
(1 March 2022 onwards)



Deputy Mayor

Jessica Cosgrove



Councillor

Paul Belcher
(to 8 December 2021)



Councillor

Luke Browning



Councillor

Martyn Evans
(to 26 November 2021)



Councillor

Frank Pearce
(to 15 February 2022)



Councillor

Julie Triffett



Councillor

Natasha Woods



Councillor

James Graham
(10 December 2021 onwards)



Councillor

Matt Hill
(10 December 2021 onwards)



Councillor

Phil Bingley
(8 March 2022 onwards)



Decision Making Structures of Council

The Council makes decisions based on a majority decision by the Councillors present at monthly meetings. Council meetings are held on the fourth Thursday of each month.

Councillors cannot make decisions individually. It is the role of Councillors to provide strategic leadership for the community and set the policy direction for the Council. Council makes decisions about the budget and determines planning applications under state legislation.

Councillors are also required to effectively represent and act in the best interests of their community. Councillors also facilitate communication between Council and members of the community.

Council is further supported by an Audit Panel. The Audit Panel is an independent advisory Committee to the Council, established in compliance with Part 8 of Division 4 of the *Local Government Act 1993* and the Local Government (Audit Panels) Order 2014. The Audit Panel's objective is to review the Council's performance under section 85A of the Act and report to the Council its conclusions and recommendations.

Members of the community have the opportunity to influence Council decision making through avenues such as community consultation and engagement, tabling of petitions and public question time at Council meetings.

The General Manager and Council Officers make operational decisions through delegated authority under Section 22 of the *Local Government Act 1993*. Delegations allow for timely and efficient decision making at an operational level. Council ensure authority is exercised appropriately by controls such as policies, procedures, supervision, and audits.

Council Meetings

Council meetings are open to the public (except where an item is considered to be of a confidential nature in accordance with the Local Government (Meeting Procedures) Regulations 2015. Meeting schedules are available on Councils' website and at the Council Administration Office.

Agendas and attachments are available from Council Administration Office on the Friday prior to meetings or on Council's website www.derwentvalley.tas.gov.au. Council's website also contains confirmed minutes and audio recordings from previous Council Meetings.

There was a total of 26 Council Meetings.

Meeting	No. of Meetings	Open Session Items	Closed Session Items	Total Items	% Items dealt with in Closed Session
Council	24	242	60	302	20%
Special Meetings	1	12	0	12	0%
Annual General Meeting	1	13	0	13	0%
Total	26	267	60	327	18%

Record of Council Meeting attendance

The below table provides the attendance of Councillors at the Council meetings and Audit Panel meetings for the 2021/2022 financial year.

Where a Councillor was not in attendance at a particular meeting, a leave of absence for a specific purpose may have been granted by Council pursuant to Section 39 of the Local Government (Meeting Procedures) Regulations 2015.

Councillors were permitted to attend virtually while the state of emergency was declared in accordance with the COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020.

Councillor	Ordinary Meeting	Closed Meeting	Special Ordinary	Special Closed	AGM	Audit Panel	Total
Ben Shaw***	4	4	1	0	0	0	9
Frank Pearce****	7	7	1	0	1		
Jessica Cosgrove	9	9	1	0	1	0	20
Julie Triffett	12	12	1	0	1	4	30
Luke Browning	10	10	1	0	1	4	26
Martyn Evans*	2	2	1	0	0	0	5
Natasha Woods	10	10	1	0	1	0	22
Paul Belcher**	2	2	1	0	0	0	5
Matthew Hill	6	6	0	0	0	0	12
Phillip Bingley	4	3	0	0	0	0	7
Michelle Dracoulis	4	4	0	0	0	0	8
James Graham	6	6	0	0	0	0	12

*Vacated due to non-attendance at Council meetings 26 Nov 2021

**Resigned 8 December 2021

***Resigned 11 December 2021

****Resigned 15 February 2022

Declarations to Council

James Graham - 10 Jan 2022

Matthew Hill - 10 Jan 2022

Michelle Dracoulis - 1 March 2022

Phillip Bingley - 8 March 2022

Councillor Allowances and Expenses Statement

Statement of Allowances and expenses paid to elected members Section 72 (1)(cb) of the *Local Government Act 1993*:

Total allowances paid to the Mayor, Deputy Mayor, and Councillors:

Total expenses paid to all Councillors:

Allowances, telephone, and travel paid to elected members for 2021/2022 were as follows:

Councillor	Allowance	Telephone	Travel
Ben Shaw	21,098.13		1,332.43
Michelle Dracoulis	15,823.00		1,284.58
Jessica Cosgrove	30,907.82		
Martyn Evans	5,552.85		
Julie Triffett	13,464.04		
Natasha Woods	13,464.04		
Paul Belcher	5,844.51		
Luke Browning	13,464.04		
Frank Pearce	7,813.19		
Philip Bingley	4,520.68		612.52
	131,952.30	0.00	3,229.53

Council Values

We recognise that the best way to deliver service as a Council is through valuing our people and intentionally developing a positive workplace culture. Accordingly, our staff is the driving force for excellence and assisting the organisation to achieve its strategic goals.

Quality Service: *We work to serve our community, to make a difference in what we do every day.*

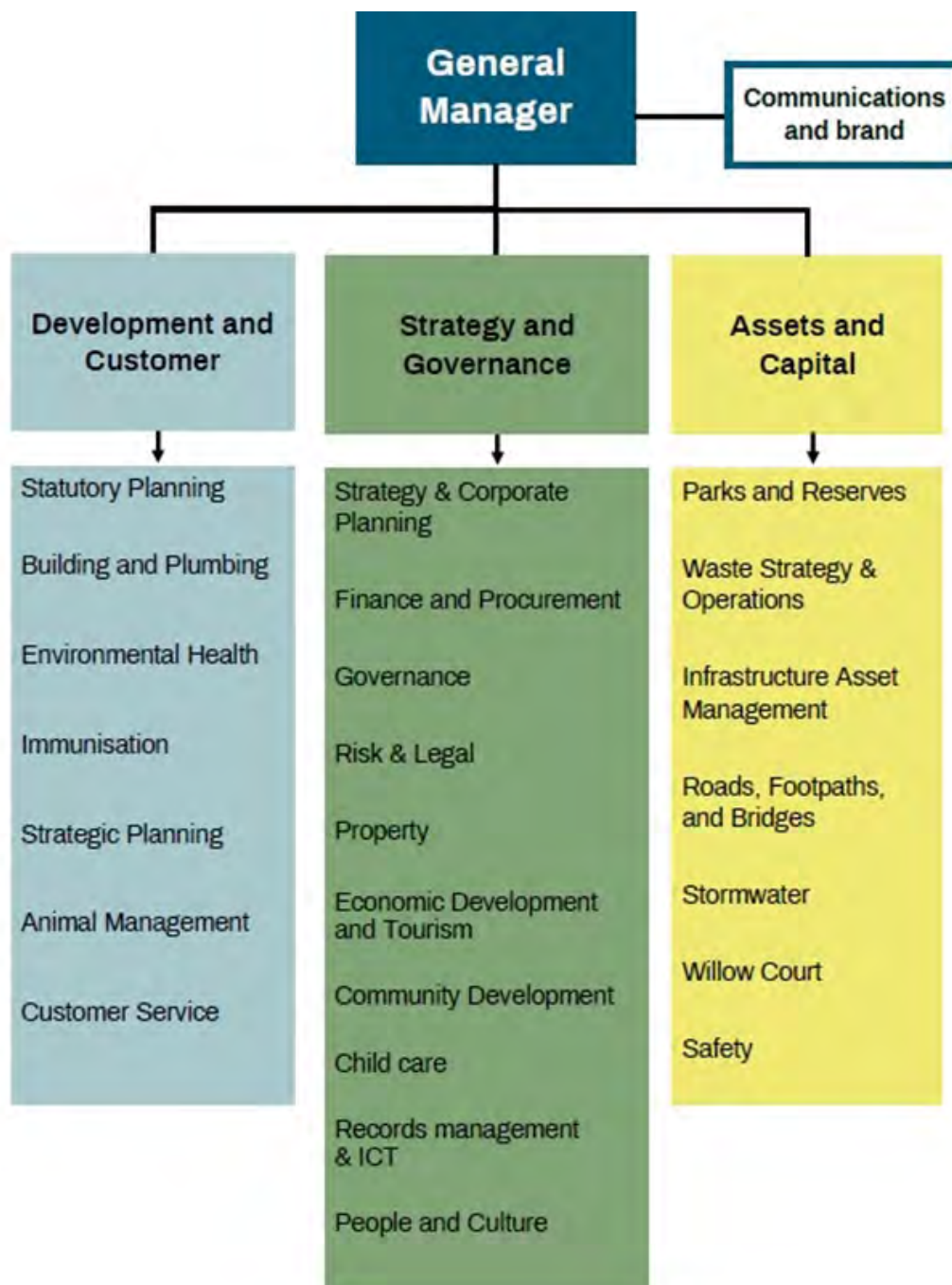
Collaboration: *We listen to and respect each other; we are supportive and work co-operatively and inclusively to achieve great results.*

Growth: *We grow and succeed through learning. We foster an environment that values the individual contribution of our people by providing them with opportunities to develop and grow their skills and knowledge to reach their potential.*

Integrity: *We strive to be valued and trusted by our community by being accountable and objective in our role as a local government.*

Wellbeing: *We demonstrate duty of care for ourselves, our teammates, and our community in all that we do. We value the health and wellbeing of our staff and community.*

Council Structure



Committees of Council

In the past year, Council completed the Review of Special Committees Project which was developed from a set of actions outlined in Section 8 of Our Strategic Plan 2030. The Strategic Plan states a desired outcome: 'The Plan is implemented through effective and transparent governance and partnerships.' The strategic actions related to the Project were:

- 8.4. Explore the feasibility of establishing portfolios for councillors.*
- 8.6. Review the structure and effectiveness of Council's Special Committees in consideration of the Plan's future delivery.*
- 8.7. Facilitate the development and implementation of a Beyond 2030 Committee – with State government involvement.*

Section 8 also seeks the outcome 'Services are integrated to maximise opportunities and participation'. Items 4.7, 4.8, 4.9, 4.11 further articulate strategic actions related to this Project:

- 4.7. Facilitate the establishment of a Derwent Valley Arts and Culture Body to more effectively coordinate offerings.*
- 4.8. Facilitate the establishment of a Derwent Valley Sports and Recreation Body.*
- 4.9. Facilitate the establishment of a Derwent Valley Youth and Family Services Body.*
- 4.11. Facilitate the establishment of a Derwent Valley Heritage Body.*

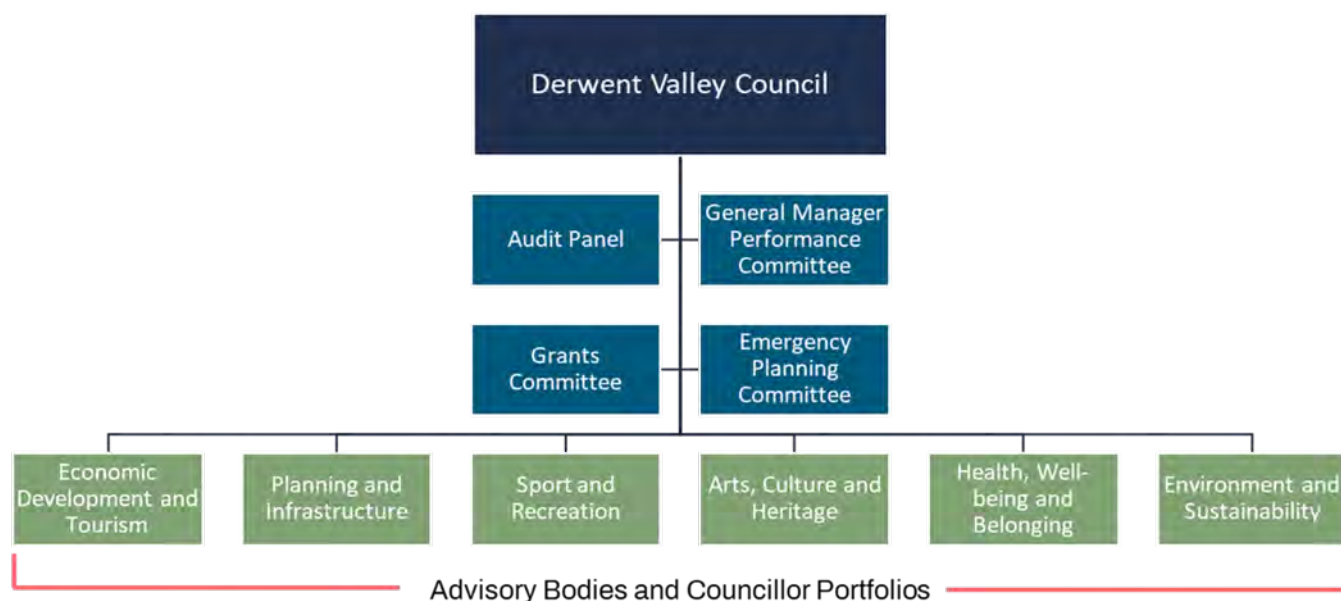
The Project was designed to deliver on all of the strategic actions outlined above and to be based on good practice change management, community engagement and open and transparent governance/decision-making.

In November 2021, Council disestablished its Special Committees (under the *Local Government Act 1993 Section 24*) and resolved to establish an Advisory Bodies and Councillor portfolio governance structure in line with the Good Governance Guide for Local Government in Tasmania. The resolution delivered seven actions of the Strategic Plan 2030, designed to improve governance, and maximise public participation.

The purpose of the Advisory Bodies and Councillor Portfolio system is to complement and support Council's formal decision-making structure by providing an opportunity for Councillors to become more engaged with and develop an in-depth understanding of the issues relating to their specific Portfolios. The model also supports the review of the Strategic Plan and creates more opportunities for community and stakeholder participation.

In June 2022, the Governance Framework, along with a Core Terms of Reference – Advisory Bodies, and Councillor Portfolio Policy, was approved by the Council.

The new Governance Structure, is outlined below:



Councillors are also appointed to other external organisations as outlined below:

Joint Authorities, Statutory Bodies and Panels	Purpose
Derwent Valley Council Audit Panel	The Council has established an Audit Panel in accordance with Division 4 of Part 8 of the Act to oversee and advise the Council on matters of internal and external audit and risk management and compliance functions of the Council. Members of the Audit Panel will be appointed and operate in accordance with the Panel's Charter.
TasWater Authority	The Council is also a shareholder owner in the Tasmanian Water and Sewerage Corporation (TasWater), established to deliver State-wide water and sewerage services that Councils formerly delivered.
Southern Tasmania Council Authority (STCA)	Southern Tasmanian Councils Authority is a representative body of the 12 Southern Councils with the purpose of facilitating cooperative working partnerships and to improve the ability of Councils to take joint action to address regional development issues and progress sustainable economic, environmental, and social outcomes for Southern Tasmania, its local communities, and the State.
Local Government Association of Tasmania (LGAT)	The Council is a member of the Local Government Association of Tasmania, which is established under Part 16 of the Act to represent the interests of Local Government in the State.

FINANCIALS

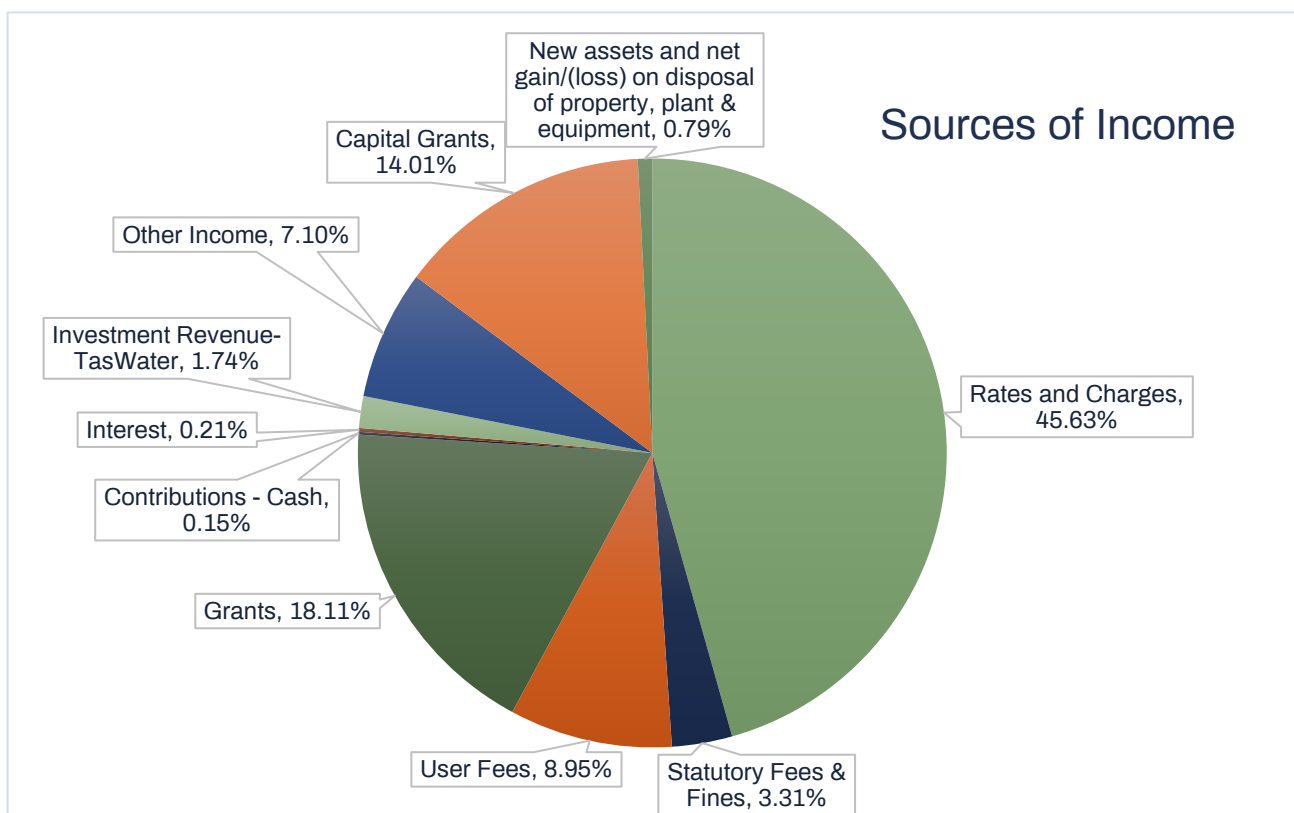
The Annual Financial Report, including notes to the accounts is provided as an Appendix to this Annual Report. The Annual Financial Report meets the requirements of the *Local Government Act 1993* and Australian Accounting Standards and has been audited by the Tasmanian Audit Office. The following information aims to provide a brief summary of Council's 2021/2022 financial result.

Sources of Income

The Council receives revenue from a wide range of sources, including rates, user fees, fines, grants, contributions, and other income. The total operating income for 2021/2022 was \$15.96M. The main source of revenue for the Council comes from rates and charges, which represents 53.55% of the Council's income.

Revenue Comparison	2018/2019 %	2019/2020 %	2020/2021 %	2021/2022 %	2021/2022 \$
Rates and Charges	54.51	49.68	55.02	53.55	8,547,012
Statutory Fees and Fines	3.05	2.78	6.09	3.89	620,338
User Fees	10.98	10.61	11.81	10.50	1,675,969
Grants	18.06	17.88	17.35	21.25	3,391,913
Contributions - Cash	0.09	0.14	0.05	0.18	28,615
Interest	1.23	0.50	0.31	0.25	39,626
Investment Revenue - TasWater	1.95	0.87	0.96	2.05	326,400
Other Income	10.13	17.54	8.42	8.33	1,330,826

Where the Funds came from: Total income from continuing operations **\$18,732,125**



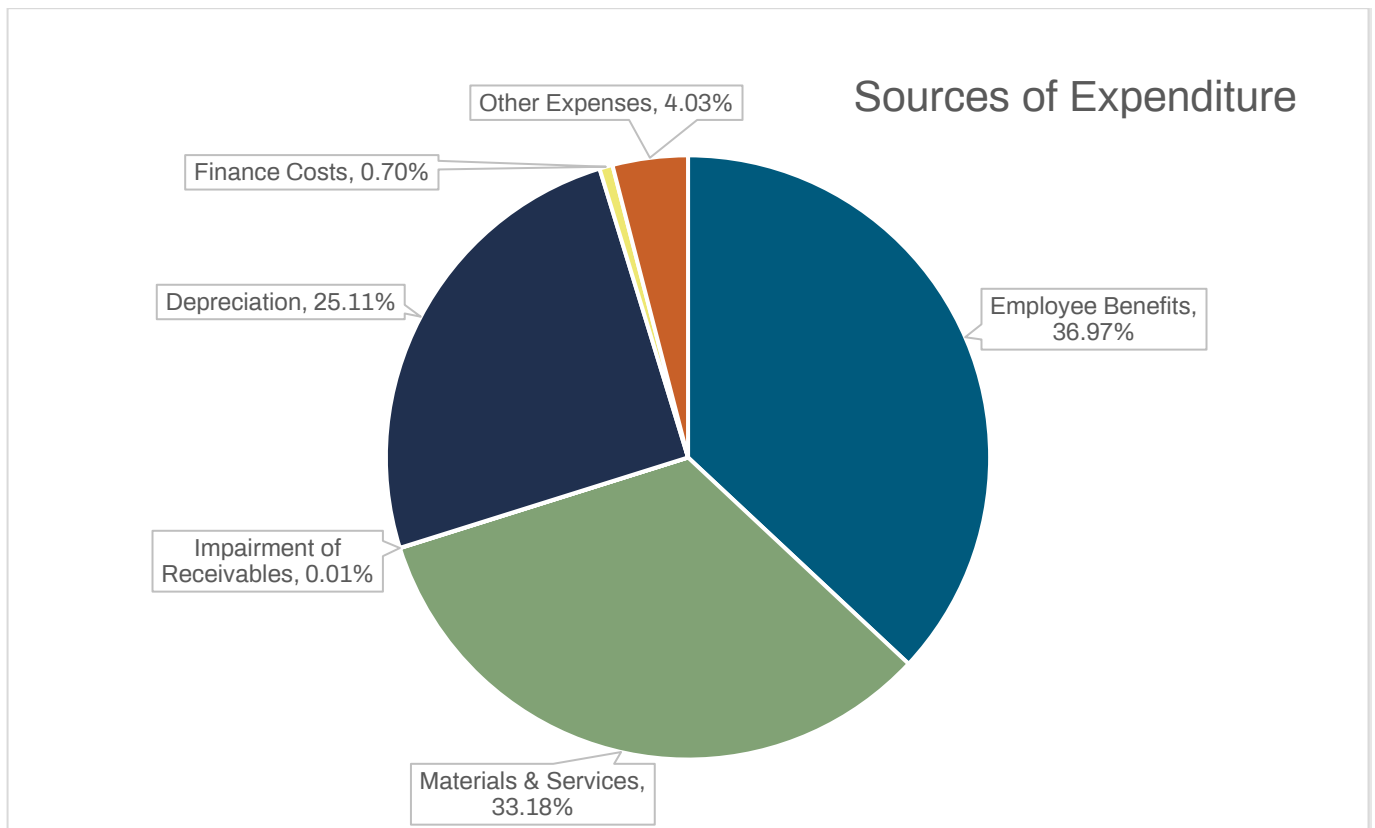
Sources of Expenditure

The Council's total expenditure for 2021/2022, including depreciation, was \$18.34M. The majority of the Council's expenditure relates to delivering services that benefit the community. Other expenditure categories include employee costs, depreciation, and other expenses.

The below table provides a summary of operating expenditure for 2021/2022 and the comparison as a percentage of total operating expenditure over the last four financial years.

Expenditure Comparison	2018/2019%	2019/2020%	2020/2021 %	2021/2022 %	2021/2022 \$
Employee Benefits	33.12	33.26	35.07	36.97	6,781,186
Materials and Services	35.73	32.38	33.25	33.18	6,085,765
Impairment of Receivables	1.59	0.00	0.01	0.01	2,646
Depreciation	18.86	23.78	21.92	25.11	4,605,015
Finance Costs	1.34	1.40	0.82	0.70	129,057
Other Expenses	9.36	9.18	8.93	4.03	739,141

Where the Funds were spent: Total expenses from continuing operations **\$18,342,810.**



Senior Employee Total Remuneration Statement

This statement is in accordance with Section 72 (1)(cd) of the *Local Government Act 1993*. The Council is required to report on the total annual remuneration paid to employees who hold senior positions.

Total Remuneration including salary, superannuation and private use of any motor vehicle as required under the *Local Government Act 1993* is below, further information is outlined in the Financial Report.

Salary Band	Number of Employees
\$100,001 - \$120,000	1
\$160,001 - \$180,000	2
\$200,001 - \$220,000	1
\$240,001 - \$260,000	1

Council's Workforce Profile for 2021/2022 is as follows:

	Full-Time	Part-Time	Casual
Governance	1	1	0
Environment & Planning	5	10	1
Corporate	10	2	2
Works	25	1	0
Childcare	1	18	6
Total	42	32	9

Grant Assistance and Benefits

This statement is in accordance with Section 77(1) of the *Local Government Act 1993*.

Description	Amount \$
Quick and Representational Grants	2,605
Community Grants Program	20,000
Derwent Valley School Bursaries	800
Community Halls - Insurance	5,489
DV Sports & Recreation Centre	85,000
Tourism Support	4,928
Total	118,822

This is expanded upon below.

Community Grants Program

\$20,000 was awarded to six (6) community organisations in the Community Grants program for 2021/2022. These grants brought the total to more than \$273,000 that has been awarded to Community Organisations from Council since the Community Small Grants Program started in 1997/98.

This statement is in accordance with Section 77(1) of the *Local Government Act 1993*. A total of \$20,000 was granted/donated during the 2021/2022 financial year. All amounts are GST exclusive:

Organisation	Funds Utilised for	Funds Allocated \$
Community Grants Program 2021/2022		
New Norfolk Soccer Club	Women's playing uniforms	1,000.00
Parkrun Australia Ltd	Establish a New Norfolk Parkrun	5,350.00
Derwent Valley Horse Riders Association	Upgrade the access track at Kensington Park	6,000.00
Derwent Valley Players	12 months' storage of props and/or costumes	1,800.00
St Matthews Church	Restoration of the 120-year-old 'sanctuary window'	5,350.00
Derwent Valley Online Access Centre	Purchase a 3D printer	500.00
Total		20,000.00

Contracts for Supply of Goods and Services

For the purposes of compliance with the *Local Government Act 1993*, the following contracts are for the supply or provision of goods or services valued at or exceeding \$100,000 that have been entered into or extended during this financial year.

The following statement is made in accordance with Section 29 of the Local Government (General) Regulations 2015. For the purposes of section 72(1)(e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$250 000 (excluding GST), that is entered into, or extended under regulation 23(5)(b), in the financial year.

Contract & Business Details	Description	Contract Period	Extension Option	Contract Sum (inc. extension options)
2017/006 - Town Maintenance Maydena & Westerway Stornoway Maintenance 1/37 Tasma Street North Hobart TAS 7000	Planned maintenance works are for the townships of Westerway and Maydena	06/11/2017-06/11/2022	+ 5 years	\$222,960
2017/010 – Waste Management & Resource Recovery Bennett’s Mowing Services 9 Moores Road, Lachlan TAS 7140	Tollbooth operations at Peppermint Hill and waste management for National Park and Molesworth.	01/04/2018-30/03/2023	+ up to 5y	\$222,100/yr.
2018/001 – Kerbside Waste Services Veolia Environmental Services (Australia) Pty Ltd 95 Kennedy Drive Cambridge TAS 7170	Kerbside waste and recycling collection.	01/07/2018-30/06/2023	+1 +1	\$284,628 /yr.
2019/019 - Supply & Delivery of Gravel for the Peppermint Hill Landfill Site MSD Construction 1 Daniels Road, Magra TAS 7140	Supply of material	25/07/2020-30/06/2023	NA	\$169,200 (based on 6000T)

2018/014 Green Waste Management BG & JM Barwick Pty Ltd Lyell Hwy Granton, TAS 7030	Green waste mulching.	01/03/2019– 28/02/2024	+2	\$180,000 (based on 18000m³)
2019/001 Internal Cleaning Services – Council Buildings Cleaning Wizard Australia Pty Ltd 8/27 Swift Way, Dandenong South, VIC	Cleaning of Council buildings	01/07/2019- 30/06/2022	NA	\$209,510.7 0
2019/003 Integrated Business System Open Office Holdings Pty Ltd Level 1, 253 Wellington Road Mulgrave VIC 3170	Business System	01/06/2020- 31/05/2025	NA	\$809,500
2019/018 Provision of Security Services & Alarm Monitoring Kevlar Security Solutions Pty Ltd 80 Charles Street Moonah TAS 7009	Security services	30/10/2020- 30/10/2025	NA	\$265,800
2020/007 The Avenue & George Street Intersection Improvements & New Norfolk Car Parks Project	Civil works, including car parks, intersection improvements and road rehabilitation	10/01/2021- 23/04/2022	NA	\$654,282
2020/014 Glen Dhu Rivulet Flood Resilience Project MSD Constructions Pty Ltd 1 Daniels Road Magra TAS 7140	Rivulet restoration	01/05/2021- 31/07/2021	NA	\$151,626
Retail Electricity Supply - Small Meter Sites Aurora Energy Pty Ltd	Electricity supply	01/07/2021- 1/07/2025	NA	\$133,580

2020/043 Tynwald Park Sports Facility Upgrade Vos Construction & Joinery Pty Ltd Browns Road, Kingston, TAS 7050	Pavilion Construction	11/11/2021	NA	\$1,076,389
2021/001 Provision of Services Managing Council Swimming Pools 2 Stokes & More Pty Ltd 23 Brushbox Way, Peregian Springs, QLD 4573	Management of New Norfolk and Bushy Park Pools	1/10/2021 – 30/6/2023	NA	\$124,951
2021/002 Tynwald Park Junior Soccer Field Lighting Project Contact Electrical Pty Ltd 17 Federal Street, North Hobart, TAS 7000	Upgrade to Lights	02/11/2021	NA	\$127,165
2021/003 Road Rehabilitation Program Tranche 1 Stabilised Pavements of Australia Pty Ltd 234 Wisemans Ferry Road, Somersby NSW 2250	Road Rehabilitation – Giddy Avenue	09/12/2021	NA	\$435,341
2021/004 Road Rehabilitation Program Tranche 2 AWC Pty Ltd 18 Jordon Downs Drive, Brighton TAS 7030	Road Rehabilitation – Saddle Road	01/01/2022 – 30/06/2022	NA	\$489,877
2021/005 High Street Revitalisation Stage 1 - Civil MSD Constructions Pty Ltd Daniels Road, Magra TAS 7140	Civil works for High Street	02/11/2022	NA	\$415,791

2020/046 High Street Revitalisation Stage 1 – Supply & Installation of Tree Cell System Citygreen Systems Pty Ltd George Street, Singleton NSW 2330	Supply of Stratavault tree cells	30/09/2021	NA	\$147,822
2021/006 Andrews Street Stormwater Upgrade MSD Construction Pty Ltd Daniels Road, Magra, TAS 7140	Stormwater upgrades	16/12/2021 31/03/2022	NA	\$144,410
2021/009 The Esplanade Stage Falkner Constructions Pty Ltd 8 Sculleys Lane, Bushy Park, TAS 7140	Stage Construction	16/03/2022	NA	\$317,890

The following statement is made in accordance with Section 29 of the Local Government (General) Regulations 2015. For the purposes of section 72(1)(e) of the Act, a council is to report in its annual report all instances where regulation 27(a) and (i) have been applied.

Description of the reason for not inviting public tender	Description of the goods or services	Name of supplier	Value
Unavailability of competitive or reliable tenderers (DN185/2021)	Stratavault tree cells for High Street Project	City Green Systems Pty Ltd George Street, Singleton NSW 2330	\$147,822

COMMUNITY STRATEGIC PLAN - OUR VALLEY 2030

The Plan provides direction and guidance to the Council in the allocation of resources and priority actions for the next 12 years and will work in conjunction with the Council's Annual Plan, Long-Term Financial Plan, Asset Management Plan and a range of other strategies and programs that are the result of project implementation and development.

Our Valley 2030 includes a number of actions across eight strategy streams that reflect the values of Natural, Inviting and Local.

The Plan includes timelines for delivery of actions as well as lead organisations and stakeholders who will be involved in the delivery of actions.



The next section of this report provides an update on the action items within the Strategic Plan.

Strategic Action 1 – A regionally diverse, competitive, and innovative Valley that is attractive to all.

Educational support for our local workforce needs

Action	Results
1.1 Facilitate partnerships and discussions to identify education and training opportunities required to meet the valley's future economic needs.	<p>Council as a member of the South-Central Sub-Region was successful in a Tasmanian Community Fund to establish a Workforce Development Coordinator program to service the region.</p> <p>In partnership a draft strategic plan for the sustainable growth of tourism and agriculture in the Derwent Valley.</p>
1.2 Advocate for affordable education or learning facilities to be based in the Valley.	<p>Advocacy for affordable education or learning facilities based in the Derwent Valley is an ongoing process with stakeholders.</p> <p>Additionally, the objectives of the Workforce Development Coordinator in engaging with potential employers, employees, and organisations active in the space such as TasCOSS, Trade Training Centre, TasTafe and Councils to continue to provide outcomes.</p>
1.3 Facilitate business development workshops for our small businesses.	<p>Council Officers have been playing a dynamic role in supporting activities across the valley; these include assistance during the recent COVID-19 crisis period, promotion of strategic work in collaboration with other organisations and participation in a number of programs and projects such as Journey to Jobs and the Collaboration Forum.</p>
1.4 Facilitate development sessions suitable for the Valley's tourism professionals.	<p>Council Officers have been working with external providers to facilitate opportunities for industry to come together and discuss their requirements. Budget limitations and COVID-19 restrictions have prevented Council from developing and delivering further public engagement sessions at this time.</p>

Turning Willow Court into something even more special

Action	Results
1.5 Facilitate a viable adaptive reuse for Willow Court.	<p>Progression of the Willow Court Subdivision to enable the reuse of the site has been an ongoing project, with the Development Application process complete.</p> <p>Salamanca Arts and Derwent Valley Arts commenced licensed activation of the Barracks building in February 2021. Each month hosting exhibitions that included highlights such as; artists within the valley, local collectors, National and internationally significant artists, NADIOC week. Visitation over the six exhibitions received 2585 patrons over the 71 days of exhibition (until September 2021).</p> <p>Progression on the activation of the Large C Ward Exercise yard was also secured with the Agrarian Kitchens proposal of to relocate the Agrarian Kitchen Cooking School to the Bronte building and re-purpose the exercise yard at Willow Court to provide a productive garden. Produce from the garden would be utilised in both the Cookery School and the Agrarian Eatery.</p>
1.6 Develop and implement a masterplan for the Willow Court precinct.	<p>The Willow Court Prospectus provides for the Master Plan of Willow Court with a holistic approach to the reuse of the site. Partnerships with proponents including Agrarian Kitchen, New Norfolk Distillery, Salamanca Arts and Corumbene Care have a strong focus on building the capacity of the region through providing employment, regional dispersal of tourists and opportunity for collaboration with other businesses and ventures.</p>

Allowing Social Enterprises, Artist, and Performers to contribute to the valley

Action	Results
1.7 Facilitate the instigation of a social enterprise forum for local businesses.	<p>The timeline for completion of this action is 2023, subject to budget allocations.</p>
1.8 Investigate opportunities to provide spaces for artists, performers, and social enterprises.	<p>The Film society established by Derwent Valley Arts in October 2020, has held monthly films at the Memorial Hall (Bunker) with average film attendance recorded as 42 people per month.</p>

Making the valley an inviting place to visit

Action	Results
1.9 Develop and implement a masterplan for High Street's future (including improved lighting).	<p>The implementation of the Urban Design for the Town Centre and Town Precincts is underway with funds from Local Roads and Community Infrastructure Phases 1 and 2 and support from the Federal Government.</p> <p>The Avenue project was funded by the Federal Government through the Community Development Grants Program enabled footpath replacement along The Avenue, improvements to the George St/Burnett St/The Avenue intersection; the creation of two new carparks with 35 new car parking spaces including disability parking, the remediation of the entrance to Frascati House, road resurfacing and line marking.</p> <p>Local Roads and Community Infrastructure funds allocated to Stage 1 of the High Street redevelopment allow for the installation of trees and associated landscaping, upgrades to pavement and disability parking within High Street.</p>
1.10 Enhance the physical appearance of the gateways to our Valley.	<p>The Urban Design for the Town Centre and Town Precincts includes improvements to the appearance for the New Norfolk town entrance gateways. Additional improvements to boundary signage for the region incorporating the Community Branding is to occur as part of a larger signage strategy.</p>
1.11 Improve directional signage to the New Norfolk Town Centre.	<p>The Urban Design for the Town Centre and Town Precincts includes improvements to directional signage within the town centre. These placemaking signs will incorporate the community brand.</p>
1.12 Improve tourism signage within each town, highlighting the popular destinations (food, wine, heritage, environment).	<p>Identified as part of the Recreation Play and Open Space Strategy and to be incorporated as part of the larger signage strategy to enhance place finding within the region.</p> <p>Completion of the Community Branding Strategy has enabled this to commence.</p>

Action	Results
1.13 Enhance visitor services to become a key asset in the Derwent Valley that provides quality information on passive (including self-guided) and active touring activities and our food, heritage, and environment assets.	Council has updated and launched a refreshed version of its visitor guide and is providing visitor services at the Council Chambers during its opening hours.
1.14 Advocate for increased private transport options to major tourism attractions during peak tourism season.	Advocacy for improved private transport options is an ongoing process.
1.15 Improve signage and access to Peppermint Hill and Pulpit Rock lookouts.	Identified as part of the Recreation Play and Open Space Strategy, improvements to signage incorporating the community brand will provide visibility of these lookouts.
1.16 Investigate demand for food caravans at key Valley destinations during peak seasons.	Council is yet to commence due to the impacts of COVID-19, however ongoing leases of space at the Granton Reserve. Policy development and enhancement of available spaces is part of the considerations.
1.17 Support the implementation of the Western Wilds Tourism Journey.	<p>Council Officers sit on the Journey's Working Group, which includes the Western Wilds, and liaise regularly with tourism operators about implementation.</p> <p>COVID-19 has prevented Council from committing to funding to enhance the Western Wilds presence in the Derwent Valley.</p>
1.18 Develop and implement a master plan to improve access to the Derwent and Tyenna Rivers (at The Esplanade and Westerway, for example) for recreation and tourism.	<p>The Recreation Play and Open Space Strategy has identified a number of master plans for improved access.</p> <p>The timeline for completion of this action is 2026, subject to budget allocations.</p>

Strategic Action 2 – A well-planned and supported infrastructure to meet the growing demands of the region.

Improving the quality of our telecommunications

Action	Results
2.1 Advocate on behalf of the community for access to new and existing phone and internet technologies for the entire Valley.	Advocacy for improved communications networks as well as highlighting the blackspot areas for mobile coverage remains a key priority. Grant funding opportunities with telecommunication providers has also been explored.
2.2 Promote community response to Federal Black Spot Eradication Programs as they become available.	Council continues to promote and apply for funding through the Black Spot Eradication Program.

Improving our infrastructure

Action	Results
2.3 Advocate for sealed road access to connect us to the Huon Valley	Derwent Valley and Huon Valley Councils have been successful in advocating for funding to undertake a feasibility study into this. The feasibility study has been completed and determined that the sealing of Jefferies Track was not viable.
2.4 Advocate for improved tourist road quality, especially sealed all-year roads, e.g., Lake Dobson Road	Advocacy for this is an ongoing process reliant upon stakeholder input.
2.5 Promote community understanding of infrastructure needs and priorities	Council continues to progress works on its Asset Management Plan. Consultation on Councils Recreation Play and Open Space Strategy and Urban Design concept plan has assisted in the community's input and understanding of needs. Further work is required on the hierarchy of maintenance and intervention within budget allocations.

Improving access to public toilets

Action	Results
2.6 Install public toilets in the Upper Derwent Valley.	Council has been successful in a grant through the Building Better Regions fund and installed the Westerway Toilets this year.

Strategic Action 3 – We preserve, protect, and promote our lived, built, and natural environment for the next generation.

Promoting and preserving our lived, built, and natural environment

Action	Results
3.1 Promote community understanding of the benefits of environmental activities.	Through Derwent Catchment support and advice is provided on restoration and weed management. Developed the flood education package for landholders.
3.2 Develop a sustainable land use strategy that facilitates considered growth and tourism while preserving and protecting our natural and built environment and strategic farming land	Council officers are working with Derwent Catchment to implement a Building Better Regions Grant that will result in a sustainable land use strategy. Work and consultation with the tourism and agricultural sectors has been undertaken.

Reducing our rubbish going to the tip

Action	Results
3.3 Develop and manage a Waste Management Strategy that considers increased recycling and reuse opportunities, the reduction of single use plastics and an improved tip shop.	Council finalised its Waste Management Strategy aligned with the State Waste Strategy and incoming state-based legislation aims at providing strategic direction for Council through clear and concise actions.

Continuing the management of weeds, willow, and biosecurity

Action	Results
3.4 Build on the outcomes achieved from the Willow Warriors Willow Control Program.	<p>Derwent Catchment with support from Council is working with a team of volunteers (Willow Warriors) to improve river access and improve the condition of the Tyenna.</p> <p>The program has been progressively implementing the river restoration plan. Works are complete from Maydena to Tyenna. Working bees are being held on a monthly basis to support volunteer activity.</p>
3.5 Continue the efforts of the Weed Management Plans to eradicate priority weeds through best practice weed management.	<p>Planned works undertaken and completed with additional resources allocated by State Growth to the Lyell Highway. Successful applications to the large grant round of the weed action fund to support activities in the Derwent including control of two priority weed species African feather grass and Karamu. With the core infestation of Karamu controlled through New Norfolk township.</p>
3.6 Encourage Biosecurity Tasmania to implement strategies as required, ensuring our agricultural sector is protected.	<p>Derwent Catchment have successfully attracted funding through the Tasmanian Drought Hub to support implementation of the Derwent Biosecurity Plan and are working with Council and a network of producers to ensure biosecurity remains a priority.</p>

Improving water quality within our rivers

Action	Results
3.7 Support and encourage sustainable agricultural programs.	<p>The Council supports the Derwent Catchment projects diverse range of agri-best practice programs. A key focus of activities this year has been on improving drought resilience and improving pasture management practices.</p>

Expanding our native vegetation and animal habitat

Action	Results
3.8 Collaborate to connect remnant vegetation patches to create green corridors.	Council through its work with Derwent catchment project is supporting a trees on farm program and restoration works along river ways that form key corridors in the landscape.

Strategic Action 4 – Services are integrated to maximise opportunities and participation

Helping the disadvantaged and marginalised

Action	Results
4.1 Facilitate and coordinate efforts to assist disadvantaged and marginalised members of our community	Council Officers are involved in a number of networking groups and assisting in creating a collaborative cross-agency approach to numerous projects. Throughout the COVID-19 pandemic Council has been able to facilitate groups to assist with these members of our community including food services, book, and library services etc.
4.2 Promote awareness within the community of external funding opportunities for home energy efficiency schemes	This action is subject to the availability of schemes.
4.3 Facilitate the holding of financial literacy workshops through the valley and increase coordination of provision of literacy and numeracy services	The timeline for completion of this action is 2021, subject to budget allocations.

Providing the best medical, health and State Government services possible

Action	Results
4.4 Facilitate increased coordination of effort to provide collaborative and improved health services, allied health services, mental health services, aged and palliative care services	Throughout the COVID-19 pandemic this increased need for support and improved services has been highlighted. Council continues working across government departments to assist with the facilitation of recourses and the promotion of available networks.
4.5 Advocate for health, allied health, mental health, aged and palliative care services required and access to 24/7 services	Ongoing advocacy for services required throughout the valley.
4.6 Advocate for a one-stop shop for State government services	The Derwent Valley has retained a Service Tasmania office. There will be further activities undertaken over the life of the plan.

Providing the best sports, recreation, arts, and cultural services possible

Action	Results
4.7 Facilitate the establishment of a Derwent Valley arts and culture body to more effectively coordinate offerings	Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. This will be an ongoing process to some extent dependent upon action 8.6.
4.8 Facilitate the establishment of a Derwent Valley sports and recreation body	Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. Grant application in partnership with sports groups has been achieved this year with improvements to the Boyer Oval and Tynwald Park precincts.

Empowering our younger people to be all they wish to be

Action	Results
4.9 Facilitate the establishment of a Derwent Valley youth and family services body	<p>Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group.</p> <p>This will be an ongoing process to some extent dependent upon action 8.6.</p> <p>Ongoing partnerships with providers have been highlighted throughout the COVID-19 pandemic to ensure youth and families have access to support and services.</p>
4.10 Increase connections between schools and local services/businesses to support the Children's University project	<p>The timeline for completion of this action is 2023, subject to budget allocations.</p>

Improving management of the Derwent Valley's built and community heritage

Action	Results
4.11 Facilitate the establishment of a Derwent Valley heritage body	<p>Council Officers are commencing work to hold initial discussions with stakeholders. An upcoming Expression of Interest process will provide interested members of the community to come together as part of this group. This will be an ongoing process to some extent dependent upon action 8.6.</p>
4.12 Explore the feasibility of locating the Historical Information Centre with the Visitor Information Centre	<p>The feasibility of relocation is underway to determine what a colocation may look like and service the community. Both the Visitor Information Centre and Historical Information Centre have been closed due to the COVID-19 pandemic.</p>

Growing our volunteer pool

Action	Results
4.13 Facilitate events, activities and forums requiring collaboration between older and younger generations to connect and work together	The timeline for completion of this action is 2023, subject to budget allocations.
4.14 Explore the expansion of a community learn to drive program utilising community mentors	The timeline for completion of this action was 2021, subject to budget allocations.
4.15 Partner with schools to mentor and build resilience within our younger people	The timeline for completion of this action was 2020, subject to budget allocations.

Strategic Action 5 – The Valley has a range of activities to improve physical or mental wellbeing

Increasing the number of tracks and trails available

Action	Results
5.1 Investigate feasibility of a walking/cycling path between the school and shop at Bushy Park	The timeline for completion of this action is 2025, subject to budget allocations. This has also been identified as part of the Recreation Play and Open Space Strategy actions.
5.2 Investigate the feasibility of walking tracks that allow dogs, e.g. The Esplanade, Tynwald Park, New Norfolk Bicentennial Track, The Wetlands, around Molesworth and along the Tyenna at Westerway	Preliminary work commenced on clearing a Council owned section of Tyenna bank. A group of volunteers are undertaking this work. This has also been Identified as part of the Recreation Play and Open Space Strategy actions. The timeline for completion of this action is 2026, subject to budget allocations.
5.3 Based on an outcome of engineering assessment, create a future strategy for the use of the Derwent Valley Line corridor	Engineering report presented to Council June 2019. Council endorsed a proposal to consider in-kind support to Derwent Valley Railway.
5.4 Investigate feasibility of a walking/cycling path between Lachlan and New Norfolk	The timeline for completion of this action is 2026, subject to budget allocations.

Keeping people of all ages stimulated throughout the year

Action	Results
5.5 Collaborate with relevant organisations to establish a range of activities or events for all of the community to participate in throughout the year	This has been identified through Council Recreation Play and Open Space Strategy however work will be dependent on the State Government as the landowner.
5.6 Investigate feasibility of establishing community gardens throughout the valley	Council has commenced planting of vegetables and herbs outside the Court House and Historical Information Centre in High Street. These vegetables are available for the community to pick as needed and is promoted through Councils social media page.
5.7 Develop secure playground areas in each town	The timeline for completion of this action is 2024, subject to budget allocations. This has also been Identified as part of the Recreation Play and Open Space Strategy actions.
5.8 Support the community to identify ways to increase the use of community halls and activities for all	<p>Council has been successful in obtaining a grant through the Building Better Regions fund and is working with the Westerway Hall committee to install toilets and other improvements to the hall.</p> <p>Additionally, Council provides support to community halls by assisting with the costs associated with annual insurance.</p> <p>Council is investigating ongoing grant funding to improve facilitates.</p>
5.9 Sporting infrastructure encourages community wellbeing and participation	Council has been successful in obtaining grant funding to assist with the improvement of facilities at Boyer Oval, Tynwald Park and PCYC. Council is also continuing to investigate and apply for ongoing grant funding to improve facilitates. Key priorities have been identified as part of the Recreation Play and Open Space Strategy.

Strategic Action 6 – The Valley has highly liveable and engaged communities, supported by access to its needs.

Increasing our community assets

Action	Results
6.1 Investigate the development of year-round, multi-purpose sporting facility	Key priorities have been identified as part of the Recreation Play and Open Space Strategy. This strategy identifies key locations that could facilitate a sporting precinct. Funding would be incumbent on State and Federal commitments.
6.2 Explore feasibility of developing a centre for arts and performances	Ongoing feasibility of a centre for arts and performance is underway. Council continues to seek funding to support the redevelopment of existing assets. The partnership with Salamanca Arts and Derwent Valley Arts will assist in determining core requirements.
6.3 Investigate the establishment of a suitable community meeting space at Maydena	The establishment of a community meeting space alternate to the Maydena School site has been raised by the Maydena Community Association. The timeline for completion of this action is 2025, subject to budget allocations.
6.4 Install a community noticeboard in Molesworth.	This action has been completed installation of a community notice board at the Molesworth Community Hall.
6.5 Facilitate the development of an action plan for Maydena	<p>The development of a plan and objectives to achieve has not yet commenced. In understanding the potential future growth for the region and what infrastructure is required an economic impact statement is needed.</p> <p>The timeline for completion of this action is 2020, subject to budget allocations.</p>

Enhancing access for people

Action	Results
6.6 Develop and implement a targeted approach to the creation of footpaths in the Derwent Valley	Council continues to work to develop its Asset Management system with the identification of existing and potential assets. Currently the Councils asset hierarchy provides for a footpath to be installed to be provided on one side of a street. Within this year's budget the completion of the Glebe Road footpath has been achieved. The creation of new assets as well as the maintenance of existing assets will require additional funding.
6.7 Facilitate conversations with the community to establish the case for increased public transport and advocate for increased funding for public transport to employment and educational opportunities and community services and events	Council Officers successfully lobbied Department of State Growth to ensure that there were no reductions in bus services provided by that Department in 2019. Changes have occurred to services to allow better servicing

Improving the appearance of our communities

Action	Results
6.8 Develop and publish a program to regularly mow our roadside verges	Council has published a program of when it will mow the roadside verges on its website. Ongoing development and refinement of Council maintenance programs is underway to provide better information for residents.
6.9 Educate the community about roadside littering	Captured as part of the Waste Management Strategy the need to better educate the community regarding litter has been identified. This has also been raised as part of the graffiti and beyond working group.

Improving housing opportunities for diverse needs

Action	Results
6.10 Facilitate partnerships with private and NGO housing providers to understand housing and rental needs of our community	Ongoing facilitation and advocacy have provided additional housing in New Norfolk.
6.11 Develop and implement a sustainable housing strategy which considers housing and rental options (including cooperative housing)	The timeline for completion of this action is 2024, subject to budget allocations.

Supporting opportunities for businesses in our smaller towns

Action	Results
6.12 Assist the community to investigate the viability of re-opening of the shops at Molesworth and Lachlan	This action is ongoing and requires significant stakeholder consultation. Private Investment in the community to purchase and operate these entities is required.

Changing perspectives of community safety

Action	Results
6.13 Collaboratively communicate accurate crime statistics to inform and engage the community	Ongoing partnerships with Tasmania Police have provided opportunities for presentations at Council meetings on key statistics and outcomes affecting the region. PCYC are located at the Derwent Sports Centre and are providing support and programs for young people within our community.
6.14 Ensure that master plans for public areas contribute to the community feeling of safety	The timeline for completion of this action is 2022, subject to budget allocations.

Strategic Action 7 – The Derwent Valley brand shapes our story and reputation

Educational support for our local workforce needs

Action	Results
7.1 Facilitate the development of a Derwent Valley brand strategy reflecting who we are (green, organic and our heritage)	Branding strategy completed and implementation is ongoing.
7.2 Implement the Derwent Valley brand strategy	<p>Council endorsed the brand strategy in March 2020.</p> <p>Brand and style guide developed and made available to users of the Derwent Valley Brand as part of the Registration process. Banners and wraps produced and used at community events. More to be developed as part of Derwent Valley Brand implementation.</p>
7.3 Work in partnership with artists, social enterprises, and others to innovatively explore our story to establish events and media coverage that celebrate us and our diversity	Council has partnered with Salamanca Arts and Derwent Valley Arts. Due to COVID-19 the hosting and establishment of events has been challenging.
7.4 Champion stories that celebrate our young people's achievements	Through Councils Australia Day Awards, school prizes and donations program, the Council is able to recognise our young people's achievements.

Increasing pride in what the community offers

Action	Results
7.5 Champion stories of the community's talents and how they are being used to promote pride in the valley	The Urban Design Plan for the Town Centre and Town Precincts Connections identifies Arthur Square as a space to install a walk of Achievers.
7.6 Facilitate tourism events in High Street, The Esplanade and Willow Court that showcase local produce, fashion, arts, musicians, photography, patchwork quilts, artisan furniture and social enterprises	Council continues to facilitate the New Norfolk Market through lease arrangements for High Street. In May Council endorsed a Partnership to provide financial and in-kind support for the upcoming Ten Days on the Island event 'Derwent Valley Intimate Epics' to be hosted at Council owned facilities including Willow Court, High Street, and the Esplanade.
7.7 Host a forum to explore how the talents within our community can be used to contribute to the economy or community, e.g., amateur beekeepers who would love to share their skills or produce with the community	The timeline for completion of this action was 2021, subject to budget allocations.

Increasing the Value We Place on Education

Action	Results
7.8 Pilot events and festivals that celebrate learning and education such as writers' festivals, school students' achievements	The timeline for completion of this action is 2024, subject to budget allocations.

Strategic Action 8 – The Plan is implemented through effective and transparent governance and partnerships.

Ensuring council effectively delivers on the Plan and business as usual

Action	Results
8.1 Integrate monitoring of the plan's progress into Council's governance processes	<p>Inclusion of action items within Council Reports provides a connection between decisions of Council and the Strategic Plan.</p> <p>Monitoring of Council's Strategic Plan actions and results is incorporated into Council's governance process with reporting to occur through the Annual Plan, Annual Report and progress updates as required.</p>
8.2 Communicate 12-monthly, easy to read monitoring reports to the community	<p>Update on actions developed as part of Annual Report. Specific items updated as appropriate via various communications channels.</p>
8.3 Develop a Plan Delivery Communications Strategy which considers media and face-face options to communicate how the Plan is being progressed	<p>Council adopted the Communications plan in December 2018. The implementation of this strategy is ongoing.</p> <p>Council liaises with multiple media outlets for promotion of Council and local activities as appropriate.</p>
8.4 Explore the feasibility of establishing portfolios for councillors	<p>Council adopted the Governance Framework, including Advisory Bodies and Councillor Portfolios in June 2022.</p>
8.5 Ensure that Council takes a prudent approach to budget development and delivery	<p>A review of the Council's Long Term Financial Management Strategy to align with the Strategic Plan is ongoing.</p>

Identifying partnerships to deliver parts of the Plan

Action	Results
8.6 Review the structure and effectiveness of Council's Special Committees in consideration of the Plan's future delivery	A review of the structure and scope of Council's special committees is complete.
8.7 Facilitate the development of a committee, with State involvement, to take us beyond 2030	Council adopted the Governance Framework, including Advisory Bodies and Councillor Portfolios in June 2022.
8.8 Explore the benefits of diverse citizen juries when implementing strategies and plans of a complex nature	The timeline for completion of this action was 2021, subject to budget allocations.
8.9 Council will partner with other government organisations and the community to deliver benefits to the community	Council partners with a number of organisations on an ad hoc and ongoing basis to deliver support programs.
8.10 Continually improve whole-of-government communications with the community	Communications is delivered in line with the Communications strategy. This process is continuously improved and incorporates the whole-of-government channels where appropriate.
8.11 Develop and implement a roads hierarchy that is communicated to the public	Communications have focus on increasing visibility of upcoming capital works in advance. An Infrastructure and Development Projects Map has been developed and published on Council's website showing projects mapped across the Derwent Valley. Council provides individual project updates of its website and Facebook page. In addition, the use of a roadside Variable Message Board has increased community visibility to road users on upcoming works.

2021/2022 HIGHLIGHTS

Introduction of Recycle Centre at Council Chambers

In January, Council introduced a recycle drop-off point in the Council Chambers to offer the public an easy and free option for up-cycling and recycling items that are not able to be recycled through a kerbside recycling collection.

This initiative aligned with Council's Waste Management Strategy and focus on the environment, with Council declaring a Climate Emergency later in the year.



Figure 1- Recycling Centre in Council Chambers

Derwent Valley Photo Competition

Council challenged local photographers to capture the true essence of the Derwent Valley with their cameras, with the best photos to be featured in a public exhibition with winners announced at a live awards night later in the year.

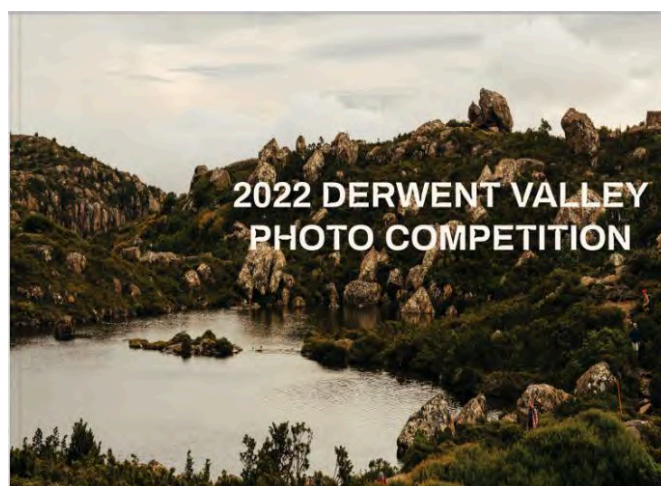


Figure 2- Photo Exhibition at the New Norfolk Library and Photo book of finalists

DV Paints the Town Red for Winter, culminating in Red Circle event

Council encouraged local businesses to 'go red for Winter' and led the way with participation in the 'Paint the Town Red' tourism campaign for the month of June.

Activations led by Council included red Unquestionably Derwent Valley banners down High Street, the front windows of the Council Chambers taking on a warm red glow and hosting a free community event, 'Red Circle', with music entertainment, food trucks and fire pits.



Figure 3- Red Circle event at Council Chambers

Go Local First campaign – April-June 22

Council put local Derwent Valley businesses front and centre by embracing the national Go Local First campaign.

Over the campaign, we showcased local businesses and told their stories of being a small business owner in the Derwent Valley, urging the local community to spend, and support local.



Figure 4- Go Local First Derwent Valley campaign

Capital Works

The 2021/2022 Annual Plan provided an appraisal of the current issues and identified key areas of focus for the financial year. These areas included monies allocated in the budget to address some long-term projects including:

High Street Revitalisation

This project comprised of the upgrade of the section of High Street, between Circle Street and Burnett Street.

This is the first stage of a longer-term project to upgrade the length of High Street that will be implemented over the coming years as funding becomes available.

Council endorsed the Concept Urban Design Plans for the Town Centre and Town Precincts Connections in January 2021 following extensive community consultation.

The High Street – The Circle Concept Design Plan addresses a number of key issues. These are noted in the plan and include but are not limited to:

- The lack of street trees that will provide shade, shelter, and amenity to the street environs,
- The unsafe pedestrian crossing locations at the intersection of High Street and the Circle,
- The need to review the location and suitability of parking spaces to provide disability access and support taxi use, and
- the intensity of the colour of concrete footpaths dominates the street view and detracts from street amenity.

In seeking to address a number of these challenges Derwent Valley Council engaged a design consultancy (Inspiring Place) to present solutions in the form of design drawings and associated specification notes.

Council appointed local business MSD Constructions Pty Ltd to undertake the project. The works completed by MSD include:

- New footpath paving,
- Pedestrian safety improvements,
- New street trees and furniture,
- Additional accessible car parking spaces

The High Street upgrade has:

- Provided an improved safety proposition,
- Significantly improved community access and engagement,
- Significantly improved the asset life,



Figure 1 - High Street Revitalisation Project

Willow Court Precinct Facility Upgrade

Upgrades to the Willow Court precinct include:

- Safety improvements for the George Street/Burnett Street/The Avenue intersection,
- 280 metres of road surface repatriation works between George Street and Willow Court car park,
- construct approximately 280 metres new footpath along The Avenue between George Street and Willow Court car park,
- replace existing table drain along The Avenue with new piped infrastructure,
- upgrade car parking within The Avenue,
- landscaping at entrance to Frascati house including removal of existing bitumen carpark,
- upgrade lighting, and
- upgrade path along The Avenue adjacent to the Agrarian Kitchen building and additional landscaping throughout The Avenue area.

The upgrade was funded through the Federal Government's Community Development Grants program.

The Avenue, within Willow Court, forms a major part of a trail network that runs through New Norfolk and its surrounds. The improvements made to The Avenue will encourage greater use of the trail network and will promote an active participation in walking, cycling and dog exercising. The works at The Avenue will assist in creating a positive attitude amongst residents due to the upgraded scenery.

The revitalisation of this area is essential to ensure that contemporary standards for public health, safety, and access for people with disabilities to open spaces and amenities meet appropriate standards and community expectations. The provision of these spaces will in turn yield a new community pride and encourage its use for community events and informal recreational activities.



Figure 2 - Upgraded carparking in the Avenue

Revitalisation of the Esplanade – Stage 2

Stage two of the upgrade of The Esplanade recreation area In New Norfolk included:

- upgrades to the existing playground including:
 - provision of all abilities equipment,
 - installation of fitness equipment, and
 - Installation of three barbecue huts and furniture.
- upgrade of existing pathways to accessible compliance Including provision of additional lighting,
- landscaping repatriation and Improvements Including rehabilitation of the New Norfolk pool surrounds,
- upgrade and extension of the swimming pool car park including pedestrian safety improvements,
- replacement of street furniture including seating, tables, and garbage receptacles, and
- road rehabilitation and improvements.

The upgrade was funded through the Federal Government's Community Development Grants program.



Figure 3 - The Esplanade Revitalisation Stage 2

Westerway Community Hall Improvements

This project comprised of the upgrade and improvement of the Westerway Community Hall amenities.

Derwent Valley Council partnered with the Westerway Community Hall Committee to build new fully accessible public toilets and to refurbish the existing kitchen within the hall.

The works included:

- The demolition of the male and female toilets previously located within the hall,
- The creation of a new entry space,
- The refurbishment of the existing Kitchen and storeroom,
- Construction of new toilet facilities

This project has helped the Derwent Valley Council in implementing part of the Derwent Valley Council Strategic Plan, Our Valley 2030, and will have long-term benefits. It also aims to help boost the already increasing tourism and local economy by providing a place for communities to come together, not only in Westerway but in surrounding areas.

The upgraded hall and new toilets offer the Westerway community a better facilitated local area to meet.

This project supports the growth of the tourism industry in the region through the newly constructed all access facilities. Prior to the completion of this project, visitors travelling between New Norfolk and Mt Field National Park had no public amenities available to them.

The main users of the new public toilets and the upgraded hall have been the local community and hall committee.

The hall committee have been exploring the possibility of establishing regular fitness classes and other recreational activities at the hall. These types of activities had not previously been held on the premises due to the inadequate access to toilets for participants.



Figure 4 - Westerway Community Hall Upgrades

Tynwald Park Sports Facility Upgrade

This project comprised of the redevelopment of the Tynwald Park Sports Facility. It was a collaboration between Derwent Valley Council and sporting club user groups, including: the New Norfolk Red Caps Cricket Club and the New Norfolk Junior Football Club.

The completion of the redevelopment of the Tynwald Park Sports Facility will further enhance and build upon already completed projects within the precinct, such as: cricket nets, oval fencing, additional spectator seating and a new cricket pitch with a synthetic surface.

The redevelopment works included:

- The removal of existing building internals and fitments,
- The refitting of 2 male and 2 female changerooms and a referees room,
- Construction of the new pavilion building, which includes:
 - An accessible toilet,
 - A kiosk,
 - A bar,
 - Storage space, and
 - A sheltered space for spectators

The improved facility will increase the clubs' ability to enter a greater quantity of women and junior teams into respective competitions. The increase in teams will bring a greater usage and numbers to the precinct, and on-flow of spending to local retailers.

The improved Tynwald Park Sports Facility aims to meet the expectations and needs of the community and visitors into the future. The creation of a more attractive destination within the Derwent Valley will assist in increasing visitor numbers, length of stay and spend within the town. The new facility, as a multi-purpose, adaptable, open community space, will assist in facilitating the expansion of existing events and encourage the development and hosting of new events.

This project was funded through the Federal Government's Community Development Grants program, the State Government's Sport and Recreation Major Grants Program and Derwent Valley Council.



Figure 5 - Tynwald Park Sports Facility – Pavilion Building

Road rehabilitation program 2021-2022

Derwent Valley Council continued its road rehabilitation program with support through the Commonwealth “Roads to Recovery” funding.

The Road rehabilitation program for 2021-2022 included sections of the following roads:

- Saddle Road;
- Giddy Avenue;

Road rehabilitation works included:

- Addressing stormwater management issues,
- Installation of pavement support infrastructure in the form of gabion baskets (Molesworth Road),
- Rehabilitation of the road pavement with appropriate in situ stabilisation,
- New wearing course (seal), and
- Line marking and improved safety opportunities.

Each of the roads were tendered as separate packages of works and through Council’s procurement process, awarded to separate contractors.



Figure 6 - Saddle Road – Under Construction and Complete



Figure 7 - Giddy Avenue – Under Construction and Complete

Tynwald Park Lights, Goal Posts and Coaches Boxes

As part of the 2021 State government election, a \$200,000 commitment was made to improving sporting facilities at Tynwald Park, New Norfolk. This funding provided for new, upgraded lighting facilities for soccer, new AFL goal posts and new coaches boxes.



Figure 8 - Upgraded lighting and goal posts at Tynwald Park

Andrew Street and Poulter's Road Stormwater Improvements

As part of its annual Stormwater maintenance program, approximately 200 metres of kerb and gutter, stormwater pipe and subsoil drainage were upgraded in Andrew Street, New Norfolk.

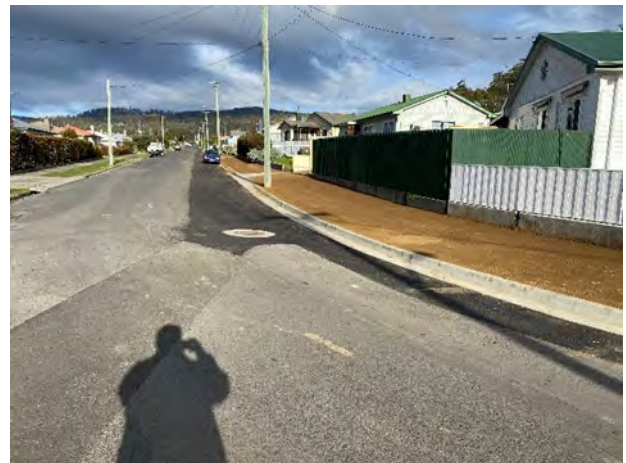


Figure 9 - New Kerb and Gutter, Stormwater Pipe and Sub-soil drainage in Andrew Street, New Norfolk

Stormwater works in Poulter's Road involved the installation of approximately 50m of kerb and gutter and stormwater pipe to complement the existing open drain and provide increased capacity to cope with overland water flows.



Figure 10 - New Kerb and Gutter and Stormwater at Poulter's Road, New Norfolk

Development Services

The Development Services team undertakes a number of regulatory and operational functions of Council. It encompasses the functional areas of Planning Services, Building and Plumbing Services, Environmental Health Services and Ranger Services as well as Customer Services. These service areas are discussed separately below.

Did you know...?	This year 2021/2022	Last year 2020/2021
Planning Applications* lodged	288	251
Permits for Building Works issued**	142	98
Dogs registered	2343	2837
Food licences issued	115	110

*includes No Permit Required certifications, applications made under s56, s57 & s58 of the *Land Use Planning and Approvals Act 1993* and requests for Planning Scheme Amendments

**includes Notifiable work, Building permits and Certificates of Likely compliance under the *Building Act 2016*

Planning Services

Planning services provides strategic and statutory planning services in accordance with the Resource Management Planning System of Tasmania. Its predominant role is as a planning authority under the *Land Use Planning and Approvals Act 1993* (LUPAA).

The main function as a planning authority is to assess and determine applications for planning permits for use or development in accordance with the Derwent Valley Interim Planning Scheme 2015 (the Planning Scheme). These applications are comprised of requests for amendments to the Planning Scheme, permitted and discretionary applications, or No Permit Required certifications.

Below is the breakdown in planning permits issued (as opposed to applications lodged) for the 2021/2022 financial year in comparison to the previous financial year (adjusted to match reporting parameters). It is noted that there may a significant time lag between the submission of an application for planning permit and the issuing of the permit itself, due to the high incidence of further information being requested.

Sector	FY2021/2022		FY2020/2021*	
Category	Applications	Value	Applications	Value
Residential	180	\$33,141,567	176	\$41,240,918
Commercial	18	\$997,480	15	\$59,157,500
Industrial & Utilities	10	\$860,000	3	\$194,305,000
Tourism	11	\$8,730,000	6	\$330,000
Subdivision	21	\$6,252,050	25	\$780,000
Other	20	\$2,147,520	16	\$2,170,722
Total	260	\$52,128,617	241	\$298,204,140

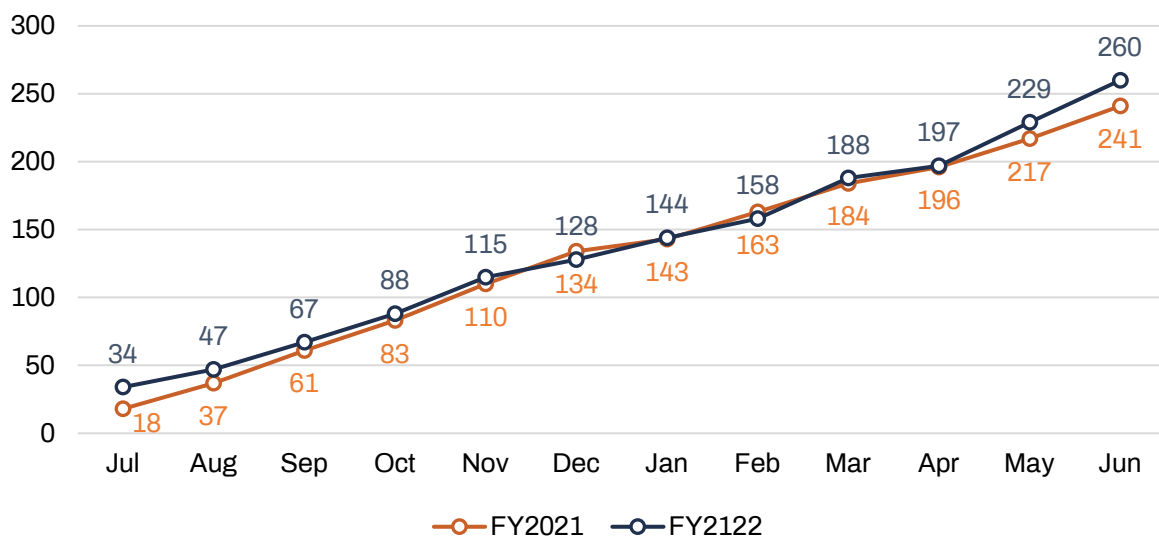
*FY2020/2021 adjusted to ensure comparable reporting parameters

From the above, it can be seen that development activity has been fairly stable across the sectors following a sharp increase in the previous year. Of interest is, that while subdivision

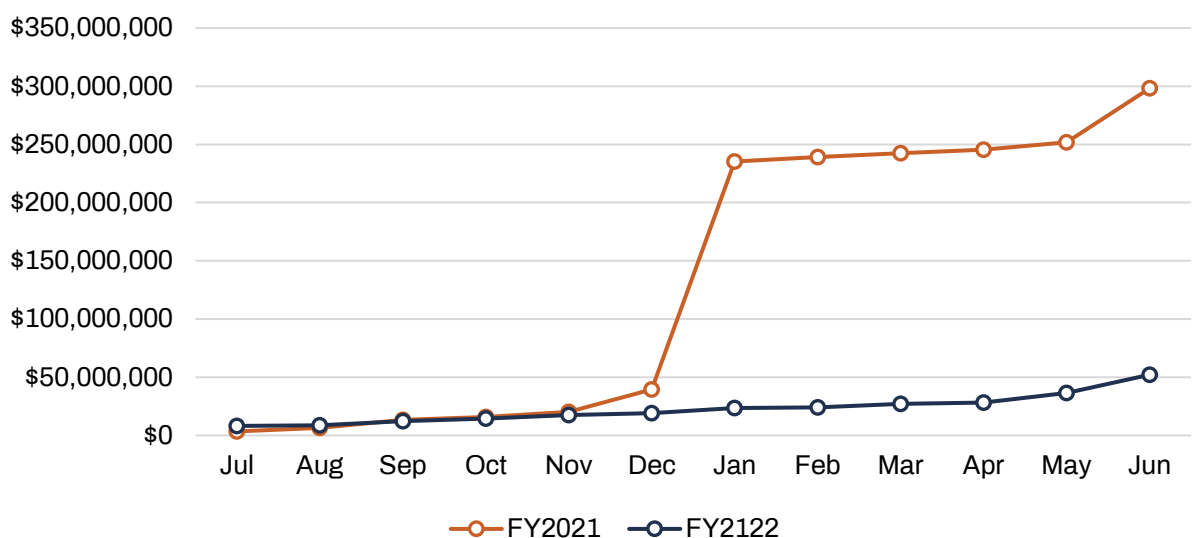
applications decreased from 25 to 21, 194 new lots were approved for the financial year compared to only 48 in FY2020/2021.

It is noted that, while the total number of applications for permit has only mildly increased (7.8% increase on FY2020/2021), total value has significantly dropped. The steep decrease in total value is attributable to a single large project of the upgrade of the Water Treatment facilities at Bryn Estyn (\$193.8M).

Planning permits approved



Planning permits approved (value)



- No Permit Required (NPR)

A No Permit Required (NPR) certification means that the use or development applied for complies with the relevant Acceptable Solutions of the Planning Scheme and does not require a Planning Permit. The assessment and issuing of such a certification require a similar level of assessment to a formal application.

While this is not a formal permit under LUPAA, Council provides this service to satisfy requests for compliance from Building Surveyors prior to the issue of a permit for building works. The NPR category is a required reporting category for the Consolidated Data Collection (CDC) returns issued by the Local Government Division of the Department of Premier and Cabinet.

Lodgment of planning documentation (in particular, a site plan outlining all existing and proposed structures on the land) is necessary to determine whether the proposed development falls into the NPR category.

- Application for permitted permit

An application for a permitted development is in accordance with s58 of LUPAA and is for a permitted use (not exempt) which complies with all acceptable solutions of the use and development standards and is not made discretionary or prohibited by any other provision of the planning scheme.

As a permitted application, it is not required to be advertised and Council must approve it but may impose conditions on the permit.

- Application for discretionary permit

A discretionary application is in accordance with s57 of LUPAA and is one that Council has the discretion to refuse or approve, with or without conditions. The application can be for a discretionary use or rely on a performance standard to satisfy a standard or made discretionary by a provision of the planning scheme or legislation.

Discretionary applications include applications which have the potential to cause environmental harm (classified under Schedule 2 of the Environmental Management and Pollution Control Act 1994).

All discretionary applications are required to undergo a period of public exhibition during which any person may make a written representation to Council in support or opposition of the proposal, which is required to be considered in determining the application.

- Amendments to the Planning Scheme

Requests may be made to amend the provisions of the planning scheme and commonly involve seeking to change the zone of a property. These requests are complex and, if receiving Council's initial support, are advertised and subject to a public hearing before the Tasmanian Planning Commission – who determine the matter.

Building and Plumbing Services

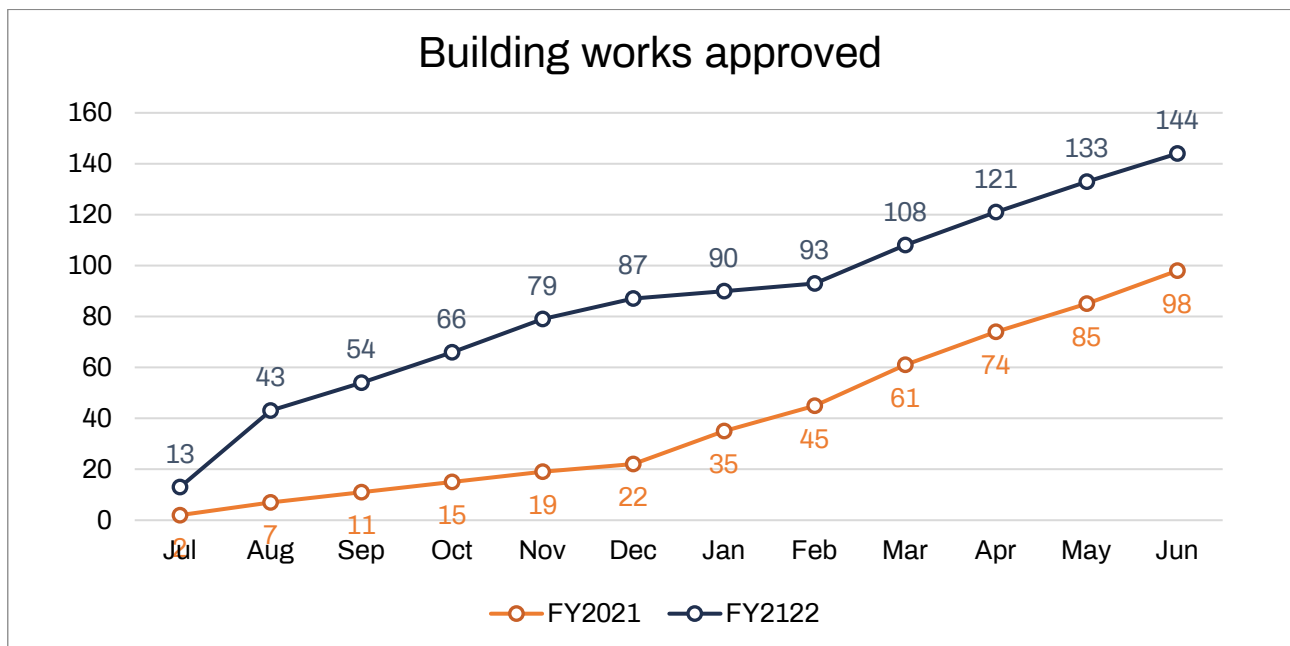
Building and plumbing control form part of the team that work to ensure compliance with legislative requirements in relation to new and existing structures. This includes checking plans, applications, works under construction and completed works for compliance under the *Building Act 2016*.

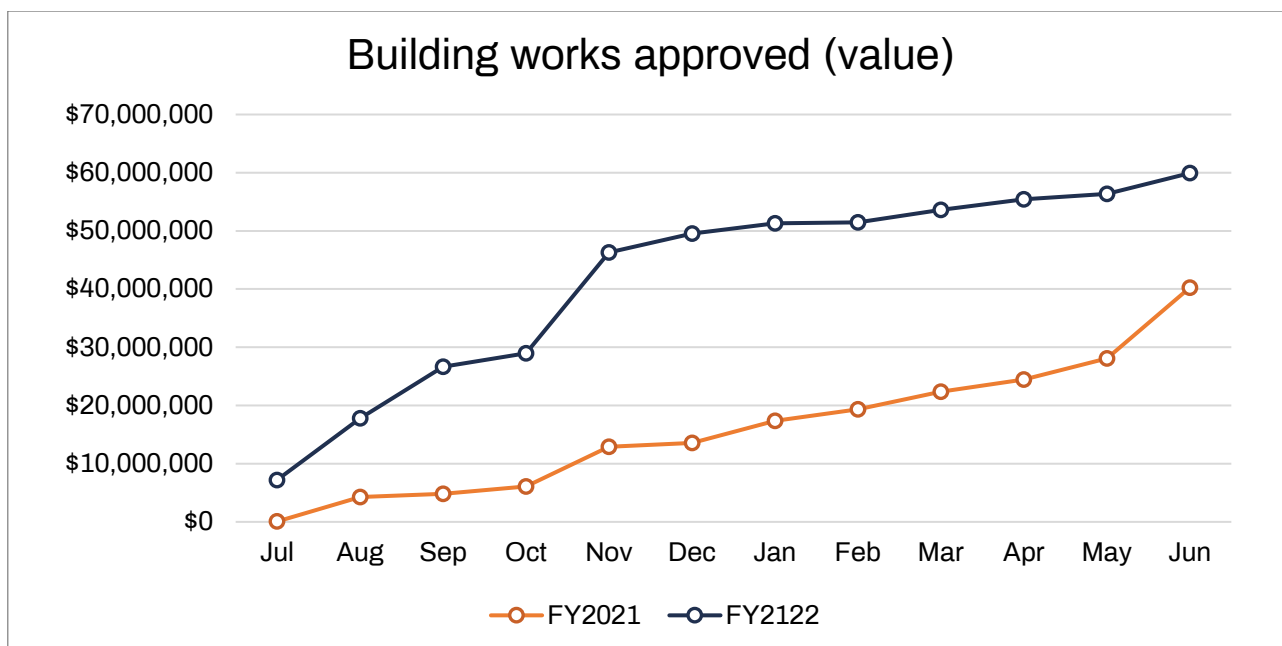
Permits for Buildings Works include Building Permits, Notifiable Works, and Certificates of Likely Compliance. Plumbing permits are not tracked separately as these are generally directly associated with building works.

However, in accordance with the *Building Act 2016*, the Environmental Health area is responsible for assessing on-site wastewater systems and to issue Certificates of Likely Compliance, for the installation of any new/amended on-site wastewater systems. A total of 31 of these certificates were issued during the financial year.

As identified below, numbers of approvals for building works (and corresponding value) rose significantly in the financial year, following the planning application trend from the year before. Given the planning permit statistics, and likely lag of 6-12 months between the two permit types, this trend is set to continue.

It is noted that, due to the applications coinciding with release of stages of new subdivisions, that these numbers may fluctuate month to month. In addition, the availability of trades and the scarcity of materials have had a significant impact upon the timing and costs of development.





Environmental Health Services

Food Licences

Compliance with the requirements of the Tasmanian Food Act 2003 is included in the public health statement later in this report

Immunisation

Council-provided immunisations are an ongoing key project in this area is to improve the immunisation uptake. Council provides immunisation sessions for children aged birth to 4 years once a month and delivers a school program annually to year 7 and 10.

Monthly Baby Clinics are held at the Ptunarra Child and Family Centre in Blair Street, New Norfolk for children aged between birth and four years - the vaccines provided are part of the Adult and Children Immunisation Schedule 2020 provided free from State Government. Council's School Program was undertaken in conjunction with New Norfolk High School and Glenora District School to ensure high immunisation rates among students. Uptake for both clinic remains high. The over-65 flu clinic, run annually, was undertaken but was limited in numbers due to COVID-19.

A total of 17 clinics were run this financial year with a total of 266 immunisations, compared with 123 immunisations last year from the same number of clinics.

Council Officers are working with the Department of Health and Human Services to ensure the community has immediate access to all Government Funded Vaccines. The Council is committed to providing the residents of the Derwent Valley a high level of service to maintain a happy healthy population.

Water Quality

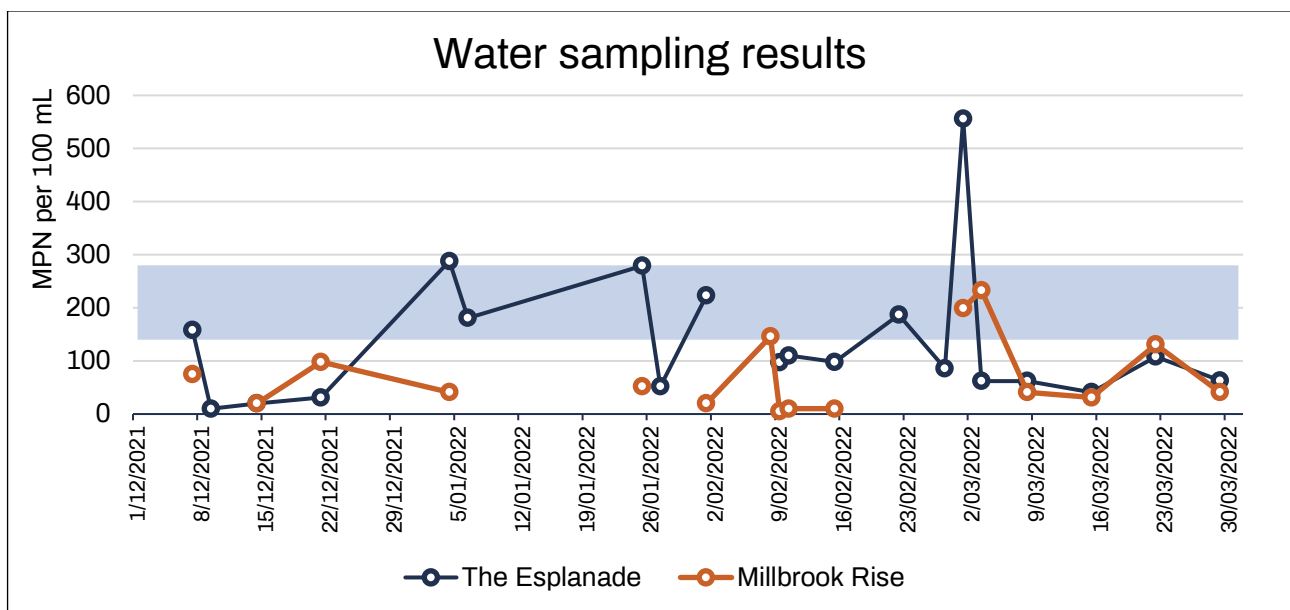
Water quality sampling is undertaken weekly during December to March at both the Esplanade and Millbrook Rise, with direct reporting through the Derwent Estuary Program. The Derwent Estuary Program's report into recreational water quality for the 2021-22 season has lowered the New Norfolk (Esplanade) site has dropped in rating from Good to Fair, on the basis of the statistical outcomes of the sampling program. The reporting is available online at <https://www.derwentestuary.org.au/beach-watch/>.

The Recreational Water Quality Guidelines for Tasmania adopt a three-tiered approach to classifying the long-term quality of a site based on available data. The tiers are:

- **Good:** rolling 5-year 95th Hazen percentile value of < 200 enterococci per 100 mL.
- **Moderate (Fair):** rolling 5-year 95th Hazen percentile value of 200–500 enterococci per 100 mL.
- **Poor:** rolling 5-year 95th Hazen percentile value of > 500 enterococci per 100 mL.

In addition to long-term site classification, trigger levels have been set to manage public exposure to episodic or emerging water quality issues. If a sample exceeds 140 MPN per 100 mL, the relevant authority is required to re-sample, and if two consecutive samples return a result above 280 MPN per 100 mL, the swimming site must be closed, and the public notified. The beach may only be re-opened for primary contact recreation following agreement between the Director of Public Health and Council's Authorised Officer.

Resampling, if a high result, is required as there may be potential for local issues (e.g.: washing of rowing ways) to impact on samples.



Results for FY2021/2022 are shown above. A number of samples at the Esplanade were in the resample range, although retesting was satisfactory in all cases. It is also noted that an outlier

sample in Feb was recorded at 12,000 MPN per 100 mL at the Esplanade site. This clearly was a contaminated sample but has been included in the reporting statistics and coupled together with the other high readings, provide the basis for the decrease of the long-term rating.

Further investigation into the cause of these sporadic high readings has revealed that a stormwater outfall is located nearby. The Department of Public Health recommend that swimming is not undertaken nearby outfalls due to the potential for contamination from the stormwater catchment. Given the popularity of the Esplanade as a swimming spot, public health warnings are being erected and investigations are underway as to the viability of rerouting the stormwater outfall.

Ranger Services

Animal Control

Council has a statutory obligation under the *Dog Control Act 2000* to ensure that all dogs are registered and managed in a responsible manner.

While the below figures indicate a decrease in the total number of registrations this may be linked to the introduction of a new software system in Council and validation of data.

Description	2021/2022	2020/2021
Registered dogs	2343	2837
Kennel Licence	56	60
Impounded dogs	16	53
Impounded reclaimed	12	32
Relinquished to Council	3	1
Unclaimed dogs transferred to the Tasmanian Dogs Home	4	1
Caution Notices issued	25	21
Infringement Notices issued	9	27

Fire Hazards

Fire Abatements inspections are undertaken during the fire season (usually latter summer / early autumn) in response to known issues and complaints. Most issues are resolved through negotiation with landowners. If the hazard is not adequately managed, Council has an option to have the work undertaken and recover the cost from the landowner. The viability of contractors can significantly impact the ability of landowners to comply.

In FY2021/2022 only 2 abatement notices were not complied with, resulting in contractors being engaged by Council, compared with 15 in FY2020/21.

River Management

Lachlan River Recovery Program – Preparing Australian Communities (Australian Government)

The Derwent Catchment Project is excited to be working with the Derwent Valley Council to undertake a significant river restoration program on the Lachlan River. After the serious flooding in 2018, the Derwent Valley Council and Derwent Catchment Project received a grant from a Community Recovery & Resilience Grant (State/Australian Govt) to provide education and support for landholders and to develop flood restoration plans for the Lachlan River, Sorrel Creek, and Glen Dhu Rivulet, which were badly affected.

This project will improve water quality and flows, improve riverbank vegetation health, and improve biodiversity by removing willows and other weeds which are blocking the river's flow and degrading its condition.

The first stage of this project was to undertake community engagement and visit landholders along the Lachlan River. Through community workshops and site visits, an operation plan was developed, and strategic sites were identified. The on-ground works team have already begun controlling willows in the upper reaches of the Lachlan River. The on-ground team also continues to treat willows along the New Norfolk township stretch of the Lachlan River and revegetation as they progress. So far, there has been high community support for the program.



Before and after willow treatment on the Lachlan River

Tyenna River Recovery Program – Willow Warriors (supported by Inland Fisheries Services, TASSAL, and SFM Environmental Management Solutions (Lenah Estates))

The Tyenna River Recovery Program is a 10-year plan which undertakes willow control and revegetation along the Tyenna River. The program works with the Willow Warriors, who are a volunteer group that the Derwent Catchment Project facilitates. The volunteers consist of Anglers, Kayakers/Whitewater paddlers, local community members and landholders who are interested in restoring the Tyenna River. There are currently over 40 volunteers involved.



Willow Warriors and DCP treating willows in Maydena

The Derwent Catchment Project organises a working bee once a month for the Willow Warriors working in a 'top-down' approach. The year started with a review and follow-up treatment of previously controlled sites and working their way downstream to National Park. The Derwent Catchment Project has also inducted a small contingent of volunteers within the Willow Warriors to help treat willows in the more difficult sections of the river. The community along the Tyenna River have voiced their appreciation of the works undertaken so far and looks forward to making full use of the river again.

Derwent Valley Weed Management Program



Derwent Catchment Project spraying weeds on the roadside within the Derwent Valley

2022 was the second year of the new *Derwent Valley Weed Management Plan 2021-2026*. The new plan builds on the success of the original *Weed Management Plan 2016-2021*. The Plan focuses on controlling weeds along priority roads and protecting high-value natural assets and agriculture/horticulture farms. The plan also incorporates the new Biosecurity Plan for the Derwent Catchment by targeting alternative fruit-fly hosts such as blackberry.

Weed Action Funds Grants –support from Property Services, Parks and Wildlife, Dept. of State Growth, Derwent Estuary Program, Derwent Valley Council, Hobart City Council, Kingborough Council, and Huon Valley Council

The Derwent Catchment Project was successful in obtaining 2 Large-Grant Round Weed Action Fund (WAF) programs focussing on African Feathergrass and Karamu. African Feathergrass is only known to be within the Derwent and Huon Valley, and there is a high probability of eradicating it from the state. The African Feathergrass Large Grant followed on from a smaller WAF grant in 2021 and allowed a more detailed survey and treatment in the Derwent and Huon Valley. The grant also funds community engagement and education on identifying and treating African Feathergrass.

The Karamu WAF builds on the success of the collaborative effort of the Derwent Estuary Program, State Growth, Crown Land Services, Parks and Wildlife, and Derwent Valley Council, which has been funding the Derwent Catchment Project to undertake treatment along the Derwent River for the last four years. The extra funding allowed for a targeted and continuous effort to treat the most heavily infested locations of Karamu on the Derwent River. Through the WAF Grant Program, the Derwent Catchment Project has connected with Hobart City Council, Kingborough Council, and Huon Valley to help eradicate Karamu from the state. The grant funds community engagement and education on identifying and treating karamu across all municipalities.

The Entrance to the Valley - Granton to New Norfolk, Lyell Highway and Boyer Road– funded by the Dept. of State Growth

A component of the Derwent Valley Weed Management Plan is the *Entrance to the Valley*, which aims to protect the Murphy's Flat Wetlands and restrict the chances of weeds entering the Valley. The Lyell Highway entrance has had over an 80% reduction in weed abundance and will continue to receive follow-up maintenance in the following years. Boyer Road has had targeted treatment of Boneseed and Fennel. State Growth, TasRail, and Brighton Council will shift focus to Boyer Road in 2023, allowing for a holistic management of the weed burden along the length of the road.



Karamu management on the Derwent River

Children's Services

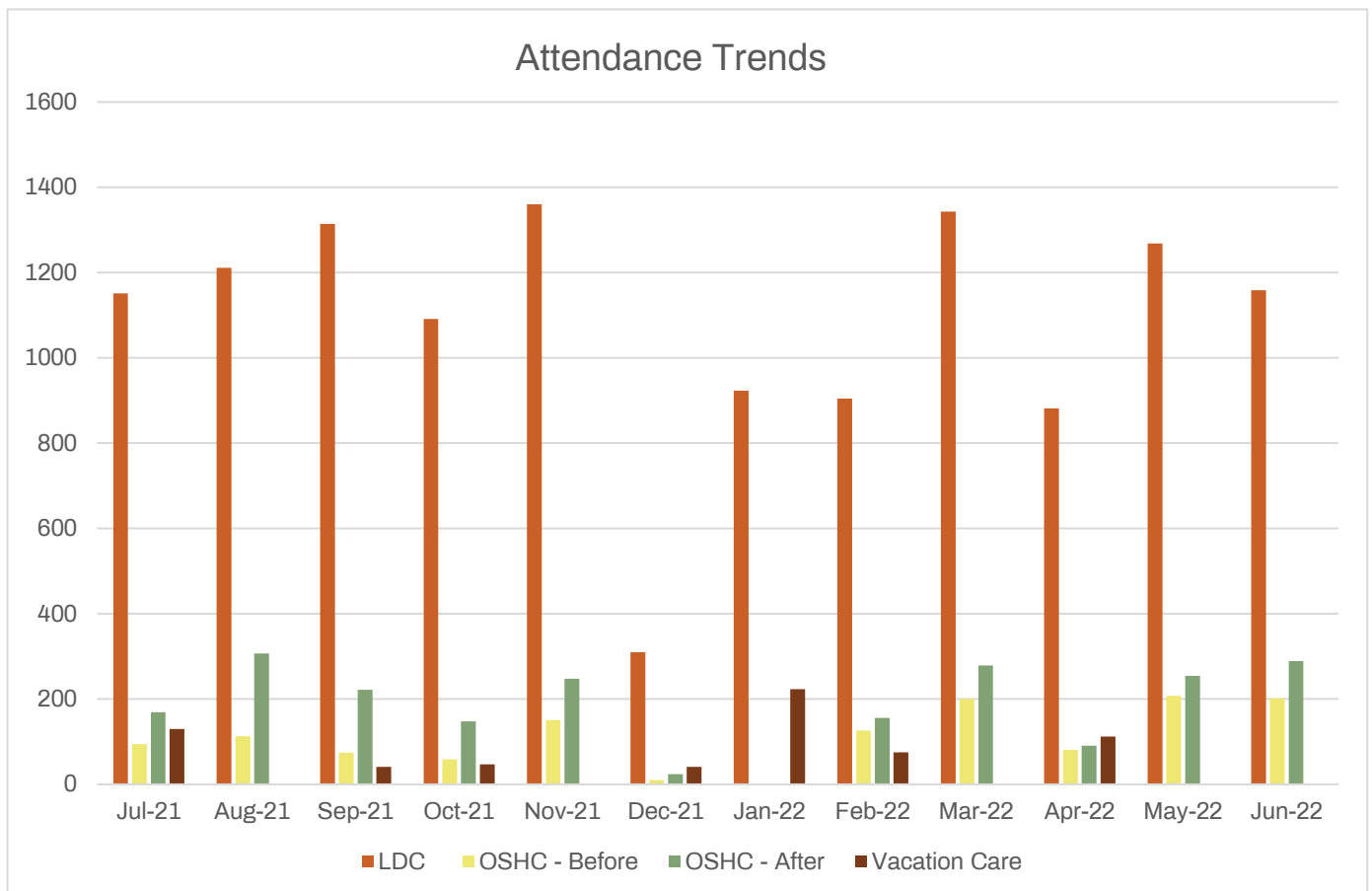
Updates from The Valley Children's Centre are summarised below:

Area	Grants
CCCF Grants	<p>Sustainability Grant \$300,000 over three years – This grant is for renovations, outdoor Equipment, and a wage for a second ECT to allow for expansion of attendances.</p> <p>Capital Grant \$170,000 over two years \$150,000 in the first year \$20,000 in the second year. (Council would need to match this if we were to accept the grant) – At this time it was decided not to accept the capital grant.</p> <p>Community Grant \$300,000 over 3 years. This grant is to purchase two 12-seater vehicles and a new garage to house them.</p> <p>At this stage we have been unable to utilise any significant funds from the Sustainability grant as we are waiting on insurance work to be completed and back pays have depleted the budget. One of the 12-seater vans has been ordered but production has yet to commence on the vehicle.</p>
Minor Infrastructure Grants	<p>\$20,000 – This grant was utilised to upgrade the decks in the Poppies and Snapdragons play spaces.</p> <p>\$20,000 – This grant will be utilised to remove the uneven bitumen surface in the playground utilised by the younger children and replace it with concrete.</p>
Attendance Extension	An application was made to the Education and Care Unit to extend the service licence from 75 bookings per day to 95. This was approved but is yet to be fully utilised as flood damage has lessened our unencumbered space needed to accept the extra numbers.
Covid	Covid has had an effect on service income over the past 12 months. Particularly during outbreaks in January, February, and April. Thank fully we are now learning to live with Covid 19, and it is no longer affecting revenue.
Rating and Assessment	In October 2021, after applying for reassessment The Valley Children's Centre underwent assessment. The service was successful and is now holding a rating of "Meeting."
Online Learning Platform	In early 2022 educators began utilising the playground app software. This learning platform allows educators to document and share each child's learning with their families.
Staff Training and Coaching	Staff have completed First Aid Training with St Johns as well as further coaching with Lady Gowrie around documentation of learning and Development

Area	Grants
Floods	In December 2021, the Valley experienced a severe rain event. This lead to significant water damage to the building. The service kitchen and Educational leader/educator programming office being unable to be utilised. The service cook has worked from a kitchenette, putting in place a simplified menu. The educational leader/educators have utilised the Willow room art space as a staffroom, office, and programming space, whilst waiting for commencement of insurance work. Currently there are plans in place to attain 2 portable education buildings to utilise when insurance work commences on the main building.
Staff recruitment	Over the past year the service has undertaken several recruitment processes to retain staffing levels at the service.
Children's Christmas party	After positive feedback last year, the Children's Christmas Party was again held at the esplanade. It was a successful event with families commenting on how much they preferred the event delivered that way. We have decided to book the esplanade for future years.
Reading Initiative	The Valley Children's Centre participated in the "Paint the Town Read" literacy initiative. This was in collaboration with Ptunarra, local primary schools, the library, New Norfolk High School, and Communities for Children. A special egg was found at the Ptunarra Easter egg hunt. This was the reading egg. The egg travelled around between schools, the Valley Children's Centre and Ptunarra. The children would read and sing to the egg to help it grow. Each time the egg visited it had grown (courtesy of the high school 3D printer) in August the egg hatched into a platypus named 'Larilla'. Larilla is now our ongoing reading mascot in the Derwent Valley and will be visiting schools and learning environments to promote reading.
Policy Updates	The service has access to 'The Childcare Desktop' This software is making it easier to update our policies. This process has been ongoing throughout the year with more to complete.

Attendance

Week Ending	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
LDC	1151	1211	1314	1091	1360	310	923	905	1343	882	1268	1159
OSHC - Before	94	113	74	59	151	10	0	126	200	81	208	202
OSHC - After	169	307	222	148	248	24	0	156	279	91	254	289
Vacation Care	130	0	41	47	0	41	223	75	0	112	0	0



STATUTORY OBLIGATIONS

Public Health Statement

Council fulfilled all its obligations under the *Environmental Management and Pollution Control Act 1994*, *Food Act 2003*, *Public Health Act 1997*, and the *Local Government Act 1993*.

The safety and quality of food is regulated and monitored by the Department of Health and Human Services in conjunction with local councils. Under the requirements of the Tasmanian Food Act 2003, all food premises in the Derwent Valley Municipality are required to be registered by Derwent Valley Council.

The sale of food in Tasmania requires a licence, whether a fixed premises, a mobile food business or a temporary food business. With the introduction of the Department of Health's Food Business Risk-Classification System in 2019, food businesses are assigned a risk classification of low, medium, or high risk resulting in a Priority Classification of P1, P2 or P3, respectively.

Risk classifications are based on types of food being sold, processing and handling methods, business size and whether customers are from a high-risk population.

Some business may be considered to only require notification and are then assigned a classification of P3-N or P4. This risk classification is reviewed based on routine inspections. The number of food premises in Derwent Valley increased slightly from 110 last financial year to 115 in FY2021/2022.

Council has an obligation to provide food education/awareness training to members of the community, who work with food in various capacities. The goal of food education/awareness training is to ensure persons undertaking or supervising food handling operations have the appropriate skills and knowledge in food safety and food hygiene matters, to protect public health and safety.

Under the *Public Health Act 1997* – Recreational Water Quality Guidelines 2007, Council has a responsibility to monitor its recreational swimming site and public pools.

The recreational water sampling site was the Derwent River, near Fitzgerald Jetty. Monitoring of recreational waters was conducted by the Derwent Valley Council, principally on a weekly basis, through the months of December 2020 to March 2021. Samples were analysed for the microbiological indicator of Enterococci bacteria.

The Derwent Estuary Program's report into recreational water quality for the 2021-22 season has lowered the New Norfolk (Esplanade) site has dropped in rating from Good to Fair, on the basis of the statistical outcomes of the sampling program. The reporting is available online at <https://www.derwentestuary.org.au/beach-watch/>.

There are two public pools owned by the Council in the Derwent Valley municipality. They include:

- New Norfolk Main Swimming Pool and New Norfolk Baby Swimming Pool, situated at the Esplanade, New Norfolk; and
- Bushy Park Swimming Pool, situated at 601 Gordon River Road, Glenora.

Pool samples were analysed for Heterotrophic Plate Count 36°cfu/mL; E. Coli cfu/100mL and Pseudomonas aeruginosa cfu/100mL. A total of 24 pool samples were taken. The results of the recreational and pool samples are included in a report required by the Director of Public Health.

In accordance with the Drinking Water Quality Guidelines under the Public Health Act 1997, Council is required to keep a register of private water suppliers and water carriers in the municipal area. There are currently 2 private water suppliers and 1 water carter operating in the municipal area. The details of the private water suppliers and water carter are compiled in a report as required by the Director of Public Health.

Type	Metric 2021/2022	Metric 2020/2021
Places of Assembly for Specific Events	2	1
Pool Water Samples	24	7
Recreational Water Samples	36	13
Regulated Systems	0	0
Commercial Water Carters	1	1
Public Health Risks	0	0
Unhealthy Housing	N/A	N/A
Notifiable Disease Investigations	0	0
Private Burial Permits	0	0
Private Water Suppliers	2	2

The below table provides a summary of the activity undertaken by the Council in relation to the Public Health Act 1997.

Type of Premises	Metric 2021/2022	Metric 2020/2021
Registered food businesses	115	110
Food Notification	3	1
Registered Mobile state-wide (Annual)	10	10
Registered Mobile (Once off)	0	3
Seizure of food items	0	0
Approval of plans for new or alterations to existing food premises	3	4

Public Interest Disclosure Statement

Section 86 of the *Public Interest Disclosures Act 2002* requires a public body to report on the following for the period covered by this Annual Report:-

Reporting Requirement	Outcome
How persons may obtain, or access copies of the current procedures established under the Act.	Procedures may be obtained through the Council website or by request at the Council office.
Number and types of disclosures made to the Derwent Valley Council and number of disclosures determined to be a public interest disclosure.	No disclosure was made and determined to be a public interest disclosure.
Number of disclosures determined by the Derwent Valley Council to be public interest disclosures that the Council investigated.	No public interest disclosure was investigated by the Council.
Number and type of disclosed matters referred to the Derwent Valley Council by the Ombudsman.	No public interest disclosure made by a public officer was referred to the Ombudsman.
Number and types of disclosed matter referred during the year by the Derwent Valley Council to the Ombudsman to investigate.	No public interest disclosure made by a public officer was referred to the Ombudsman
The number and types of disclosed matters taken over by the Ombudsman from the Derwent Valley Council during the year.	No public interest disclosures were taken over by the Ombudsman during the year
The number and types of disclosed matters that the Derwent Valley Council declined to investigate during the year.	No public interest disclosures were declined by the Derwent Valley Council.
The number and type of disclosed matters that were substantiated upon investigation and action taken on completion of the investigation.	Not applicable
Any recommendations made by the Ombudsman that relate to the Derwent Valley Council.	Not applicable

Right To Information

The Council has a statutory responsibility to provide the public with access to Right to Information applications and to have a resource available to process those applications.

The 2021/2022 financial year saw **eighteen** assessed disclosures accepted for determination under the *Right to Information Act 2009*; numerous other enquiries were resolved without the need for an application. The processing of these applications, gathering of information to respond to queries and providing a response requires a significant use of Council resources.

Customer Service Charter

In accordance with Section 339F of the *Local Government Act 1993*, Council is required to disclose the number of complaints it received under the provisions of the Customer Service Charter. In 2021/2022 **no** complaints were received.

Integrity Commission

There was **one** complaint relating to Derwent Valley Council received by the Integrity Commission for the 2021/2022 Financial Year.

Code of Conduct

The Council is required to report the number of code of conduct complaints that were upheld either wholly or in part, by the Code of Conduct Panel during the preceding financial year and the total costs met by the council during the preceding financial year in respect to all code of conduct complaints.

In accordance with Section 72(1)(ba) of the *Local Government Act 1993*, it is reported that **one** Code of Conduct complaints were partly upheld against Councillors of the Derwent Valley Council during the 2021/2022 financial year.

In accordance with Section 72(1)(bb) of the *Local Government Act 1993*, it is reported that the total cost met by the Council in respect to the code of conduct complaints was **\$1,508**.

Enterprise Powers Statement

This report is made pursuant to Section 72 of the *Local Government Act 1993*. Council has not resolved to exercise any powers or undertaken any activities in accordance with Section 21 of the *Local Government Act 1993* during the 2021/2022 year.

Donated Land Statement

Derwent Valley Council has not resolved to donate any lands in accordance with Section 177 of the *Local Government Act 1993*.

AUDIT PANEL

Derwent Valley Audit Panel 2021/2022

Report dated 29 August 2022 from the Co-Chairpersons, Derwent Valley Council Audit Panel on the operations of the Panel for the period July 2021 to June 2022, as required under the Derwent Valley Audit Panel Charter.

Purpose of Report

The Audit Panel Charter adopted by Council requires that the Panel through the Chairperson report annually on its operations and activities. This report covers the period July 2021 to June 2022. The report provides a background to the establishment of the Audit Panel, its membership, operation during the last year and areas for attention in 2022/2023. Prior to its presentation to Council the report was reviewed and endorsed by the members of the Audit Panel.

Background / Introduction

Derwent Valley Council's Audit Panel was formally established by Council in February 2016. The Charter for the Panel is based on the requirements of the Local Government (Audit Panels) Order issued by the Minister for Local Government under section 85 B(1) of the Local Government Act 1993. The Audit Panel Charter sets out the roles and responsibilities of the Panel, its authority, membership and the tenure of its members, the operation of its meetings, how decisions are made and its reporting responsibilities.

Membership of the Audit Panel comprises two Councillors and two independent members. The independent members of the Panel were originally selected following an expression of interest process and were subsequently reappointed by Council in May 2019.

Role of the Panel

The role of the Audit Panel is to support the elected Council by providing independent assurance and advice in relation to Council's financial reporting and controls, risk management framework and practices, internal controls, legislative compliance, long term planning, fraud control and corruption prevention. Its role is complemented by both internal reviews and external audit.

The main responsibilities of the Audit Panel include:

- whether the annual financial statements of the council accurately represent the state of affairs of the council;
- whether and how the Part 7 plans (these include the Strategic Plan, Long Term Financial Plan and Strategic Asset Management Plan) are integrated and the processes by which, and assumptions under which, those plans were prepared;
- the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems, and controls that the council has in relation to safeguarding its long-term financial position;

- whether the council is complying with the provisions of the Act and any other relevant legislation;
- whether the council has taken any action in relation to previous recommendations provided by the audit panel to the council and, if it has so taken action, what that action was and its effectiveness.

Audit Panel Membership and Meetings

During 2021/2022, the Audit Panel was made up of the following members:

Councillor members:

- Councillor Triffett
- Councillor Browning

Independent members:

- Mr Gary McCarthy
- Mr Robert Hogan

During 2021/2022 the Audit Panel was attended by and received support from Council's General Manager; Executive Manager, Corporate; Executive Manager, Infrastructure; Senior Financial Accountant; Management Accountant; and Information Management and Governance Officer as well as administrative support from other Council staff and external contractors.

A list of Panel meeting dates and attendances by Panel members in 2021/2022 is set out in Table 1 below.

Table 1 Summary of Panel Meetings and Member Attendance

Meeting Date	Councillor Triffett	Councillor Browning	Mr Gary McCarthy	Mr Robert Hogan
16/7/2021		✓	✓	✓
28/9/2021	✓	✓	✓	✓
21/12/2021	✓		✓	✓
8/3/2022	✓	✓	✓	✓
3/5/2022	✓	✓	✓	✓
Meetings Attended	4	4	5	5

External Audit

As legislated, Council's external audit service is provided by the Tasmanian Audit Office (TAO). Staff from the TAO attended only one Audit Panel meetings during the year in December 2021. At this meeting, the Panel and TAO officers reviewed and discussed Council's interim and final Financial Report for 2020/2021 including the TAO completion report.

As was noted in last year's report, while acknowledging issues caused by the COVID pandemic and staffing difficulties, the Audit Panel were again concerned about delays in undertaking the annual audit and reporting on its findings.

Including findings from the 2020/2021 audit there were 11 findings that needed to be addressed by Council. The Audit Panel has continued to follow up progress on these matters during 2021/2022. The delay in addressing audit recommendations has been and remains of concern to the Audit Panel. It is clear that some issues can only be addressed by the upgrade of Council's IT system, which was mostly completed in 2022.

Panel Activities during the Reporting Period

As indicated in the previous Panel Annual Report, the Panel during 2021/2022 aimed to focus on seeing improvements in risk management, and legislative compliance as well as issues around long-term planning.

While some progress has been made in these areas the Panel remains concerned about the slow progress in developing strategic and operation risk plans and an overall risk strategy. While lacking an overall approach to risk the Panel acknowledges that a number of potential risk areas have been addressed.

During 2021/2022 the Audit Panel:

- Reviewed the draft and final financial statements for 2021/2022 and related correspondence from the Tasmanian Audit Office.
- Examined and where appropriate sought further advice on Council's monthly financial reports.
- Discussed the operation of Council's waste facility including changes in its operational life, environmental approval, remediation when it finally closes and charging regime. As part of these discussions the Panel was also advised of Council's overall waste management planning.
- Received briefing on changes to Council's organisational structure and in proposed changes to Council's Child Care Service and the operation of Council's Caravan Park.
- Reviewed and discussed progress with Council's Capital Works Program and associated costings for the program.
- Received briefings on the development, progress, and ongoing implementation of Council's new IT business systems.
- Received a report of an audit of Council's depot workplace health and safety and reviewed progress with the audit recommendations.
- Was briefed on both an external review of Council's procurement processes and recommendations for improvement.
- Reviewed Council's outstanding debtors listing and progress with reducing the amount outstanding. In addition, the Panel was provided with updates on progress with reducing staff long service leave, annual leave, and time in lieu balances.
- As required by the charter, developed, implemented, and monitored progress with a workplan for 2021/2022.
- Reviewed and recommended minor changes to the Audit Panel Charter.

- Following the self-assessment survey of the Panel's operations and performance, the Panel discussed areas for improvement on the basis of the results obtained and in conjunction with Council staff developed a reporting framework.
- Reviewed expenditure on the credit card held by Council's General Manager and examined expense claims submitted by the Mayor.

Future Directions

From the Audit Panel's perspective Council has made progress in a range of areas in 2021/2022 these include the successful introduction of Council's new business system and the advantages this will bring; the work done to better understand and manage various Council services including the operation of the waste facility and childcare and a revision and improvement of delegations. In addition, audits/reviews of some area have identified improvements that will lead to more efficient and effective operation.

Two areas of concern for the Audit Panel are Council's on-going cash position and lack of up to date strategic and operational risk planning and monitoring. Among Tasmanian councils, Derwent Valley has one of the lowest holdings of cash. This is a measure of Council capacity to fund its operations. These will be areas of particular consideration by the Panel in 2022/2023 together with progress in addressing external audit recommendations and the improvements identified by reviews/audits conducted in 2021/2022. In addition, the Panel would like to see a post implementation review of the new Council's new business system.

The Audit Panel would like to thank Council management and staff for their support, advice, and assistance during the year.

Recommendation: That Council receive and note this report.

Mr Gary McCarthy and Mr Robert Hogan

ANNUAL FINANCIAL REPORT



Independent Auditor's Report
To the Councillors of Derwent Valley Council
Derwent Valley Council
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Derwent Valley Council (Council), which comprises the statement of financial position as at 30 June 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2022 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 10.5 (f) 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 9.9</i>	
<p>At 30 June 2022, Council's assets included land, land under roads, buildings and infrastructure assets, such as roads, bridges, drainage, recreational, leisure and community facilities, footpaths and cycle way assets valued at fair value totalling \$151.77m. 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 2021-22, Council undertook a full revaluation of bridges. Indexation was applied to Roads, Footpaths and Cycleways, Drainage and Landfill Restoration. The valuations were determined by experts 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, on a sample basis, the mathematical accuracy of the valuation model calculations. Evaluating indexation applied to assets between formal valuations. 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 be 'DB' with a flourish at the end.

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

24 October 2022
Hobart

Derwent Valley Council
Financial Report
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Statement of Comprehensive Income For the Year Ended 30 June 2022

	Note	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Income from Continuing Operations				
Recurrent Income				
Rates and Charges	2.1	8,543	8,547	7,811
Statutory Fees and Fines	2.2	637	620	864
User Fees	2.3	1,709	1,676	1,676
Grants	2.4	2,401	3,392	2,462
Contributions - Cash	2.5	3	29	7
Interest	2.6	42	40	44
Other Income	2.7	1,240	1,331	1,195
Investment Revenue from Water Corporation	2.9	272	326	136
		<u>14,847</u>	<u>15,961</u>	<u>14,195</u>
Capital Income				
Capital grants received specifically for new or upgraded assets	2.4	4,043	2,624	1,874
Assets brought to account		-	170	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	2	(23)	(137)
		<u>4,044</u>	<u>2,771</u>	<u>1,737</u>
Total Income from Continuing Operations		<u>18,891</u>	<u>18,732</u>	<u>15,933</u>
Expenses from Continuing Operations				
Employee Benefits	3.1	(6,495)	(6,781)	(5,396)
Materials and Services	3.2	(6,080)	(6,086)	(5,761)
Impairment of Receivables	3.3	-	(3)	(1)
Depreciation and Amortisation	3.4	(3,456)	(4,605)	(3,372)
Finance Costs	3.5	(136)	(129)	(127)
Other Expenses	3.6	(771)	(739)	(728)
		<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses from Continuing Operations		<u>(16,939)</u>	<u>(18,343)</u>	<u>(15,384)</u>
Result from Continuing Operations		<u>1,952</u>	<u>389</u>	<u>549</u>
Net Result for the Year		<u>1,952</u>	<u>389</u>	<u>549</u>
Other Comprehensive Income				
Items that will not be reclassified to surplus or deficit				
Fair value adjustments on equity investment assets	5.1.9.1	-	499	1,532
Net asset revaluation increment/(decrement)	9.1	-	15,286	14,356
		<u>-</u>	<u>15,785</u>	<u>15,889</u>
Total Other Comprehensive Income		<u>-</u>	<u>15,785</u>	<u>15,889</u>
Total Comprehensive Result		<u>1,952</u>	<u>16,174</u>	<u>16,438</u>

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

Statement of Financial Position
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	4.1	4,853	5,002
Trade and Other Receivables	4.2	1,019	1,645
Other Assets	4.3	128	42
Total Current Assets		6,000	6,689
Non-Current Assets			
Investment in Water Corporation	5.1	20,358	19,859
Property, Infrastructure, Plant and Equipment	6.1	155,057	138,536
Total Non-Current Assets		175,414	158,394
Total Assets		181,415	165,083
LIABILITIES			
Current Liabilities			
Trade and Other Payables	7.1	1,975	1,442
Other Current Liabilities	7.2	213	119
Provisions	7.3	1,738	1,783
Contract liabilities	7.4	561	913
Interest-Bearing Loans and Borrowings	8.1	541	570
Total Current Liabilities		5,028	4,827
Non-Current Liabilities			
Provisions	7.3	7,197	6,704
Interest-Bearing Loans and Borrowings	8.1	3,323	3,860
Total Non-Current Liabilities		10,520	10,563
Total Liabilities		15,548	15,390
Net Assets		165,867	149,694
EQUITY			
Accumulated Surplus		53,411	52,823
Reserves	9.1	112,455	96,870
Total Equity		165,867	149,694

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

Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash Flows from Operating Activities			
Rates		8,599	7,938
User Charges and Statutory Fees (inclusive of GST)		2,964	1,907
Grants		3,055	2,828
Interest		40	44
Investment Revenue from Water Corporation	2.9	326	136
Other Receipts which includes Reimbursements		1,360	1,242
Net GST Refund/Payment		978	962
Payments to Suppliers (inclusive of GST)		(7,003)	(6,251)
Payments to Employees (including Redundancies)		(6,421)	(5,673)
Finance Costs		(129)	(127)
Other Payments		(739)	(728)
Net Cash Provided by (Used in) Operating Activities	9.2	<u>3,030</u>	<u>2,278</u>
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant and Equipment		(5,272)	(6,125)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		39	169
Capital Grants (inclusive of GST)		2,624	1,874
Net Cash Provided by (Used in) Investing Activities		<u>(2,609)</u>	<u>(4,080)</u>
Cash Flows from Financing Activities			
Proceeds from Interest Bearing Loans and Borrowings		-	1,500
Repayment of Interest Bearing Loans and Borrowings		(570)	(528)
Net Cash Provided by (Used in) Financing Activities	9.3	<u>(570)</u>	<u>972</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(149)	(831)
Cash and Cash Equivalents at the Beginning of the Financial Year		5,002	5,833
Cash and Cash Equivalents at the End of the Financial Year	4.1	<u>4,853</u>	<u>5,002</u>

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

Statement of Changes in Equity

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Asset Replacement Reserve	Other Reserves
		2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Balance at beginning of the financial year		149,693	52,823	97,596	(4,869)	3,591	551
Surplus / (Deficit) for the year		389	389	-	-	-	-
Other Comprehensive Income:							
Fair value adjustment on equity investment assets	5.1	499	-	-	499	-	-
Net asset revaluation increment/(decrement)	9.1	15,286	-	15,286	-	-	-
Transfers between Reserves	9.1	-	199	-	-	34	(232)
Balance at end of the financial year		165,867	53,411	112,882	(4,370)	3,625	318

		Total	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Asset Replacement Reserve	Other Reserves
		2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Balance at beginning of the financial year		133,259	53,276	83,240	(6,401)	2,495	649
Surplus / (Deficit) for the year		549	549	-	-	-	-
Other Comprehensive Income:							
Fair value adjustment on equity investment assets		1,532	-	-	1,532	-	-
Net asset revaluation increment/(decrement)	9.1	14,356	-	14,356	-	-	-
Transfers between Reserves	9.1	-	(998)	-	-	1,096	(98)
Balance at end of the financial year		149,694	52,823	97,596	(4,869)	3,591	551

The above statement should be read with the accompanying notes.

Note 1 Overview

1.1 Reporting Entity

- (a) The Derwent Valley Council (formerly New Norfolk Council) was established in 1863 and is a body corporate with perpetual succession and a common seal. Council's main office is located at Circle Street, New Norfolk.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the Municipality.

1.2 Basis of Accounting

These financial statements are a general purpose financial report that consists of a Statement of 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.

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

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

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 9.4.

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 / Tip Rehabilitation

Assumptions and judgements are utilised in determining Council's landfill close-down and restoration costs. These are discussed in Note 7.3.

1.4 Functions/Activities of the Council

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

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
Government and Administration						
2021 - 2022	1,800	7,525	9,325	2,347	6,978	3,002
2020 - 2021	1,386	6,796	8,183	2,285	5,898	2,643
Roads, Streets, Bridges & Footpaths						
2021 - 2022	2,849	107	2,957	4,370	(1,413)	109,660
2020 - 2021	1,866	104	1,970	3,371	(1,401)	97,264
Drainage						
2021 - 2022	-	6	6	800	(794)	30,701
2020 - 2021	-	-	-	504	(504)	28,601
Waste Management						
2021 - 2022	-	1,604	1,604	2,131	(527)	6,399
2020 - 2021	-	1,425	1,425	1,781	(356)	6,540
Environmental Health						
2021 - 2022	200	203	403	504	(101)	369
2020 - 2021	-	282	282	449	(167)	398
Planning Services						
2021 - 2022	-	280	280	373	(93)	-
2020 - 2021	-	537	537	400	137	-
Building Control						
2021 - 2022	-	73	73	146	(73)	8,518
2020 - 2021	-	106	106	222	(116)	6,550
Community Amenities						
2021 - 2022	110	45	155	780	(625)	-
2020 - 2021	575	(131)	443	594	(151)	-
Community Services						
2021 - 2022	121	1,490	1,610	2,582	(972)	2
2020 - 2021	226	1,389	1,615	2,050	(435)	-
Recreation Facilities						
2021 - 2022	936	653	1,590	2,115	(525)	16,514
2020 - 2021	273	412	685	1,602	(917)	16,147
Economic Development						
2021 - 2022	-	-	-	155	(155)	251
2020 - 2021	10	-	10	94	(84)	251
Other - Not Attributable						
2021 - 2022	-	729	729	2,040	(1,311)	6,000
2020 - 2021	-	677	677	2,031	(1,354)	6,689
TOTAL						
2021 - 2022	6,016	12,716	18,732	18,343	389	181,415
2020 - 2021	4,336	11,596	15,933	15,384	549	165,083

1.4 Functions/Activities of the Council (continued)

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

	2022	2021
	\$'000	\$'000
Current Assets	6,000	6,689
Non-Current Assets	175,414	158,394
	<u>181,415</u>	<u>165,083</u>

(c) The Council has adopted the following functional area by which it manages the Municipality:

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

Planning Services

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

Building Control

The development and maintenance of building constructions standards.

Community Amenities

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

Community Services

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

Recreation Facilities

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

Economic Development

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

Other - Not Attributable

Rates and charges and work not attributed elsewhere.

		2022 \$'000	2021 \$'000
Note 2	Revenue		
Note 2.1	Rates and Charges		
	Council uses Assessed Annual Values (AAV) as the basis of valuation of all properties within the Municipality. The AAV of a property is the anticipated annual rental return of the property.		
	The valuation base used to calculate general rates for 2021-22 was \$84,144,050 (2020-21 \$83,173,260). The 2021-22 rate in the AAV dollar was \$0.08438561 (2020-21 \$0.08192777).		
	General Rate	7,019	6,486
	General Land Fire Levy	116	114
	Volunteer Brigade Fire Levy	204	192
	Garbage/Recycling Services	699	598
	Waste Management Charge	491	290
	Waste Treatment Services	-	114
	Business Levy	18	17
	Total Rates and Charges	8,547	7,811
	The date of the latest general revaluation of land for rating purposes within the Municipality was 1 July 2016, and the valuation was first applied in the rating year commencing 1 July 2017. In this current revaluation cycle, adjusted AAV (AAAV) applied from 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.		
	Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.		
Note 2.2	Statutory Fees and Fines		
	Animal Control Fees, Infringements and Fines	5	10
	Planning Control Fees	280	537
	Land Information Certificates	103	100
	Building & Plumbing Control Fees	220	217
	Public Health Fees	12	-
	Total Statutory Fees and Fines	620	864
	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.		
	Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.		
Note 2.3	User Fees		
	Child Care/Children's Program Fees	445	426
	Dog Registration Fees	76	-
	Cemetery Fees	256	272
	Caravan Park Fees	443	401
	Refuse Disposal Fees	413	534
	Infrastructure Application Fees	14	-
	Other Fees and Charges	27	12
	Total User Fees	1,676	1,643
	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.		
Note 2.4	Grants		
	Grants were received in respect of the following:		
	Summary of Grants		
	Federally Funded Grants	5,701	3,820
	State Funded Grants	314	517
	Total Grants	6,016	4,336
	Grants - Recurrent		
	Commonwealth Government Financial Assistance Grants - General Purpose	1,800	1,386
	Commonwealth Government Financial Assistance Grants - Roads	1,291	839
	Commonwealth Government - Children Services Sustainability	100	202
	Commonwealth Government - Australian Museums & Galleries Association	1	-
	Commonwealth Government - Preparing Australian Communities Local Stream	200	-
	State Government - Community Services	-	35
	Total Recurrent Grants	3,392	2,462

	2022 \$'000	2021 \$'000
Capital Grants Received Specifically for New or Upgraded Assets		
Commonwealth Government - 20/21 Tasmanian Black Spot Program	-	103
Commonwealth Government - Building Better Regions	110	14
Commonwealth Government - Local Roads & Community Infrastructure	882	101
Commonwealth Government - Natural Disaster Risk Reduction	12	50
Commonwealth Government - Redevelopment of Derwent Valley PCYC	-	495
Commonwealth Government - Roads to Recovery	379	379
Commonwealth Government - Redevelopment of Tynwald Park Sports Facility	180	-
Commonwealth Government - Willow Court Precinct Facility Upgrade	500	-
Commonwealth Government - Revitalisation of The Esplanade	247	250
State Government - Boyer Oval & Tynwald Cricket Wickets	-	2
State Government - Boyer Oval grandstand	87	13
State Government - Bridges Renewal Program Round 5	-	335
State Government - PCYC accessible bathroom facilities	-	52
State Government - Safer Rural Roads	-	80
State Government - Valley Children's Centre	20	-
State Government - Redevelopment of Tynwald Park	180	-
State Government - Vulnerable Road Users	28	-
Total Capital Grants	<u>2,624</u>	<u>1,874</u>

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	87	100
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the current year	116	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(87)	(13)
Balance of unspent funds at 30 June	<u>116</u>	<u>87</u>

Capital

Balance of unspent funds at 1 July	511	132
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the current year	145	431
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(511)	(52)
Balance of unspent funds at 30 June	<u>145</u>	<u>511</u>

Total unspent funds

	<u>261</u>	<u>598</u>
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Accounting policy

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

The performance obligations are varied based on the agreement, but include the provision of Children Services community funding, Regional Sport Events Fund, Recreational fishing and camping facilities program, Landfill Levy readiness support, assistance with Revised Draft LPS of Planning Scheme, Queen's jubilee planting, Willow Court cultural heritage and minor infrastructure funding for The Valley Children's Centre.

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

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 acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

	2022 \$'000	2021 \$'000
Note 2.5 Contributions		
(a) Cash		
Recreational, leisure and community facilities	29	22
Total	29	22
Total Contributions	29	22

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	5	7
Interest on Rates	34	37
Total	40	44

Accounting Policy
Interest Income
Interest is recognised progressively as it is earned.

Note 2.7 Other Income		
Community and Social Development	8	2
Children Services	950	948
Roads	14	-
Plant Operations	30	41
Reimbursements	246	175
Building & Property rentals	36	33
Other	47	28
Total Other Income	1,331	1,227

Accounting Policy
Rental Income
Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.
Children Services Childcare Subsidy payments
Subsidy payments are recognised as revenue when the payment is received.

Note 2.8 Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment		
Proceeds of Sale	39	166
Write Down Value of Road Assets Disposed	-	(38)
Write Down Value of Plant Assets Disposed	(61)	(91)
Write Down Value of Land Assets Disposed	-	-
Write Down Value of Building Assets Disposed	-	(174)
Total	(23)	(137)

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.

	2022	2021
	\$'000	\$'000
Note 2.9 Investment Revenue from Water Corporation		
Dividend Revenue Received	326	114
Tax Equivalent Received	-	22
Total Investment Revenue from Water Corporation	<u>326</u>	<u>136</u>

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	5,149	4,344
Workers Compensation premium	191	269
Annual Leave and Long Service Leave	383	304
Superannuation	727	576
Fringe Benefits Tax	7	4
Childcare Backpays	319	-
Redundancy	36	-
	<u>6,812</u>	<u>5,497</u>
Less Amounts Capitalised	<u>(31)</u>	<u>(101)</u>
Total Employee Benefits	<u>6,781</u>	<u>5,396</u>

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		
Contract Payments	3,013	2,322
Building Maintenance	269	190
Consultants	384	651
Plant and Vehicle Running Costs	340	340
Advertising & Branding Costs	69	153
Employee Associated Costs	82	120
State Fire Levies	318	306
Supply of Materials	188	424
Computer Related Costs	392	13
Utilities (Telephones, Electricity & Water Charges)	611	559
Other	421	683
Total Materials and Services	<u>6,086</u>	<u>5,761</u>

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		
Other Debtors	3	1
Total Impairment of Receivables	<u>3</u>	<u>1</u>

Accounting Policy
Impairment Expense
Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Councils policy and events giving rise to impairment losses are disclosed in note 5.2

	2022	2021
	\$'000	\$'000
Note 3.4 Depreciation and Amortisation		
<i>Property</i>		
Buildings		
Buildings	351	67
Heritage Buildings	15	15
<i>Plant and Equipment</i>		
Plant, Machinery and Equipment	292	265
Computers and Telecommunications	38	60
Fixtures, Fittings and Furniture	2	-
<i>Infrastructure</i>		
Roads	1,928	1,709
Bridges	292	265
Footpaths and Cycleways	370	235
Drainage	261	239
Recreational, Leisure and Community Facilities	483	88
Waste Management structures	81	76
Landfill Restoration	492	353
Total	4,605	3,372

Accounting Policy

Depreciation and Amortisation Expense

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

Buildings, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

Land 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 periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
Buildings	
Buildings	10-50 years
Heritage Buildings	50 years
Plant and Equipment	
Light Vehicles	5-10 years
Plant, Machinery and Equipment	7 years
Fixtures, Fittings and Furniture	5 years
Computers and Telecommunications	5 years
Roads**	
Road Pavements	
Urban Sealed	80 years
Rural Sealed	80 years
Urban Unsealed	100 years
Rural Unsealed	100 years

Note 3.4 Depreciation and Amortisation (continued)

2022 2021
\$'000 \$'000

Accounting Policy (continued)		
Depreciation and Amortisation Expense (continued)		
Road Surface		
Urban Spray Seal		18 years
Rural Spray Seal		18 years
Urban Asphalt		30 years
Rural Asphalt		30 years
Urban Unsealed Gravel		10 years
Rural Unsealed Gravel		10 years
Road Formation and Earthworks		Unlimited
Road Kerb and Channel		75-80 years
Street Furniture		50 years
Bridges		
Bridges Deck - Concrete		80 years
Bridges Deck - Timber		20 years
Bridges Substructure		80 years
Drainage		
Pipes Concrete		80 years
Pipes Upvc		80 years
Pipes Earthenware		80 years
Pipes Cast Iron		80 years
Manholes		80 years
Pits		80 years
Headwalls		80 years
Footpaths and Cycleways**		
Asphalt Footpath		25 years
Brick Paving Footpath		40 years
Concrete Footpath		80 years
Gravel Footpath		18 years
Bituminouse Seal Footpath		18 years
Other Infrastructure		
Recreational, Leisure and Community Facilities		10-50 years
Waste Management Structures		20 years
Landfill Restoration Peppermint Hill remaining life		11 years

Note 3.5 Finance Costs

Interest - Borrowings	129	127
Total Finance Costs	129	127

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

	2022 \$'000	2021 \$'000
Note 3.6 Other Expenses		
External Auditors' Remuneration (Tasmanian Audit Office)	34	31
Payments Relating to Elected Members		
Councillors' Allowances	138	148
Other Allowances & Expenses	12	8
Election Costs	45	4
Local Government Association of Tasmania Subscription	39	36
General Insurance Costs	355	374
Community Grants and Donations	116	127
Total	<u>739</u>	<u>728</u>

Accounting Policy

Other Expenses

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

Note 4 Current Assets		
Note 4.1 Cash and Cash Equivalents		
Cash on Hand	1	1
Cash at Bank		
Trading Account	4,347	4,496
Westpac Account	5	5
At Call and Short Term Deposits	500	500
Total Cash and Cash Equivalents	<u>4,853</u>	<u>5,002</u>

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:

- Security Deposits and Bonds (Note 7.2)	122	119
- Leave Provisions (Note 7.3)	1,851	1,854
- Cashed Backed Reserves (Note 9.1)	3,942	4,142
- Grants received in advance (Note 7.4)	261	598
Restricted Funds	<u>6,176</u>	<u>6,713</u>
Total Unrestricted Cash and Cash Equivalents	<u>(1,323)</u>	<u>(1,711)</u>

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) Represents funding required to meet Council's leave entitlement obligations to its employees.
- iv) Represents funding required to be set aside to meet Council's asset replacement and community reserves obligations.
- v) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.

	2022 \$'000	2021 \$'000
Note 4.2 Trade and Other Receivables		
<i>Current</i>		
Rates Debtors	593	681
Sundry Debtors	337	897
Other Debtors	93	20
Provision for expected credit loss - other debtors	(5)	(2)
Net GST Receivable	-	49
Total Trade and Other Receivables	<u>1,019</u>	<u>1,645</u>
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	(2)	(2)
Amounts written off during the year	-	1
Amounts recovered during the year	-	-
Increase / (decrease) in provision recognised in profit or loss	(3)	(1)
Carrying amount at 30 June	<u>(5)</u>	<u>(2)</u>

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

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 Other Assets		
<i>Current</i>		
Prepayments	128	42
Total Other Assets	<u>128</u>	<u>42</u>
Note 5 Investments		
Note 5.1 Investment in Water Corporation		
Opening Balance	19,859	18,327
Fair Value adjustments on equity investment assets	499	1,532
Total investment in Water Corporation	<u>20,358</u>	<u>19,859</u>

Council has derived returns from the Water Corporation as disclosed at Note 3.4.

Accounting policy
Equity Investment
As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: <i>Financial Instruments</i> to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.
Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2022, Council continues to hold a 1.26% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

	2022	2021
	\$'000	\$'000
Note 6 Non-Current Assets		
Note 6.1 Property, Infrastructure, Plant and Equipment		
<i>Summary</i>		
At Cost	6,746	6,793
Less Accumulated Depreciation	3,460	3,226
	<u>3,286</u>	<u>3,567</u>
At Fair Value as at 30 June	232,474	210,599
Less Accumulated Depreciation	80,704	75,631
	<u>151,771</u>	<u>134,969</u>
Total	<u>155,057</u>	<u>138,536</u>
<i>Property</i>		
Land		
At Fair Value as at 30 June	8,321	8,190
	<u>8,321</u>	<u>8,190</u>
Land Under Roads		
At Fair Value as at 30 June	5,540	5,540
	<u>5,540</u>	<u>5,540</u>
Total Land	<u>13,861</u>	<u>13,730</u>
Buildings		
At Fair Value as at 30 June	11,757	9,822
Less Accumulated Depreciation	4,193	3,842
	<u>7,564</u>	<u>5,980</u>
Heritage Buildings		
At Fair Value as at 30 June	1,137	771
Less Accumulated Depreciation	36	21
	<u>1,101</u>	<u>750</u>
Total Buildings	<u>8,665</u>	<u>6,730</u>
Total Property	<u>22,526</u>	<u>20,460</u>
<i>Plant and Equipment</i>		
Plant, Machinery and Equipment		
At Cost	3,540	3,629
Less Accumulated Depreciation	2,364	2,147
	<u>1,176</u>	<u>1,482</u>
Fixtures, Fittings and Furniture		
At Cost	205	208
Less Accumulated Depreciation	183	200
	<u>22</u>	<u>8</u>
Computers and Telecommunications		
At Cost	1,957	984
Less Accumulated Depreciation	913	879
	<u>1,044</u>	<u>105</u>
Total Plant and Equipment	<u>2,241</u>	<u>1,595</u>

	2022 \$'000	2021 \$'000
Note 6.1 Property, Infrastructure, Plant and Equipment (continued)		
<i>Infrastructure</i>		
Roads		
At Fair Value as at 30 June	131,354	118,443
Less Accumulated Depreciation	45,713	43,785
	<u>85,641</u>	<u>74,658</u>
Bridges		
At Fair Value as at 30 June	18,825	16,213
Less Accumulated Depreciation	7,989	6,642
	<u>10,836</u>	<u>9,571</u>
Footpaths and Cycleways		
At Fair Value as at 30 June	10,878	9,999
Less Accumulated Depreciation	4,773	4,403
	<u>6,105</u>	<u>5,595</u>
Drainage		
At Fair Value as at 30 June	21,323	19,269
Less Accumulated Depreciation	11,029	10,768
	<u>10,294</u>	<u>8,501</u>
Recreational, Leisure and Community Facilities		
At Fair Value as at 30 June	14,139	13,414
Less Accumulated Depreciation	3,617	3,134
	<u>10,522</u>	<u>10,280</u>
Waste Management Structures		
At Fair Value as at 30 June	2,426	2,361
Less Accumulated Depreciation	1,527	1,447
	<u>898</u>	<u>914</u>
Landfill Restoration		
At Fair Value as at 30 June	6,774	6,578
Less Accumulated Depreciation	1,825	1,588
	<u>4,949</u>	<u>4,990</u>
<i>Total Infrastructure</i>	<u>129,245</u>	<u>114,508</u>
Works in Progress		
Roads at Cost	445	684
Buildings at Cost	100	66
Computers and Telecommunications at Cost	15	581
Drainage at Cost	48	242
Recreational, Leisure and Community Facilities at Cost	437	399
Total Works in Progress	<u>1,045</u>	<u>1,972</u>
Total Property, Infrastructure, Plant and Equipment	<u>155,057</u>	<u>138,536</u>

Note 6.1 Property, Infrastructure, Plant and Equipment and Infrastructure (continued)

Reconciliation of Property, Infrastructure, Plant and Equipment

2022	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 (Note 2.8)	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	8,190	170	(39)	-	-	-	-	8,321
Land Under Roads	5,540	-	-	-	-	-	-	5,540
Total Land	13,730	170	(39)	-	-	-	-	13,861
Buildings	5,980	1,598	271	(351)	-	-	66	7,564
Heritage Buildings	750	-	366	(15)	-	-	-	1,101
Total Buildings	6,730	1,598	636	(366)	-	-	66	8,665
Total Property	20,460	1,768	597	(366)	-	-	66	22,525
Plant and Equipment								
Plant, Machinery and Equipment	1,482	42	-	(291)	(57)	-	-	1,176
Fixtures, Fittings and Furniture	8	16	-	(2)	-	-	-	22
Computers and Telecommunications	105	408	-	(34)	-	-	566	1,044
Total Plant and Equipment	1,595	466	-	(327)	(57)	-	566	2,241
Infrastructure								
Roads	74,679	1,804	10,402	(1,928)	-	-	684	85,641
Bridges	9,571	-	1,556	(292)	-	-	-	10,836
Footpaths and Cycleways	5,573	-	901	(370)	-	-	-	6,105
Drainage	8,501	67	1,745	(261)	-	-	242	10,294
Recreational, Leisure and Community Facilities	10,280	264	84	(483)	-	-	378	10,522
Waste Management Structures	914	65	-	(81)	-	-	-	898
Landfill Restoration	4,990	-	451	(492)	-	-	-	4,949
Total infrastructure	114,508	2,201	15,139	(3,907)	-	-	1,304	129,245
Works in Progress								
Roads	684	445	-	-	-	-	(684)	445
Buildings	66	100	-	-	-	-	(66)	100
Drainage	242	48	-	-	-	-	(242)	48
Computers and Telecommunications	581	-	-	-	-	-	(566)	15
Recreational, Leisure and Community Facilities	399	416	-	-	-	-	(378)	437
Total Works in Progress	1,972	1,009	-	-	-	-	(1,936)	1,045
Total Property, Infrastructure, Plant and Equipment	138,536	5,444	15,736	(4,600)	(57)	-	-	155,057

Note 6.1 Property, Infrastructure, Plant and Equipment (continued)

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 (Note 2.8)	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	8,113	-	77	-	-	-	-	8,190
Land Under Roads	5,540	-	0	-	-	-	-	5,540
Total Land	13,653	-	77	-	-	-	-	13,730
Buildings	3,214	731	2,260	(67)	(174)	-	16	5,980
Heritage Buildings	758	-	7	(15)	-	-	-	750
Total Buildings	3,972	731	2,267	(82)	(174)	-	16	6,730
Total Property	17,625	731	2,344	(82)	(174)	-	16	20,460
Plant and Equipment								
Plant, Machinery and Equipment	991	847	-	(265)	(91)	-	-	1,482
Fixtures, Fittings and Furniture	-	8	-	-	-	-	-	8
Computers and Telecommunications	133	32	-	(60)	-	-	-	105
Total Plant and Equipment	1,125	887	-	(325)	(91)	-	-	1,595
Infrastructure								
Roads	68,996	2,038	5,221	(1,685)	-	-	114	74,679
Bridges	9,189	671	15	(265)	(38)	-	-	9,571
Footpaths and Cycleways	5,382	-	449	(258)	-	-	-	5,573
Drainage	8,493	65	181	(239)	-	-	-	8,501
Recreational, Leisure and Community Facilities	4,146	92	6,126	(88)	-	-	7	10,280
Waste Management Structures	949	20	21	(76)	-	-	-	914
Landfill Restoration	3,895	-	1,448	(353)	-	-	-	4,990
Total Infrastructure	101,050	2,886	13,460	(2,964)	(38)	-	122	114,508
Works in Progress								
Roads	201	597	-	-	-	-	(114)	684
Buildings	58	25	-	-	-	-	(16)	66
Drainage	-	242	-	-	-	-	-	242
Computers and Telecommunications	188	393	-	-	-	-	-	581
Recreational, Leisure and Community Facilities	43	363	-	-	-	-	(7)	399
Total Works in Progress	490	1,620	-	-	-	-	(138)	1,972
Total Property, Infrastructure, Plant and Equipment	120,289	6,124	15,804	(3,372)	(303)	-	-	138,536

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

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

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

	Threshold \$'000
Land	
Land	10
Land Under Roads	10
Buildings	
Buildings	10
Heritage Buildings	10
Plant and Equipment	
Plant, Machinery and Equipment	5
Fixtures, Fittings and Furniture	5
Computers and Telecommunications	5
Infrastructure	
Roads	10
Bridges	10
Footpaths and Cycleways	10
Drainage	10
Other Infrastructure	
Recreational, Leisure and Community Facilities	10
Waste Management Structures	10
Landfill Restoration	10

Note 6.1 Property, Infrastructure, Plant and Equipment (continued)

Revaluation	
Council has adopted the following valuation bases for its Non-Current Assets:	
Land	
Land	Fair Value
Land Under Roads	Fair Value
Buildings	
Buildings	Fair Value
Heritage Buildings	Fair Value
Plant and Equipment	
Plant, Machinery and Equipment	Cost
Fixtures, Fittings and Furniture	Cost
Computers and Telecommunications	Cost
Infrastructure	
Roads	Fair Value
Bridges	Fair Value
Footpaths and Cycleways	Fair Value
Drainage	Fair Value
Other Infrastructure	
Recreational, Leisure and Community Facilities	Fair Value
Waste Management Structures	Fair Value
Landfill Restoration	Fair Value
Investment in TasWater	Fair Value
<p>Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their Fair Value in accordance with AASB 116 <i>Property, Plant & Equipment</i> and AASB 13 <i>Fair Value Measurement</i>. 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
Impairment of Assets	
Impairment losses are recognised in the statement of comprehensive income under other expenses.	
Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.	
Land Under Roads	
Land under roads acquired after 30 June 2008 have been brought to account at cost and subsequently revalued on a fair value basis as at 1 July 2019. Council does not recognise land under roads that it controlled prior to that period.	

	2022 \$'000	2021 \$'000
Note 7 Current Liabilities		
Note 7.1 Trade and Other Payables		
Trade Payables	1,243	364
Accrued Expenses	248	948
Accrued Payroll	483	120
Net GST Payable	1	10
Total Trade and Other Payables	1,975	1,442

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

Note 7.2 Other Current Liabilities		
Security Deposits and Bonds	122	119
Revenue Received in Advance	91	-
Total Other Current Liabilities	213	119

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

Note 7.3 Provisions

	Annual Leave \$ '000	Long Service \$ '000	Sick Leave Benefit \$ '000	Other Benefits \$ '000	Landfill Restoration \$ '000	Total \$ '000
2022						
Balance at beginning of the financial year	748	683	314	109	6,633	8,487
Additional provisions	348	133	147	75	196	899
Amounts used	(305)	(78)	(170)	(155)	-	(707)
Unwinding of discounting	-	-	-	-	255	255
Balance at the end of the financial year	791	738	292	30	7,084	8,935
2021						
Balance at beginning of the financial year	829	709	283	123	5,185	7,128
Additional provisions	215	(16)	119	17	1,392	1,727
Amounts used	(296)	(11)	(87)	(30)	-	(424)
Unwinding of discounting	-	-	-	-	55	55
Balance at the end of the financial year	748	683	314	109	6,633	8,487

(a) Employee Benefits	2022	2021
(i) Current	\$'000	\$'000
Annual Leave	791	748
Long Service Leave	624	612
Sick Leave	292	314
Other Benefits	30	109
	1,738	1,783
(ii) Non-Current		
Long Service Leave	113	71
	113	71
Aggregate carrying amount of employee benefits:		
Current	1,738	1,783
Non-Current	113	71
	1,851	1,854

	2022 \$'000	2021 \$'000
Note 7.3 Provisions (continued)		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.25%	2.25%
Weighted average discount rates	0.49%	0.49%
Weighted average settlement period	12	12
(iii) Current		
All Annual Leave and the Long Service Leave entitlements representing 7 or more years of continuous service.		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	821	857
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	916	926
	<u>1,737</u>	<u>1,784</u>
(iv) Non-Current		
Long service leave representing less than 7 years of continuous service measured at present value.	113	71
(v) Employee Numbers	79	81

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

An accrual is made for sick leave in accordance with Council's Enterprise Agreement. Currently, Council pays 65% of sick leave in excess of current entitlements on termination.

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.

	2022 \$'000	2021 \$'000
Note 7.3 Provisions (continued)		
(b) Land fill restoration		
Current	-	-
Non-current	7,084	6,633
Total	7,084	6,633

Accounting policy

Land fill restoration

Council is obligated to restore the Peppermint Hill Landfill site to a particular standard. This asset was recognised for the first time in 2018-2019, based on a valuation by an external construction company. In the current year, the asset and Council's Landfill Restoration Provision (Note 9.10) have been revalued to reflect increased estimated restoration and rehabilitation costs. In 2020-2021, the estimated remaining life of the site was changed from 4 years to 12 years, or 2033. 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.

Note 7.4 Contract Liabilities

Current

Rates and charges in advance	301	315
Grants received in advance	261	598
	561	913

Accounting policy

Council recognised the following contractual liabilities:

Grants received in advance includes funding for the Boyer Oval Grandstand, Tynwald Park improvements and Local Roads & Community Infrastructure projects. The funds received are under an enforceable contract which require Council to construct an identified asset which will be **under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.**

Refer to note 10.3 for accounting policy related to AASB 15 and AASB 1058.

Note 8 Non-Current Liabilities

Note 8.1 Interest-Bearing Loans and Borrowings

Current

Borrowings - Secured	541	570
	541	570

Non-Current

Borrowings - Secured	3,323	3,860
	3,323	3,860
Total	3,864	4,430

Borrowings

Borrowings are secured over the general rates of the Council.

The maturity profile for Council's borrowings is:

Not later than one year	-	45
Later than one year and not later than five years	538	1,020
Later than five years	3,326	3,365
Total	3,864	4,430

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

Note 9.1 Reserves

	Balance at Beginning of Reporting Year \$'000	Increment \$'000	(Decrement) \$'000	Balance at End of Reporting Year \$'000
(a) Asset Revaluation Reserve				
2022				
Property				
Land	6,566	-	(39)	6,527
Land Under Roads	1,094	-	-	1,094
Buildings (inc. Heritage Buildings)	850	636	-	1,486
	8,510	636	(39)	9,107
Infrastructure				
Roads (inc. Footpaths & Cycleways)	70,230	11,303	-	81,533
Bridges	5,693	1,556	-	7,250
Drainage	7,366	1,745	-	9,111
Recreational, Leisure and Community Facilities	5,720	84	-	5,804
Waste Management Structures	76	-	-	76
	89,086	14,689	-	103,774
Total Asset Revaluation Reserve	97,596	15,325	(39)	112,881

2021				
Property				
Land	6,489	77	-	6,566
Land Under Roads	1,094	-	-	1,094
Buildings	(1,418)	2,267	-	850
	6,166	2,344	-	8,510
Infrastructure				
Roads	64,561	5,669	-	70,230
Bridges	5,679	15	-	5,693
Drainage	7,185	181	-	7,366
Recreational, Leisure and Community Facilities	(406)	6,126	-	5,720
Waste Management Structures	55	21	-	76
	77,074	12,012	-	89,086
Total Asset Revaluation Reserve	83,241	14,356	-	97,596

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

2022				
Equity Investments assets				
Investment in Water Corporation	(4,868)	499	-	(4,369)
Total Fair Value Reserve	(4,868)	499	-	(4,369)
2021				
Equity Investments assets				
Investment in Water Corporation	(6,400)	1,532	-	(4,868)
Total Fair Value Reserve	(6,400)	1,532	-	(4,868)

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

Asset Replacement Reserves

2022				
Capital Works	1,987	-	(451)	1,536
Cemetery Replacement	65	-	(6)	60
Landfill Restoration & Establishment of Transfer Station*	1,538	491	-	2,029
	3,591	491	(457)	3,624

Note 9.1 Reserves (continued)

* Council is obligated to restore the Peppermint Hill Landfill site to a particular standard. Council's latest engineering projections indicate that the landfill site will cease operations in 2033 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. Council has established a reserve account for this specific purpose and a Waste Management Service Charge on all ratepayers was introduced during 2016-17. The Waste Management Service Charge per property for 2021-22 was \$90.00 (2020-21 \$55.00).

	Balance at Beginning of Reporting Year \$'000	Increment \$'000	(Decrement) \$'000	Balance at End of Reporting Year \$'000
2021				
Plant Replacement	117	-	(117)	-
Capital Works	1,036	951	-	1,987
Cemetery Replacement	65	-	-	65
Landfill Restoration & Establishment of Transfer Station*	1,276	262	-	1,538
	<u>2,494</u>	<u>1,213</u>	<u>(117)</u>	<u>3,591</u>

Community Reserves

2022				
Public Open Space	113	29	-	141
Autumn Festival	25	-	(25)	-
CBD Levy	60	-	(24)	35
Regional Renewal	179	-	(179)	-
Historical Information Centre	45	-	(1)	44
Visitor Information Centre	3	-	(3)	-
Public Relations	29	-	(29)	-
Quarry Rehabilitation	75	-	-	75
PCYC Reserve	23	-	-	23
Total Other Reserves	<u>551</u>	<u>29</u>	<u>(262)</u>	<u>318</u>

2021				
Public Open Space	205	-	(92)	113
Autumn Festival	25	-	-	25
CBD Levy	61	-	(1)	60
Children Services	-	-	-	-
Derwent Valley Scholarship	-	-	-	-
Regional Renewal	179	-	-	179
Computer	-	-	-	-
Home and Community Care (HACC)	-	-	-	-
Historical Information Centre	51	-	(6)	45
Visitor Information Centre	3	-	-	3
Public Relations	29	-	-	29
Quarry Rehabilitation	75	-	-	75
PCYC Reserve	23	-	-	23
Total Other Reserves	<u>650</u>	<u>-</u>	<u>(99)</u>	<u>551</u>

The resort and recreation reserve was established to control contributions received from developers that will, upon completion of developments be utilised to develop recreation and other facilities for residents in the respective development areas.

	2022 \$'000	2021 \$'000
Total Reserves	<u>112,455</u>	<u>96,871</u>

	2022 \$'000	2021 \$'000
Note 9.2 Reconciliation of Cash Flows From Operating Activities to Surplus (Deficit)		
Result from Continuing Operations	389	549
Depreciation/Amortisation	4,605	3,372
(Profit)/Loss on Disposal of Property, Plant, Equipment and Infrastructure	23	137
Capital Grants Received Specifically for New or Upgraded Assets	(2,624)	(1,874)
Assets brought to account	(170)	-
<i>Change in Assets and Liabilities:</i>		
Decrease/(Increase) in Trade and Other Receivables	624	(646)
Decrease/(Increase) in Other Assets	(86)	2
Increase/(Decrease) in Trade and Other Payables	533	596
Increase/(Decrease) in Other Liabilities	94	(129)
Increase/(Decrease) in Provisions	(3)	(89)
Increase/(Decrease) in Contract Liabilities	(352)	363
Net Cash Provided by/(Used in) Operating Activities	3,033	2,280

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.

	\$'000	\$'000
Opening Liabilities Arising from Financing Activities	4,430	3,458
Changes from Financing Cash Flows:		
Cash Received	-	1,500
Cash Repayments	(567)	(528)
Closing Liabilities Arising from Financing Activities	3,864	4,430

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 2022 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency. Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 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 schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

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

- **The 2017 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.**
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when **an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A).** However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).
- The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- **The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.**
- During the reporting period the amount of superannuation contributions paid to defined benefits schemes was \$0 (2020-21, \$0), and the amount paid to accumulation schemes was \$0 (2020-21, \$0).
- 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 \$0.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. 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 deloitte Consulting Pty Ltd as at 30 June 2021, **showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.**
- As at 30 June 2021 the Fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

	2022 \$'000	2021 \$'000
Note 9.4 Superannuation (continued)		
Defined Benefits Fund		
Employer contributions to TasPlan	-	-
Accumulation Funds		
Employer contributions payable at reporting date	27	-
Employer contributions to:	27	-
Quadrant Superannuation Scheme	-	140
Spirit Super (formerly TasPlan Superannuation)	538	284
Vision Super	53	41
Bendigo Smart Start Super	12	10
Host Plus	28	18
Australian Super	6	13
Commonwealth Bank Group Super	11	10
Captain Pugwash Superannuation Fund	-	15
Retail Employees Superannuation Trust (REST)	9	10
Uni Super	0	0
Hesta Super	9	1
Settlers Super	10	9
AMP Super	4	7
HUB24 Super	2	13
TWUSUPER	2	4
Local Government Super	12	2
CBUS	12	-
Colonial First State First Choice	6	-
Sandra V McMillian Super Fund	5	-
Sun Super Superannuation	6	-
Q Super	1	-
	727	576
Note 9.5 Commitments		
<i>Capital Expenditure Commitments</i>		
Roads & Bridges	74	-
Buildings	97	881
Drainage	123	86
Reserves	23	-
Information Technology	252	580
Total Capital Expenditure Commitments	569	1,547
<i>Contractual Commitments</i>		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Maydena & Westerway Town Maintenance Contract (Commenced 6 November 2017 for a term of 5 years)	20	66
Waste Management & Resource Recovery Contract (Commenced 1 April 2018 for a term of 5 years)	204	441
Kerbside Garbage & Recycling Collection Contract (Commenced 1 July 2018 for a term of 5 years)	368	692
Green Waste Contract (Commenced 1 March 2019 for a term of 3 years, with additional 2 years extension)	137	45
Council Buildings Internal Cleaning Services Contract (Commenced 1 July 2019 for a 3 year term)	-	78
Security Services Contract (Commenced 30 October 2020 to 30 October 2025)	231	273
Gravel Supplies Peppermint Hill Tip (25 July 2020 to 30 June 2023)	50	100
Management of New Norfolk & Bushy Park Swimming Pools (1 October 2021 for a term of 2 years)	64	-
Total Contractual Commitments	1,074	1,695
Note 9.6 Operating Leases		
(a) Operating Lease Commitments		
Council entered into a new operating lease during 2021-22 for the use of five Konica Minolta photocopy machines.		
At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	12	10
Later than one year and not later than five years	49	13
	62	23
Note 9.7 Contingent Liabilities and Contingent Assets		
Contingent Liabilities		
Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
Contingent Assets		
Council does not have any expected contingent assets to be received.		

Note 9.8 Financial Instruments

(a) Interest Rate Risk

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

2022

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<i>Financial Assets</i>							
Cash and cash equivalents	0.35%	4,853	-	-	-	-	4,853
Trade and other receivables	7.87%	-	296	174	123	427	1,019
Investment in water corporation		-	-	-	-	20,358	20,358
<i>Total Financial Assets</i>		4,853	296	174	123	20,785	26,230
<i>Financial Liabilities</i>							
Trade and other payables		-	-	-	-	1,975	1,975
Contract liabilities		-	-	-	-	561	561
Trust funds and deposits		-	-	-	-	213	213
Interest-bearing loans and borrowings	2.96%	-	541	1,407	1,916	-	3,864
<i>Total financial liabilities</i>		-	541	1,407	1,916	2,749	6,613
Net financial assets (liabilities)		4,853	(245)	(1,233)	(1,793)	18,036	19,617

2021

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<i>Financial Assets</i>							
Cash and cash equivalents	0.18%	5,002	-	-	-	-	5,002
Trade and other receivables	6.81%	-	315	95	270	965	1,645
Investment in water corporation		-	-	-	-	19,859	19,859
<i>Total financial assets</i>		5,002	315	95	270	20,825	26,506
<i>Financial Liabilities</i>							
Trade and other payables		-	-	-	-	1,442	1,442
Revenue received in advance		-	-	-	-	913	913
Trust funds and deposits		-	-	-	-	119	119
Interest-bearing loans and borrowings	3.46%	-	562	1,638	2,238	-	4,438
<i>Total financial liabilities</i>		-	562	1,638	2,238	2,474	6,912
Net financial assets (liabilities)		5,002	(247)	(1,543)	(1,968)	18,350	19,593

Note 9.8 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:

	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial Instruments				
<i>Financial Assets</i>				
Cash and Cash Equivalents	4,853	5,002	4,853	5,002
Trade and Other Receivables	1,019	1,645	1,019	1,645
Investment in Water Corporation	20,358	19,859	20,358	19,859
<i>Total Financial Assets</i>	<u>26,231</u>	<u>26,507</u>	<u>26,231</u>	<u>26,507</u>
<i>Financial Liabilities</i>				
Trade and Other Payables	1,975	1,442	1,975	1,442
Contract liabilities	561	913	261	598
Trust Funds and Deposits	213	119	213	119
Interest-Bearing Loans and Borrowings	3,864	4,430	3,597	4,602
<i>Total Financial Liabilities</i>	<u>6,613</u>	<u>6,905</u>	<u>6,046</u>	<u>6,761</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 Tasmanian Public Finance Corporation (Tascorp) and major Australian banks by a tender process.

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 9.8 Financial Instruments (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.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our Contingent Liabilities are disclosed in Note 9.7.

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

	Financial Institutions (AAA credit rating)	Government agencies (BBBB credit rating)	Other (min BBB credit rating)	Total
2022				
Cash and Cash Equivalents	4,853	-	-	4,853
Trade and Other Receivables	-	-	1,019	1,019
Total Contractual Financial Assets	4,853	-	1,019	5,872
2021				
Cash and Cash Equivalents	5,002	-	-	5,002
Trade and Other Receivables	-	-	1,645	1,645
Total Contractual Financial Assets	5,002	-	1,645	6,647

	2022 \$'000	2021 \$'000
Movement in Provisions for Expected Credit Losses of Trade and Other Receivables		
Balance at the beginning of the year	2	2
New Credit Losses recognised during the year	3	(2)
Amounts already provided for and written off as uncollectible	-	2
Amounts provided for but recovered during the year	-	-
Balance at end of year	5	2

	2022 \$'000	2021 \$'000
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Note 9.8 Financial Instruments (continued)

Credit risk (continued)

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:

Current (not yet due)	286	656
Past due by up to 30 days	101	115
Past due between 31 and 180 days	2	157
Past due between 181 and 365 days	8	36
Past due by more than 1 year	622	681
Total Trade & Other Receivables	1,019	1,645

Ageing of individually impaired Trade and Other Receivables

At balance date, receivables representing financial assets with a nominal value of \$4,850 (2020-21: \$2,204) were provided for. The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	5	2
Total Trade & Other Receivables	5	2

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.

Note 9.8 Financial Instruments (continued)

Liquidity risk (continued)

The table below lists the contractual maturities for Financial Liabilities.

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

2022	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	1,975	-	-	-	-	1,975	1,975
Contract	561	-	-	-	-	561	561
Trust funds and deposits	213	-	-	-	-	213	213
Interest-bearing loans and borrowings	268	273	369	1,038	1,916	3,864	3,864
Total financial liabilities	3,018	273	369	1,038	1,916	6,613	6,613

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	1,442	-	-	-	-	1,442	1,442
Contract liabilities	913	-	-	-	-	913	913
Trust funds and deposits	119	-	-	-	-	119	119
Interest-bearing loans and borrowings	258	304	536	1,102	2,238	4,438	4,438
Total financial liabilities	2,732	304	536	1,102	2,238	6,912	6,912

Note 9.8 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 + .5% and -.5% in market interest rates (AUD) from year-end rates of 3.46%.

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			
		-.5%		+.5%	
		-50 basis points		+50 basis points	
		Profit	Equity	Profit	Equity
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	4,853	(24)	(24)	24	24
Trade and other receivables	1,019	(5)	(5)	5	5
Financial liabilities:					
Interest-bearing loans and borrowings	3,864	(19)	(19)	19	19
		Interest rate risk			
		-.5 %		+.5%	
		-50 basis points		+50 basis points	
		Profit	Equity	Profit	Equity
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	5,002	(25)	(25)	25	25
Trade and other receivables	1,645	(8)	(8)	8	8
Financial liabilities:					
Interest-bearing loans and borrowings	4,430	(22)	(22)	22	22

Note 9.9 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
 - Heritage Buildings
 - Roads
 - Bridges
 - Footpaths and Cycleways
 - Drainage
 - Recreational, Leisure and Community Facilities
 - Waste Management Structures
 - Landfill Restoration

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 2022.

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 2022

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring Fair Value Measurements					
Investment in Water Corporation	5.1	-	-	20,358	20,358
Land	6.1	-	8,321	-	8,321
Land Under Roads	6.1	-	-	5,540	5,540
Buildings	6.1	-	7,564	-	7,564
Heritage Buildings	6.1	-	-	1,101	1,101
Roads	6.1	-	-	85,641	85,641
Bridges	6.1	-	-	10,836	10,836
Footpaths and Cycleways	6.1	-	-	6,105	6,105
Drainage	6.1	-	-	10,294	10,294
Recreational, Leisure and Community Facilities	6.1	-	-	10,522	10,522
Waste Management Structures	6.1	-	-	898	898
Landfill Restoration	6.1	-	-	4,949	4,949
		-	15,885	156,246	172,129

Note 9.9 Fair Value Measurements (continued)

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	-	-	19,859	19,859
Land	6.1	-	8,190	-	8,190
Land Under Roads	6.1	-	-	5,540	5,540
Buildings	6.1	-	5,980	-	5,980
Heritage Buildings	6.1	-	-	750	750
Roads	6.1	-	-	74,658	74,658
Bridges	6.1	-	-	9,571	9,571
Footpaths and Cycleways	6.1	-	-	5,595	5,595
Drainage	6.1	-	-	8,501	8,501
Recreational, Leisure and Community Facilities	6.1	-	-	10,280	10,280
Waste Management Structures	6.1	-	-	914	914
Landfill Restoration	6.1	-	-	4,990	4,990
		-	14,170	140,658	154,828

Transfers Between Levels of the Hierarchy

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

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

(b) Highest and Best Use

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 Office of the Valuer-General (OVG) effective 1 July 2017 and were indexed 1 July 2019. Adjustment factors are to be provided by the OVG and applied by Council every two years, however, due to COVID, these factors were delayed and will be applied 1 July 2022. Values were scheduled to be 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. Sale prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. No index has been applied in 2021/2022 as land revaluation is scheduled for 1 July 2023.

Land Under Roads

Land under roads is based on valuations determined by the Valuer-General effective 1 July 2019, using site values adjusted for engloba (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 as part of a revaluation as at 30 June 2021 by APV valuers and Asset Management. Level 2 valuation inputs were used to value buildings. Where there is a market for Council building assets, fair value has been derived from the sale prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre. No index values have been applied in 2021/2022 due to the short period since revaluation.

Heritage Buildings

Heritage buildings were excluded from the building revaluation in 2020-2021. Values are determined by the Office of the Valuer-General (OVG) effective 1 July 2017 and were indexed 1 July 2019. New adjustment factors were provided by OVG to Council to be applied at 1 July 2022, however, Council utilised the indexation values and accounted for this increase as at 30 June 2022.

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

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.

Note 9.9 Fair Value Measurements (continued)

Infrastructure Assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 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. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Roads, Including Footpaths & Cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. 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. A full valuation of roads including footpaths and cycleways was undertaken by Council's appointed Engineer in 2018/2019. Council has applied the ABS Road and Bridge Construction Australia index of 8.8% as at 30 June 2022.

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 10 cms for high traffic areas and 8 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, Aus Span, effective 30 June 2022. 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 appointed Engineer during 2019-2020, effective from 30 June 2020. In 2021/2022, Council has applied the ABS Other heavy and civil engineering construction index of 9.1% as at 30 June 2022. 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.

Recreational, Leisure and Community Facilities

The fair value of Council's recreational, leisure and community facilities were determined as part of a revaluation in 2020-2021, effective 30 June 2021, by APV valuers and Asset Management. By nature this Asset Class comprises a range of assets that have different design features and or even uses and as a result needed to be differentiated to enable the application of different valuation inputs:- market, income or cost approach. As a result, the approach may have included the adoption of a singular or multiple techniques. No index values have been applied in 2021/2022 due to the short period since revaluation.

Note 9.9 Fair Value Measurements (continued)

Recreational, Leisure and Community Facilities (continued)

Evidence of market value was obtained from the sales evidence of similar or reference assets. The assets were assessed in terms of the factors relevant to a market participant and a value determined after adjusting for the difference in these factors embodied within the asset and the reference assets. The income approach has been applied for assets where the income generating capability of the asset provides the best estimate of the asset. The cost approach is based on determining the replacement cost of the modern equivalent and then adjusting for the level of consumed future economic benefit and impairment.

Waste Management Structures

Waste Management Structures are held at cost and it was not considered necessary to index in 2021-2022.

Landfill Restoration

This asset was recognised for the first time in 2018-2019, based on a valuation by an external construction company. At 30 June 2021, the asset and Council's Landfill Restoration Provision (Note 7.3) were revalued to reflect increased estimated restoration and rehabilitation costs. CPI of 6.5% was applied as at 30 June 2022.

Depreciation of the Landfill Restoration is determined by reference to the estimated remaining life of Council's Peppermint Hill Landfill site plus a ten year allowance for on-going rehabilitation costs. In 2020-2021, the estimated remaining life of the site changed from 4 years to 12 years, or 2033. As a result, the asset increased in value.

Other Infrastructure

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

(d) Unobservable Inputs and Sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	20,358	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.

(e) Changes in Recurring Level 3 Fair Value Measurements

The changes in Level 3 property plant and equipment assets with recurring fair value measurements are detailed in Note 6.1 (Property, Infrastructure, Plant and Equipment). Heritage buildings, which are classified as Level 3 are separately disclosed in Note 6.1. Investment in Water Corporation, which is classified as Level 3 has been separately disclosed in Note 5.1

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

(f) Valuation Processes

Council's current policy for the valuation of Property, Infrastructure, Plant and Equipment, Investment in Water Corporation and Investment Property (recurring fair value measurements) is set out in Notes 5.1 and 6.1 respectively.

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

(g) Assets and Liabilities not measured at fair value but for which Fair Value is disclosed

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 9.11 is provided by Tascorp (Level 2).

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

Note 9.10 Events Occurring After Balance Date

There have been no events occurring after balance date which effect these financial statements.

Note 10 Other Matters

Note 10.1 Related Party Transactions

(i) Responsible Persons

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

Councillors	Ben Shaw (Mayor 1/7/2021 to 11/12/2021)
	Jessica Cosgrove (Acting Mayor 12/12/2021 to 28/2/2022)
	Michelle Dracoulis (Mayor 1/3/2022 to 30/6/2022)
	Jessica Cosgrove (Deputy Mayor 1/7/2021 to 11/12/2021, 1/3/2022 to 30/6/2022)
	Paul Belcher (Councillor 1/7/2021 to 8/12/2021)
	Luke Browning (Councillor 1/7/2021 to 30/6/2022)
	Martyn Evans (Councillor 1/7/2021 to 30/11/2021)
	Frank Pearce (Councillor 1/7/2021 to 31/1/2022)
	Julie Triffett (Councillor 1/7/2021 to 30/6/2022)
	Natasha Woods (Councillor 1/7/2021 to 30/6/2022)
	Philip Bingley (Councillor 8/3/2022 to 30/6/2022)
	James Graham (Councillor 10/1/2022 to 30/6/2022)
	Matt Hill (Councillor 10/1/2022 to 30/6/2022)

General Manager Dean Griggs (1/7/2021 to 30/6/2022)

Executive Managers Amanda McCall (1/7/2021 to 30/6/2022)
Quecha Horning (1/7/2021 to 30/6/2022)
Ian Hart (1/7/2021 to 11/2/2022)
Daniel Marr (1/7/2021 to 30/6/2022)

(ii) Councillor Remuneration

2022

	Allowances \$	Vehicles \$	Total Compensation AASB 124 \$	Expenses* \$	Total allowances and expenses section 72 \$
Mayor	45,901	-	45,901	2,617	48,518
Deputy Mayor	21,928	-	21,928	-	21,928
Councillors	64,123	-	64,123	613	64,736
Total	131,952	-	131,952	3,230	135,182

2021

	Allowances \$	Vehicles ¹ \$	Total Compensation AASB 124 \$	Expenses ² \$	Total allowances and expenses section 72 \$
Mayor	42,987	-	42,987	4,661	47,648
Deputy Mayor	25,764	-	25,764	-	25,764
Councillors	78,982	-	78,982	-	78,982
Total	147,732	-	147,732	4,661	152,393

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

Note 10.1 Related Party Transactions (continued)

(iii) Key Management Personnel Remuneration

2022	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits ⁸	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	\$	\$
\$100,001 - \$120,000	1	97,220	-	-	-	12,333	-	6,772	-	116,325
\$160,001 - \$180,000	2	274,724	-	-	9,231	39,222	17,783	-	18,330	359,290
\$200,001 - \$220,000	1	166,027	-	-	-	21,243	27,129	-	(7,487)	206,912
\$240,001 - \$260,000	1	189,844	-	-	12,000	26,466	12,236	-	523	241,069
Total		727,815	-	-	21,231	99,264	57,148	6,772	11,366	923,596

2021	Number of employees	Short term employee benefits				Post employment benefits			Non-monetary Benefits ⁸	Total
		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	\$	\$
\$ 1 - \$ 20,000	1	14,425	-	-	1,154	2,103	100	-	1,106	18,888
\$60,001 - \$80,000	2	148,905	-	-	-	20,085	930	-	8,846	178,766
\$100,001 - \$120,000	1	112,239	-	-	-	10,945	-	105,534	-	228,719
\$120,001 - \$140,001	2	256,240	-	-	-	31,485	18,910	23,840	13,576	344,052
\$180,001 - \$200,000	1	184,291	-	-	12,000	24,905	6,045	-	7,081	234,323
Total		716,101	-	-	13,154	89,524	25,985	129,374	30,610	1,004,748

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

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). No vehicles in 2021-2022 for KMP.

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

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

⁶ Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

⁷ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁸ Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

Note 10.1 Related Party Transactions (continued)

(iv) Remuneration Principles

Councillors

Councillors allowances and other expenses are paid in accordance with the *Local Government Act 1993* and are indexed annually by the State Government in November each year.

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 six months prior to termination of the contract. Whilst not automatic, contracts can be extended.

(v) Transactions with Related Parties

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.

(vi) Loans and Guarantees to/from Third Parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a third party.

Note 10.2 Special Committees and Other Activities

The *Local Government Act 1993* provides Councils with the authority to create Committees made up of only Councillors or Special Committees. Derwent Valley Council has established the following Special Committees and Organisations which have revenue and/or expenditure contained within these Financial Statements:

- Historical Information Centre Committee
- New Norfolk Business Alliance Committee
- Friends of Willow Court
- Derwent Valley Autumn Festival Committee
- New Norfolk Swimming Pool Committee
- Derwent Valley Visitor Information Centre
- Molesworth Recreation Reserve Special Committee

As at 30 June 2022, all Special Committees were disestablished.

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 reviewed and assessed all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board, and determined that none would have a material effect on Council's operations or financial reporting.

Note 10.3 Other significant accounting policies and pending accounting standards (continued)

(h) Pending Accounting Standards

In the current year, Council has reviewed and assessed all the new accounting standards and interpretations that have been published, with future effective dates, and determined they are either not applicable to Council's activities, or would have no material impact.

Note 10.4 Significant Business Activities

Council has assessed and identified no Significant Business Activities.

Accounting Policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that as defined above that no significant business activities need to be considered.

Note	10.5 Management Indicators	Benchmark	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
(a)	Underlying surplus or deficit					
	Net result for the year		389	549	2,638	1,861
	Less non-operating income:					
	Capital grants received specifically for new or upgraded assets		2,624	1,874	2,860	1,392
	Assets brought to Account		-	-	-	204
	Adjustment of FAG Grants received in advance		725	(103)	48	57
	Underlying Surplus/(Deficit)	0	(2,235)	(1,222)	(270)	208

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>		(2,235)	(1,222)	(270)	208
	Recurrent Income*		15,960	14,195	15,562	13,863
	Underlying Surplus Ratio %	0%	-14.01%	-8.61%	-1.73%	1.50%

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

Council's performance in regard to this ratio is considered satisfactory.

(c)	Net Financial Liabilities					
	Liquid Assets Less		5,872	6,647	6,832	7,547
	Total Liabilities		15,548	15,390	12,231	12,604
	Net Financial Liabilities	0	(9,676)	(8,743)	(5,399)	(5,057)

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

(d)	Net Financial Liabilities Ratio					
	<u>Net Financial Liabilities</u>		(8,464)	(8,817)	(5,399)	(5,057)
	Recurrent income*		15,960	14,195	15,562	13,863
	Net Financial Liabilities Ratio %	0% - (50%)	-53.03%	-62.11%	-34.69%	-36.48%

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

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

<i>Transport Infrastructure</i>						
	<u>Fair value (Carrying amount)</u>		97,286	85,793	83,566	79,629
	Current replacement cost (Gross)		147,773	133,981	136,480	131,660
	Asset consumption ratio %		65.83%	64.03%	61.23%	60.48%
<i>Buildings</i>						
	<u>Fair value (Carrying amount)</u>		8,665	6,730	3,973	3,597
	Current replacement cost (Gross)		12,894	10,593	4,849	4,455
	Asset consumption ratio %		67.20%	63.53%	81.93%	80.74%
<i>Drainage</i>						
	<u>Fair value (Carrying amount)</u>		10,294	8,501	8,494	7,448
	Current replacement cost (Gross)		21,323	19,269	19,023	14,971
	Asset consumption ratio %		48.27%	44.12%	44.65%	49.75%

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

Council's performance in regard to this ratio is considered satisfactory.

		2022	2021	2020	2019
		\$'000	\$'000	\$'000	\$'000

Note 10.5 Management Indicators (continued)

(f) Asset Renewal Funding Ratio

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

****Transport Infrastructure

Projected capital funding outlays**		28,151	0	0	17,307
Projected capital expenditure funding***		43,331	0	0	13,330
Asset renewal funding ratio %	90-100%	64.97%	0.00%	0.00%	129.83%

****Buildings

Projected capital funding outlays**		0	0	0	84
Projected capital expenditure funding***		0	0	0	511
Asset renewal funding ratio %	90-100%	0.00%	0.00%	0.00%	16.39%

****Drainage

Projected capital funding outlays**		1,132	0	0	3,140
Projected capital expenditure funding***		2,349	0	0	1,564
Asset renewal funding ratio %	90-100%	48.19%	0.00%	0.00%	200.76%

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

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

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

The revaluation of building and reserve assets as at 30 June 2021, included the valuer providing an assessment of useful lives. The revaluation was not available when the LTFMP was adopted, therefore, Council needs to update the plan prior to calculating the ratio.

(g) Asset Sustainability Ratio

Capex on replacement/renewal of existing assets		5,444	6,124	6,019	3,934
Annual depreciation expense		4,605	3,372	3,775	2,498
Asset sustainability ratio %	100%	118.21%	181.63%	159.44%	157.49%

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

Council's performance in regard to this ratio is considered satisfactory.

Certification of the Financial Report

The financial report presents fairly the financial position of the Derwent Valley Council as at 30 June 2022 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.



Dean Griggs
General Manager

Date : 24-October-2022