

2022 - 2023

Derwent Valley
COUNCIL

ANNUAL REPORT





ACKNOWLEDGEMENT OF ABORIGINAL PEOPLE AND COUNTRY

In recognition of the deep history and culture of lutruwita/Tasmania, we would like to acknowledge the Linawina people, the traditional owners of this land.

We acknowledge and pay our respects to all Tasmanian Aboriginal communities; all of whom have survived invasion and dispossession and continue to maintain their identity and culture.

We continue our journey to increase understanding, respect, and opportunities for Aboriginal and Torres Strait Islander people in the Derwent Valley.

Contents

Mayor and General Manager

Message 1

About Derwent Valley 3

Your Council 4

Purpose and Values..... 5

The Year In Review 6

Local Economy 7

Infrastructure 8

Environment 10

Community 12

Health and wellbeing 13

Liveability..... 14

Image and Pride 15

Governance..... 16

Organisation Updates..... 19

Development Services..... 19

Children's Services..... 24

Statutory Reporting 26

Public Health Statement 26

Elected Member Allowances 28

Decision-making Structures of Council 29

Council Meetings..... 29

Meeting Attendance..... 30

Public Interest Disclosure Statement 31

Right To Information 32

Customer Service Charter 32

Integrity Commission 32

Code of Conduct..... 32

Enterprise Powers Statement 32

Donated Land Statement..... 32

Governance and structure 33

Council Structure 33

Governance..... 33

Financial Summary35

Sources of Income35

Sources of Expenditure.....36

Senior Employee Total Remuneration Statement38

Grants and Benefits Provided39

Contracts for Supply of Goods and Services.....41

Audit Panel43

Appendix: Annual Financial Report for the year ended 30 June 2023 ...49

Mayor and General Manager Message



Michelle Dracoulis

Another year has passed – and what an incredible year it has been for Derwent Valley Council.

With a fresh council elect and the appointment of Acting General Manager Ron Sanderson in March, the council has seen a much-needed change in pace and sharpening of focus.

A collaborative approach to management in our organisation has seen a positive cultural shift. As a result, staff have remained productive throughout all changes and continue to deliver well for our community.

A number of projects have been advanced, with \$5 million dollars secured to deliver new and improved sporting infrastructure for Boyer Oval and Tynwald Park. Separately, the grandstand at Boyer has been painted and old damaged infrastructure removed. New secure roller-doors have been installed on the windows of the Boyer Clubrooms and on the New Norfolk Licensed Anglers Association kiosk at The Esplanade. Tidy Towns have been allocated a building to store their equipment on the Esplanade. A number of publicly owned buildings have been repainted and had roof repairs, including the Chambers on Circle Street. We will soon begin upgrading the Arthur Square toilets and adding a disability toilet/parents change room as an addition to the existing building.

We are a leading participant in the 'Be Well' initiative, supporting mental well-being in our community. In June we hosted a Derwent Valley Youth Summit and have put dedicated time into understanding the needs of our region's youth. These needs are complex and will require collaboration with multiple services and organisations to deliver, but we are aware and making moves in this important space. Our children are our future, and it does take a village to raise a child (or a parent). We are also leading the state in the creation and adoption of our 'Safeguarding Children and Young People Policy'.

Internally we have had babies born and aging parents die. Employees who are respected and well-liked have moved on in their careers, and we have felt the pain of rise in cost-of-living as have all residents of our municipality. It is with awareness of this challenge that we determined to set our 2023 rate at 5%, well below CPI and well below the 9% increase projected in 2022.

Despite the limits that this reduction in capital created, council has continued to deliver steadily, addressing a host of legacy issues and long-needed maintenance.

Elected members are working well together, with a focus on community and strategy. The variety of experience around the table has held us in good stead, and debate has been robust and respectful, with good decisions made despite the strain of public scrutiny and speculation.

We have been working hard to build relationships and encourage investment, and we are having a number of conversations with view to bring industry, retail and employment to enliven our region's economy.

All in all a good year, in the best place in the world to call home. Bring on 2024!

Sincerely,



Michelle Dracoulis
Mayor



Ron Sanderson
Acting General Manager

About Derwent Valley

The Derwent Valley is in Southern Tasmania approximately 30km northwest of Hobart, and covers an area of 4101 square km.

The Derwent Valley is home to an estimated residential population of 11,251 (ABS ERP 2022). Over half the population resides in and around New Norfolk, with the remaining population spread across smaller residential and rural living areas such as Granton, Molesworth, Lachlan, Bushy Park, Westerway and Maydena. The region was settled by Europeans in 1807 and boasts a variety of colonial architecture, from oast-houses and humble cottages to grand mansions. The Derwent River and surrounding landscape, including Mount Field National Park and the Tasmanian Wilderness World Heritage Area, is popular among adventure seekers – including mountain bikers, kayakers, campers, hikers, and anglers – due to its spectacular waterfalls, bike trails, rivers and forests.

The Derwent River catchment provides drinking water to the broader population of Southern Tasmania and the river is used widely for a variety of recreation, boating, fishing, and industry needs. The region is home to an internationally competitive hop industry and emerging niche agricultural specialties such as essential oils, cherries, seed production and rare breed small scale beef and sheep production. Water resources support hydroelectricity generation, as well as freshwater fishing, adventure tourism and other related activities. Tourism growth is significant, with the new community brand seeking to enhance the values that make the Derwent Valley such a fascinating, attractive, and diverse place – to allow the area to become more cosmopolitan without losing its rural charm.



Your Council

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.

Elected members from October 2022

Michelle Dracoulis
Mayor



Luke Browning
Deputy Mayor



Phil Bingley
Councillor



Peter Binny
Councillor



Jessica Cosgrove
Councillor



Justin Derksen
Councillor



Matt Hill
Councillor



Sara Lowe
Councillor



Local Government Elections were held in October 2022, resulting in some changes in the Elected Member line-up.

Elected members prior to the October 2022 election:

- Mayor Michelle Dracoulis
- Deputy Mayor Jessica Cosgrove
- Councillor James Graham
- Councillor Luke Browning
- Councillor Julie Triffett
- Councillor Natasha Woods
- Councillor Matt Hill
- Councillor Phil Bingley

Purpose and Values

Council Purpose

To deliver sustainable and efficient services and facilities that promotes a healthy, vibrant, and prosperous Derwent Valley.

Council Values

QUALITY SERVICE

- We work to serve our community, to make a difference in what we do every day.
- With a helpful attitude, and care we contribute positively to our community.
- We are customer focused and committed to delivering quality service.
- We build relationships with our customers and positively impact our community through a commitment to quality in our work.

COLLABORATION

- We listen to and respect each other, we are supportive and work co-operatively and inclusively to achieve great results.
- We work together, treating each other fairly and with respect, valuing and actively involving others in team discussions and actions.
- We inform others on the team by sharing relevant information pro-actively.
- We participate as a friendly, helpful and caring member of the team to deliver results to our community.
- We enjoy our work and the recognition we give each other for a job well done.

WELLBEING

- We demonstrate duty of care for ourselves, our team mates and our community in all that we do.
- We value the health and wellbeing of our staff and community.
- We approach our work with care and consideration ensuring we are responsible for demonstrating safe work practices.
- We strive to maintain a healthy work-life balance which gives our staff the opportunity to contribute positively to the culture of the Derwent Valley community.

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.
- We value learning and development and recognise the importance of growth in the workplace as a way to meet the ever changing needs of our community.
- We learn through experience as well as formal development opportunities.
- We support and encourage personal and professional growth for ourselves and others in our team and approach everything as an opportunity to learn.

INTEGRITY

- We strive to be valued and trusted by our community by being accountable and objective in our role as a local government.
- We value integrity as an important part of the council's culture and seek to achieve this through a focus on accountability, consistency, and ethical action.
- We ensure that we are fair and consistent in all our dealings.
- We are honest and transparent about our processes and decision-making and accountable for our actions.

The Year In Review

The 'Our Valley 2030' Strategic Plan was prepared in 2018 and was the basis for preparing the Annual Plan 2022-23.

Our Valley 2030 defines 8 'strategic outcomes' that guide Council's work to deliver on the Community Vision.

In the following section you will find a summary of the work delivered in the 2022-23 financial year categorised under each of the 8 strategic outcomes from the 'Our Valley 2030' Strategic Plan.



Our Valley 2030 – Strategic Outcomes

Local Economy: A regionally diverse, competitive, and innovative valley that is attractive to all

Infrastructure: A well-planned and supported infrastructure to meet the growing demands of the region.

Environment: We preserve, protect and promote our lived, built and natural environment.

Community: Services are integrated to maximise opportunities and participation.

Health & Wellbeing: The Valley has a range of activities to improve physical and mental wellbeing.

Liveability: The Valley has highly liveable and engaged communities supported by access to its needs.

Community Pride: The Derwent Valley Brand shapes our story and reputation.

Strategic Plan review: DV+10

It's a requirement for all Tasmanian Council's to update their strategic plan every 4 years.

In 2022-23 we commenced work on developing the new strategic plan that will supersede 'Our Valley 2030'. This process started with an extensive community engagement process. We had over 300 people complete surveys. We spoke with hundreds of people at our pop-up events.

The voice of our community was heard, and will shape the new strategic plan that will guide Council priorities from FY 2023-24.

Local Economy

A regionally diverse, competitive, and innovative valley that is attractive to all.

Actions delivered

- Engaged with the community, stakeholders, and experts to develop the Willow Court heritage Interpretation Plan.
- Continued with works associated with the subdivision of the Willow Court Precinct.
- Completed construction works of Stage 1 of High Street between Circle Street and Burnet Street.
- Continued to pursue grant funding for strategic capital projects.
- Supported the Garage Sale Trail waste education and reduction campaign to promote reuse and waste reduction, circulating \$37,520 in the local economy.

Highlights

Willow Court Heritage Interpretation Plan

With project partners Curio, several months of community and stakeholder engagement were conducted, including a comprehensive survey, a series of targeted workshops and the gathering of many stories and community perspectives.

The Heritage Interpretation Plan defines how the Derwent Valley Council, precinct partners, stakeholders, and those who engage with Willow Court can communicate its heritage values.

Significantly, it acknowledges and builds on previous plans commissioned by Council, ensuring contemporary best practice to heritage interpretation and specific to the unique and evolving heritage precinct of Willow Court.

High Street Redevelopment

The first stage of the High Street Redevelopment Project came to an end, making High Street a safer and more attractive place for people to shop and visit.

Aggregate concrete footpaths, lighter paving, street furniture and vibrant street trees and landscaping improved the look of the street, while new kerb profiles, access ramps, disability parking spaces and pedestrian safety islands improved pedestrian safety.

Image: High Street redevelopment



Infrastructure

A well-planned and supported infrastructure to meet the growing demands of the region.

Actions delivered

- Commenced preparation of a Tynwald Park Masterplan
- Installed new flag poles outside Council Chambers for ceremonial use.
- Installed LED scoreboard at Tynwald Park.
- Completed construction of the Esplanade stage, to cater for community events festivals and carnivals.
- Installed a dog drinking station at the Humphrey Street dog park.
- Completed stormwater upgrades at Andrews Street, Poulters Road and Hillside Crescent.
- Installed tiered seating on the old stage at Tynwald Park.
- Delivered the gravel road re-sheeting program.
- Replacement of gabion baskets along Glen Dhu Rivulet following damage caused by severe weather events.
- Completed repairs and re-painting to the pump house and installed a drinking fountain at Ellis Dean Reserve.
- Upgraded the kiosks at Boyer Oval, and the New Norfolk and Bushy Park swimming pools.
- Painted the old toilet block at The Esplanade.
- Completed upgrades to the Anglers club and German Shepherd Club.
- Delivered stormwater improvement works in Kensington St, and Grist Street.
- Completed road rehabilitation and footpath upgrade of Dumas Terrace.
- Completed kerb replacement on North Crecent adjacent to the cemetery.
- Resealing of the existing bitumen in Sharland Ave.

Highlights

Poulters Road Stormwater upgrade

This upgrade to the stormwater system at the top of the sealed section of Poulters Road has had delays due to resourcing and materials shortage. A new kerb is now installed, with reinstatement of the road surface now underway.

New Norfolk CBD and Ironstone Gully Road speed limit reductions

Following feedback and requests from the community, speed limits on High Street, Circle Street, Burnett Street and Charles Street, New Norfolk were reduced to 40 km/h within the Central Business District, and to 60km for the length of Ironstone Gully Road, Lachlan.

Bridge Replacement Program

Two load limited bridges were replaced at Oneys Creek and Hydehurst Road. The existing timber bridges were replaced with new, concrete bridges with increased clearance beneath them and a design life of 100 years.

Dumas Terrace

Road rehabilitation works were undertaken including pavement stabilisation, new seal, new kerb and gutter with subsoil drainage, new stormwater infrastructure and new concrete footpaths on both sides of the street.

Glenora Rd Plenty

Following a rockfall, a section of Glenora Road was closed for several days for repair of damaged rock netting and removal of loose material. A detour via Gordon River Road and Lyell Highway was in place for the period of full closure for public safety.



Image: Glenora Road Plenty rockfall repairs

Environment

We preserve, protect, and promote our lived, built and natural environment.

Actions delivered

- Council voted to declare a state of climate emergency, joining 110 other councils across Australia to implement a climate emergency response across their operations.
- Finalised work related to the Tasmanian Planning Scheme: Derwent Valley local provisions schedule and submitted documentation to the Planning Commission for approval.
- Adopted the Waste management strategy and commenced implementation including the introduction of the Tasmanian Government's landfill levy.
- Continued to support the natural resource management work of Derwent Catchment Project.
- Ensured our statutory obligations are met through assessments against the planning scheme and building regulations.
- Partnered with the Southern Poultry Club on a Poultry Amnesty to remove unwanted poultry from the environment.

Highlights

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

The program focuses on implementing a flood resilience plan for the Lachlan River, undertaking flood modelling and working with the community to increase preparedness for flood events.

Funded through a collaboration with the Derwent Catchment Project (DCP) and an Australian Government Grant, this project is designed to build community resilience to floods. The objective is to reduce the impacts of floods and build river resilience, by removing willows and other weeds that are blocking the river's flow and degrading its condition. This work will improve water quality and flows, riverbank vegetation health and biodiversity.

DCP have engaged with local community through property visits, community workshops and social media to work collaboratively with landholders on the river restoration. The planting of hundreds of natives in exposed riverbanks after willow treatment and machine works and restoration planting has helped stabilise the abutment of a new bridge installation at Hydehurst Road.

Willows in the upper Lachlan catchment between White Timber Road and Williams Road have been treated, with some larger willows being removed with an excavator and on-ground crew, the roots left intact to stabilise river banks. Large log jams and debris, that posed threats to infrastructure, have been removed, with weed eradication including willows, continuing along 1.5 kms of riverside between Hobart Road and Humphrey Road.

Weed Management

The weed management program, carried out by Derwent Catchment Project on behalf of Council, implements the Central Highlands, Derwent Valley and Brighton Weed Management Plans to address weed control priorities.

This work included:

- 800km of roadside weed management, including 200 km of Californian thistle, extended control of fennel, English broom and blackberry between Ouse and Gretna along the Lyell Highway.
- 25 km of blackberry control as part of the Derwent Biosecurity Network program to reduce blackberry as an alternative host for fruit fly near key orchards.
- 12 days of woody weed control and Californian thistles at Dee Lagoon funded by a collaboration between Hydro Tas, TasNetworks, Sustainable Timbers Tasmania and Central Highlands Council.
- 9km of willow control as part of the Lachlan, Tyenna and Ouse River Recovery Programs.
- Continued control of boneseed at Peppermint Hill.
- Surveying Nasty Grasses incursions and working on control with Biosecurity Tasmania in the Brighton and Granton areas

Karamu biosecurity program

This on-going project aims to remove infestations of this priority weed along the River Derwent. The program was initiated by Derwent Estuary Program, StateGrowth, Crown Land Services, Parks and Wildlife, and Council. The program has received its second year of increased funding from the WAF program.

The project revisits and controls known infestations, survey for unknown infestations, and engage with communities. A Biosecurity Plan for Karamu which identifies a universal approach to management and control across municipalities.

Tyenna River Recovery - Willow Warriors

The Tyenna River is a priority river system in the Derwent Catchment. It has large areas of healthy native streamside and occurs in a key conservation area running from just upstream of Junee Caves into the River Derwent near Westerway. This program has been built using support from Inland Fisheries, Fisheries Habitat Improvement Fund, local landholders and industry.

The program provides a great example of collaboration between industry, community and Council and embodies our approach to community engagement. Working long-term through various funding opportunities to deliver an outcome for river health. Local industry support from Lenah Estate and Tassal into this program enables investment in equipment and increasing capacity for Willow Warriors working bees, which are run once a month when weather permits.

Most recently, working bees have been targeting a large infestation of willows upstream from National Park. A paddling Willow Warrior volunteer group has also held a few of their own volunteer days and this sub-group now proudly boasts 12 members.



Community

Services are integrated to maximise opportunities and participation.

Actions delivered

- Supported the provision of youth support services and programs through PCYC.
- Delivery of Derwent Valley Youth Summit to Derwent Valley youth, service providers and community leaders.
- Celebrated local volunteers during Volunteer week and launched a new volunteering directory on Council's website.
- Hosted a disability services network meeting to share information between agencies that work with clients in the Derwent Valley.

Highlights

Official Opening of Westerway Hall Amenities upgrade

The installation of an external toilet building, and the refurbishment of the internal hall kitchen provided improved facilities to the Westerway Community, and helped create additional space and storage within the hall

The external toilet building included four individual unisex ambulant toilets as well as an accessible toilet with baby change table, accessible to tourists and visitors to the Upper Derwent Valley during daylight hours.

National Volunteering Week

To mark National Volunteering Week, Council acknowledged the invaluable contribution of the many local volunteers in the Derwent Valley through a series of volunteer spotlight profiles.

We also launched a new volunteer directory promoting volunteering organisations and opportunities to get involved and become a volunteer. The directory is featured on Council's website and accessible in hard copy from Council's Customer Service desk.

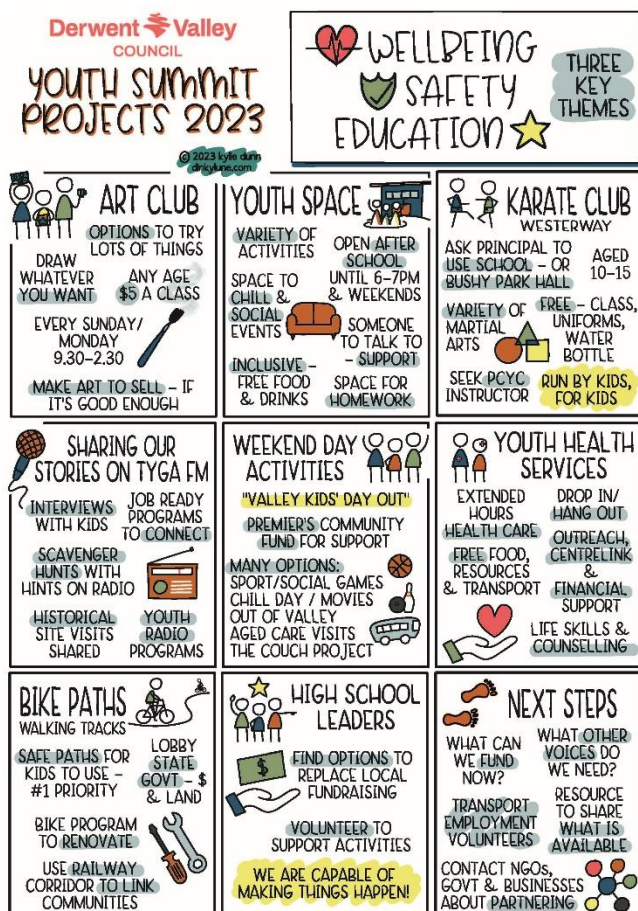
Derwent Valley Youth Summit

We held a Youth Summit to hear from around 90 Derwent Valley youth, service providers and community leaders to better understand youth issues and concerns, and priorities.

Three themes emerged - Wellbeing, Safety and Education - and eight projects were identified for future exploration.

Art Club
Martial Arts
Youth Space
Youth Health Services

Bike Paths
TYGA FM stories
Weekend activities
Moving forward together



Health and wellbeing

The Valley has a range of activities to improve physical and mental wellbeing.

Actions delivered

- Commenced work on the Derwent Valley Social Profile project through the Healthy Tasmania 'Lift Local' grant.
- Commenced work to develop a 'Reflect' Reconciliation Action Plan to promote a deeper understanding, respect and justice for, and of, Aboriginal and Torres Strait Islander peoples.
- Completed construction of the Tynwald Park pavilion.

Highlights

Tynwald Park Pavilion

In late 2022, an upgrade to the sports facilities at Tynwald Park was completed, with the refurbishment of the existing changerooms, a new pavilion for our local sporting clubs, and additional seating for spectators.

With input from our sporting club project partners the New Norfolk Red Caps Cricket Club, the New Norfolk Panthers Soccer Club and the New Norfolk Junior Football Club, the improved facility has increased the clubs ability to enter a greater number of women and junior teams into competitions bringing greater usage and numbers to the precinct, and town.

The works included:

- New clubrooms for players including a kiosk and bar;
- 2 Male and 2 female changerooms, and a referees room;
- An accessible toilet;
- Covered, tiered seating for spectators as well as a viewing area inside the pavillion;
- Storage space.

Further developments and works were also undertaken for Tynwald Park, including:

- New lighting poles for the soccer field;
- New scoreboard
- Goal posts
- Coaches boxes.

Liveability

The Valley has highly liveable and engaged communities supported by access to its needs.

Actions delivered

- Continued to support Derwent Valley Arts and their programming in 2022/23 through a 'peppercorn' lease of the Barracks building at Willow Court.
- Provided support for the Implemented a speed limit reduction to make High Street, New Norfolk a 40kmh zone.
- Funding from the Australian Government's Planting Trees for The Queen's Platinum Jubilee Program commemorated Queen Elizabeth's 70 years of service as Australia's Head of State with the planning and creation of a native tree and formal garden in Humphrey Street.
- Provided funding and support to establish It's Our Community – Pantry, a service to provide access to discounted food, sanitary and personal care items and other household essentials.
- Provided support for the Tasmanian Symphony Orchestra to bring their 'TSO Live Sessions' to the Derwent Valley.
- Hosted events for NAIDOC week (including flag raising and smoking ceremony), ANZAC Day, Remembrance Day, and Australia Day.

Highlights

Aboriginal Recognition

To commence Council's journey toward developing an Aboriginal and Torres Strait Islander Recognition Strategy, Council undertook a historic flag-raising ceremony outside the Council Chambers in New Norfolk, coinciding with NAIDOC week.

The National Australian flag was flown alongside the Aboriginal flag and the Torres Strait Islander Flag for the first time in the Derwent Valley since European settlement.

The event, included a Welcome to Country and a Tasmanian Aboriginal smoking ceremony and was attended by representatives of the Tasmanian Aboriginal community, local business and community sectors, students, Council staff and Elected Members.

Image and Pride

The Derwent Valley Brand shapes our story and reputation.

Actions delivered

- Provided financial and in-kind support to Derwent Valley Rotary Club to deliver the 2023 Derwent Valley Autumn Festival.
- Celebrated the outstanding achievements of some local citizens as part of the Australia Day Awards.
- Held a photo competition celebrating local talent and promoting our region.
- Supported Destination Southern Tasmania's Paint the Town Red Campaign and hosted the 'Red Circle on High' street party and lantern parade.
- The Saluting Their Service (STS) Commemorative Grants Program allowed for the restoration and conservation of the New Norfolk War Memorial Cenotaph. This project will help ensure that recognition of our service people can continue to be a sign of the community, and Council's thanks and respect for their service.

Highlights

Derwent Valley Photo Competition

As part of our Winter community activation, we challenged the local community to take a photo that best encapsulated one of five themes that captured the true essence of the Derwent Valley. We had an incredible response, with more than 280 photos entered, and the 38 best photos featured in a public exhibition at the New Norfolk Library.

The category winners were presented with a framed copy of their photo and a photobook of the finalist photographs.

Red Circle on High

This year's Red Circle celebrations took the form of a street party, with a night of music, food, and fire taking over Lee's Corner and High Street. An after-dark parade featured a number of lanterns hand-made by Molesworth school students and community, under the instruction of a professional lantern make during a number of hands-on workshops.



Governance

The plan is implemented through effective and transparent governance and partnerships.

Actions delivered

- Welcomed the new Council following the October 2022 Local Government Election.
- Undertaken extensive engagement with the community and stakeholders to develop our new Strategic Plan that will supersede the current 'Our Valley 2030'.
- Updated the Asset Management Policy and Long-term Strategic Asset Management Plan.
- Updated the Code for Tenders and Contracts (procurement policy).
- Updated Council's credit card policy.
- Implemented the new business system (open office).
- Progressed establishment of Advisory Bodies following adoption of the Governance Framework.
- Published the 'Delivering Our Valley: Infrastructure' advocacy document.
- Continued advocacy work across all levels of government, particularly in relation to climate change, local government reform, regional healthcare and GP services, public transport, telecommunication, state roads and infrastructure needs of the Derwent Valley.

Highlights

Development of a Governance Framework

Derwent Valley Council's Governance Framework commenced rollout in 2022-23.

The aim of the Governance Framework is to contribute to Council's good governance and good decision making. The framework defines the processes and culture that guide the activities of our organisation beyond its basic legal obligations.

The framework is based on the principles outlined in the Good Governance Guide for Local Government in Tasmania. It defines how Council acts and makes decisions in the best interest of the community within its powers defined by law, and also its own internal policies and procedures.



Organisation Updates

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...?	FY2022/2023	FY2021/2022
Planning Applications lodged*	198	288
Permits for Building Works issued**	114	144
Dogs registered	2327	2343
Food licences issued	109	115

*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

The Planning Services area 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.

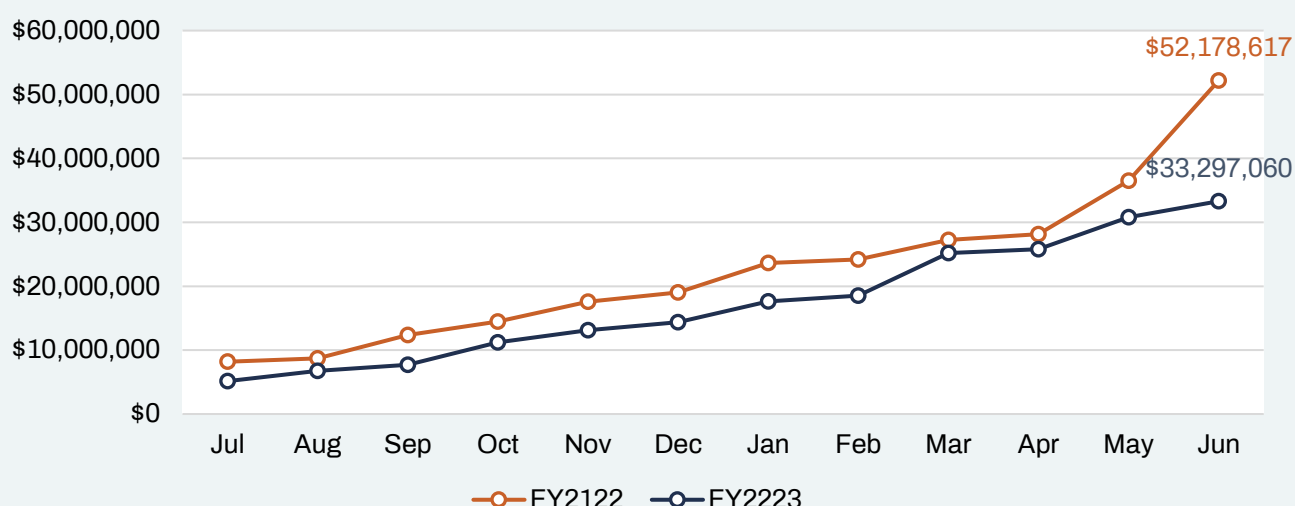
Other applications that Council is responsible for determining within this area include the sealing of Final Plans under the Local government (Building and Miscellaneous Provisions) Act 1993 and Certificates of approval under the Strata Titles Act 1998.

Below is the breakdown in planning permits issued (as opposed to applications lodged) for the 2022/2023 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	FY2022/2023		FY2021/2022	
Category	Applications	Value	Applications	Value
Residential	112	\$24,853,741	180	\$33,191,567
Commercial	12	\$1,112,000	18	\$997,480
Industrial & Utilities	3	\$1,940,000	10	\$860,000
Tourism	3	\$150,000	11	\$8,730,000
Subdivision	10	\$3,000,501	22	\$6,252,050
Other	19	\$2,240,818	20	\$2,147,520
Total	159	\$33,297,060	261	\$52,178,617

*FY2020/2021 adjusted to ensure comparable reporting parameters

Planning permits approved (value)



From the above, it can be seen that development activity slowed across the financial year. While there has been significant subdivision approvals over the last few years, delays in getting stages constructed and the lots to the market has impacted the number of planning permits sought in addition to the slowing of the sector generally due to the rise in interest rates.

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 requires 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.

Application for permitted planning permit

A permitted application 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 planning 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 may 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

The Building and Plumbing Services area ensures compliance with legislative requirements in relation to new and existing structures. This includes checking plans and documentation, applications, works under construction and completed works for compliance under the *Building Act 2016*.

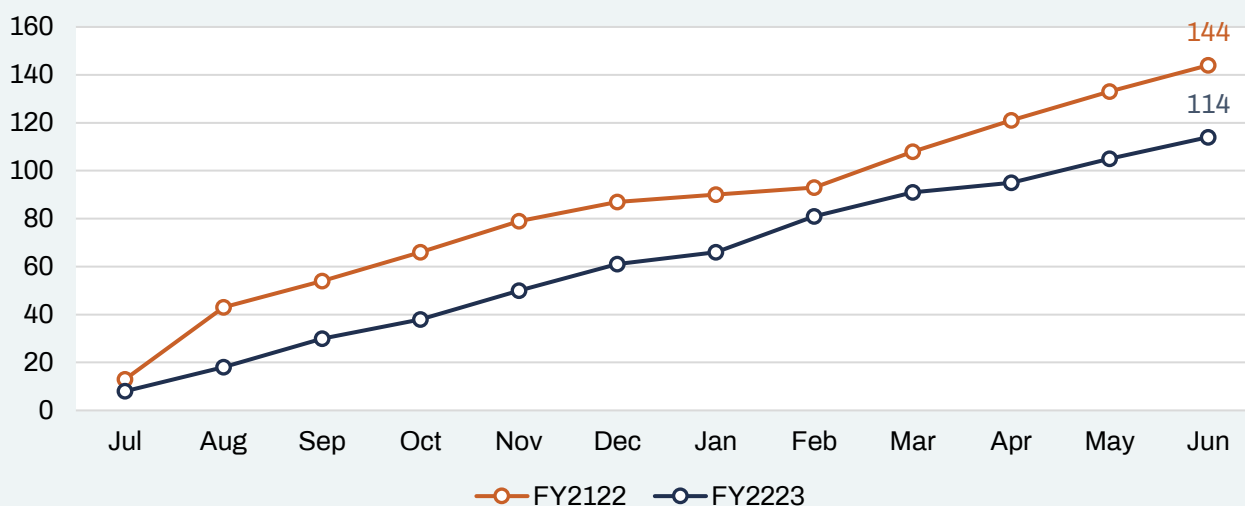
Permits for Buildings Works include Building Permits, Notifiable Works, and Certificates of Likely Compliance. Plumbing permits are not tracked separately as these are generally directly associated with building works.

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.

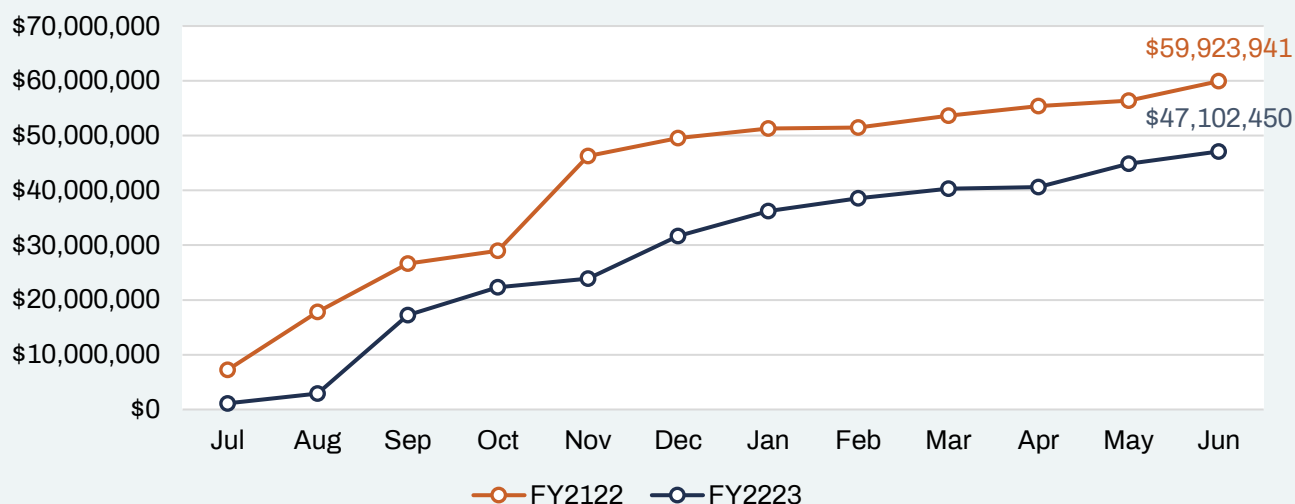
Similar to planning permits, applications for building works dropped across the financial year, especially in comparison with the previous period. Given the planning permit statistics, and likely lag of 6-12 months between the two permit types, this trend is set to continue.

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.

Building works approved



Building works approved (value)



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. An over-65 flu clinic is also run annually.

A total of 17 clinics were run this financial year with a total of 212 immunisations, compared with 266 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, with direct reporting through the Derwent Estuary Program. The Derwent Estuary Program's report into recreational water quality for the 2022-23 season is available online at 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 site 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.

The recreational water sampling site had been at the New Norfolk Esplanade (where the rowing pontoon currently sits) for a number of years. The recreational water sampling site for New Norfolk changed approximately 10 years ago from further upstream and from the middle of the river. The site is complemented by an environmental sampling site at Millbrook Rise.

The overall water quality rating for New Norfolk was downgraded from "Good" to "Fair" at the conclusion of the 2021-2022 Recreational Water Quality Program based on the sampling program for the last 5 years.

A survey of the area identified that a stormwater outfall is located directly adjacent the pontoons. It is considered that the combination of the reduced flow of water around the pontoons and intermittent pollution attributed to the stormwater outfall, may have contributed to the poor sampling results in recent years. The Department of Health have suggested that, regardless of the sampling results, swimmers should be advised that it is recommended not to swim near a stormwater outfall.

Consequently, the Esplanade site was downgraded to an environmental sampling site only (to match that of Millbrook Rise) for the 2022-23 season.

Results for FY2021/2022 are shown below. Only one result exceeded the 280 MPN per 100 mL threshold. Council is currently considering the feasibility of relocating the stormwater outlet in order to return the site to a recreational swimming site. This matter is noted in the Derwent Estuary Program's report and a budget allocation has been included in the 2023-24 financial year to investigate this matter.

Ranger Services

Animal Control

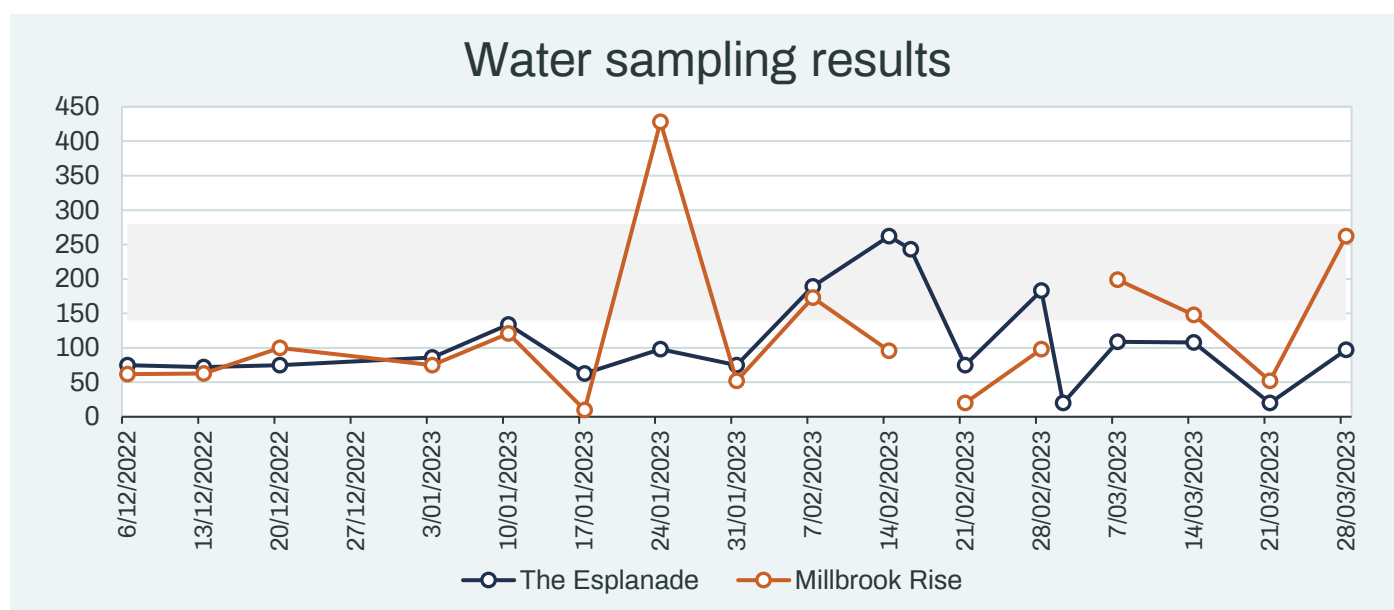
Council has a statutory obligation under the *Dog Control Act 2000* to ensure that all dogs are registered and managed in a responsible manner.

The below figures identify the dog control activities in the municipality, which has remained generally consistent across the last two financial years.

Fire Hazards

Fire Abatement 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 FY2022/2023 four abatement notices were not complied with, resulting in contractors being engaged by Council, compared with two in the previous financial year, although the total number of abatement notices reduced from 49 to 21 respectively.



Description	FY2022/2023	FY2021/2022
Registered dogs	2327	2343
Kennel Licence	68	56
Impounded dogs	29	16
Impounded reclaimed	20	12
Relinquished to Council	0	3
Unclaimed dogs transferred to the Tasmanian Dogs Home	9	4
Caution Notices issued	98	25
Infringement Notices issued	42	9

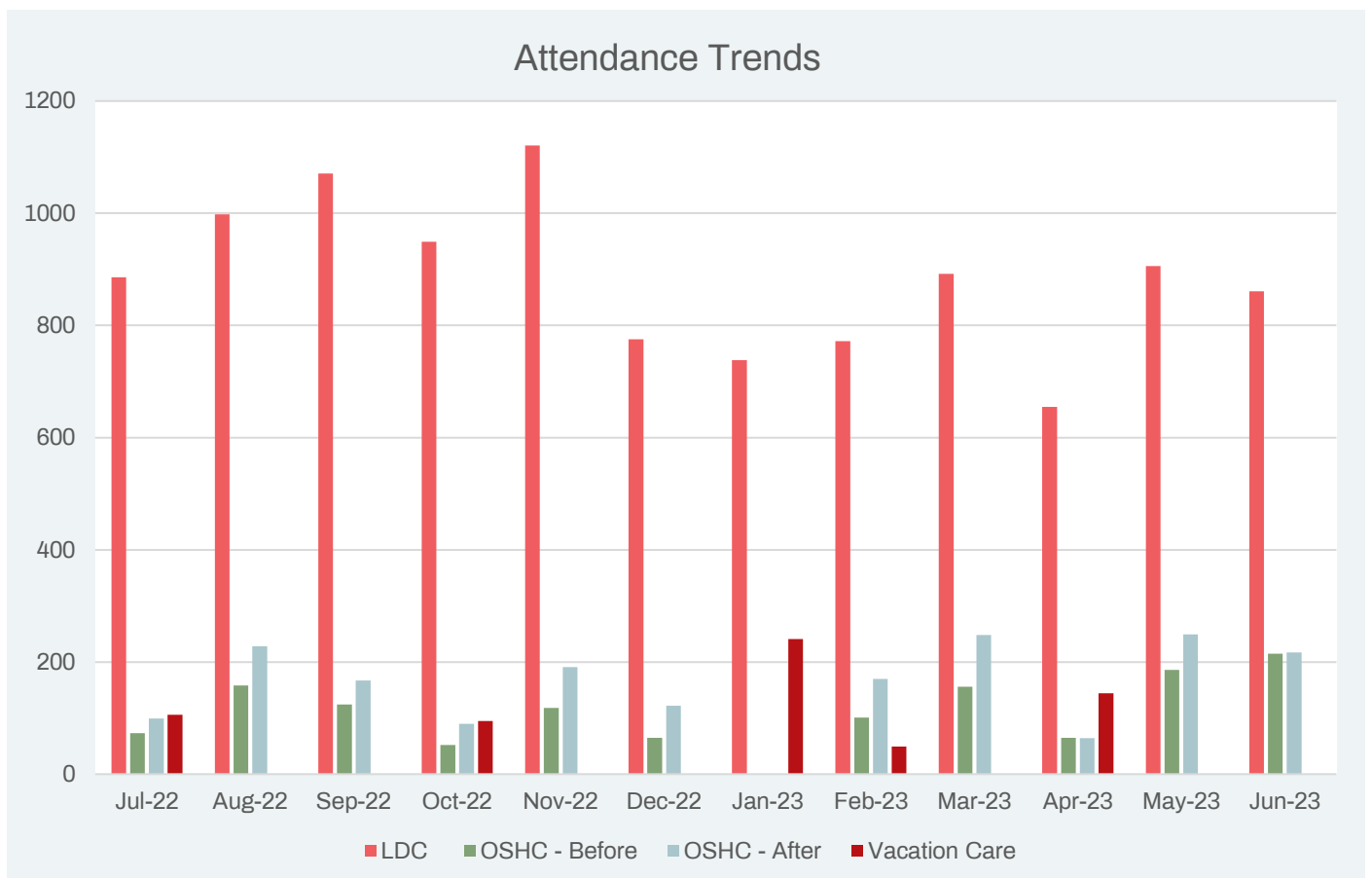
Children's Services

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

Area	
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. The service now has two Early Childhood Teachers to cater for numbers and the development of meaningful and in-depth programming.</p> <p>Community Grant \$300,000 over 3 years. A 12 seater van has been purchased and is being used for the transportation of children in the OSHC program as well as taking the LDC children on excursions around the local community. A garage will be provided to store the van at the Centre once renovations are complete on the roof.</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.
Rating and Assessment	The service has a current rating of meeting. An assessment and rating process has not happened yet during 2023.
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 Penny Royal Collage as well as mandatory reporting and child protection training.
Floods	In December 2021, the Valley experienced a severe rain event. This lead to significant water damage to the building. In 2023 there was independent hygienist air quality test which came back clear so staff were able to utilise the kitchen again. The service is now utilising the kitchen and have employed a full time qualified chef to provide children with a wide range of nutrition options for their meals.
Staff recruitment	Over the past year the service has undertaken several recruitment processes to retain staffing levels at the service. We are endeavouring to recruit more Diploma staff.
Children's Christmas party	This year we will be having the Children's Christmas party at the Centre. We will have a range of experiences for the children and their families to enjoy, along with some tasty food and a special visitor from the North Pole. We will be raffling off a ginger bread house made by our chef, Emily. The money will be donated to the Cancer Council.
Policy Updates	All policies and procedures have been reviewed and updated. This is an ongoing process. The service has updated their philosophy and this can be viewed in the front office. It has been developed in consultation with educators and families. QIP updates are ongoing and the service has made it more accessible for families to provide their feedback.

Attendance

Week Ending	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23
LDC	886	998	1071	949	1121	775	738	772	892	655	906	861
OSHC Before	-	73	158	124	52	118	65	0	101	156	65	186
OSHC After	-	99	228	167	90	191	122	0	170	248	64	217
Vacation Care	106	0	0	95	0	0	241	49	0	144	0	0



Statutory Reporting

Public Health Statement

For the FY2022/2023 period 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 businesses in the Derwent Valley Municipality are required to be registered by Derwent Valley Council.

The sale of food in Tasmania requires a registration, whether a fixed premises, a mobile food business or a temporary food business.

The number of food premises in Derwent Valley for the FY2022/2023 period was 109.

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 lowered the New Norfolk (Esplanade) site from

Good to Fair, and since then the site has become a secondary recreational site due to the close proximity of the stormwater outfall. Appropriate warning signs have been installed. The reporting is available online at 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. The results of the recreational and pool samples are included in a report required by the Director of Public Health. The Derwent Valley area also has two privately owned pools; they are required to forward the monthly water samples results to Council.

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	FY2022/2023	FY2021/2022
Places of Assembly for Specific Events	3	2
Pool Water Samples	22	24
Recreational Water Samples	18	36
Regulated Systems	0	0
Commercial Water Carters	1	1
Public Health Risks	1	0
Unhealthy Housing	3	0
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	FY2022/2023	FY2021/2022
Registered food businesses	109	115
Food Notification	1	3
Registered Mobile state-wide (Annual)	13	10
Registered Mobile (Once off)	2	0
Seizure of food items	0	0
Approval of plans for new or alterations to existing food premises	1	3

Elected Member Allowances

This statement is in accordance with Section 72 (1)(cb) of the *Local Government Act 1993*

Total allowances paid to the Mayor, Deputy Mayor, and Councillors: \$155,259.89

Total expenses paid to all Councillors: \$6,082.80

Allowances, telephone, and travel paid to elected members for 2022/2023 were as follows:

Councillor	Allowance	Telephone	Travel
Michelle Dracoulis	\$48,383.64		\$5,602.55
Luke Browning	\$22,967.18		
Jessica Cosgrove	\$18,150.32		
Peter Binny	\$9,302.64		\$366.14
Phil Bingley	\$13,823.32		
Natasha Woods	\$4,520.68		
Julie Triffett	\$4,520.68		
James Graham	\$4,520.68		
Justin Derksen	\$9,302.64		
Sara Lowe	\$10,465.47		\$114.11
Matt Hill	\$9,302.64		
Total	\$155,259.89		\$6,082.80

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	12	113	33	146	23%
Special Meetings	1	2	0	0	
Annual General Meeting	1	0	0	0	
Total	14	115	33	146	

Meeting Attendance

This statement is in accordance with Section 72(1)(cc) of the *Local Government Act 1993*

The below table provides the attendance of Councillors at the Council meetings and Audit Panel meetings for the 2022/2023 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.

Councillor	Ordinary Meeting	Closed Meeting	Special Meeting	Audit Panel	Total
Michelle Dracoulis	12	12	1		25
Luke Browning	12	12	1	1	26
Jessica Cosgrove	10	10	1		21
Peter Binny	8	8	-	3	19
Phil Bingley	12	9	1		22
Natasha Woods	3	3	1		7
Julie Triffett	4	4	1	2	11
James Graham	4	4	1		9
Justin Derksen	8	8	-		16
Sara Lowe	8	8	-	3	19
Matt Hill	12	12	1		25

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 2022/2023 financial year saw 10 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 2022/2023 there were zero complaints received.

Integrity Commission

There was 1 complaint relating to Derwent Valley Council received by the Integrity Commission for the 2022/2023 Financial Year.

Code of Conduct

The Council is required to report the number of code of conduct complaints that were received and the number 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 4 Code of Conduct complaints were received and none of these were finalised in the 2022/2023 financial year and therefore carried over to 2023/24.

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 in FY2022/23 was \$0.

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 2022/2023 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*.

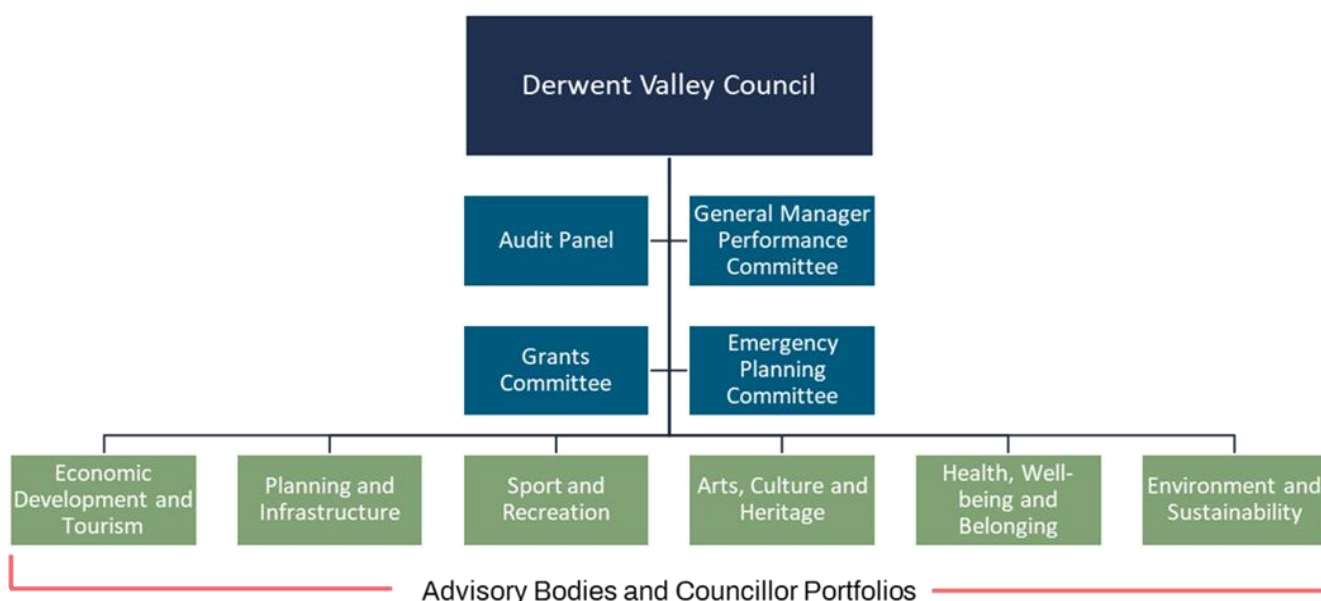
Governance and structure

Council Structure



Governance

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.
Southern Tasmanian Regional Waste Authority	Derwent Valley Council is currently part of the Southern Tasmanian Regional Waste Authority established to progress waste related issues.

Financial Summary

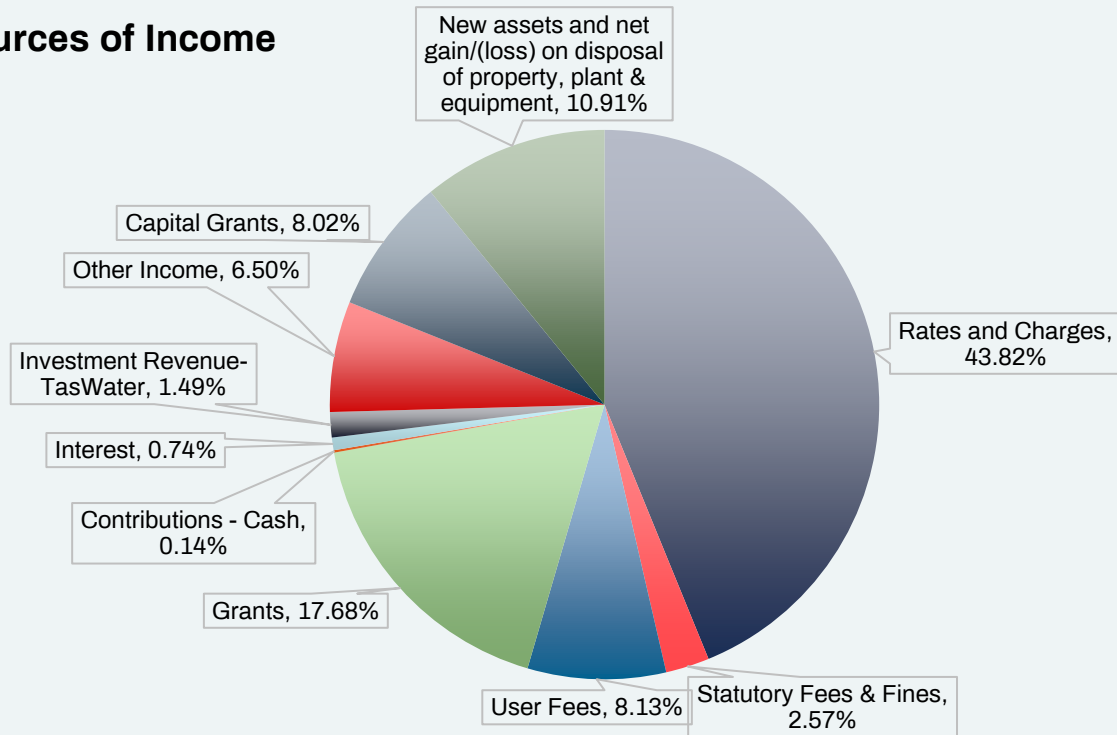
The Annual Financial Report, including notes to the accounts is provided as an Appendix to this Annual Report. The Annual Financial Report meets the requirements of the *Local Government Act 1993* and Australian Accounting Standards and has been audited by the Tasmanian Audit Office. The following information aims to provide a brief summary of Council's 2022/2023 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 income from continuing operations for 2022/2023 was \$21,953,052. The main source of revenue for the Council comes from rates and charges, which represents 54.05% of the Council's income.

Revenue Comparison	2022/2023 \$	2021/2022 \$
Rates and Charges	9,619,455	8,547,012
Statutory Fees and Fines	564,340	620,338
User Fees	1,785,457	1,675,969
Grants	3,881,660	3,391,913
Contributions - Cash	30,250	28,615
Interest	163,173	39,626
Investment Revenue - TasWater	326,400	326,400
Other Income	1,427,786	1,330,826
Capital Income (incl. capital grants, assets brought to account, and net gain/loss on disposal)	4,154,531	2,771,425
Total Income from continuing operations	21,953,052	18,732,124

Sources of Income



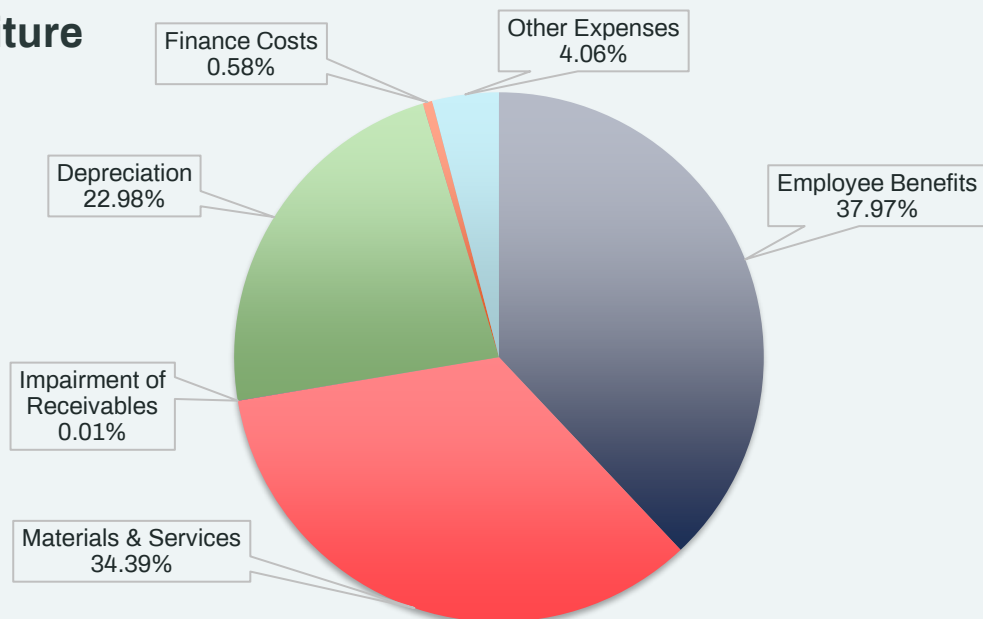
Sources of Expenditure

The Council's total expenditure for 2022/2023, including depreciation, was \$18,466,618. 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 2022/2023 and the comparison as a percentage of total operating expenditure over the last four financial years.

Expenditure Comparison	2022/2023 \$	2021/2022 \$
Employee Benefits	7,012,220	6,781.186
Materials and Services	6,350,711	6,085.765
Impairment of Receivables	2,359	2.646
Depreciation	4,243,743	4,605.015
Finance Costs	107,325	129.057
Other Expenses	750,260	739.141
Total expenses from continuing operations	18,466,618	18,342,810

Expenditure



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
\$120,001 - \$140,000	1
\$140,001 - \$160,000	3

Council's Workforce Profile for 2022/2023 is as follows:

	Full Time	Part Time	Casual	Total
Indoor (Admin Office)	20	13	0	33
Outdoor (Operations)	23	1	1	25
Children's Services	1	21	4	26
	44.00	35.00	5.00	84.00

Grants and Benefits Provided

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

Description	Amount
Quick and Representation Grants*	\$3,400
Community Grants Program*	\$6,000
Derwent Valley School Bursaries	\$800
Community Halls - Insurance	\$2,545
DV Sports & Recreation Centre (PCYC)	\$85,000
Total Community Grants and Donations	\$97,745

*Expanded upon below.

Quick Response and Representation Grants

Recipient	Funds Utilised for	Funds Allocated
Derwent Valley Community House	Cladding a BBQ shelter	\$500
Pip Duggan	'Paint the Town Pink' cancer awareness event	\$500
Nicola Rouleston	Promotion of 'Santa's House' experience in New Norfolk	\$500
Cooper Smythe	Representation at 2022 Australian All School Track and Field Championship	\$300
Logan Smythe	Representation at 2022 Australian All School Track and Field Championship	\$300
Alona Roberts	Representation at 2022 South Australia Tour Tasmania Girls Under14s squad	\$300
Nayte Ackerley	Representation at World Dwarf Games 2023 - Germany	\$500
Tyler Zabel	Representation at Dare2Dream Australian Basketball - Amateur Athletics Union world championships 2023 - Florida US	\$500
TOTAL		\$3,400

Community Grants Program

During FY 2022/23 no Community Grant round was conducted.

Ad-hoc funding and in-kind requests were presented to council for consideration via Council meeting agendas. Approved cash and in-kind support approved by the Council are listed below. All amounts are GST exclusive.

Recipient	Funds Utilised for	Funds Allocated
It's Our Community Pantry	Community Pantry	\$3,000
Derwent Valley Concert Band	30th Anniversary Gala celebrations.	\$3,000
TOTAL		\$6,000

Other Contributions and In-kind support

Organisation	Purpose	Contribution/ In-Kind value
Salvation Army Derwent Valley Corps	Combined Churches Christmas lunch	\$605.50
Derwent Valley Rotary Club	Christmas Parade	\$7,412.50
Lions of New Norfolk	Carols in the park	\$4,361
Lions of New Norfolk	2023 Australia Day event	\$1,961
Relay for life	2023 Relay for Life event	\$2,423
Derwent Valley Rotary Club	Derwent Valley Autumn Festival event	\$23,562
Bushy Park Show Society	Bushy Park Show	\$450
Tasmanian Symphony Orchestra	'Live Sessions' performances	\$800

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

Contract	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	06/11/2017- 06/11/2022	+ 5 years	\$392,184
2022/012 – Town Maintenance – Maydena & Westerway Stornoway Maintenance 1/37 Tasma Street North Hobart TAS 7000	01/06/2023– 01/06/2026	+ 3 years	\$392,184
2017/010 – Waste Management & Resource Recovery Bennett's Mowing Services 9 Moores Road, Lachlan TAS 7140	01/04/2018- 30/03/2023	underway	\$1,110,500
2018/001 – Kerbside Waste Services Veolia Environmental Services (Australia) Pty Ltd 95 Kennedy Drive Cambridge TAS 7170	01/07/2018- 30/06/2023	+1 +1 underway	\$1,423,140
2018/014 Green Waste Management BG & JM Barwick Pty Ltd Lyell Hwy Granton, TAS 7030	01/03/2019– 28/02/2022	+1+1	\$180,000.00 (based on 18000m ³)
2019/003 Integrated Business System Open Office Holdings Pty Ltd Level 1, 253 Wellington Road Mulgrave VIC 3170	01/06/2020- 31/05/2025		\$809,500
2019/018 Provision of Security Services & Alarm Monitoring Kevlar Security Solutions Pty Ltd 80 Charles Street Moonah TAS 7009	30/10/2020- 30/10/2025		\$265,800

2019/019 - Supply & Delivery of Gravel for the Peppermint Hill Landfill Site MSD Construction 1 Daniels Road, Magra TAS 7140	25/07/2020- 30/06/2023	NA	\$169,200 (based on 6000T)
2021/001 Provision of Services Managing Council Swimming Pools 2 Strokes & More Pty Ltd 23 Brushbox Way Peregian Springs QLD 4573	01/10/2021 – 30/06/2023	N/A	\$124,951
2022/001 Internal Cleaning Services – Lazaro Pty Ltd Level 6, 111 Macquarie Street Hobart TAS 7000	15/08/2022 – 15/08/2025	3	\$214,486
2022/002 Bridge Replacement Program – (Oneys Creek) TasSpan Pty Ltd 27-28 Faulkner Drive Latrobe TAS 7307	1/11/2022 – 22/11/2022	N/A	\$109,780
2022/003 Bridge Replacement Program – (Lachlan River Bridge) TasSpan Pty Ltd 27-28 Faulkner Drive Latrobe TAS 7307	20/01/2023 – 26/05/2023	N/A	\$408,695
2022/004 Road Rehabilitation Program – Dumas Terrace Stabilised Pavements of Australia Pty Ltd 3/27 Crooked Billet Drive Bridgewater TAS 7030	22/12/2022	N/A	\$347,317
2022/007 The Avenue Stormwater MSD Constructions Pty Ltd 1 Daniels Road Magra TAS 7140	TBC	N/A	\$217,489
2022/104 Compact Sweeper Bucher Municipal Pty Ltd 65-73 Nantilla Road Clayton North VIC 3168	18/12/2022	N/A	\$191,986
Retail Electricity Supply - Small Meter Sites Aurora Energy Pty Ltd	01/07/2021 01/07/2025	N/A	\$652,243

Procurement outside of the tender process in accordance with Section 27 of the Local Government (General) Regulation 2015 'the non-application of the public tender process', due to extenuating circumstances.

New Norfolk Caravan Park Peter & Dianne Cashion	01/07/2023 - 30/06/2024	N/A	Dependent upon bookings – 50% of Bookings
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Audit Panel

Derwent Valley Audit Panel 2022/2023

Report dated 31 August 2023 from the Co-Chairpersons, Derwent Valley Council Audit Panel on the operations of the Panel for the period July 2022 to June 2023, 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 2022 to June 2023. The report provides a background to the establishment of the Audit Panel, its role; membership and operation during the last year. 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.

The Audit Panel Charter was last reviewed in December 2022.

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. Councillor members were appointed by Council following the Council elections in October 2022.

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 2022/2023 the Panel was made up of the following members:

Councillor members:

- Councillor Triffett until October 2022
- Councillor Browning until October 2022
- Councillor Peter Binny from November 2022
- Councillor Sara Lowe from November 2022

Independent members:

- Mr Gary McCarthy
- Mr Robert Hogan

During 2022/2023 the Audit Panel was attended by and received support from Council's General Manager, A/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 2022/2023 is set out in Table 1 below.

Table 1 Summary of Panel Meetings and Member Attendance

Meeting Date	Councillor Triffett	Councillor Browning	Councillor Lowe	Councillor Binny	Mr Gary McCarthy	Mr Robert Hogan
5/7/2022	✓	x			✓	✓
6/9/2022	✓	✓			✓	✓
6/12/2022			✓	✓	✓	✓
28/2/2023			✓	✓	✓	✓
2/5/2023			✓	✓	✓	✓
Meetings Attended	2	1	3	3	5	5

External Audit

As legislated, Council's external audit service is provided by the Tasmanian Audit Office (TAO). In the case of Derwent Valley Council, the TAO has contracted with Bentleys to provide this service. Staff from Bentleys attended two Audit Panel meetings during the year in July and December 2022. At these meetings the Panel, TAO officers and the nominated external auditors outline the proposed audit strategy as well reviewing and discussing Council's interim and final Financial Report for 2021/2022 including the TAO completion report.

Five audit recommendations were finalised during the year. Including findings from previous audits there are 11 findings which still need to be addressed by Council. The Audit Panel has continued to follow up progress on these matters during 2022/2023. The delay in addressing audit recommendations, some dating back a number of years, has been and remains of concern to the Audit Panel although none have been rated as high risk.

Panel Activities during the Reporting Period

As indicated in the previous Panel Annual Report, the Panel during 2022/2023 aimed to focus on two areas of concern. Council's ongoing cash position and the lack of up to date strategic and operational risk planning and monitoring. In addition, the Panel hoped to see a post implementation review of the new Council's new business system.

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.

In addition, the Panel acknowledges that the rollout of the new business system has continued during 2022/2023, which has meant that a post implementation review has not been possible.

During 2022/2023, 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 in particular areas of over and under expenditure and cash flow through the year.
- Discussed the operation of Council's waste facility including its ongoing operation.
- Received briefings on proposed changes to Council's Child Care Service and the operation of Council's Caravan Park. The Audit Panel noted the decision to retain the operation by Council of the Child Care Service will have financial implications.
- Reviewed and discussed progress with Council's Capital Works Program and associated costings for the program including delays to the program and the reason for these delays.
- Received briefings on the ongoing implementation of Council's new IT business systems and the impact this was having on Council's finance area.
- Was briefed on Council's risk management project although the Panel are yet to see significant progress in this area.
- Discussed Council's proposed governance framework and the establishment of a range of Advisory Bodies.

- Received an update on the audit of Council's depot workplace health and safety and reviewed progress with the audit recommendations.
- 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. The Panel noted that bad debts were being well managed and that better monitoring of leave had resulted in a decrease in accumulated leave, although it still remained at an unacceptable level.
- Reviewed Council's insurances.
- Was briefed on the review of Council's asset revaluation program, including the methodology being adopted.
- As required by the charter, developed, implemented, and monitored progress with a work plan for 2022/2023.
- 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

Normally the Audit Panel foreshadows the areas of concern it will look more closely at in the year ahead. However, this year the Panel proposes to look at the significant areas it is charged with, how it views the current situation and what it would like to see in the future.

As previously indicated, these areas include: financial reporting and controls; risk management framework and practices; long term planning; internal controls; legislative compliance and fraud control and corruption prevention.

Financial reporting and controls

It is essential that Council is financially sustainable if it is to deliver the services needed and required by the community.

Councils have a limited range of options in raising revenue. Accordingly, it is essential to ensure fees and charges are realistic; unless there are community obligation requirements, businesses operated by Council provide a reasonable rate of return and Council's property portfolio is regularly reviewed to ensure Council does not hold any property surplus to its requirements.

Council also receives grant funding from both the state and federal government. A significant part of this funding is for specific projects.

On the expenditure side Council needs to manage employee expenses and the costs associated with asset creation, maintenance and replacement as well as operational costs.

The most recent financial statement for year end 2022/2023 suggests that Council needs to carefully consider its financial situation. The financial statement indicates that Council continues to run a deficit and is not meeting the Net Financial Liabilities Ratio, Asset Renewal Funding Ratio or Asset Sustainability Ratio.

Risk management framework and practices

The Audit Panel has for some time raised concerns about the lack of a strategic risk framework, operational risk registers and plans and an overall approach to risk management. While decisions about risk are made every day there needs to be a systemic approach all the way from the elected Council down to operational staff in identifying and managing risk.

In 2023/2024 the Audit Panel expects the elected Council to have been involved in identifying strategic risks and how they are to be managed. In addition, the Panel expects action on the development of up to date operational risk plans.

Long term planning

Council's revised Strategic Plan appears to be a sound document based on good community consultation and developed around the key areas of community, environment, economy and governance. It needs to be supported by a realistic long term financial plan (LTFMP), asset management plans (SAMPS) as well as workforce planning (although this isn't required by the current Local Government Act).

It is unfortunate that the previous LTFMP lasted less than 12 months. The Audit Panel will be looking at the new LTFMP, which is being developed. While it is appropriate to review and, where necessary, revise the LTFMP after the completion of the financial year, it is hoped that the majority of assumptions underlying the new plan have some degree of longevity.

While the Audit Panel has been assured that the council has good data on its major assets and that these assets are appropriately valued, council does not have any SAMPS. The Panel is also concerned about the decision not to proceed with a new asset management system. While the Panel recognises that there are issues about the capacity to introduce a new system as well as the cost involved, the Panel considers this decision should be revisited during 2023/2024.

While the current Local Government Act does not have a requirement for a workforce plan, the Audit Panel would like to suggest that such a plan would complement financial and asset planning in achieving the vision in the Strategic Plan.

Following the adoption of the revised Strategic Plan in 2023/2024, the Audit Panel is looking for the completion of the updated long term financial plan as well as work on asset management planning.

Internal controls

To a greater or lesser extent, the Audit Panel is dependent on the view of the external auditor and reporting by senior council staff as to the adequacy of internal controls.

Many organisations, including larger councils have an internal audit function to assist in ensuring adequate internal controls as well as reviewing operations and providing comments on possible ways to improve efficiency and effectiveness. In fact, New South Wales councils, whatever their size, are now required by legislation to have an internal audit function.

While there is a cost involved in having an internal audit function, evidence suggests that savings achieved can be as much as or more than the cost of an internal audit.

While the decision to fund an internal audit function is a matter for Council it is the Audit Panel's view that that funding of up to \$20,000 annually should be considered in future budget considerations.

Legislative compliance

Monitoring legislative compliance is a difficult task for the Audit Panel and relies on good communication and reporting by senior council staff. A sound basis for legislative compliance is an up to date and realistic set of delegations and a range of current policies.

Delegation should cover all necessary legislation required to be met by council and who in the council is responsible. The Audit Panel has had the opportunity to review and comment on revised and updated delegations in 2022/2023 and is of the view that the delegations are reasonable and that, if their use is properly overseen should provide a framework for legislative compliance.

The Panel is also aware that council staff have been working to update a range of policies and to develop new policies where the need has been identified. During 2023/2024, the Audit Panel will continue to review council's policies and, where appropriate comment on draft policies.

Fraud control and corruption prevention

Many organisations, including some Tasmanian councils, have both a corruption prevention policy and fraud control plan as well as, in some cases, an internal audit function. While it may be useful to develop a corruption prevention policy and fraud control plan the Audit Panel is of the view that an annual internal audit program would be most effective in both identifying efficiency and effectiveness improvement as mentioned previously it would also provide a mechanism to identify and proactively address opportunities for fraud or corrupt behaviour.

In summary, the Audit Panel in 2023/2024 is looking for:

- Council consideration of its financial sustainability as part of future budget planning.
- Council involvement in identifying strategic risks and how they are to be managed. In addition, action on the development of up to date operational risk plans;
- Completion of the updated long term financial plan as well as work on asset management planning.
- Consideration of annual funding for an internal audit function.

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

Contact Information

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Year ended 30 June 2023

Derwent Valley
COUNCIL

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 2023 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 signed 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 2023 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, nor 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 2023, Council's assets included land, land under roads, buildings and infrastructure assets, such as roads, bridges, drainage, recreational, leisure and community facilities, footpaths and cycleways and landfill restoration assets valued at fair value totalling \$149.53 million. 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 2022-23, Council undertook a full revaluation of roads, footpaths and cycleways, bridges and landfill restoration. Indexation was applied to buildings, drainage and recreational, leisure and community facilities. 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. Reviewing the mathematical accuracy of the valuation model calculations. Evaluating indexation applied to assets between formal valuations. Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. Evaluating the adequacy of relevant disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'DBond', with a stylized flourish at the end.

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

28 September 2023
Hobart

Derwent Valley Council
Financial Report
Table of Contents

FINANCIAL REPORT		Page
Financial Statements		
Statement of Comprehensive Income		1
Statement of Financial Position		2
Statement of Cash Flows		3
Statement of Changes in Equity		4
Notes to Financial Statements		
Note 1	Overview	
1.1	Reporting Entity	5
1.2	Basis of Accounting	5
1.3	Use of Estimates and Judgements	5
1.4	Functions/Activities of the Council	6
Note 2	Revenue	
2.1	Rates and Charges	8
2.2	Statutory Fees and Fines	8
2.3	User Fees	9
2.4	Grants	9
2.5	Contributions	11
2.6	Interest	11
2.7	Other Income	11
2.8	Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment	12
2.9	Investment Revenue from Water Corporation	12
Note 3	Expenses	
3.1	Employee Benefits	12
3.2	Materials and Services	13
3.3	Impairment of Receivables	13
3.4	Depreciation and amortisation	14
3.5	Finance Costs	15
3.6	Other Expenses	16
Note 4	Current Assets	
4.1	Cash and Cash Equivalents	16
4.2	Trades and Other Receivables	17
4.3	Inventories	18
4.4	Other Assets	18
Note 5	Investments	
5.1	Investment in Water Corporation	18
Note 6	Non-Current Assets	
6.1	Property, Infrastructure, Plant and Equipment	19
Note 7	Current Liabilities	
7.1	Trade and Other Payables	25
7.2	Other Current Liabilities	25
7.3	Provisions	25
7.4	Contract Liabilities	28
Note 8	Non-Current Liabilities	
8.1	Interest Bearing Loans and Borrowings	28
Note 9	Other Financial Information	
9.1	Reserves	30
9.2	Reconciliation of Cash Flows from Operating Activities to Surplus (Deficit)	33
9.3	Reconciliation of Liabilities Arising from Financing Activities	33
9.4	Superannuation	34
9.5	Commitments	36
9.6	Operating Leases	36
9.7	Contingent Liabilities and Contingent Assets	37
9.8	Financial Instruments	38
9.9	Fair Value Measurements	44
9.10	Events Occurring after Balance Date	49
Note 10	Other Matters	
10.1	Related Party Transactions	49
10.2	Special Committees and Other Activities	51

**Derwent Valley Council
Financial Report
Table of Contents**

FINANCIAL REPORT		Page
10.3	Other Significant Accounting Policies and Pending Accounting Standards	52
10.4	Significant Business Activities	53
10.5	Management Indicators	54
	Certification of the Financial Report	

Statement of Comprehensive Income
For the Year Ended 30 June 2023

	Note	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Income from Continuing Operations				
Recurrent Income				
Rates and Charges	2.1	9,573	9,619	8,547
Statutory Fees and Fines	2.2	735	564	620
User Fees	2.3	1,616	1,785	1,676
Grants	2.4	1,892	3,882	3,392
Contributions - Cash	2.5	-	30	29
Interest	2.6	39	163	40
Other Income	2.7	828	1,428	1,331
Investment Revenue from Water Corporation	2.9	272	326	326
		14,957	17,799	15,961
Capital Income				
Capital grants received specifically for new or upgraded assets	2.4	1,918	1,760	2,624
Assets brought to account		-	2,394	170
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	2	-	(23)
		1,920	4,155	2,771
Total Income from Continuing Operations		16,877	21,953	18,732
Expenses from Continuing Operations				
Employee Benefits	3.1	(6,410)	(7,012)	(6,781)
Materials and Services	3.2	(6,071)	(6,351)	(6,086)
Impairment of Receivables	3.3	-	(2)	(3)
Depreciation and Amortisation	3.4	(3,400)	(4,244)	(4,605)
Finance Costs	3.5	(108)	(107)	(129)
Other Expenses	3.6	(871)	(750)	(739)
		(16,859)	(18,467)	(18,343)
Total Expenses from Continuing Operations				
		18	3,486	389
Result from Continuing Operations				
		18	3,486	389
Net Result for the Year				
		18	3,486	389
Other Comprehensive Income				
Items that will not be reclassified to surplus or deficit				
Fair value adjustments on equity investment assets	5.1,9.1	-	666	499
Net asset revaluation increment/(decrement)	9.1	-	(522)	15,286
		-	144	15,785
Total Other Comprehensive Income		-	144	15,785
Total Comprehensive Result		18	3,631	16,174

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

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	4.1	5,569	4,853
Trade and Other Receivables	4.2	1,458	1,019
Inventories	4.3	2,354	-
Other Assets	4.4	153	128
Total Current Assets		9,533	6,000
Non-Current Assets			
Investment in Water Corporation	5.1	21,025	20,358
Property, Infrastructure, Plant and Equipment	6.1	152,556	155,057
Total Non-Current Assets		173,581	175,414
Total Assets		183,115	181,415
LIABILITIES			
Current Liabilities			
Trade and Other Payables	7.1	1,702	1,975
Other Current Liabilities	7.2	251	213
Provisions	7.3	1,647	1,738
Contract liabilities	7.4	521	561
Interest-Bearing Loans and Borrowings	8.1	371	541
Total Current Liabilities		4,491	5,028
Non-Current Liabilities			
Provisions	7.3	6,173	7,197
Interest-Bearing Loans and Borrowings	8.1	2,952	3,323
Total Non-Current Liabilities		9,125	10,520
Total Liabilities		13,616	15,548
Net Assets		169,498	165,867
EQUITY			
Accumulated Surplus		57,567	53,411
Reserves	9.1	111,930	112,455
Total Equity		169,498	165,867

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

Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
Cash Flows from Operating Activities			
Rates		9,366	8,599
User Charges and Statutory Fees (inclusive of GST)		2,439	2,964
Grants		3,786	3,055
Interest		163	40
Investment Revenue from Water Corporation	2.9	326	326
Other Receipts which includes Reimbursements		1,465	1,360
Net GST Refund/Payment		713	978
Payments to Suppliers (inclusive of GST)		(7,307)	(7,003)
Payments to Employees		(7,219)	(6,421)
Finance Costs		(107)	(129)
Other Payments		(750)	(739)
Net Cash Provided by (Used in) Operating Activities	9.2	2,875	3,030
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant and Equipment		(3,404)	(5,272)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		25	39
Capital Grants		1,760	2,624
Net Cash Provided by (Used in) Investing Activities		(1,618)	(2,609)
Cash Flows from Financing Activities			
Repayment of Interest Bearing Loans and Borrowings		(541)	(570)
Net Cash Provided by (Used in) Financing Activities	9.3	(541)	(570)
Net Increase (Decrease) in Cash and Cash Equivalents		716	(149)
Cash and Cash Equivalents at the Beginning of the Financial Year		4,853	5,002
Cash and Cash Equivalents at the End of the Financial Year	4.1	5,569	4,853

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

**Statement of Changes in Equity
For the Year Ended 30 June 2023**

			Asset	Fair	Asset	
	Note	Total	Accumulated Surplus	Value Revaluation Reserve	Replacement Reserve	Other Reserves
2023		2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
Balance at beginning of the financial year		165,867	53,411	112,882	(4,370)	3,625
Surplus / (Deficit) for the year		3,486	3,486	-	-	-
Other Comprehensive Income:						
Fair value adjustment on equity investment assets	5.1	666	-	-	666	-
Net asset revaluation increment/(decrement)	9.1	(522)	-	(522)	-	-
Transfers between Reserves	9.1	-	670	-	(700)	30
Balance at end of the financial year		169,498	57,567	112,360	(3,703)	348

			Asset	Fair	Asset	
		Total	Accumulated Surplus	Value Revaluation Reserve	Replacement Reserve	Other Reserves
2022		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)	551
Surplus / (Deficit) for the year		389	389	-	-	-
Other Comprehensive Income:						
Fair value adjustment on equity investment assets		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)	318

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.

Note 1 Overview

1.3 Use of Judgements and Estimates (continued)

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						
2022 - 2023	2,190	8,495	10,685	4,195	6,491	3,069
2021 - 2022	1,800	7,525	9,325	2,347	6,978	3,002
Roads, Streets, Bridges & Footpaths						
2022 - 2023	2,048	16	2,065	3,870	(1,806)	106,221
2021 - 2022	2,849	107	2,957	4,370	(1,413)	109,660
Drainage						
2022 - 2023	-	317	317	735	(417)	32,892
2021 - 2022	-	6	6	800	(794)	30,701
Waste Management						
2022 - 2023	35	4,265	4,300	1,546	2,754	7,427
2021 - 2022	-	1,604	1,604	2,131	(527)	6,399
Environmental Health						
2022 - 2023	317	(24)	293	463	(169)	356
2021 - 2022	200	203	403	504	(101)	369
Planning Services						
2022 - 2023	16	252	268	389	(121)	-
2021 - 2022	-	280	280	373	(93)	-
Building Control						
2022 - 2023	-	76	76	185	(109)	9,090
2021 - 2022	-	73	73	146	(73)	8,518
Community Amenities						
2022 - 2023	20	155	175	597	(422)	-
2021 - 2022	110	45	155	780	(625)	-
Community Services						
2022 - 2023	240	1,625	1,865	2,229	(365)	60
2021 - 2022	121	1,490	1,610	2,582	(972)	2
Recreation Facilities						
2022 - 2023	776	565	1,341	1,631	(290)	16,569
2021 - 2022	936	653	1,590	2,115	(525)	16,514
Economic Development						
2022 - 2023	-	0	0	161	(160)	251
2021 - 2022	-	-	-	155	(155)	251
Other - Not Attributable						
2022 - 2023	-	568	568	2,467	(1,900)	7,179
2021 - 2022	-	729	729	2,040	(1,311)	6,000
TOTAL						
2022 - 2023	5,642	16,311	21,953	18,467	3,486	183,115
2021 - 2022	6,016	12,716	18,732	18,343	389	181,415

1.4 Functions/Activities of the Council (continued)

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

	2023 \$'000	2022 \$'000
Current Assets	9,533	6,000
Non-Current Assets	173,581	175,414
	183,115	181,415

(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 safety and cemeteries.

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

Planning Services

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

Building Control

The development and maintenance of building constructions standards.

Community Amenities

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

Community Services

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

Recreation Facilities

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

Economic Development

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

Other - Not Attributable

Rates and charges and work not attributed elsewhere.

	2023 \$'000	2022 \$'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 2022-23 was \$110,197,713 (2021-22 \$84,144,050). The 2022-23 rate in the AAV dollar was \$0.07158905 (2021-22 \$0.08438561).		
General Rate	7,833	7,019
General Land Fire Levy	124	116
Volunteer Brigade Fire Levy	218	204
Garbage/Recycling Services	789	699
Waste Management Charge	524	491
Statewide Landfill Levy	132	-
Business Levy	-	18
Total Rates and Charges	9,619	8,547

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 2022.

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	21	5
Planning Control Fees	253	280
Land Information Certificates	91	103
Building & Plumbing Control Fees	179	220
Public Health Fees	21	12
Total Statutory Fees and Fines	564	620

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.

	2023 \$'000	2022 \$'000
Note 2.3 User Fees		
Child Care/Children's Program Fees	449	445
Dog Registration Fees	83	76
Cemetery Fees	270	256
Caravan Park Fees	481	443
Refuse Disposal Fees	465	413
Infrastructure Application Fees	12	14
Parks and Reserves Fees	20	18
Other Fees and Charges	5	8
Total User Fees	1,785	1,676

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	5,357	5,701
State Funded Grants	285	314
Total Grants	5,642	6,016

Grants - Recurrent

Commonwealth Government Financial Assistance Grants - General Purpose	2,190	1,800
Commonwealth Government Financial Assistance Grants - Roads	1,262	1,291
Commonwealth Government - Children Services Sustainability & Community	156	100
Commonwealth Government - Australian Museums & Galleries Association	-	1
Commonwealth Government - Preparing Australian Communities Local Stream	228	200
Commonwealth Government - Dep. Veteran Affairs Saluting their Service Commemorative	10	-
Commonwealth Government - Regional sports event fund	10	-
Commonwealth Government - Cultural Heritage RANT	10	-
State Government - Derwent Valley LPS	16	-
Total Recurrent Grants	3,882	3,392

	2023 \$'000	2022 \$'000
Note 2.4 Grants (continued)		
Capital Grants Received Specifically for New or Upgraded Assets		
Commonwealth Government - Children Services Community	63	-
Commonwealth Government - Building Better Regions	-	110
Commonwealth Government - Local Roads & Community Infrastructure	468	882
Commonwealth Government - Natural Disaster Risk Reduction	-	12
Commonwealth Government - Bridge Renewal Program	150	-
Commonwealth Government - Roads to Recovery	379	379
Commonwealth Government - Redevelopment of Tynwald Park Sports Facility	420	180
Commonwealth Government - Willow Court Precinct Facility Upgrade	-	500
Commonwealth Government - Revitalisation of The Esplanade	-	247
Commonwealth Government - Queen's Jubilee	11	-
State Government - Recreational fishing & camping facilities program	25	-
State Government - Boyer Oval grandstand	-	87
State Government - Landfill levy readiness	35	-
State Government - TRRA Claim Storms	90	-
State Government - Valley Children's Centre	20	20
State Government - Redevelopment of Tynwald Park	100	180
State Government - Vulnerable Road Users	-	28
Total Capital Grants	1,760	2,624
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	116	87
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	64	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	(81)	(87)
Balance of unspent funds at 30 June	98	116
Capital		
Balance of unspent funds at 1 July	145	511
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	30	145
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	(108)	(511)
Balance of unspent funds at 30 June	66	145
Total unspent funds	165	261

2023
\$'000

2022
\$'000

Note 2.4 Grants (continued)

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 and sustainability funding, assistance with Revised Draft LPS of Planning Scheme, All access all weather bus stop upgrades, and Health and wellbeing community profile support.

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.

Note 2.5 Contributions

(a) Cash

Recreational, leisure and community facilities

30 29

Total

30 29

Total Contributions

30 29

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

110 5

Interest on Rates

53 34

Total

163 40

Accounting Policy

Interest Income

Interest is recognised progressively as it is earned.

Note 2.7 Other Income

Community and Social Development

- 8

Children Services

1,044 950

Roads

14 14

Plant Operations

30 30

Reimbursements

159 246

Building & Property rentals

131 36

Other

49 47

Total Other Income

1,428 1,331

2023
\$'000

2022
\$'000

Note 2.7 Other Income (continued)

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	25	39
Write Down Value of Plant Assets Disposed	(25)	(61)
Total	-	(23)

Accounting Policy

Gains and Losses on Asset Disposals

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

Note 2.9 Investment Revenue from Water Corporation

Dividend Revenue Received	326	326
Total Investment Revenue from Water Corporation	326	326

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	6,062	5,532
Workers Compensation premium	255	191
Superannuation	771	727
Fringe Benefits Tax	5	7
Childcare Backpays	-	319
Redundancy	-	36
	7,093	6,812
Less Amounts Capitalised	(81)	(31)
Total Employee Benefits	7,012	6,781

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.

	2023 \$'000	2022 \$'000
Note 3.2 Materials and Services		
Contract Payments	2,760	3,013
Buildings & Reserves Maintenance	186	269
Consultants	442	384
Plant and Vehicle Running Costs	403	340
Advertising & Branding Costs	55	69
Employee Associated Costs	126	82
State Levies	393	318
Supply of Materials	467	188
Computer Related Costs	433	392
Utilities (Telephones, Electricity & Water Charges)	571	611
Other	517	421
Total Materials and Services	6,351	6,086

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	2	3
Total Impairment of Receivables	2	3

Accounting Policy

Impairment Expense

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

	2023 \$'000	2022 \$'000
Note 3.4 Depreciation and Amortisation		
<i>Property</i>		
Buildings		
Buildings	413	351
Heritage Buildings	15	15
<i>Plant and Equipment</i>		
Plant, Machinery and Equipment	278	292
Computers and Telecommunications	220	38
Fixtures, Fittings and Furniture	2	2
<i>Infrastructure</i>		
Roads	1,631	1,928
Bridges	311	292
Footpaths and Cycleways	370	370
Drainage	280	261
Recreational, Leisure and Community Facilities	580	483
Waste Management structures	81	81
Landfill Restoration	62	492
Total	4,244	4,605

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	8 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

	2023	2022
	\$'000	\$'000

Note 3.4 Depreciation and Amortisation (continued)

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		
Concrete kerb and channel		60 years
Open drains and other kerbing		75 years
Concrete barrier kerbing		80 years
Street Furniture		50 years
Bridges		
Bridges Deck - Concrete		80 years
Bridges Deck - Timber		20 years
Bridges Substructure		80 years
Drainage		
Pipes All		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		60 years
Patterned 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		5-20 years
Landfill Restoration Peppermint Hill remaining life updated 30 June 2023		31 years

Note 3.5 Finance Costs

Interest - Borrowings	107	129
Total Finance Costs	107	129

2023
\$'000

2022
\$'000

Note 3.5 Finance Costs (continued)

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.

Note 3.6 Other Expenses

External Auditors' Remuneration (Tasmanian Audit Office)	51	34
Payments Relating to Elected Members		
Councillors' Allowances	154	138
Other Allowances & Expenses	25	12
Election Costs	81	45
Local Government Association of Tasmania Subscription	40	39
General Insurance Costs	303	355
Community Grants and Donations	97	116
Total	750	739

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	3,096	4,347
Westpac Account	1,972	5
At Call and Short Term Deposits	500	500
Total Cash and Cash Equivalents	5,569	4,853

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

Restricted funds

i) Trust funds and deposits (Note 7.2)	145	122
ii) Unspent grant funds with conditions (Note 2.4)	165	261
iii) Landfill restoration (Note 9.1)	2,553	2,029
	2,863	2,412

Internal committed funds

iv) Employee Provisions (Note 7.3)	1,889	1,851
v) Asset replacement reserve funds (Note 9.1)	372	1,595
vi) Community reserve funds (Note 9.1)	348	318
vii) Landfill restoration (Note 7.3)	5,931	7,084
	11,403	13,260

Committed Funds

Total uncommitted cash and cash equivalents	(5,834)	(8,407)
----------------------------------------------------	----------------	----------------

2023
\$'000

2022
\$'000

Note 4.1 Cash and Cash Equivalents (continued)

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 and internally committed funds include:

- 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 raised through the waste management charge to assist Council in meeting rehabilitation obligations
- iv) Represents funding required to meet employee provision obligations
- v) Represents funding required to be set aside to meet Council's asset replacement obligations
- vi) Represents funding required to be set aside to meet Council's community reserves obligations
- vii) Represents funding required to meet landfill rehabilitation obligations

Note 4.2 Trade and Other Receivables

Current

Rates Debtors	901	593
Sundry Debtors	351	337
Other Debtors	134	93
Provision for expected credit loss - other debtors	(7)	(5)
Net GST Receivable	79	-
Total Trade and Other Receivables	1,458	1,019

Reconciliation of movement in expected credit loss

Carrying amount at 1 July	(5)	(2)
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase / (decrease) in provision recognised in profit or loss	(2)	(3)
Carrying amount at 30 June	(7)	(5)

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.

	2023 \$'000	2022 \$'000
Note 4.3 Inventories		
Inventories held for distribution	2,354	-
Total inventories	2,354	-

Accounting policy

Inventories

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

Note 4.4 Other Assets		
Current		
Prepayments	153	128
Total Other Assets	153	128

Note 5 Investments

Note 5.1 Investment in Water Corporation

Opening Balance	20,358	19,859
Fair Value adjustments on equity investment assets	666	499
Total investment in Water Corporation	21,025	20,358

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: *Financial Instruments* to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2023, Council hold a 1.20% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

	2023 \$'000	2022 \$'000
Note 6 Non-Current Assets		
Note 6.1 Property, Infrastructure, Plant and Equipment		
<i>Summary</i>		
At Cost	6,995	6,746
Less Accumulated Depreciation	3,966	3,460
	3,029	3,286
At Fair Value as at 30 June	232,690	232,474
Less Accumulated Depreciation	83,163	80,704
	149,527	151,771
Total	152,556	155,057
<i>Property</i>		
Land		
At Fair Value as at 30 June	8,361	8,321
	8,361	8,321
Land Under Roads		
At Fair Value as at 30 June	5,540	5,540
	5,540	5,540
<i>Total Land</i>	13,901	13,861
Buildings		
At Fair Value as at 30 June	12,782	11,757
Less Accumulated Depreciation	4,622	4,193
	8,160	7,564
Heritage Buildings		
At Fair Value as at 30 June	1,100	1,137
Less Accumulated Depreciation	36	36
	1,064	1,101
<i>Total Buildings</i>	9,224	8,665
<i>Total Property</i>	23,125	22,526
<i>Plant and Equipment</i>		
Plant, Machinery and Equipment		
At Cost	3,843	3,540
Less Accumulated Depreciation	2,624	2,364
	1,219	1,176
Fixtures, Fittings and Furniture		
At Cost	258	205
Less Accumulated Depreciation	207	183
	51	22
Computers and Telecommunications		
At Cost	2,147	1,957
Less Accumulated Depreciation	1,135	913
	1,012	1,044
<i>Total Plant and Equipment</i>	2,282	2,241

	2023 \$'000	2022 \$'000
Note 6.1 Property, Infrastructure, Plant and Equipment (continued)		
<i>Infrastructure</i>		
Roads		
At Fair Value as at 30 June	126,412	131,354
Less Accumulated Depreciation	45,339	45,713
	81,073	85,641
Bridges		
At Fair Value as at 30 June	21,099	18,825
Less Accumulated Depreciation	8,833	7,989
	12,266	10,836
Footpaths and Cycleways		
At Fair Value as at 30 June	11,446	10,878
Less Accumulated Depreciation	5,332	4,773
	6,114	6,105
Drainage		
At Fair Value as at 30 June	22,774	21,323
Less Accumulated Depreciation	11,310	11,029
	11,465	10,294
Recreational, Leisure and Community Facilities		
At Fair Value as at 30 June	15,077	14,139
Less Accumulated Depreciation	4,197	3,617
	10,880	10,522
Waste Management Structures		
At Fair Value as at 30 June	2,479	2,426
Less Accumulated Depreciation	1,619	1,527
	860	898
Landfill Restoration		
At Fair Value as at 30 June	5,621	6,774
Less Accumulated Depreciation	1,876	1,825
	3,745	4,948
<i>Total Infrastructure</i>	126,401	129,245
Works in Progress		
Roads at Cost	71	445
Buildings at Cost	113	100
Computers and Telecommunications at Cost	45	15
Drainage at Cost	402	48
Recreational, Leisure and Community Facilities at Cost	116	437
Total Works in Progress	748	1,045
Total Property, Infrastructure, Plant and Equipment	152,556	155,057

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

Reconciliation of Property, Infrastructure, Plant and Equipment

2023	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	8,321	40	-	-	-	-	-	8,361
Land Under Roads	5,540	-	-	-	-	-	-	5,540
Total Land	13,861	40	-	-	-	-	-	13,901
Buildings	7,564	126	511	(407)	-	-	330	8,124
Heritage Buildings	1,101	21	-	(22)	-	-	-	1,100
Total Buildings	8,666	147	511	(429)	-	-	330	9,224
Total Property	22,526	187	511	(429)	-	-	330	23,125
Plant and Equipment								
Plant, Machinery and Equipment	1,176	342	-	(273)	(26)	-	-	1,219
Fixtures, Fittings and Furniture	22	34	-	(5)	-	-	-	51
Computers and Telecommunications	1,044	175	-	(222)	-	-	15	1,012
Total Plant and Equipment	2,242	551	-	(500)	(26)	-	15	2,282
Infrastructure								
Roads	85,641	831	(4,205)	(1,773)	-	-	578	81,074
Bridges	10,836	536	1,204	(311)	-	-	-	12,266
Footpaths and Cycleways	6,105	-	236	(228)	-	-	-	6,114
Drainage	10,294	316	1,087	(280)	-	-	48	11,465
Recreational, Leisure and Community Facilities	10,522	222	644	(580)	-	-	74	10,880
Waste Management Structures	898	53	-	(92)	-	-	-	860
Landfill Restoration	4,949	-	(1,153)	(51)	-	-	-	3,745
Total infrastructure	129,245	1,958	(2,187)	(3,315)	-	-	700	126,402
Works in Progress								
Roads	578	71	-	-	-	-	(578)	71
Buildings	330	113	-	-	-	-	(330)	113
Drainage	48	402	-	-	-	-	(48)	402
Computers and Telecommunications	15	45	-	-	-	-	(15)	45
Recreational, Leisure and Community Facilities	74	116	-	-	-	-	(74)	116
Total Works in Progress	1,045	748	-	-	-	-	(1,045)	748
Total Property, Infrastructure, Plant and Equipment	155,058	3,443	(1,676)	(4,244)	(26)	-	-	152,556

Note 6.1 Property, Infrastructure, Plant and Equipment (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	-	0	-	-	-	-	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	6,729	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	0	(81)	-	-	-	898
Landfill Restoration	4,990	-	451	(492)	-	-	-	4,949
Total Infrastructure	114,508	2,201	15,139	(3,908)	-	-	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	0	-	-	-	-	(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)

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
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.	
In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council Officers or independent experts.	
Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.	
Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.	
Impairment of Assets	
Impairment losses are recognised in the statement of comprehensive income under other expenses.	
Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.	
Land Under Roads	
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.	

	2023 \$'000	2022 \$'000
Note 7 Current Liabilities		
Note 7.1 Trade and Other Payables		
Trade Payables	792	1,243
Accrued Expenses	672	248
Accrued Payroll	238	483
Net GST Payable	-	1
Total Trade and Other Payables	1,702	1,975

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

Trust funds and deposits	145	122
Revenue Received in Advance	106	91
Total Other Current Liabilities	251	213

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	Long Service Leave	Sick Leave Benefit	Other Benefits	Landfill Restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2023						
Balance at beginning of the financial year	791	738	292	30	7,084	8,935
Additional provisions	402	157	110	41	(1,204)	(494)
Amounts used	(422)	(67)	(144)	(39)	-	(671)
Unwinding of discounting	-	-	-	-	51	51
Balance at the end of the financial year	772	828	258	31	5,931	7,820
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

	2023 \$'000	2022 \$'000
Note 7.3 Provisions (continued)		
(a) Employee Provisions	2023	2022
(i) Current	\$'000	\$'000
Annual Leave	772	791
Long Service Leave	586	624
Sick Leave	258	292
Other Benefits	31	30
	1,647	1,738
(ii) Non-Current		
Long Service Leave	242	113
	242	113
Aggregate carrying amount of employee benefits:		
Current	1,647	1,738
Non-Current	242	113
	1,889	1,851
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		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value.	803	821
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.	844	916
	1,647	1,738
(iv) Non-Current		
Long service leave representing less than 7 years of continuous service measured at present value.	242	113
(v) Employee Numbers	81	79

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.

2023	2022
\$'000	\$'000

Note 7.3 Provisions (continued)

Accounting Policy

Employee Benefits (continued)

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.

	2023	2022
	\$'000	\$'000
Note 7.3 Provisions (continued)	2023	2022
(b) Land fill restoration	\$'000	\$'000
Current	-	-
Non-current	5,931	7,084
Total	5,931	7,084

Accounting policy

Land fill restoration

Council is obligated to restore the Peppermint Hill Landfill Site site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. Council does not expect to receive reimbursement from a third party.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below. The index rate for 2022/2023 is the average CPI for the past 10 years (2021/2022 was CPI Hobart June 2022).

Key assumptions:

- discount rate	3.92%	3.77%
- index rate	1.03%	6.50%

Note 7.4 Contract Liabilities

Current

Rates and charges in advance	356	301
Grants received in advance	165	261
	521	561

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	371	541
	371	541

Non-Current

Borrowings - Secured	2,952	3,323
	2,952	3,323

Total

3,323	3,864
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Borrowings

Borrowings are secured over the general rates of the Council.

The maturity profile for Council's borrowings is:

Not later than one year	93	-
Later than one year and not later than five years	621	538
Later than five years	2,609	3,326
Total	3,323	3,864

	2023	2022
	\$'000	\$'000
Note 8.1 Interest-Bearing Loans and Borrowings (continued)		

Accounting Policy		
Interest Bearing Liabilities		
The borrowing capacity of Council is limited by the <i>Local Government Act 1993</i> . 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				
2023				
Property				
Land	6,527	-	-	6,527
Land Under Roads	1,094	-	-	1,094
Buildings (inc. Heritage Buildings)	1,486	511	-	1,997
	9,107	511	-	9,618
Infrastructure				
Roads (inc. Footpaths & Cycleways)	81,533	-	(3,969)	77,563
Bridges	7,250	1,204	-	8,454
Drainage	9,111	1,087	-	10,199
Recreational, Leisure and Community Facilities	5,804	644	-	6,448
Waste Management Structures	76	-	-	76
	103,773	2,936	(3,969)	102,741
Total Asset Revaluation Reserve	112,880	3,447	(3,969)	112,358
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

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of

(b) Fair Value Reserve

2023

Equity Investments assets

Investment in Water Corporation	(4,369)	666	-	(3,703)
Total Fair Value Reserve	(4,369)	666	-	(3,703)

2022

Equity Investments assets

Investment in Water Corporation	(4,868)	499	-	(4,369)
Total Fair Value Reserve	(4,868)	499	-	(4,369)

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.

Note	9.1	Reserves (continued)		2023	2022
				\$'000	\$'000

* 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 2022-23 was \$90.00 (2021-22 \$55.00).

	Balance at Beginning of Reporting Year \$'000	Increment \$'000	(Decrement) \$'000	Balance at End of Reporting Year \$'000
2022				
Plant Replacement	-	-	-	-
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

Community Reserves

2023				
Public Open Space	141	30	-	172
CBD Levy	35	-	-	35
Historical Information Centre	44	-	-	44
Quarry Rehabilitation	75	-	-	75
PCYC Reserve	23	-	-	23
Total Other Reserves	318	30	-	348

				2023	2022
Note	9.1	Reserves (continued)		\$'000	\$'000
Community Reserves					
			Balance at Beginning of Reporting Year	Increment	Balance at End of Reporting Year
2022			\$'000	\$'000	\$'000
		Public Open Space	113	29	-
		Autumn Festival	25	-	(25)
		CBD Levy	60	-	(24)
		Regional Renewal	179	-	(179)
		Historical Information Centre	45	-	(1)
		Visitor Information Centre	3	-	(3)
		Public Relations	29	-	(29)
		Quarry Rehabilitation	75	-	-
		PCYC Reserve	23	-	-
Total Other Reserves			551	29	(262)
Total Reserves					111,929
					112,455

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.

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.

	2023 \$'000	2022 \$'000
Note 9.2 Reconciliation of Cash Flows From Operating Activities to Surplus (Deficit)		
Result from Continuing Operations	3,486	389
Depreciation/Amortisation	4,244	4,605
(Profit)/Loss on Disposal of Property, Plant, Equipment and Infrastructure	-	23
Capital Grants Received Specifically for New or Upgraded Assets	(1,760)	(2,624)
Assets brought to account	(2,394)	(170)
<i>Change in Assets and Liabilities:</i>		
Decrease/(increase) in Trade and Other Receivables	(439)	624
Decrease/(Increase) in Other Assets	(25)	(86)
Increase/(Decrease) in Trade and Other Payables	(273)	533
Increase/(Decrease) in Other Liabilities	38	94
Increase/(Decrease) in Provisions	38	(3)
Increase/(Decrease) in Contract Liabilities	(40)	(352)
Net Cash Provided by/(Used in) Operating Activities	2,875	3,033

Note 9.3 Reconciliation of Liabilities Arising from Financing Activities

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

	Interest-bearing loans and borrowings \$'000
Balance as at 30 June 2022	3,864
Cash repayments	(541)
Balance as at 30 June 2023	3,323
Balance as at 30 June 2021	4,430
Cash repayments	(567)
Balance as at 30 June 2022	3,864

Note 9.4 Superannuation

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

For the year ended 30 June 2023 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
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued
- 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 2020 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017.**

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

- In terms of Rule 15.2 of the Spirit Super 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.** 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.

Note 9.4 Superannuation (continued)

- The application of Fund assets on Spirit Super being wound-up is set out in Rule 20.2. 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 Spirit Super. However it is likely that Rule 15.2 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- **The 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 (2021-22, \$0), and the amount paid to accumulation schemes was \$0 (2021-22, \$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 2022, showed that the Fund had assets of \$49.53 million and members' Vested Benefits were \$40.79 million. These amounts represented 0.20% and 0.17% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2022 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2022 were \$780,908 and \$229,521 respectively.

Accumulation Funds

Employer contributions payable at reporting date

Employer contributions to:

	29	27
	29	27
Spirit Super (formerly TasPlan Superannuation)	563	538
Vision Super	63	53
Bendigo Smart Start Super	-	12
Host Plus	25	28
Australian Super	22	6
Commonwealth Bank Group Super	12	11
Retail Employees Superannuation Trust (REST)	10	9
Uni Super	2	-
Hesta Super	4	9
Settlers Super	10	10
AMP Super	-	4
HUB24 Super	-	2
TWUSUPER	-	2
Local Government Super	18	12
CBUS	18	12
Colonial First State First Choice	1	6
Sandra V McMillian Super Fund	8	5
Sun Super Superannuation	13	6
Q Super	-	1
	771	727

		2023 \$'000	2022 \$'000
Note	9.5 Commitments		
	<i>Capital Expenditure Commitments</i>		
	Roads & Bridges	71	74
	Buildings	51	97
	Drainage	308	123
	Reserves	20	23
	Information Technology	45	252
	Total Capital Expenditure Commitments	495	569
	<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
	Maydena & Westerway Town Maintenance Contract (Commenced 1 June 2023 for a term of 3 years)	419	-
	Waste Manage. & Resource Recovery (Commence 1 April 2018, term 5 years, +extension to 31 March 24)	195	204
	Kerbside Garbage & Recycling (Commence 1 July 2018, term of 5 years, +1, +1 extensions to 30 June 25)	779	368
	Green Waste (Commence 1 March 2019 term of 3 years, + 2 years extension to 28 February 2024)	75	137
	Council Buildings Internal Cleaning Services Contract (Commenced 15 August 2022 for a 3 year term)	160	-
	Security Services Contract (Commenced 30 October 2020 to 30 October 2025)	161	231
	Gravel Supplies Peppermint Hill Tip (25 July 2020 to 30 June 2023)	-	50
	Management of New Norfolk & Bushy Park Swimming Pools (1 October 2021 for a term of 2 years)	-	64
	Pest Control Services (Commenced 5 October 2021 for a term of 3 years)	20	-
	Open Office Licence and support (Commenced 1 June 2020 for a term of 5 years)	267	-
	Street Lighting (Commenced 1 July 2022 to 30 June 2025)	273	-
	Power contract small and large (Commenced 1 July 2021 to 30 June 2025)	359	-
	Southern Tasmania Regional Recycling Processing Services (20 June 2022 for a term of 10 years)	1,198	-
	Cleanaway service contract (Commenced 2 January 2023 for a term of 2 years)	46	-
	Total Contractual Commitments	2,076	1,074
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	12
	Later than one year and not later than five years	37	49
		49	62

Note 9.7 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Council does not have any contingent liabilities to 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:

2023

		Fixed interest maturing in:					
	Weighted average interest rate	Floating interest rate \$'000	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	2.72%	5,569	-	-	-	-	5,569
Trade and other receivables	8.13%	-	493	255	154	556	1,458
Investment in water corporation		-	-	-	-	21,025	21,025
<i>Total Financial Assets</i>		5,569	493	255	154	21,581	28,050
<i>Financial Liabilities</i>							
Trade and other payables		-	-	-	-	1,702	1,702
Contract liabilities		-	-	-	-	521	521
Trust funds and deposits		-	-	-	-	251	251
Interest-bearing loans and borrowings	2.88%	-	371	1,305	1,647	-	3,323
<i>Total financial liabilities</i>		-	371	1,305	1,647	2,474	5,797
Net financial assets (liabilities)		5,569	122	(1,050)	(1,493)	19,107	22,253

2022

		Fixed interest maturing in:					
	Weighted average interest rate	Floating interest rate \$'000	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

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:

Financial Instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial Assets</i>				
Cash and Cash Equivalents	5,569	4,853	5,569	4,853
Trade and Other Receivables	1,458	1,019	1,458	1,019
Investment in Water Corporation	21,025	20,358	21,025	20,358
<i>Total Financial Assets</i>	<u>28,051</u>	<u>26,231</u>	<u>28,051</u>	<u>26,231</u>
<i>Financial Liabilities</i>				
Trade and Other Payables	1,702	1,975	1,702	1,975
Contract liabilities	521	561	165	261
Trust Funds and Deposits	251	213	251	213
Interest-Bearing Loans and Borrowings	3,323	3,864	3,048	3,597
<i>Total Financial Liabilities</i>	<u>5,797</u>	<u>6,613</u>	<u>5,166</u>	<u>6,046</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.

Note 9.8 Financial Instruments (continued)

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

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

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

Credit risk

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

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

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 (BBB credit rating)	Other (min BBB credit rating)	Total
2023				
Cash and Cash Equivalents	5,569	-	-	5,569
Trade and Other Receivables	-	-	1,458	1,458
Total Contractual Financial Assets	5,569	-	1,458	7,026
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
			2023	2022
			\$'000	\$'000

Movement in Provisions for Expected Credit Losses of Trade and Other Receivables

Balance at the beginning of the year	5	2
New Credit Losses recognised during the year	2	3
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	7	5

Note 9.8 Financial Instruments (continued)

2023
\$'000

2022
\$'000

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

Current (not yet due)	375	286
Past due by up to 30 days	12	101
Past due between 31 and 180 days	334	2
Past due between 181 and 365 days	202	8
Past due by more than 1 year	535	622
Total Trade & Other Receivables	1,458	1,019

Ageing of individually impaired Trade and Other Receivables

At balance date, receivables representing financial assets with a nominal value of \$7,167 (2021-22: \$4,850) 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	7	5
Total Trade & Other Receivables	7	5

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

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).

2023	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	1,702	-	-	-	-	1,702	1,702
Contract liabilities	521	-	-	-	-	521	521
Trust funds and deposits	251	-	-	-	-	251	251
Interest-bearing loans and borrowings	185	185	381	923	1,647	3,323	3,323
Total financial liabilities	2,660	185	381	923	1,647	5,797	5,797

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 liabilities	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

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, Council believes the following movements are 'reasonably possible' over the next 12 months

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

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

		Interest rate risk			
		-1%		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	5,569	(56)	(56)	56	56
Trade and other receivables	1,458	(15)	(15)	15	15
Financial liabilities:					
Interest-bearing loans and borrowings	3,323	(33)	(33)	33	33
		Interest rate risk			
		-.5 %		+.5%	
		-50 basis points		+50 basis points	
		Profit	Equity	Profit	Equity
2022	\$'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

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 2023.

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 2023

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring Fair Value Measurements					
Investment in Water Corporation	5.1	-	-	21,025	21,025
Land	6.1	-	8,361	-	8,361
Land Under Roads	6.1	-	-	5,540	5,540
Buildings	6.1	-	8,160	-	8,160
Heritage Buildings	6.1	-	-	1,064	1,064
Roads	6.1	-	-	81,073	81,073
Bridges	6.1	-	-	12,266	12,266
Footpaths and Cycleways	6.1	-	-	6,114	6,114
Drainage	6.1	-	-	11,465	11,465
Recreational, Leisure and Community Facilities	6.1	-	-	10,880	10,880
Waste Management Structures	6.1	-	-	860	860
Landfill Restoration	6.1	-	-	3,745	3,745
		-	16,521	154,030	170,551

Note 9.9 Fair Value Measurements (continued)

As at 30 June 2022

	Note	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'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

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. 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 indexation was applied in 2022/2023 and a full land revaluation is scheduled for 1 July 2024.

Land Under Roads

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

Buildings

The fair value of buildings were determined 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. Council has applied the ABS Non-residential building construction Tasmania index of 4.63% as at 30 June 2023.

Note 9.9 Fair Value Measurements (continued)

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. Therefore, no indexation has been applied in 2022/2023 and Council now awaits the general revaluation of the entire municipality with new rates effective 1 July 2024.

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.

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 2022/2023, effective 1 July 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 2023. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Note 9.9 Fair Value Measurements (continued)

Drainage

A full valuation of drainage infrastructure was undertaken by Council's appointed Engineer during 2019-2020, effective from 30 June 2020. Council has applied the ABS Other heavy and civil engineering construction index of 5.1% as at 30 June 2023. 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

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. Council has applied the ABS Non-residential building construction Tasmania index of 4.63% as at 30 June 2023.

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.

Landfill Restoration

At 30 June 2023, the asset and Council's Landfill Restoration Provision (Note 7.3) were revalued using a combination of expertise from Council's Executive Manager Infrastructure (currently Acting General Manager) and external engineers. The revaluation has resulted in an increase to the estimated restoration costs and an increase in the estimated remaining life of the site from 11 years (2033) to 31 years (2054). Rehabilitation is to commence on the closure of the site, and monitoring and testing is to continue for a further 30 years from closure. Average CPI for last 10 year period of 1.03% and discount rate of 3.92% were applied as at 30 June 2023.

Other Infrastructure

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

Note 9.9 Fair Value Measurements (continued)

(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	21,025	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 10.1 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

Michelle Dracoulis (Mayor 1/7/2022 to 30/6/2023)
Luke Browning (Acting Mayor 13/6/2023 to 16/6/2023)
Luke Browning (Deputy Mayor 1/11/2022 to 30/6/2023)
Luke Browning (Councillor 1/7/2022 to 31/10/2022)
Jessica Cosgrove (Deputy Mayor 1/7/2022 to 31/10/2022)
Jessica Cosgrove (Councillor 1/11/2022 to 30/6/2023)
Justin Derksen (Councillor 1/11/2022 to 30/6/2023)
Sara Lowe (Councillor 1/11/2022 to 30/6/2023)
Julie Triffett (Councillor 1/7/2022 to 31/10/2022)
Natasha Woods (Councillor 1/7/2022 to 31/10/2022)
Philip Bingley (Councillor 1/7/2022 to 30/6/2023)
James Graham (Councillor 1/7/2022 to 31/10/2022)
Matt Hill (Councillor 1/7/2022 to 30/6/2023)
Peter Binny (Councillor 1/11/2022 to 30/6/2023)

General Manager

Dean Griggs (1/7/2022 to 29/03/2023)

Acting General Manager

Ron Sanderson (22/3/2023 to 30/6/2023)

Executive Managers

Amanda McCall (1/7/2022 to 30/6/2023)
Quecha Horning (1/7/2022 to 10/3/2023)
Ron Sanderson (1/7/2022 to 21/3/2023)
Daniel Marr (1/7/2022 to 30/6/2023)

(ii) Councillor Remuneration

2023

	Allowance	Vehicle ¹	Total Compensation AASB 124	Expenses*	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	48,383	-	48,383	4,806	53,189
Deputy Mayor	27,294	-	27,294	-	27,294
Councillors	78,419	-	78,419	466	78,885
Total	154,096	-	154,096	5,272	159,368

2022

	Allowance	Vehicle ¹	Total Compensation AASB 124	Expenses ²	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

* 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

2023	Remuneration band	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	Superannuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
	\$100,001-\$120,000	1	118,689	-	-	-	27,651	-	93,238	-	239,578
	\$120,001-\$140,000	1	134,270	-	-	-	18,573	33,908	-	14,134	200,885
	\$140,001-\$160,000	3	454,228	-	14,948	9,231	79,075	21,666	85,273	12,867	677,288
Total			707,187	-	14,948	9,231	125,299	55,574	178,511	27,001	1,117,751

2022	Remuneration band	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	Superannuation ⁵	Other Long-term Benefits ⁶	Termination Benefits ⁷		
	\$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

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).

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

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.

Short term incentive payments

No short term incentive payments were awarded during the current year.

Termination benefits

Ms Q Horning's appointment concluded effective 10 March 2023 and she was paid \$8,529 representing the balance of her accrued annual leave entitlements, six months' salary in lieu of notice of \$75,030 and \$9,679 equivalent to pro-rata long service leave.

Mr D Griggs' appointment concluded effective 29 March 2023 and he was paid six months' salary in lieu of notice of \$93,558.73 less annual leave owing of \$8,285.45.

Acting arrangements

Mr R Sanderson was appointed to the position of Acting General Manager on the 22 March 2023, and remained in the position at year end.

(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

All Special Committees were disestablished 30 June 2022.

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 original budget amounts plus any revised budget amounts approved by Council throughout the year, 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	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(a) Underlying surplus or deficit						
	Net result for the year		3,486	389	549	2,638
	Less non-operating income:					
	Covid-19 and National disaster relief grants		-	12	50	-
	Assets recognised for the first time at no cost		2,394	170	-	-
	Grants specifically for new or upgraded assets		1,008	747	68	18
	Grants for renewal of assets		752	1,865	1,756	2,842
	Grants received in advance - current year		2,729	1,875	1,150	1,253
	Grants received in advance - prior year (Add+)		1,875	1,150	1,253	1,205
	Underlying Surplus/(Deficit)	0	(5,272)	(5,430)	(3,728)	(2,680)

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

Council has not reached the benchmark and acknowledges underlying deficits cannot be sustained long-term.

(b) Underlying Surplus Ratio

Underlying surplus or deficit		(5,272)	(5,430)	(3,728)	(2,680)
Recurrent Income*		17,799	15,960	14,195	15,562
Underlying Surplus Ratio %	0%	-29.62%	-34.02%	-26.26%	-17.22%

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

Council's performance in regard to this ratio is considered unsatisfactory, although has improved slightly in 2022/2023. A review of the long term financial management plan in 2023/2024 will assist with budgeting and addressing continuing deficits.

(c) Net Financial Liabilities

Liquid Assets Less		7,026	5,872	6,647	6,832
Total Liabilities		13,616	15,548	15,390	12,231
Net Financial Liabilities	0	(6,590)	(9,676)	(8,743)	(5,399)

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. The landfill restoration provision is distorting this figure, with \$21.5 million provided to commence restoration in 2073.

(d) Net Financial Liabilities Ratio

Net Financial Liabilities		(7,685)	(8,464)	(8,817)	(5,399)
Recurrent income*		17,799	15,960	14,195	15,562
Net Financial Liabilities Ratio %	0% - (50%)	-43.18%	-53.03%	-62.11%	-34.69%

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.

Transport Infrastructure

Fair value (Carrying amount)		92,727	97,286	85,793	83,566
Current replacement cost (Gross)		143,397	147,773	133,981	136,480
Asset consumption ratio %		64.66%	65.83%	64.03%	61.23%

Buildings

Fair value (Carrying amount)		9,224	8,665	6,730	3,973
Current replacement cost (Gross)		13,881	12,894	10,593	4,849
Asset consumption ratio %		66.45%	67.20%	63.53%	81.93%

Note	10.5 Management Indicators (continued)	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
	<i>Drainage</i>				
	<u>Fair value (Carrying amount)</u>	11,465	10,294	8,501	8,494
	Current replacement cost (Gross)	22,774	21,323	19,269	19,023
	Asset consumption ratio %	50.34%	48.27%	44.12%	44.65%

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.

(f) Asset Renewal Funding Ratio

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

****Transport Infrastructure

<u>Projected capital funding outlays**</u>		0	28,151	0	0
Projected capital expenditure funding***		0	43,331	0	0
Asset renewal funding ratio %	90-100%	0.00%	64.97%	0.00%	0.00%

****Buildings

<u>Projected capital funding outlays**</u>		0	0	0	0
Projected capital expenditure funding***		0	0	0	0
Asset renewal funding ratio %	90-100%	0.00%	0.00%	0.00%	0.00%

*****Drainage

<u>Projected capital funding outlays**</u>		0	1,132	0	0
Projected capital expenditure funding***		0	2,349	0	0
Asset renewal funding ratio %	90-100%	0.00%	48.19%	0.00%	0.00%

** 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

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

Council's LTFMP is requiring review, therefore, Council needs to update the plan prior to calculating the asset renewal funding ratio for the individual asset classes.

(g) Asset Sustainability Ratio

<u>Capex on replacement/renewal of existing assets</u>		3,403	5,274	6,124	6,019
Annual depreciation expense		4,244	4,605	3,372	3,775
Asset sustainability ratio %	100%	80.19%	114.52%	181.63%	159.44%

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 unsatisfactory, however, Council was above the benchmark in the three years prior, renewing assets at a rate in excess of requirement.

Certification of the Financial Report

The financial report presents fairly the financial position of the Derwent Valley Council as at 30 June 2023 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.



Ron Sanderson

Acting General Manager

Date : 28-September-2023