

Kingborough

ANNUAL REPORT

2021/22



Acknowledgement to Traditional Custodians

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

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

Published by :

Kingborough Council
15 Channel Highway
Kingston Tas 7050

T : 03 6211 8200
E : kc@kingborough.tas.gov.au
W : www.kingborough.tas.gov.au

© Kingborough Council 2022

Accessibility

If you would like to receive this publication in an alternate format, please contact Kingborough Council on 03 6211 8200 or at kc@kingborough.tas.gov.au

Disclaimer

This publication is intended to be of assistance to the public. Kingborough Council and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequences which may arise from you relying on any information in this publication.

Front Cover: Kingborough Community Hub

CONTENTS

Our History	1
Our Municipal Area	2
Legislative Requirements	3
Council	5
Mayor's Message	6
General Manager's Message	8
Elected Members	10
Elected Members' Remuneration	12
Code of Conduct	12
Senior Staff Remuneration	13
Attendance Register	14
Audit Panel	15
Committee Representations	15
The Role of Council	16
Organisational Structure	18
Our Workforce	20
Performance Reporting	22
Our Strategic Plan	23
Key Priority 1	24
Key Priority 2	26
Key Priority 3	28
Year In Review	30
Governance, Recreation and Property Services	31
Environment, Development and Community Services	35
Information Services	60
Organisational Development	61
Engineering Services	62
Finance	69
Financial Report	76
Audit Panel Chairman's Report	77
Analysis of the Annual Financial Report	80
Independent Auditor's Report	81
Annual Financial Report	85

OUR HISTORY

In the early 1800s the Kingborough area was the homeland of the *Mouheneenner* people who belonged to the South East Tribe. Despite more than 35,000 years of Aboriginal presence on this landscape, their footsteps have been light. The most obvious traces are the vast areas of shell middens lining the coastline.

French navigators were the first Europeans to explore the area of Kingston and its municipality, from as early as 1792. In 1808 the first white settlers arrived in the district at what is now known as Brown's River, named after botanist Mr Robert Brown. The Aboriginal people from the area had given the river the lyrical name of '*Promenalinah*'. Before European settlement, this tannin-coloured river provided shellfish and crayfish for the 300 natives who camped nearby, hunting wallaby and kangaroo in the dense scrub.

By the 1830s the district was still sparsely populated by European settlers. There was no church, no school, no post office – in fact, no regular communication with Hobart Town.

In 1835, a farmer by the name of Proctor completed a road between Hobart Town and his property at Brown's River. The

Government, having refused to provide any financial assistance to Mr Proctor in the five year building project, declared the road a public thoroughfare – providing a much-needed link between Brown's River and Hobart Town.

Governor Denison proclaimed the district a township on 27 January 1851. The reason behind the name Kingston is unknown, though theories include links to the capital of Norfolk Island, Kingston, or the Governor of Norfolk Island, a man named King, because of links between Norfolk Island and the district's first settlers Thomas and Anne Lucas. It may also be named after New Kingston in Surrey England. Whatever the reason, the district became known as Kingston and over the years the old name of Brown's River was gradually dropped.

The municipality had a number of thriving townships outside Kingston. Snug had settlers as early as 1822 and Woodbridge, once known as Peppermint Bay, was settled in 1847. Taroona, one of the first settled districts in the area, is noted for it's historic landmark the Shot Tower, which was established as a flourishing industry in 1870.

Kingston developed into a holiday village, a weekend and summer holiday retreat. A number of the early holiday dwellings still exist at Kingston Beach and in the older part of Blackmans Bay.

The surrounding rural area concentrated on timber felling, fishing, fruit production and dairying. The settlements at Kingston, Margate, Snug, Kettering and Woodbridge operated small fishing fleets on the D'Entrecasteaux Channel fishing grounds and small local timber mills were established to make use of the available timber resources.

With the clearing of land for timber production, agriculture became established on the lower and flatter land around each of the settlements. Early crops were orchard and stone fruits and berry fruits, and pasture for dairy and meat production.

In 1969 the Southern Outlet road was completed from Hobart to Kingston. This road brought Kingston and Blackmans Bay within easy commuting range of Hobart and Kingborough began to experience rapid urban growth.



Kingston Town



Hotel Australasia, Kingston Beach



Browns River

OUR MUNICIPAL AREA

Kingborough encompasses 720 square kilometres, including one of the longest coastlines in the State, stretching a stunning and unique 336 kilometres.

Among the diverse local industries are fish processing, aquaculture, tourism, viticulture, boat building and civil engineering. The municipality is proud to host the headquarters of the Australian Antarctic Division. We have a population of approximately 40,082 people, and is one of the fastest growing in the state. The blend of extensive modern facilities and access to natural beauty constantly attracts new residents to the area.

Kingborough is essentially residential in nature offering a variety of living opportunities. Modern development and rapid expansion has brought housing estates, new industries, schools, sporting and recreational facilities, service clubs and shopping centres. Kingston is the major commercial, retail and administrative centre for the municipality. Other towns include Taroona, Blackmans Bay, Margate, Snug, Kettering, Woodbridge, Gordon, Middleton and Alonnah at Bruny Island

Kingston has close ties with the Dutch community, where after 1950 many post-war

immigrants moved to an area they called 'Little Groningen' (today Firthside). The Kingston Dutch community were primarily members of the Christian Reformed Churches of Australia, which they set up the local church of in 1952. Calvin Christian School was founded by the Dutch community in 1962.



LEGISLATIVE REQUIREMENTS

In terms of Section 72 of the *Local Government Act 1993*:

“(1) A council must prepare an annual report containing all of the following:

(a) a summary of the annual plan for the preceding financial year;

(ab) a statement of its goals and objectives in relation to public health for the preceding financial year;

(b) a statement of the council's activities and its performance in respect of goals and objectives set for the preceding financial year;

(ba) a statement of the number of code of conduct complaints that were received and the number that were upheld either wholly or in part during the preceding financial year;

(bb) the total costs met by the council during the preceding financial year in respect of all code of conduct complaints dealt with under Division 3A of Part 3 during the preceding financial year;

(c) the financial statements for the preceding financial year;

(caa) a statement of the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the council during the preceding financial year together with a statement of the revenue associated with that activity;

(ca) a statement of the activities and performance of the council in relation to any activity undertaken pursuant to section 21 as compared with its objectives for the preceding financial year;

(cb) a statement of the total allowances and expenses paid to the mayor, deputy mayor and councillors;

(cc) a statement detailing the attendance of each councillor at meetings of the council or any council committee during the preceding financial year;

(cd) a statement in accordance with subsection (4) relating to the total annual remuneration paid to employees of the council who are key management personnel, within the meaning of the Compiled Accounting Standard AASB 124, as amended or substituted from time to time, issued

by the Australian Accounting Standards Board under the Australian Securities and Investments Commission Act 2001 of the Commonwealth;

(d) a copy of the audit opinion for the preceding financial year;

(da) a statement specifying details of any land donated by the council under section 177, including the name of the recipient, the reasons for the donation and the value of the land;

(e) any other prescribed matter.

(1A) A statement under subsection (1)(ab) is to –

(a) state the extent to which the council has carried out its functions under the Public Health Act 1997 and the Food Act 2003 ; and

(b) state the resources allocated to public health; and

(c) state the extent to which its goals, objectives, policies and programs in relation to public health met the needs of persons within its municipal area; and

(d) include details of the completion of any strategies.”

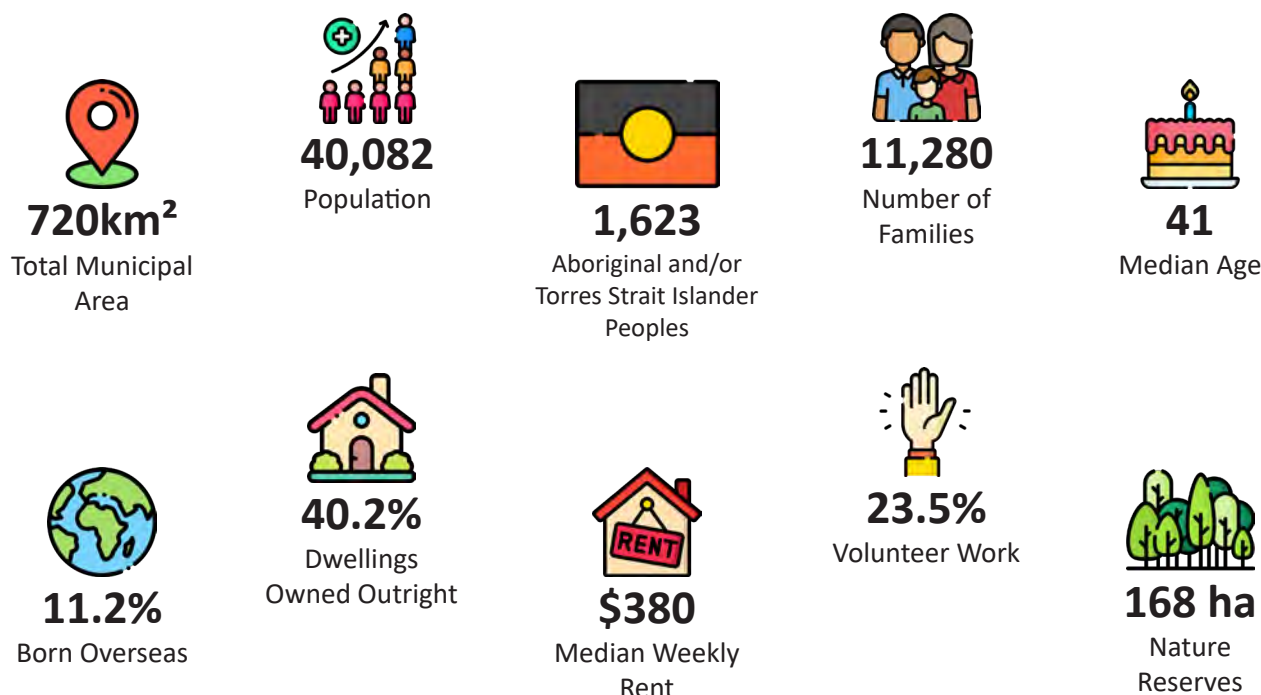


Snapshot

Kingborough Council is one of the fastest growing municipalities in Tasmania. From 2016 to 2021, the population of Kingborough increased by 4,238 people (11.8%). This represents an average annual population change of 2.26% per year over the period.

The largest changes in the age structure in this area between 2016 and 2021 were in the age groups:

- Seniors (70 to 84) (+1,182 people)
- Young workforce (25 to 34) (+1,140 people)
- Parents and homebuilders (35 to 49) (+796 people)
- Tertiary education and independence (18 to 24) (+435 people)



All information and data on this page is sourced from the website of the Australian Bureau of Statistics and based on the 2021 Census results



COUNCIL

Mayor's Message

General Manager's Message

Elected Members

Elected Members' Remuneration

Attendance Register

Audit Panel

Committee Representations

The Role of Council

Organisational Structure

Our Workforce

MAYOR'S MESSAGE

Welcome to Kingborough Council's 2021/22 Annual Report.

This Annual Report provides an overview of the performance, achievements and challenges of Kingborough Council throughout the past year. It shows how we managed our finances and what programs and initiatives were completed. It gives our organisation a chance to reflect on our past year's activities and, importantly, learn from those experiences.

Having been Mayor for the past twelve months, I have reflected on the great responsibility that it is to lead our municipality. I am proud that the Councillors have worked together over the last twelve months to achieve the best outcomes for our community. The debate has (for the most part) been respectful and well-considered. I have appreciated that while we may not always agree on the right solution to some of the issues, we can still work constructively together without lingering in conflict. This is not always the case in Local Government. I know that all of our Councillors are committed to making Kingborough a great place to live, work and play.

The past year has seen some challenges. The unseasonal weather created extra jobs for our maintenance crews, delaying regularly scheduled maintenance works. The re-opening of the State's borders brought with it more cases of COVID-19, at times impacting our staffing levels. With rising inflation, Council has been affected by increasing costs, and we are conscious that this has and will continue to impact our residents.

Investing in new and existing programs and services whilst continuing to work towards financial stability is always a delicate balance. It means that considering our annual budget and the level of rates to be charged is one of the most important decisions we make each year. Unlike many other Councils, in setting the 22/23 budget, our continued strong financial management enabled us to contain the rate increase to that outlined in our Long Term Financial Plan. This means we continue to be one of the lowest-rating urban Councils in the State.

All that we achieve would not be possible without our dedicated team of staff. Whether they deal directly with residents or operate behind

the scenes, they all play a vital part in delivering high-quality services, infrastructure and programs. I also know that they are all committed to our vision in our 2020-2025 Strategic Plan – that "our community is at the heart of everything we do".

Kingborough is continuing to thrive, with so much happening across the Municipality. The long overdue development of the central Kingston CBD will start soon. During the consultation, it was great to see many community members provide feedback on the design options. I look forward to this work being completed, creating a sense of "place" and providing a more welcoming, pedestrian-friendly and attractive area for visitors and residents.

I am very proud to lead our Council during these exciting times and look forward to our continued growth and the opportunities this brings.



PAULA WRIEDT
MAYOR





GENERAL MANAGER'S MESSAGE

The past year has been filled with new challenges and opportunities. Our Annual Report provides an informative overview of Council's operations and performance during that period.

While economic and social impacts on businesses and individuals are still being felt because of the Covid-19 pandemic, our community continues to demonstrate remarkable strength, resilience, and commitment to each other.

Highlights during the year included:

- The declaration of Algona, Coffee Creek, and Huntingfield Reserves as Cat Prohibited Areas.
- Completion of the Margate Rivulet Hydraulic Assessment Study.
- Becoming the first Council in Tasmania to adopt an Election Caretaker Period Policy.
- Adoption of the Kingborough Cycling Strategy 2021-2030.
- Completion of the construction of the new playground at Kingston Park.
- Commencement of construction of Stage 2 of the Kingston Park public open space.
- Undertaking over a thousand recreational water quality samples at our beaches throughout the year.

We continued to put significant emphasis on capital works delivery during the year and maintenance of our extensive road network, stormwater pipes, footpaths, and community buildings. We are focussing on maintenance of these assets to make sure they continue to provide benefit to our rapidly growing community now and into the future.

Thank you

I would like to take this opportunity to acknowledge the dedication and leadership shown by our Mayor and Councillors over the past 12 months, and the numerous Council staff who quietly go above and beyond to make Kingborough the wonderful place it is today.

It's also been inspiring to see the collaboration between Councillors, Council staff and the numerous business, support, and community groups we're so fortunate to work with year in, year out, which enables us to make the progress we have, and overcome the challenges we've faced.



Gary Arnold
General Manager





ELECTED MEMBERS



Councillor Paula Wriedt
MAYOR



Sue Bastone
COUNCILLOR



Gideon Cordover
COUNCILLOR



David Grace
COUNCILLOR



Amanda Midgley
COUNCILLOR



Councillor Jo Westwood
DEPUTY MAYOR



Flora Fox
COUNCILLOR



Clare Glade-Wright
COUNCILLOR



Christian Street
COUNCILLOR



Steve Wass
COUNCILLOR

ELECTED MEMBERS' REMUNERATION

Councillors are entitled to prescribed allowances as determined by the State Government under the *Local Government (General) Regulations 2015*.

A Councillor, Mayor or Deputy Mayor may decide not to receive part or all of an allowance

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



Councillor	Mayoral Allowance	Deputy Mayoral Allowance	Councillor Allowance	Mileage Claimed	Mayor's Vehicle Mileage
Mayor, Cr Paula Wriedt (elected as Mayor wef 26/7/21)	73,063	-	31,299	-	1,844
Deputy Mayor, Cr Jo Westwood	-	21,579	31,056	-	-
Cr Sue Bastone	-	-	31,056	-	-
Cr Gideon Cordover	-	-	31,056	-	-
Cr Flora Fox	-	-	31,299	1,242	-
Cr Clare Glade-Wright (elected as Councillor wef 26/7/21)			29,226		
Cr David Grace	-	-	31,299	1,578	-
Cr Amanda Midgley	-	-	30,570	-	-
Cr Christian Street	-	-	30,570	-	-
Cr Steve Wass	-	-	31,299	-	-
Code of Conduct Complaints	-	-	-	-	-
Total	\$ 73,063	\$ 21,579	\$ 308,733	\$ 2,820	\$ 1,844

CODE OF CONDUCT

(Section 72(ba) and (bb) of the *Local Government Act 1993*)

Council is required to report the number of code of conduct complaints that were received and the number that were upheld either wholly or in part as well as the total costs met by the Council during the during the 2020/21 financial year.

Number of Complaints	1
Complaints Upheld	0
Complaints Dismissed	1
Cost of Complaints	\$316
Training Required by Determination	\$540

SENIOR STAFF REMUNERATION

(Section 72 of the *Local Government Act 1993*)

It is a requirement that a statement be provided relating to the total annual remuneration paid to senior members of staff. The annual remuneration is :

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

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

The annual remuneration for Senior Staff is shown in Note 39 on page 133 of the Notes of the Financial Report for the year ended 30 June 2022

Bruny Ferry Tickets	Internet & Telephone	Conference & Meeting Attendance	Code of Conduct	Total
76	-	1,275	- \$	107,557
-	306	-	- \$	52,941
-	-	-	- \$	31,056
-	-	-	- \$	31,056
38	1,217	225	- \$	34,022
		375	\$	29,601
76	914		540 \$	34,407
40	-		- \$	30,570
-	-	-	- \$	30,570
	-	-	- \$	31,299
-	-	-	316 \$	316
\$ 230	\$ 2,437	\$ 1,875	\$ 856	\$ 413,437

Notes:

- Clrs Bastone, Cordover and Westwood declined the Nov 2020 Allowance increase in July to October but reverted to the full 2021/22 allowance in November.
- Clrs Midgley and Street declined the Nov 2020 Allowance increase, however accepted the Nov 2021 increase.
- Clr Glade-Wright joined Council during July and received a pro rata payment for that month.
- Council Minute C390/14-12 determined that Councillor Allowances and Expenses paid under the "Payment of Councillors Expenses and Provision of Facilities" Policy be reported. Bruny Ferry costs are also included as required in Minute GF101/6-12.



ATTENDANCE REGISTER

Council meetings are an important part of the Council's decision-making structure. The decisions made by Elected Members at formal Council meetings provide the direction and authority for the ongoing operations of Council.

One of the primary means for nurturing an engaged and participatory culture within our community is the ongoing opportunity for members of the public to attend Council meetings. Council meetings are held on the first and third Monday of each month (and when required due to public holidays, on the next available business day) commencing at 5.30pm. These meetings are held in the Council Chambers at the Civic Centre. Council meetings are also live-streamed via YouTube.

1 July 2021 to 30 June 2022 *(including Special Meetings and Annual General Meeting)*

Councillors	Meetings attended	Workshops attended
Mayor, Cr Paula Wriedt <i>(elected as Mayor wef 26/7/2021)</i>	25/26	16/17
Deputy Mayor, Cr Jo Westwood	23/26	16/17
Cr Sue Bastone	23/26	12/17
Cr Gideon Cordover	26/26	17/17
Cr Flora Fox	25/26	16/17
Cr Clare Glade-Wright <i>(elected as Councillor wef 26/7/2021)</i>	20/21	16/17
Cr David Grace	14/26	5/17
Cr Amanda Midgley	21/26	17/17
Cr Christian Street	24/26	16/17
Cr Steve Wass	22/26	13/17

AUDIT PANEL

(Section 85 of the *Local Government Act 1993*)

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

The panel's objective is to provide assurance and advice

to the Council about the assessment, management and review of risk across all activities and services of Council. The panel undertakes reviews of performance in areas including:

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

COMMITTEE REPRESENTATIONS

Mayor Cr Paula Wriedt:

- Local Government Association of Tasmania
- TasWater
- Copping Refuse Site Joint Disposal Authority & Copping C Cell
- Kingborough Municipal Emergency Planning
- Kingborough Disability Inclusion and Access Advisory Committee (Chair)

Deputy Mayor Jo Westwood

- Kingborough Community Safety Committee (Chair) *(to 20 December 2021)*
- Local Government Association of Tasmania (Proxy)

Cr Sue Bastone

- Channel Heritage Museum
- Kingborough Community Enterprise Centre
- Southern Waste Strategy Authority (Proxy)
- Kingborough Community Safety Committee (Chair) *(from 20 December 2021)*

Cr Cordover

- Tasmanian Polar Network

Cr Flora Fox

- Audit Panel

Cr Amanda Midgley

- Copping Refuse Site Joint Disposal Authority & Copping C Cell (Proxy)
- Kingborough Bicycle Advisory Committee (Chair)
- Cycling South

Cr Christian Street

- Audit Panel

Cr Wass

- Huon Valley Kingborough Tourism Reference Group

Snug Estuary

THE ROLE OF COUNCIL

Functions and Powers of Council

(Section 20 of the *Local Government Act 1993*)

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

Council is to provide for the health, safety and welfare of the community and to represent and promote the interests of the community. In performing its functions, council is to consult, involve and be accountable to the community.

The Mayor

(Section 27 of the *Local Government Act 1993*)

The Mayor is to act as a leader of the community, carry out the civic and ceremonial functions of the mayoral office, promote good governance by, and within, the Council, to act as chairperson of the Council and to chair meetings of the Council in a manner that supports decision-making processes, to act as the spokesperson of the Council, lead and participate in the appointment, and the monitoring of the performance, of the General Manager.

The Deputy Mayor

(Section 27 of the *Local Government Act 1993*)

The Deputy Mayor is to act in the position of Mayor and exercise the powers and perform the functions of Mayor if the Mayor is absent from duty as Mayor or unable to perform the functions of Mayor.

Councillors

(Section 28 of the *Local Government Act 1993*)

An individual Councillor is to represent the community, to act in the best interests of the community, facilitate communication by the Council with the community, participate in the activities of the council and undertake duties and responsibilities as authorised by the Council.

Collectively, Councillors are to develop and monitor the implementation of strategic plans and budgets, to determine and monitor the application of policies, plans and programs for the efficient and effective provision of services and facilities, the efficient and effective management of assets, the fair and equitable treatment of employees of the Council, facilitate and encourage the planning and development of the municipal area in the best interests of the community, appoint and monitor the performance of the General Manager, determine and review the Council's resource allocation and expenditure activities, monitor the manner in which services are provided by the Council. A Councillor is to represent accurately the policies and decisions of the Council in performing the functions of Councillor.

Councillor Conduct

Kingborough Council's Councillor Code of Conduct outlines the role of the Council and provides an overview of councillor responsibilities in accordance with the *Local Government Act 1993*.

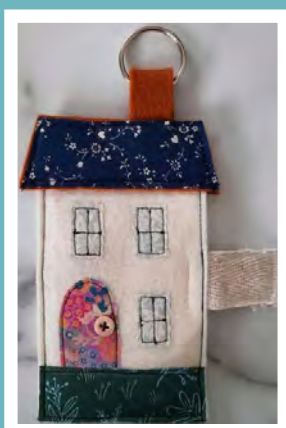
The code includes guidelines for rules of conduct, decision-making and use of Council resources.

It also includes procedures for disclosure of interests and conflicts of interest that go beyond legislative requirements.

The General Manager

(Section 62 of the *Local Government Act 1993*)

The General Manager is to implement the policies, plans, programs, decisions and day-to-day affairs of the Council. The General Manager is to also provide advice and reports to Council on the exercise and performance of its powers and functions, assist in the preparation of the Strategic Plan, Annual Plan, Annual Report and assessment of the Council's performance against these plans. The General Manager coordinates proposals for the development of objectives, policies and programs for consideration of Council, liaises with the Mayor on the affairs of Council and the performance of its functions and manage the resources and assets of Council.



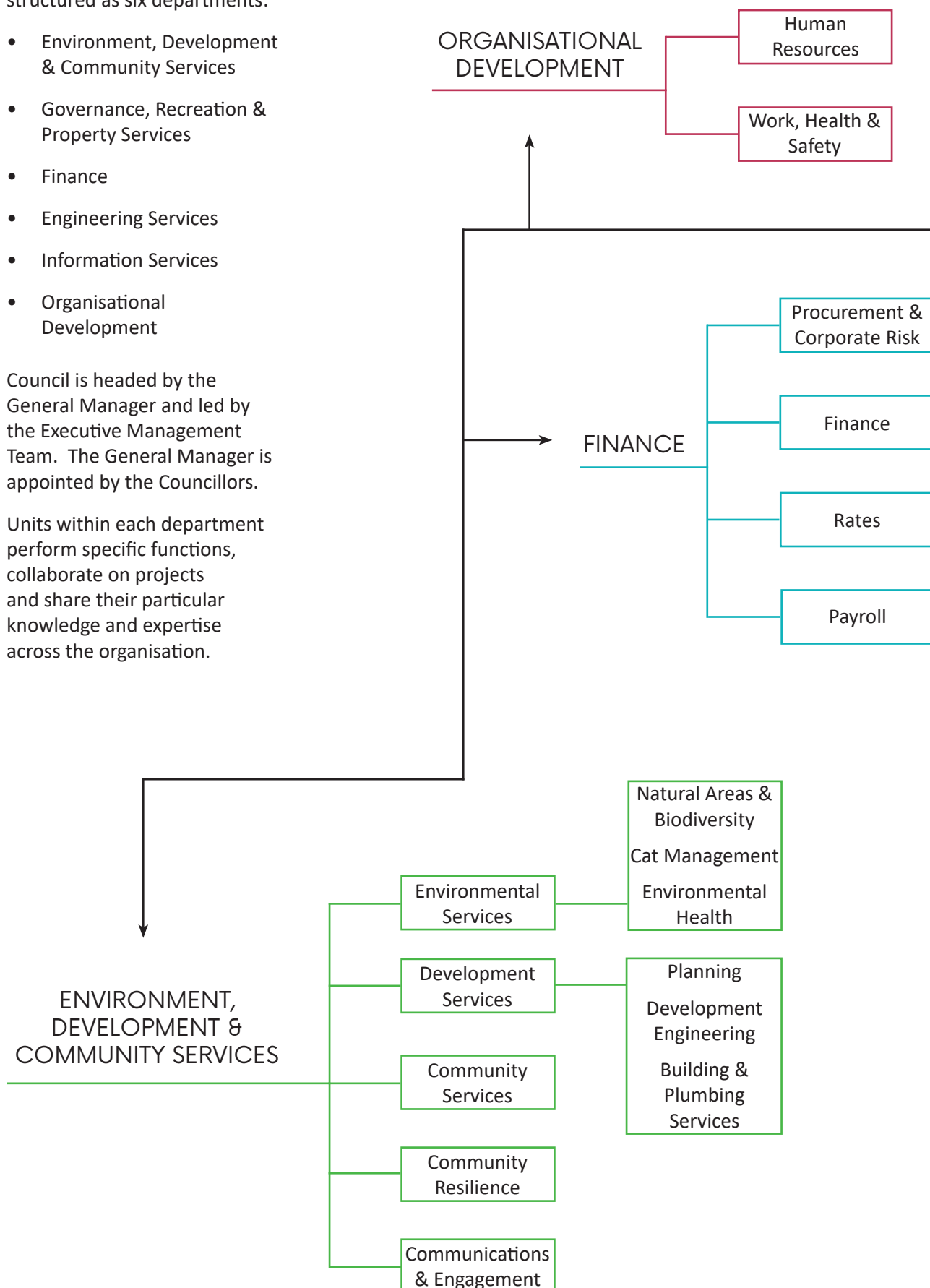
ORGANISATIONAL STRUCTURE

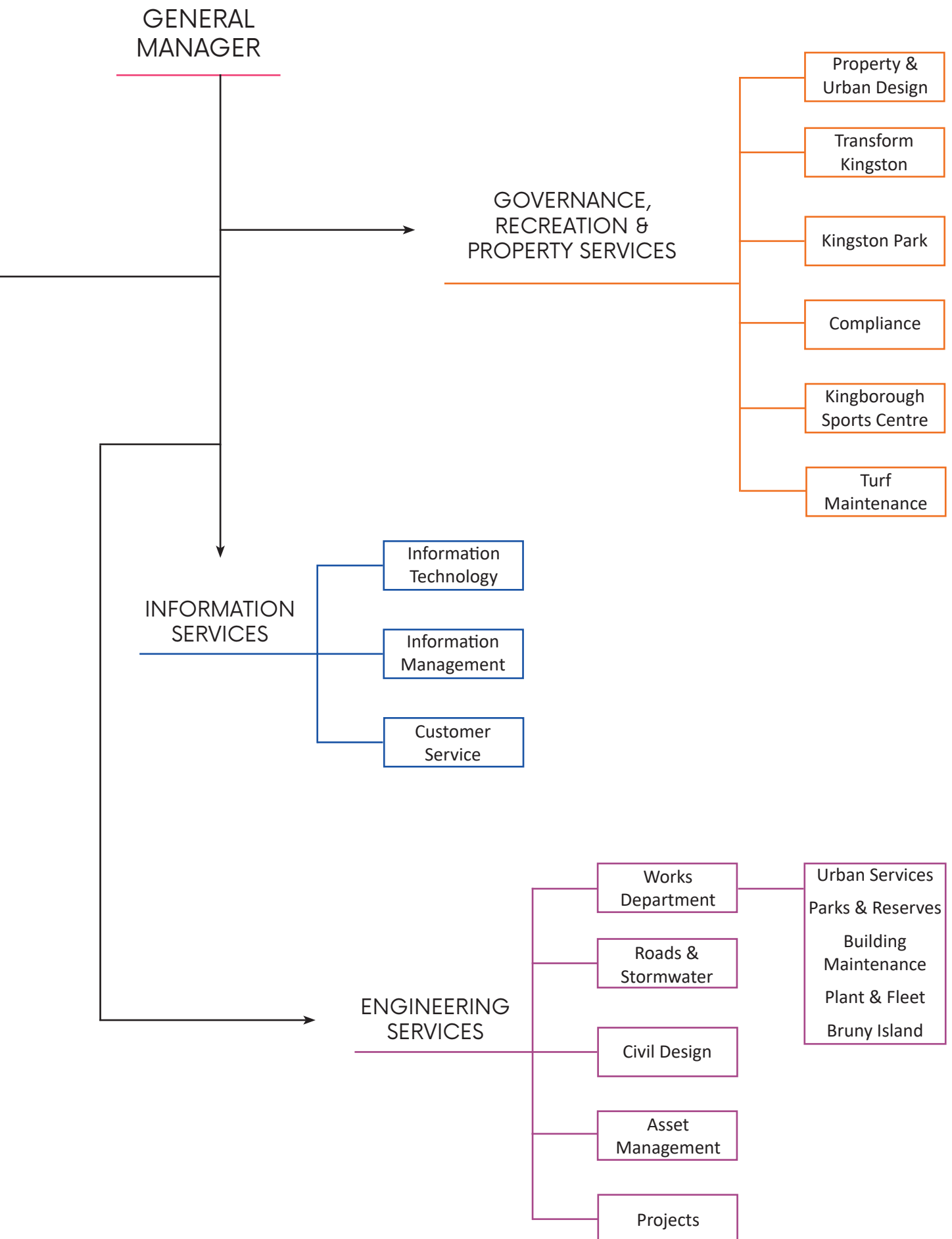
Kingborough Council is structured as six departments:

- Environment, Development & Community Services
- Governance, Recreation & Property Services
- Finance
- Engineering Services
- Information Services
- Organisational Development

Council is headed by the General Manager and led by the Executive Management Team. The General Manager is appointed by the Councillors.

Units within each department perform specific functions, collaborate on projects and share their particular knowledge and expertise across the organisation.



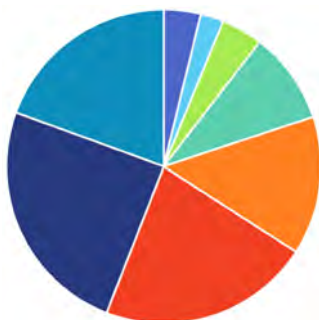


OUR WORKFORCE

Kingborough Council's workforce is comprised of a diverse, multicultural demographic and is representative of the cultural diversity of our community.

Median Years of Service - 8.02

30+ years	8
25 - 29 years	5
20 - 24 years	9
15 - 19 years	20
10 - 14 years	30
5 - 9 years	46
1 - 4 years	52
Less than a year	41



Full time staff	143
Full time equivalent part time staff	32.9
Full time equivalent casual staff	4.3

Age Demographic

17%	under 30 years
31%	31 - 45 years
21%	46 - 54 years
31%	55 years and over



Gender Demographic

55%	male
45%	female

Management

11	male
2	female







Saltmarsh, Snug

PERFORMANCE REPORTING

Our Strategic Plan

Key Priority 1

Key Priority 2

Key Priority 3

OUR STRATEGIC PLAN

OUR VISION

Our community is at the heart of everything we do

OUR PURPOSE

To make Kingborough a great place to live

OUR VALUES

Accountability, respect, excellence and inclusiveness

In terms of the *Local Government Act 1993*, Council must publish an Annual Report which provides an update on Council's finances, performance and how we have delivered against our Strategic Plan 2020-2025 ("the Plan").

The Plan provides direction for the delivery of services by Council and is based on three key priorities. Each key priority is supported by five strategic outcomes that describe what Council aims

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

The Annual Report provides an overview as to how the strategic outcomes have been achieved throughout the last financial year and

gives our ratepayers and community insight into how we invest public funds to provide essential services and infrastructure and promote social, environmental and economic advancements across the municipality. It is a chance to share the opportunities, challenges and achievements faced during the last financial year.

Strategic Plan
2020-2025

3 Key
Priorities

5 Strategic
Outcomes






Actions

Performance
Measures




KEY PRIORITY 1

Encourage and support a safe, healthy and connected community






1.1 A Council that Engages With and Enables its Community

- | | | | |
|-------|---|---|-----------|
| 1.1.1 | Implement the <i>Corporate Engagement Framework</i> to provide a consistent approach to community engagement across the organisation. |  | On Target |
| 1.1.2 | Implement the <i>Kingborough Youth Strategy 2019-2024</i> to ensure the needs, issues and aspirations of young people in our community are embedded into program delivery by Council. |  | On Target |
| 1.1.3 | Implement the <i>Kingborough Positive Ageing Strategy 2018</i> to provide services and programs that meet the needs of older people in our community. |  | On Target |
| 1.1.4 | Collaborate with Destination Southern Tasmania, the Huon Valley Council and the tourism industry to develop a tourism marketing strategy for the region south of Hobart. |  | Ongoing |
| 1.1.5 | Support the operations of the Kingborough Community Consultative Committee as a means of receiving feedback on Council's policies, strategies and projects. |  | On Target |

1.2 An Inclusive Community that has a Strong Sense of Pride and Local Identity

- | | | | |
|-------|---|---|-----------|
| 1.2.1 | Deliver a range of civic, cultural and community events that celebrate local attributes. |  | On Target |
| 1.2.2 | Implement the <i>Kingborough Arts and Events Strategy 2019-2023</i> as a framework for planning service delivery, advocacy and leadership for arts and culture. |  | On Target |
| 1.2.3 | Maximise the usage of the Kingborough Community Hub as a focal point for community activities. |  | On Target |
| 1.2.4 | Prepare a Local Historic Heritage Code to protect the historic cultural heritage significance of places, precincts and landscapes. |  | Ongoing |
| 1.2.5 | In partnership with local community groups, develop heritage trails and interpretative signage for areas of historical and cultural significance. |  | On Target |

1.3 A Resilient Community With the Capacity to Flourish

- | | | | |
|-------|--|---|-----------|
| 1.3.1 | Support the operations of the Kingborough Community Resilience Working Group to promote a safe, sustainable and resilient community through practical planning for risk mitigation, preparedness and recovery. |  | Ongoing |
| 1.3.2 | Continue to develop and implement Council's Public Health Emergency Management Sub-Plan to guide the management of risks to the community. |  | On Target |
| 1.3.3 | Operate the Kingborough Volunteer Program to assist older residents to continue to live in the community with dignity. |  | On Target |
| 1.3.4 | Enhance organisational support for volunteering opportunities and recognise and celebrate volunteers in the community. |  | On Target |
| 1.3.5 | Provide support to community groups through a transparent and targeted provision of grants for community based projects. |  | On Target |

1.4 A Council that Acknowledges the Existence of a Climate Change and Biodiversity Emergency and has in Place Strategies to Respond

- | | | | |
|-------|---|---|-----------|
| 1.4.1 | Implement the <i>Kingborough Climate Change Action Plan 2019-2024</i> to reinforce Council's commitment to understanding climate change, the risk it poses and response strategies. | 🟢 | On Target |
| 1.4.2 | Progress the development of an alternative energy precinct at the Barretta Waste Disposal Site. | ➔ | Ongoing |
| 1.4.3 | Develop and Implement a Stormwater System Management Plan to address the management of the flood risk and within Council's urban drainage catchments. | 🟢 | On Target |
| 1.4.4 | Develop and implement a strategy for reducing Council's carbon footprint | 🟢 | On Target |
| 1.4.5 | Implement Council's Waste Wise Policy to encourage waste minimisation for events run by Council or conducted on Council premises. | 🟢 | On Target |

1.5 An Active and Healthy Community, with Vibrant, Clean Local Areas that Provide Social, Recreational and Economic Opportunities

- | | | | |
|-------|--|---|-----------|
| 1.5.1 | Complete the construction of the children's playspace within Kingston Park to provide recreational opportunities for children of all ages and abilities. | 🟢 | On Target |
| 1.5.2 | Implement the <i>Kingborough Open Space Strategy 2019</i> which provides direction on the planning, provision, development and management of public open space and recreational facilities in Kingborough. | 🟢 | On Target |
| 1.5.3 | Subdivide and sell the designated land parcels in accordance with the Kingston Park project delivery agreement and in partnership with the developer, Traders in Purple. | ➔ | Ongoing |
| 1.5.4 | Implement the recommendations and strategies in the <i>Bruny Island Destination Action Plan</i> and <i>Bruny Island Tourism Strategy</i> . | ➔ | Ongoing |
| 1.5.5 | Review and implement the <i>Recreational Water Quality Management Strategy</i> to improve the water quality of Council's beaches used for recreational activities. | 🟢 | On Target |



KEY PRIORITY 2

Deliver quality infrastructure and services

2.1 Service Provision Meets the Current and Future Requirements of Residents and Visitors

- | | | | |
|-------|--|---|-----------|
| 2.1.1 | Complete the public road and stormwater infrastructure required for completion of the Kingston Park development. | → | Ongoing |
| 2.1.2 | Continue to lobby the State Government to improve public transport services within Kingborough. | → | Ongoing |
| 2.1.3 | Review and update Council's By-Laws to provide strong governance, transparency and accountability in the provision of Council's regulatory services. | 🟢 | On Target |
| 2.1.4 | Develop service level standards for infrastructure assets | 🟢 | On Target |
| 2.1.5 | Develop a process to measure community satisfaction with the delivery of infrastructure and services. | → | Ongoing |

2.2 Infrastructure Development and Service Delivery are Underpinned by Strategic Planning to Cater for the Needs of a Growing Population

- | | | | |
|-------|--|---|-----------|
| 2.2.1 | Implement the Kingston Congestion Package as outlined in the Greater Hobart City Deal Implementation Plan. | 🟢 | On Target |
| 2.2.2 | Develop and implement a CBD Masterplan and associated <i>Central Kingston Parking Strategy</i> . | 🟢 | On Target |
| 2.2.3 | Review and update the <i>Kingborough Sport and Recreation Strategy</i> to provide a coordinated and strategic approach to the development and management of Council's recreational facilities. | 🟢 | On Target |
| 2.2.4 | Deliver the annual infrastructure Capital Works program. | 🟢 | On Target |
| 2.2.5 | Review Asset Management Strategy. | 🟢 | On Target |

2.3 Community Facilities are Safe, Accessible and Meet Contemporary Standards

- | | | | |
|-------|--|---|-----------|
| 2.3.1 | Prepare a Disability Access Toolkit to ensure Council's services, buildings and information is accessible to people with disability. | 🟢 | On Target |
| 2.3.2 | Implement the <i>Kingborough Public Toilet Strategy</i> and ensure effective provision, upgrading and maintenance of Council owned public toilets throughout the Municipal Area. | 🟢 | On Target |
| 2.3.3 | Develop a Playground Strategy to provide a comprehensive network of quality, accessible and well maintained playgrounds throughout Kingborough. | 🟢 | On Target |
| 2.3.4 | Develop a Building Maintenance Schedule and inspection regime to provide proactive maintenance of Council's buildings and community facilities. | 🟢 | On Target |
| 2.3.5 | Implement schedule of inspections of community facilities. | 🟢 | On Target |

2.4 The Organisation has a Corporate Culture that Delivers Quality Customer Service, Encourages Innovation and has High Standards of Accountability

- | | | | |
|-------|--|---|-----------|
| 2.4.1 | Develop a business improvement strategy using methodologies, such as Lean 6 Sigma, to deliver continuous improvement culture. | → | Ongoing |
| 2.4.2 | Develop and deliver a Customer Service Strategy for the organisation. | → | Ongoing |
| 2.4.3 | Develop an operational plan which clearly articulates the values, key results areas, performance measures and deliverables for the organisation and that this plan is clearly conveyed to all employees. | ⊙ | On Target |
| 2.4.4 | Implement the Kingborough Council Leadership Framework for managers and supervisors as a key driver of continuous improvement and accountability. | ⊙ | On Target |
| 2.4.5 | Review the Long Term Financial Plan to ensure the strategic actions identified in the Plan are delivered and implement strategies to improve the financial performance of the organisation. | → | Ongoing |

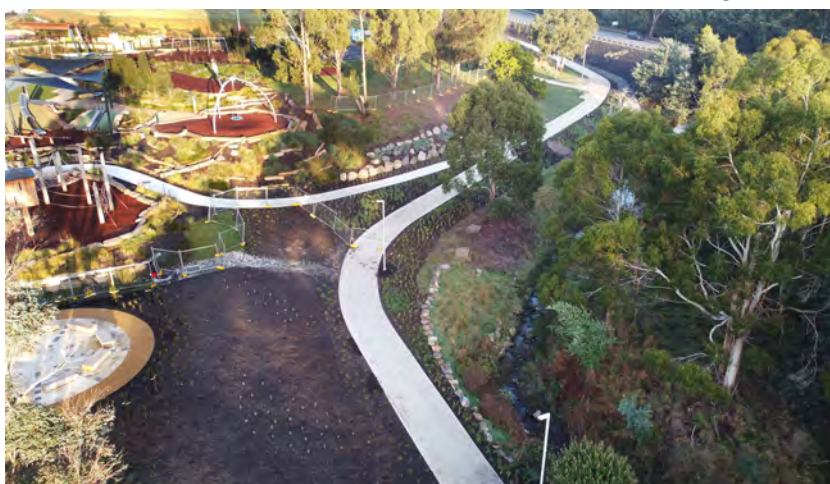
2.4 Council is a Desirable Place to Work, Attracting Committed and Engaged Staff Through Progressive Human Resource Practices and a Positive Work Environment

- | | | | |
|-------|---|---|-----------|
| 2.5.1 | Undertake negotiations for the 2020 Kingborough Council Enterprise Agreement. | ⊙ | On Target |
| 2.5.2 | Develop and implement the annual Workforce Plan which sets the priorities for workforce strategies, learning and development programs and resourcing capacity. | ⊙ | On Target |
| 2.5.3 | Undertake the biennial employee engagement survey and link the results into the Workforce Plan. | → | Ongoing |
| 2.5.4 | Review the Council's Work Health and Safety Management Plan and System and deliver the identified WHS strategies to meet Council's obligations under the <i>Work Health and Safety Act 2012 (Tas)</i> . | ⊙ | On Target |
| 2.5.5 | Implement and deliver an annual employee health and well-being program with a key focus delivering the community action plan for mental health. | ⊙ | On Target |

Stormwater, Timbertop Drive



Whitewater Creek & Track, Kingston Park



KEY PRIORITY 3

Sustaining the natural environment whilst facilitating development for our future

3.1 A Council that Values and Prioritises its Natural Environment, Whilst Encouraging Investment and Economic Growth

- | | | | |
|-------|--|---|-----------|
| 3.1.1 | Improve the process for compliance of illegal vegetation removal based on recommendations from the compliance audit. | → | Ongoing |
| 3.1.2 | Review the Health and Environmental Services By-law to ensure that the regulations provide appropriate protection for the natural environment. | 🟢 | On Target |
| 3.1.3 | Deliver biodiversity offset projects under the <i>Kingborough Environmental Fund Implementation Plan 2019-2023</i> | → | Ongoing |
| 3.1.4 | Manage the natural area reserve network through the development and implementation of both new and existing reserve management plans. | 🟢 | On Target |
| 3.1.5 | Continue to implement solutions to improve water quality and quantity impacts from stormwater in urban waterways. | 🟢 | On Target |

3.2 A Community that has a Well-Developed Sense of Natural and Cultural Heritage






- | | | | |
|-------|--|---|-----------|
| 3.2.1 | Develop a natural areas interpretation plan that provides a framework of activities for community education. | → | Ongoing |
| 3.2.2 | Provide a variety of opportunities for the community to actively participate in the conservation and management of our natural areas, flora and fauna though on ground activities, contribution to citizen science initiatives, wildlife management and surveys. | 🟢 | On Target |
| 3.2.3 | Foster positive working relationships with Landcare groups across the municipality, coordinating the network of volunteers to achieve good environmental outcomes. | 🟢 | On Target |
| 3.2.4 | Foster community interest and involvement in the management of invasive weeds through actions contained in the Weed Management Strategy 2017-2027. | 🟢 | On Target |
| 3.2.5 | Implement the North West Bay River Catchment Management Plan in partnership with the community and key land managers in the catchment. | → | Ongoing |








3.3 Council is Able to Demonstrate Strong Environmental Stewardship and Leadership

- | | | | |
|-------|--|---|-----------|
| 3.3.1 | Implement the <i>Kingborough Waste Management Strategy 2018</i> to deliver cost effective and efficient waste and recycling services to residents, improve recycling rates, reduce emissions and energy usage and reduce the impacts of illegal dumping and littering. |  | On Target |
| 3.3.2 | Implement the <i>Kingborough Dog Management Policy 2018</i> and provide education and enforcement of restrictions in areas with environmental values. |  | Ongoing |
| 3.3.3 | Support and lead environmental projects through the provision of technical advice and the provision of plants from Council's native nursery. |  | On Target |
| 3.3.4 | Manage the natural area reserve through the development and implementation of both new and existing reserve management plans. |  | Ongoing |
| 3.3.5 | Continue to provide leadership in responsible cat management by participating in Stage 2 of the Bruny Island Cat Management Project and implementing the Bruny Island Cat By-law. |  | On Target |

3.4 Best Practice Land Use Planning Systems are in Place to Manage the Current and Future Impacts of Development

- | | | | |
|-------|---|---|-----------|
| 3.4.1 | Review the Kingborough Land Use Strategy. |  | Ongoing |
| 3.4.2 | Participate in a review of the Southern Regional Land Use Strategy. |  | Ongoing |
| 3.4.3 | Finalise the Local Provisions Schedule in order to enable the declaration of the new Kingborough Planning Scheme. |  | Ongoing |
| 3.4.4 | Progress implementation of the Barretta Environmental Management Plan. |  | On Target |
| 3.4.5 | Implement the <i>Kingborough Weed Management Strategy 2017-2027</i> . |  | On Target |

3.5 Management of Environmental Assets is Based on Professional Advice and Strategic Planning

- | | | | |
|-------|--|---|-----------|
| 3.5.1 | Develop and implement a natural areas and biodiversity strategy to underpin the management of Council's natural area reserves network and approach to threatened species recovery and wildlife management. |  | Ongoing |
| 3.5.2 | Implement recommendations from the <i>Coastal Hazards Prioritisation Project</i> and <i>Bushfire Risk Reduction Strategy</i> for Council land. |  | On Target |
| 3.5.3 | Contribute to projects that improve the health of local waterways and coastal areas through the D'Entrecasteaux and Huon Collaboration and the Derwent Estuary Program. |  | On Target |
| 3.5.4 | Collaborate with key stakeholders to contribute to the recovery of threatened species and threatened vegetation communities using innovative methods and the latest research. |  | On Target |
| 3.5.5 | Develop and implement a biodiversity monitoring program for natural area reserves to improve knowledge of the values present and facilitate adaptive management programs |  | On Target |



YEAR IN REVIEW

Governance, Recreation and Property Services

Environment, Development & Community Services

Information Services

Organisational Development

Engineering Services

Finance

GOVERNANCE, RECREATION AND PROPERTY SERVICES

The Governance, Recreation and Property Services Department is responsible for the oversight of corporate governance functions, along with management of Council's recreational facilities and property portfolio. The department also includes the urban design function and associated urban renewal projects in Kingston Park and Transform Kingston.

Governance

A number of policies were reviewed during the year, including Council's Leasing and Licencing Policy, Communications Policy and Councillor Workshops Policy.

A new policy was developed in relation to the actions and limits of decision-making responsibilities for Council in the lead up to local government elections. A new policy was also prepared to provide a framework and set of standardised procedures for the way in which Council manages complaints.

A review of Council's Delegated Authority framework was undertaken during the year that utilised the work undertaken by the Local Government Association of Tasmania with respect to the powers under legislation that are delegated to the General Manager and subsequently to staff.

Property

Leases were renewed for a number of Council owned properties, including the Kingston Men's Shed, Kingston Community Gardens, Barnes Bay Hall and the commercial tenancy space in Kingston Park.

New leases were determined for the Tarooma Neighbourhood Garden and the Gormley Park Changerooms.

A right of way was negotiated over private land in Sandfly to facilitate public access for Stage 1 of the North West Bay River Trail.

Implementation of Council's Community Halls and Public Toilet Strategies continued, with design work undertaken for a new deck at the Tarooma Hall and upgraded toilet facilities at the Kettering, Woodbridge and Margate Halls. Unfortunately, an extremely busy construction industry resulted in delays in obtaining builders to carry out the works as planned within the financial year.

Consultation and design work was undertaken in relation to the public toilet facilities on the Tarooma Foreshore and for a new facility at Longley Park. These projects were both subsequently scoped and costed for inclusion in Council's 2022/23 Capital Program. The old toilet block at Coningham Beach was demolished following the completion of a new facility adjacent to the carpark.

Urban Design

Progress on urban design projects was stalled because of resourcing restraints. The planned delivery of playground upgrades at Dru Point, Silverwater Park, Willowbend Road and Alamo Close was limited to design and procurement tasks, with implementation to take place in 2022/23. Work was undertaken on the upgrade of the Louise Hinsby Reserve in Tarooma and a masterplan was completed for the Woodbridge Oval.

Transform Kingston

Consultation and concept design work for the Main Street upgrade. Work also commenced on the upgrade of the Whitewater Creek Track to improve active transport linkages to the CBD.

Recreational Planning

The construction of a trail along the Northwest Bay River from Longley to Margate moved a step closer to reality with the issuing of a planning permit for Stage One works. Grants were secured for the sealing of the pump track at the Kingston Mountain Bike Park and for the provision of a shelter at this facility.

Kingborough Sports Centre and Precinct

A solar photovoltaic system with battery storage was installed at the Kingborough Sports Centre to offset power usage and contribute towards Council's progression to Net Zero Emissions.

A feasibility report into the expansion of the facility to include additional indoor netball courts was prepared and will be utilised as the basis for future grant submissions.

The Tasmanian Jack Jumpers utilised the Centre as their training base, with the arrangement including access to office space, courts and the Fitness Centre.

The construction of new changerooms at Lightwood Park was commenced, with funding from Council and the State Government's Levelling the Playing Field Program. Floor coverings in the changerooms at the Twin Ovals were replaced.

Compliance

Four Council By-Laws were reviewed, updated and gazetted during the year. These By-Laws cover the use of marine facilities, public and environmental health, recreational facilities and roads and parking areas. The process involved internal and external stakeholder consultation,

development of regulatory impact statements and a series of workshops with Councillors. Work commenced on the development of a new By-Law to regulate trees on private property.

Turf Maintenance

Sports grounds throughout the Kingborough Municipal Area continued to be maintained to a high standard, despite the challenges of a particularly wet winter and spring that delayed the start of the summer season at some venues. Work commenced on the upgrade of the Leslie Vale Oval for use by the Intercultural Sports League for social T:20 cricket matches.

Solar Panels on the Sports Centre



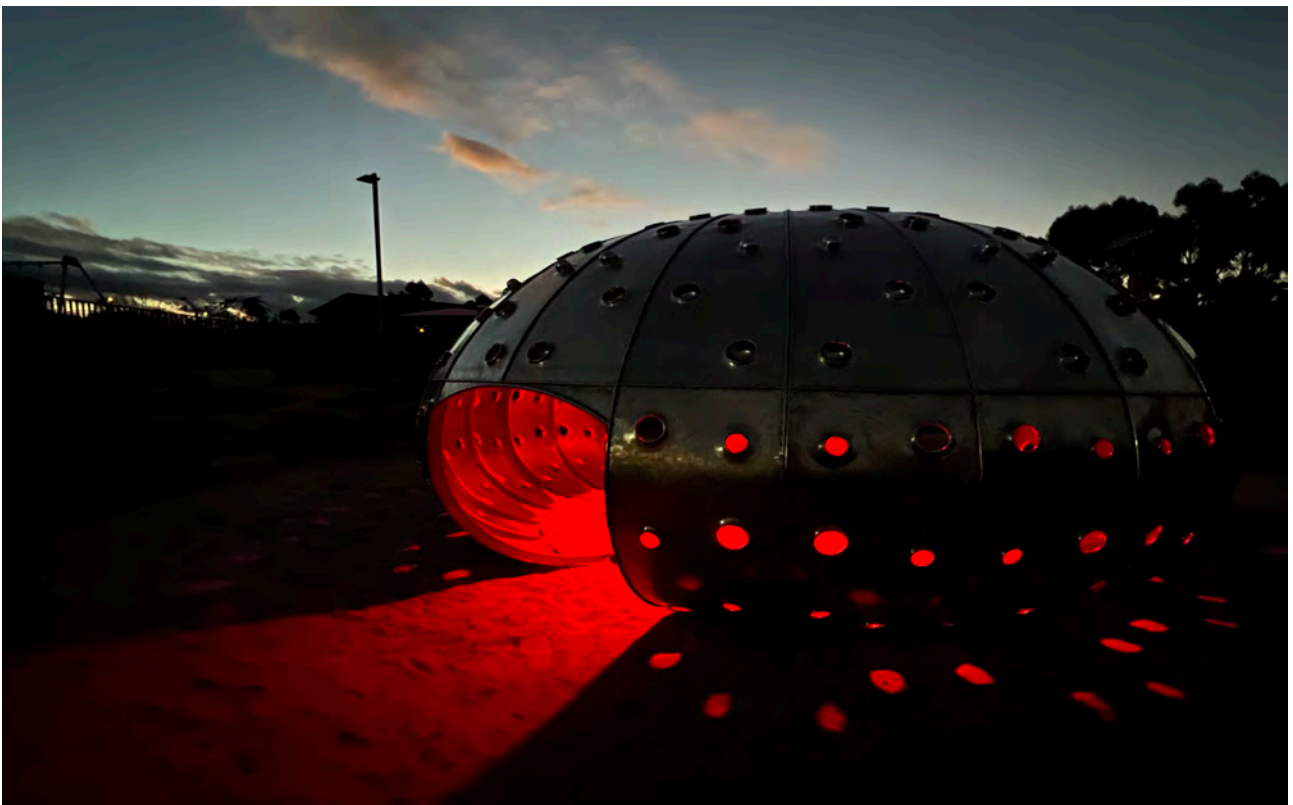
Kingston Park

Work commenced on the second stage of the development of the Kingston Park Public Open Space. This includes an open grassed area, walking trails, kids pump track, public toilet, fitness nodes and additional barbecue shelters. An extension of Goshawk Way also commenced, with the installation of a new roundabout on the Huon Highway, an improved roundabout at John Street and a pedestrian underpass connecting Kingston Wetlands and the residential areas of Firthside to the park. Traders in Purple, completed Stages 1 and 2 of their residential development and lodged a planning application for Stage 3, being a multi-storey apartment block.



Exercise Nodes, Kingston Park

Night of Lights, Kingston Park



Snapshot



5

Briefs of
Evidence



30

Open Air Fires
Extinguished



45

Dogs
Impounded



55

Dog Attacks
Investigated



62

Proactive Fire
Inspections



84

Nuisance
Complaints
Investigated



166

Abandoned
vehicles
removed



2,000+

Requests by the
Public



2,353

Infringement
Notices
Issued



6,000+

Dogs
Registered



ENVIRONMENT, DEVELOPMENT AND COMMUNITY SERVICES

The Environment, Development and Community (EDC) Directorate supports many of the outward facing functions of Council. Staff within the Directorate are connected to the community and well positioned to understand issues that arise and advocate for these going forward. The key services delivered by EDC are Statutory Planning, Building and Plumbing, Community Resilience and Disaster Response, Natural Areas and Biodiversity, management and activation of the Kingborough Community Hub, Community Services, Environmental Health, Communication and Engagement.

Environmental Health

Water Quality

Recreational water quality continued to be a priority, with considerable time and investment in this area being ongoing. Kingston Beach North has been downgraded from fair to poor which means swimming is not advised. The rating is based on the sampling results over last five years. Weekly water testing is continuing, including at the Browns River catchment, with Council already taking steps to intensively test and investigate catchments to find any sources of contamination.

Council continues to collaborate with the Derwent Estuary Program, the Department of Health and TasWater and prioritises stormwater and catchment investigations.

Food Safety and Surveillance

Over 453 permanent, mobile and temporary food businesses licences were issued in Kingborough during

the 2021/2022 financial year. Council Environmental Health Officers conducted regular routine inspections of these food premises, including at public events, fairs and markets. Council was also actively involved in the Tasmanian Food Safety Surveillance Program, a joint initiative between local Councils and the Department of Health. As part of the program, Council conducted sampling, food safety surveys and monitoring at food premises, including microbial growth in pickled and preserved foods, thiamin and folate in bakery goods. The results of surveys and sampling are used to guide food safety policy and procedures and in the development of educational material.

Immunisation

Council continued to coordinate a range of immunisation services for the community, including monthly infant clinics and the School Based Immunisation Program. The school program

is conducted over several visits throughout the school year. Council's clinical team have assisted with Nurse Immuniser training for several nurses. The School Based Immunisation Program involves immunising Grade 7 and Grade 10 students with the Human Papillomavirus (HPV - two-dose course) and Diphtheria, Tetanus and Pertussis (single dose) vaccines. Grade 10 students are also offered the Meningococcal ACWY vaccine.

Coronavirus (COVID-19)

Environmental Health continued to manage Council's infection control measures and be involved with the ongoing COVID-19 response. This has included the development of procedures and continuity planning, training for evacuation centres, liaison with Public Health Services and support for staff at the Vaccination Centre at the Kingborough Community Hub.

Public Health Statement

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

Council's public and environmental health functions are carried out by the Environmental Health Unit; part of the Environmental Services Department. The Unit's organisational structure consists of the Manager Environmental Services, Coordinator Environmental Health, two Environmental Health Officers, a Cadet

Environmental Health Officer and an Administration and Immunisation Officer. A Medical Officer of Health and two Nurse Immunisers are employed on a casual basis.

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

- Food safety
- Notifiable diseases

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

Snapshot



3

Registered Public Health Risk Activities



5

Registered Water Carters



6

Notifiable disease notifications / investigations



71

Registered Mobile Food Businesses



92

Plumbing Permits (on-site wastewater)



185

Registered Food Businesses



197

Registered Temporary Food Businesses



215

Recreational Water Samples



1977

Vaccines administered (incl School Immunisation Program)

CLIMATE CHANGE

Electric Vehicle Integration Plan

Council purchased a fully electric vehicle for the fleet and will continue to assess its suitability with a view to expanding EV numbers incrementally into the future.



Regional Coastal Hazard Strategy

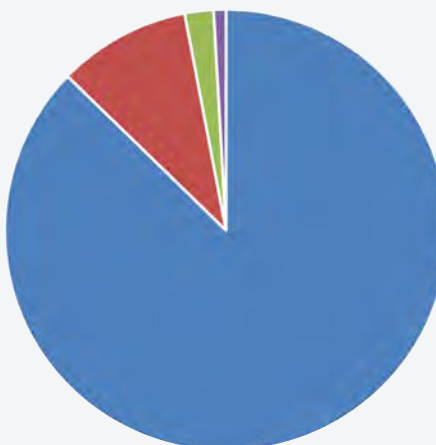
In May 2022 Council endorsed the Regional Strategy for Adapting to a Changing Coastline in Tasmania, produced through the Southern Tasmanian Councils Authority (STCA).

The Strategy's objective is to help Councils employ a strategic approach to existing or potential hazards on the coastline that threaten harm to public and natural assets, infrastructure, people or property.

Net Zero Emissions by 2035

Council adopted its Climate Change Policy in December 2021 with a policy commitment that it would commit to sequentially reducing its carbon footprint and targeting Net Zero Emissions for Council activities by 2035 or earlier.

2019/20 GHG Emissions Profile
- Revised



Kingborough Council Greenhouse Gas Profile
- Source: Urban EP (2022)

Waste	87.2%
Fuel	9.7%
Electricity	2.10%
Street Lighting	0.90%

NATURAL AREAS AND BIODIVERSITY

Natural Area Reserve Network

Council's network of over 100 bushland, riparian and coastal reserves covers 300Ha which are all being managed for their protection and environmental significance.

This year habitat and threatened species restoration activities have included weed control, nest box installation, litter removal, erosion management

and revegetation to create corridors and linkages between patches of native vegetation.

Approximately 7500 plants have been grown in Council's nursery for Landcare groups, school plantings and community planting events. Native plantings were undertaken across 24 different Council reserves.

Council developed a new field data collection system to

capture biodiversity data about our reserves. This data will assist us to monitor and learn about each reserve. Tasmanian Devils were monitored on Council land in Mt Pleasant as well as cats observed in all five reserves. This data provides vital information to better understand species distribution, how wildlife communities might be changing and inform and adapt our management decisions.



Managing and monitoring penguin colonies on Council land has been an ongoing activity for Council for over 20 years. This year, Council supported local artist Jane Bamford and her innovative project "Clay Habitat" which involved creating ceramic nesting modules for penguins through a RANT art grant.

The project brought together eight highly skilled ceramic artists, working with the latest scientific knowledge to create artificial nests for breeding and moulting. These nests were exhibited at the Kingborough Community Hub and then installed into penguin colonies which will be monitored by Council over the coming years.





Volunteering at the nursery



Water Quality and Stormwater Impacts

Creek Maintenance Plans were developed for Whitewater Creek, Coffee Creek and Mary Knoll Creek. The health of the creek systems was assessed and sections impacted by stormwater flows, flood water and litter were identified for future works.

The Stormwater to Sea education program was rolled out to local schools with students working with Council on designing stencils to promote 'Only Rain in Our Drains', reminding residents that whatever is washed down the drain ends up in our waterways and beaches.

Staff undertook training in water and soil management and rainwater garden management to improve performance in sediment control and minimise the soil and gravel that enters waterways after heavy rain. Six raingardens were renewed to ensure proper functionality and interpretive signs installed to inform residents of the purpose of the 'gardens'.



Stormwater to Sea Project with Students from Illawarra Primary School



Kingborough Environmental Fund

Now in its fourth year, the Kingborough Environmental Fund celebrated the achievement of protecting over 240 hectares of native bushland on private land. A landowner stewardship program commenced this year.

The fund supports revegetation activities in areas that will create new wildlife corridors and habitat for threatened species.

5.4 hectares of revegetation was planted on Bruny Island as habitat for swift parrots and forty-spotted pardalotes.



Installation of Forty Spotted Pardalote Nesting Boxes

Landcare Program

Council continued to support and guide the work of our amazing environmental volunteers who work all year in local land and coastcare groups. Through weeding, planting, litter collection, monitoring and educating, these groups contribute significantly to the health and beauty of our natural area reserves. New groups received training and equipment for their members and Council facilitated a workshop for the Kingborough Landcare Advisory Group, to assist them in the development of a new direction and strategy.



Getting Involved in Nature

This year Council ran a range of events and workshops on Council reserves to offer opportunities for community members to learn about the rich biodiversity and health benefits associated with spending time in nature.

Kingborough's first 'Insect Festival' was held through the support of a Council Community Grant. An array of activities were held including an exhibition of textile and photographic works, guided insect walks in local reserves, an evening of talks by leading entomologists and an insect hotel making workshop. Over 530 people participated in the festival.

National Tree Day was held at the Dru Point Bicentennial Park. The annual event is a much-loved occasion on the calendar, with one family chalking up their seventh National Tree Day with Council. 120 people helped plant 1500 native Tasmanian plants to form a habitat corridor and backdrop to the open fields of Dru Point.

Strategic Weed Management Program

Kingborough's Weed Management team tackled a new infestation of serrated tussock on Bruny Island, including community consultation and an education campaign. Council worked with landowners and Fonzie the conservation detector dog to control plants as they were identified. This led to the rapid containment of what could have been an infestation with high economic consequences, for not only the affected community, but the whole of Bruny Island.

Targeted community education programs continue to be delivered for weed species including the ragwort biocontrol project across Bruny Island. A Spanish heath containment strategy was also developed and implementation of the strategy ongoing.

Council secured a number of grants through the Tasmanian Government's Weed Action Fund which will target the newly declared heath species and survey for rice grass on Bruny Island, as well as karamu on private land in Kingborough.



Trainee Aboriginal Land Management Officer

This year Council collaborated with SETAC and NRM South to employ a trainee Aboriginal Land Management Officer. The officer gained invaluable work experience, mentoring and training in cat management and natural area and biodiversity management and has been a valuable asset to Council.

Cat Prohibited Areas

Council formally declared Algona, Coffee Creek and Huntingfield Reserves as Cat Prohibited Areas (CPAs) in accordance with Section 19 of the *Cat Management Act 2009*. This decision follows on from Council's success in managing Boronia Beach Reserve and Blackmans Bay Beach as Cat Prohibited Areas over several years. These new CPAs are part of a network of important wildlife habitat and recreation areas that include Peter Murrell Reserve (PMR).

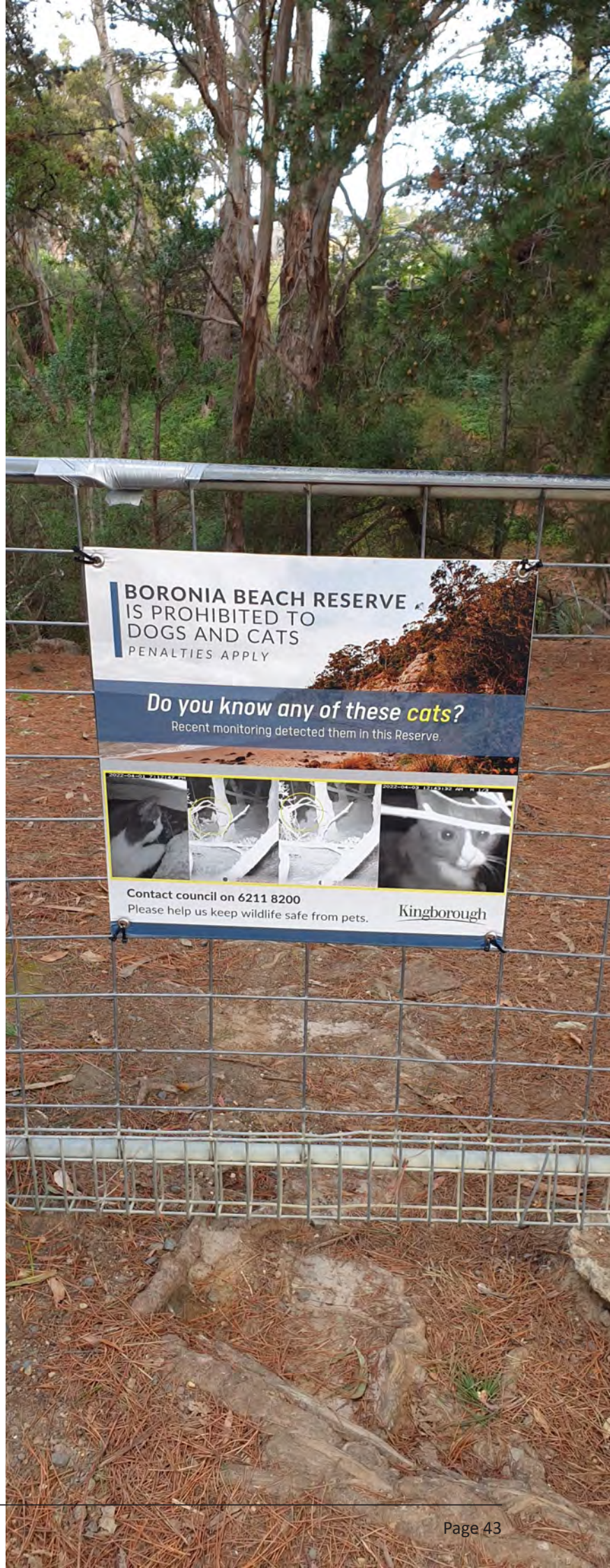
Stray Cat Management

Council continues to work with local communities, the Ten Lives Cat Centre (TLCC) and Southern Tasmanian Cat Rescue (STCR) to manage stray cats. Sixty-eight stray cats were received by the TLCC from Kingborough last financial year. In addition, 19 stray cats were trapped in the Allens Rivulet, Kettering and Margate areas by the STCR, most of which were rehomed.

Compliance with the Bruny Island Cat By-law

A wide range of activities promoted the Bruny Island Cat By-law including a mailout to all Bruny households, signage at the ferry terminal and at key services on Bruny and education sessions with all Bruny District School students.

Of the 51 households on Bruny Island known to own cats 67% are fully complying with the By-law (81% of those registered).







DEVELOPMENT SERVICES

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

Planning Services

Planning Services is responsible for the assessment of development applications, issuing planning permits and monitoring compliance in accordance with the *Land Use Planning and Approvals Act 1993* and the Kingborough Interim Planning Scheme 2015. This includes consultation, referral and assessment of planning applications, preparation of planning reports, recommendations and delegated approvals as well as the enforcement of planning permit conditions and compliance with the scheme.

Planning staff conduct strategic reviews of the planning scheme and process any amendment applications, as well as represent Council at hearings of the Tasmanian Civil and Administrative Tribunal and the Tasmanian Planning Commission.

During 2021/22 Kingborough saw a mix of high application numbers at the end of 2021 followed by a slowing of applications from the start of 2022. This coincided with the conclusion of State and Federal Government stimulus packages and increase in cost of building.

Building Services

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

Plumbing Services

Plumbing Services works closely with Building Services and is responsible for the

legislated Plumbing Permit Authority function of Council. Plumbing staff are responsible for the implementation of plumbing related aspects within the *Building Act 2016*, including the role of Plumbing Surveyors who inspect plumbing works during construction.

Development Engineering

Development Engineering staff assess the infrastructure requirements of development applications and monitor the requirements of conditions in approved planning permits, particularly in regard to works associated with subdivision developments and road works. These officers provide a link between the regulatory planning area of Council and Engineering Services, as well as external referral agencies such as TasWater and the Department of State Growth.



Development Services Enforcement

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

Meeting Statutory Requirements

Council continued to implement quality assurance safeguards to ensure statutory planning and building requirements were met. The Pathway process management system ensured that timeframes and mandatory referrals were observed and assessment protocols followed and routine audits carried out.

Local Planning Schedule

This year Development Services has continued to work on a number of key strategic projects including the Local Planning Schedule (LPS) which will form part of the incoming Tasmanian Planning Scheme (TPS), introduced by the State Government. The draft LPS and supporting documents have been forwarded to the Planning Commission for consideration. Extensive public consultation will be undertaken once the Commission has completed its assessment.

Snapshot

18

Permits of
Substantial
Compliance

21

Building
Certificates
Issued

43

Low Risk Building
Work Notifications
Received

81

Building Permit
Approvals
Issued

98

Plumbing Permit
Approvals
Issued

109

Low Risk Plumbing
Work Notifications
Received

245

Notifiable Plumbing
Work Approvals
Received

387

Notifiable Building
Work Approvals
Received

743

Planning
Permit
Applications

EMERGENCY AND COMMUNITY RESILIENCE

Strategic Economic Planning

Council is working closely with the Huon Valley Council on a State Government funded Jobs Hub to support services across both municipalities.

within the *Bruny Island Destination Action Plan* (DAP) and the *Bruny Island Liveability Study*, including building footpaths, pedestrian safety measures and visitor information package. All projects except for the Adventure Bay upgrade works have now been completed.

scenarios and deliver programs. Community engagement continued with emergency preparation information and resources rolled out to the community.

Tourism

Working with Destination Southern Tasmanian (DST) around recovery initiatives for the tourism industry and the promotion of events and attractions in the Kingborough areas through various digital media platforms.

Living with COVID 19

There was a continued focus over 2021-22 ensuring that Council activities happened safely in a COVID environment and transitioning to a workplace that manages living with COVID.

Emergency Management

Council participated in numerous statewide risk assessments for the Tasmanian Disaster Risk Assessment (TASDRA) which will lead to the development of a new state Risk Treatment Plan. Council participated in a variety of regional emergency management and recovery committees.

Bruny Island Economic Development

Council continued to deliver the Tasmanian Government Visitor Economy Roads Package to Bruny Island. Projects addressed issues identified

Community Resilience Program

Council developed a multi hazard community resilience program which involved working with various communities to trial different

Margate Bushfire Ready Neighbourhoods (BFRN)

The Community Resilience Team continued to work closely with the Tasmania Fire Service, focusing on community bushfire preparedness. The BFRN programme was extended into 2022-2023 recognising that many activities could not take place due to COVID-19 restrictions. Council funded a fire wise garden installed at the Margate Fire Station along with signage for future education and information events.





COMMUNITY SERVICES

Kingborough Awards

The annual Kingborough Awards were held on 9 January 2022. Nominations were of a high quality and the following were awarded:

Citizen of the Year: Jude Lennox

Young Citizen of the Year: Samuel Lohrey

Community Group of the Year: Kingston Parkrun

Certificate of Appreciation: Sajini Sumar



Citizenship Ceremonies

Council hosted 5 Citizenship Ceremonies across the year welcoming 151 new citizens into our community.

Seasonal Walks

In partnership with Council's Natural Areas Network, guided seniors' walks have been run each season to encourage walkers to explore the diversity of Council reserves. Places visited this year include, Dave Burrows walk at Margate, Kettering Point track and Boronia Beach track.

Our summer walk was held twice to cater for the demand. More than 60 people participated in this initiative with the walks designed to encourage social connection, improved health and wellbeing and promote the enjoyment of Kingborough's tracks and trails.



The Really Really Free Market

The quarterly Really Really Free Market has given the local community an opportunity to prevent unwanted items going to landfill by giving them a choice to reuse, recycle, repurpose and regift. The markets have been very popular and have shown that the people of Kingborough are incredibly generous. Each market features an average of 25 tables and Mamma Rosa attends to spread the “No Waste Nothing” message.

Salvaged Art from Waste Competition and Exhibition

The biennial Salvaged Art from Waste event, held at the Kingborough Community Hub, in September 2021 attracted 34 entries with the theme “Messages of Hope”. The competition and 3-day exhibition attracted both adult and child artists.

Learning for Life

Learning for Life is a monthly program of health, wellbeing, arts and learning opportunities provided at a subsidised rate to ensure that members of the community have access to lifelong learning, activity and social connectedness.

Through the year 50 different types of activities were provided, ranging from yoga, cold water swimming, singing, pickleball, mosaics, macrame, barista training, circus skills, ukulele classes and talks on End of Life choices, gratitude and menopause. There were 1973 participants registered to all these events.



Kids Allowed

There were 12 activities for children including Nature Play, circus skills, robotics and coding as well as events to celebrate World Children's Day and Children's Week. 157 tickets were sold for these events. Special events were also held to celebrate Children's Week and the opening of the Kingston Park playground.



Special guest speakers Tasmanian Aboriginal women Heather Sculthorpe and Nunami Sculthorpe-Green



Tuesday 8th March, 6:45pm - 8:45pm
Kingborough Community Hub. Bookings required
www.kingborough.eventbrite.com.au



Kingborough

MARCH 2022

Over 90 people attended an International Women's Day event at the Kingborough Community Hub; Heather Sculthorpe and Nunami Sculthorpe-Green shared their stories followed by a Q&A session. Catering was provided by palawi kipli with the event funded by the Department of Communities.

HARMONY WEEK

CELEBRATION ON THE LAWN

Food & Drinks from 4:30pm
Banhami n' Grill
Goodgo Chinese
The Coffee Hole

Friday 18th March 2022
4:30-7:30pm
at the Kingborough Community Hub

Latin Music from 5:30-7:30pm
by Yacuruna

Dance performance at 6:00pm
by Rhythms Bollywood



KINGBOROUGH COMMUNITY HUB

End of Life Expo

An 'End of Life' expo was held with informative talks, 19 stall holders and displays in the Kingborough Community Hub in June. Proving extremely popular with the community the Expo attracted 250 attendees.



Kingborough Volunteer Program

The program assists people aged 65 and over with transport, gardening and pet support. This year community volunteers provided over 4048 hours of support, assisting many of Kingborough's senior community to live in their own homes for longer. During the year the partnership with the Department of Health continued to provide volunteer support to Bruny Island residents.



Carers Expo

The inaugural Kingborough Carers Expo was held at the Kingborough Community Hub in November 2021 with 20 stallholders representing Carers support groups in Southern Tasmania. At the Expo a locally made documentary *More than Carers* film was launched which aimed to raise awareness of the needs and demands placed on carers. The 20-minute film was produced and directed by Lucien Simon from Mast Films with funding support from Kingborough Council and Calvary Community Grants.



Live Well Live Long

In partnership with Tasmania Health Services Health Promotion Unit, Community Services helped to deliver the Live Well Live Long awareness program for older Kingborough residents. The program ran over 10 weeks at West Winds Community Centre in Woodbridge.



LGBTIQ+ Engagement

To better understand the needs and experiences of the local LGBTIQ+ community, Council formed an LGBTIQ+ working group which aims to assist Council to engage with members of the local LGBTIQ+ community. Consultation with the wider LGBTIQ+ communities will result in development of an action plan to guide strategies for Council.

Hub Activation

External hirers for every space in the Hub continued to grow. COVID-19 vaccination clinics were hosted throughout the year, as well as flu clinics.

Friday Night Live Bites was trialled over summer with local live musicians and local food trucks.

A 'Families Week Event' took place with Families Tasmania providing children's entertainment, healthy snacks and craft activities.

'The Night of Lights' proved to be extremely popular with a light and laser show, hot food, kids craft activities and a fire twirling show.

A Harmony Week event featured local multicultural performances and multicultural food.

The art piece Biotic Forms was purchased as part of Council's art acquisition program. This piece is to be installed at the Community Hub.



Cr Sue Bastone & Ulrika Hpra, creator of 'Biotic Forms'

Youth Activities

A variety of on-site and off-site activities/workshops were run during each school holiday period. Workshops included drama, ceramics, stencil art, coding and robotics. Off-site activities included surfing, stand-up paddle boarding and rock climbing. All activities were well attended with returning and new participants.

Fourteen young people participated in an intensive 4 day Get Ready for Work program. Participants completed workshops in advanced barista skills, Responsible Service of Alcohol, Senior First Aid, interview techniques and CV writing. The program aimed to improve the employability of young people in the hospitality industry.

A variety of workshops for young people were delivered at the Community Hub's Whitewater Room.

BBQ and Beats runs every Thursday afternoon attracting up to 50 young people to the basketball area in Kingston Park. Partnering with Mission Australia, Council offers free BBQ food, giant games, table tennis and music.






Christmas in July

Afternoon Tea for Seniors

Friday 16 July 1.30 - 3pm Twin Ovals Function Centre

\$20 includes afternoon tea, entertainment and a drink from the bar

Bookings essential: Contact Julie at 6211 8170

This event is hosted by Kingborough Council's Youth Services and Positive Ageing programs.

Kingborough

KIN

A variety of workshops were organised across the year using local artists and contractors. Over a hundred Kingborough residents have participated in the workshops some of which have had to be repeated up to four times to meet demand.



NAIDOC at the Community Hub

A Community art workshop was held with local artist and Melukerdee woman Gemma O'Rourke.







COMMUNICATION AND ENGAGEMENT

This year the emphasis has been on increasing accessibility for the community to information about Council initiatives through the website, social media channels and news production. Website updates have occurred for the Kingborough Sports Centre, fitness classes and sporting facilities. A focus was also placed on building up the Council's capacity to engage with the community through staff training and increased resourcing.

Communication

Communication campaigns have this year focused on the Kingborough Volunteer Program, recycling and FOGO, youth programs, Kingston Park and Kingston CBD developments, new events and activating the Kingborough Hub, new laws for cat ownership and Council by-laws.

Engagement

The focus this year has been on engagement training and resourcing improvements for staff to increase Council's capacity to engage on projects and initiatives for the community.

Council By-Laws

Consultation occurred on four By-laws. Feedback from community resulted in the development of an extra *Tree on Private Property By-law* created which will, once approved by the State Government, go out for consultation during the 2022-23 financial year.

Budget Consultation

Public survey developed with 79 responses given which was a marked improvement on numbers of submissions received during consultation on

the budget in previous years. This feedback informed the final budget for 2022/23.

Significant Trees

In February 2022 Council started public consultation on updating the Significant Tree List with 22 representations made. The result of the public consultation is that there are now currently 668 trees listed in Table E24.1 of the Kingborough Interim Planning Scheme.

Transform Kingston (future CBD upgrade):

A public survey and campaign was initiated with 742 responses from the public and 14 responses from business-sector stakeholders. Feedback informed the design adopted by Council.

Spring Farm Estate Open Space

Public consultation with 248 responses from the community investigating options for play equipment and facilities in the area.

LGBTIQ+ Engagement Group

Council formed an LGBTIQ+ Advisory Committee to assist it consult with the LGBTIQ+ community and better understand their local

experiences and needs. This engagement will result in the development of a LGBTIQ+ Action Plan for Council's consideration.

Community Surveys

Surveys conducted regularly with the community to identify and better understand issues facing them.

Tinderbox Beach Shoreline Erosion Management

Council has sought to understand how erosion at this beach is occurring, how the community uses this area, and what they think about the possible management options.

Kingborough Community Forum

Council hosts meetings of, and provides secretariat support to the Kingborough Community Forum. This forum, which comprises representatives of community associations from around the municipality, as well as Councillors and Council officers meets 5 times per year to share information, ideas and bring forward issues.

Snapshot



38

Council videos
made



300

Video hours
viewed



54%

User accessed
website from mobile



700

Facebook
posts



200,000

Audience reached
on Facebook



150,000

Website visitors
(12% increase)



Staff Engagement Training

Back: Anthony, Adriaan, Bridget, Liz, Carol, Sam, Belinda, Su

Front: Mel, Eyal, Roy, Biannca

INFORMATION SERVICES

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

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

Key activities of the Information Services department include records management, provision and maintenance of information technology (IT) hardware and application software, helpdesk support, telecommunications and processing of RTI requests.

Achievements for the year included a new Complaints Management Framework implemented in April 2022. The new framework and policy allow more structure, transparency and consistency for the administration of complaints across the organisation. Reporting for the next financial year (2022/23) will take on a different format in line with the new policy's reporting requirements.

Other achievement include:

- Further development and use of Microsoft 365 platform, improving accessibility and operational efficiency.

- Improved resilience of network infrastructure, improving reliability, performance and security for remote sites.
- Ongoing development of the interactive map gallery for our customers.
- Procurement of a digital mobile radio system replacing the existing analogue system.

Nature of complaint (CATEGORY)	Number of complaints
Roads and transport infrastructure	2
Planning decision	3
Planning process	2
Lack of customer contact	2
Allocation of funds	1
Quality of service (waste)	2
Condition of stormwater infrastructure	1
Condition of road infrastructure	2
Staff driving Council vehicle	1

Nature of complaint (CATEGORY)	Number of complaints
Delay in service delivery	2
Customer service experience	3
Delay in taking action	5
Council policy (Pound)	1
Staff behaviour	2
Lack of response to correspondence	2
Condition of reserves	1
Urban design decision	1
Total	33

Snapshot



1,900

Applications lodged
(DA's/Permits)



3,000

Infrastructure
service requests



8,000

Customer requests
processed



40,000

Calls
handled

ORGANISATIONAL DEVELOPMENT

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

Staffing

Council employed a staff of 189 effective full-time equivalent employees as at 30 June 2021, including the employees of Council and Kingborough Waste Services Pty Ltd. Recruitment is undertaken in accordance with Council's recruitment policies and selection procedures which are based on the merit principle.

Council has a Workforce Plan which includes a workforce analysis and identifies critical skills and roles for the future. The Plan guides the organisation in building capacity and planning for a changing workforce.

Training and Development

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

Industrial Relations

Council complies with all industrial relations requirements. Negotiations for new enterprise agreement covering Council employees continued during the year.

Work Health and Safety (WHS)

Council is committed to providing a safe and healthy work environment for employees. Incidents and work health and safety performance statistics are reviewed regularly by Council's management team. All incidents are reported, investigated and preventative actions implemented to minimise the risk of recurrence. Safety worksite assessments are also regularly undertaken by Council's WHS consultants. Council provides an Employee Assistance Program and rehabilitation support program to improve the wellbeing of employees.

Council regularly reviews the COVID-19 Safety Plans for all worksites to ensure the safety of our employees.

Impacts of Covid-19 on Council's Workforce

The COVID-19 pandemic continues to have a significant impact on Council operations and its workforce. Council has developed COVID-19 Safety Plans for all worksites.

ENGINEERING SERVICES

The Engineering Services Department is responsible for formulating and delivering the capital works and maintenance programs for Council's infrastructure assets. This includes development of long term service goals, asset management planning and strategy development, hydraulic modelling, stormwater capacity and quality controls, engineering design and survey, project management of small to large projects, maintenance of existing Council assets including parks, playgrounds, reserves, roads, stormwater, buildings, management and maintenance of Council's plant and fleet portfolio.

A wide variety of capital projects were commenced and/or completed in 2021/22. The projects varied in complexity and budgets. Some project highlights included:

- Completed sealing of Groombridges Road, Kettering.
- Widening of the footpath on Beach Road between Church Street and Roslyn Avenue utilising grant funding.
- Construction of a gravel footpath along Burwood Drive.
- Construction of a new footpath in Alonnah beside Bruny Island Main Road, providing a safe pedestrian pathway through the Alonnah township.
- Replacement of a footpath along Taroona Crescent, improving pedestrian access and safety between the Channel Highway and the Taroona foreshore.
- Reconstruction of the entrance to Village Drive.
- Relined stormwater pipes along Algona Road improving integrity and flow capacity of the pipe system.
- Stormwater diversion project between Bishop Davies and Kingston Green.



Gemalla Road reconstruction, including road widening and new footpath

- Started construction of Meath Avenue stormwater upgrades.
- Improved footway at Allens Rivulet.
- Boronia Beach trail upgrades.
- Refurbished and upgraded the Dennes Point public toilet facilities.
- Restoration works at Margate, Kingston Beach and Sandfly Community Halls.



Stormwater infrastructure upgraded at Harpers Road, Flinders Avenue, Garnett Street, Hillside Drive and Timbertop Drive



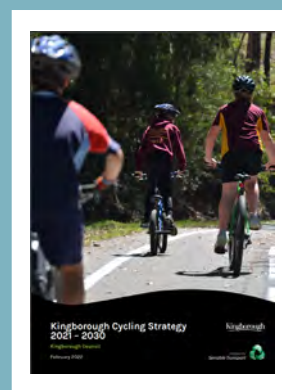
Constructed a pedestrian crossing at Osborne Esplanade and a DDA compliant access ramp onto Kingston Beach



Popular Snug River footbridge replaced with a wider, longer-life aluminium bridge allowing for improved pedestrian movement and access.

A few key achievements during 2021/22 were:

- Review and update of Council's Long Term Asset Management & Long Term Financial Plans which outline the strategies and policies for managing Council's assets & infrastructure over the next 10 years.
- Condition assessments for Council's footpaths and & channel assets.
- Development of the *Kingborough Cycling Strategy 2021-2030* which incorporates an ongoing action plan for cycling related projects and advocacy.



Snapshot



4,725 m

Upgrades to
footpaths, tracks
and trails



\$267,000

Savings through solar
and lighting upgrades
for Council assets



\$630,000

Gravel resheeting
projects



1,890 tonnes

CO²-e GHG emissions
savings through solar,
LED upgrades & FOGO



2,465 tonnes

Organic waste
diverted through
kerbside collection



\$1,000,000

Road resealing
works

Kingborough Waste Services (KWS) is a company established in 2011 and wholly owned by the Kingborough Council to manage the delivery of many of Council's waste processes. This includes management of the Barretta and Bruny Waste Transfer Stations, management of kerbside waste, recycling and food and organic kerbside collection services, public place bin servicing and assisting with the delivery of Council's Waste Management Strategy actions. KWS is managed by an independent Board comprising four Directors - two from Council Management and two external Directors including an independent Chair.

One of the main Waste Management Strategy goals during the 2021-22 financial year was diverting waste from landfill by operating a number of waste diversion initiatives.

Other key KWS achievements during 2021/22 were:

- An operating surplus for the 2022/22 financial year.
 - Implementation of the kerbside Food Organics Garden Organics (FOGO) service with approximately 8000 customers electing to sign up to the new service. Approximately 2500 tonnes of FOGO was collected for re-use for the year.
 - Implementation of the Wastewise School education program. This new initiative covered 10 schools and one community group and was very well received by participants.
 - Construction of the Barretta concept garden.
- This is a demonstration garden which demonstrates how to grow food for the table in a small space. It is regularly maintained and there is an opportunity for people to come along every month and discuss the concept with the concept gardener.
- Creation and distribution of the 2021-22 Waste Services Guide.
 - Construction of a Food Organics drop off area at Barretta. This provides an alternate fixed site for those who do not have access to kerbside FOGO.
 - Kerbside bin audits for waste, recycling and garden organics.



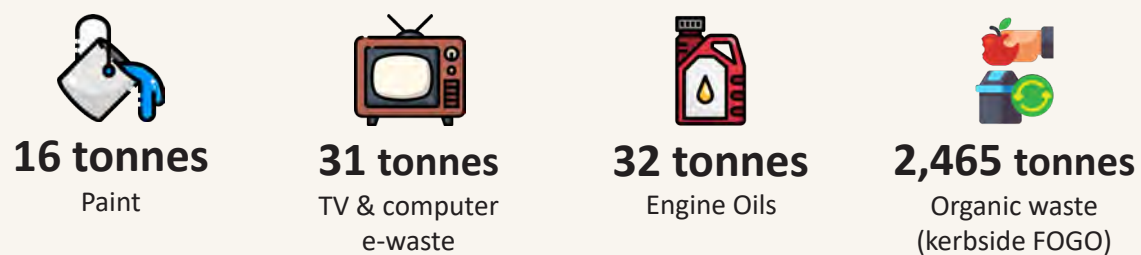


Snapshot

Difficult to recycle items received at the Civic Centre:



Materials diverted from landfill through waste diversion initiatives, for a total of 48%:







FINANCE

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

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

Council commenced the budget development process by reviewing its Long-Term Financial Plan (LTFP) which is updated annually. The revised LTFP forecast, was predicated on rate increases of 2.8% per annum over the next ten years. Council approved the LTFP which delivered an underlying surplus for all ten years of the plan.

Council undertook an extensive budget review process which included workshops with Councillors to determine an appropriate rating structure to deliver an underlying surplus for 2022/23. Council also reviewed all expenditure items to ensure it balanced the need to provide services to the community while minimising increases in rates.

The operational and capital budgets were approved by Council in June 2022.

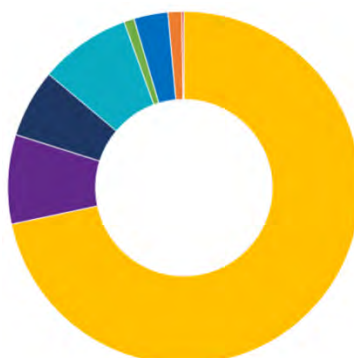
Expense Allocation

- Upgrading & Maintaining Infrastructure (\$13,000,000 / 27.75%)
- Upgrading & Maintaining Community Facilities (\$3,000,000 / 6.36%)
- Governance & Administration (\$14,000,000 / 29.66%)
- Waste (\$4,300,000 / 9.11%)
- Recreation & Public Open Space (\$6,900,000 / 14.62%)
- Community Services (\$1,100,000 / 2.33%)
- Planning (\$3,100,000 / 6.57%)
- Natural Area Biodiversity (\$1,700,000 / 3.60%)



Income Percentage

- Rates and levies 71.68%
- Fees and fines 8.18%
- Other income 6.26%
- Grants 8.38%
- Contributions 0.94%
- Dividends 3.12%
- Investments 1.28%
- Interest 0.16%



Financial Assistance and Grants

Name	Description	Amount
Kingborough Community Enterprise Centre	Yearly funding installment	\$ 35,000.00
Dept Primary Industries, Parks, Water and Environment	Derwent Estuary Program Contribution	\$ 27,429.00
Channel Museum	2021/22 Grant	\$ 11,000.00
Conservation Covenants	2021/22 Rate Remissions	\$ 10,513.50
Kingborough Bowls Club	Financial assistance	\$ 8,637.00
Taroona Bowls Club	Financial assistance	\$ 4,746.00
Kingborough Little Athletics Centre Inc	Community Grant	\$ 3,000.00
Kingston Beach Sailing Club	Community Grant	\$ 3,000.00
South Channel Ratepayers & Residents Association	Community Grant	\$ 3,000.00
Rotary Club of Kingston	Community Grant	\$ 3,000.00
Kingston Beach Surf Life Saving Club Inc	Community Grant	\$ 2,937.00
Net Zero Channel Action Group	Community Grant	\$ 2,900.00
Van Diemen Archers	Community Grant	\$ 1,677.50
Kettering Community Association	Community Grant	\$ 1,600.00
Taroona High School Association	Community Grant	\$ 1,500.00
Fusion Australia	Community Grant	\$ 1,429.00
Multicultural Women's Council of Tasmania	Quick Response Community Grant	\$ 1,000.00
Bicycle Network Incorporated	Quick Response Community Grant	\$ 1,000.00
Hobart Lego User Group Inc	Quick Response Community Grant	\$ 1,000.00
Kingborough Pickleball Club	Community Grant	\$ 977.93
Scouts Association	Refund DA-2022-140 as donation	\$ 927.00
Taroona Football Club	Community Grant	\$ 840.00
Kingborough Tigers Football Club	Financial assistance	\$ 805.00
Act Your Age	Quick Response Community Grant	\$ 800.00
Taroona Environment Network Inc	Community Grant	\$ 650.00
Tassie Mums	Refund DA-2022-75 as donation	\$ 611.27
Taroona Volunteer Fire Brigade	Quick Response Community Grant	\$ 600.00
Bruny Bowls & Community Club Inc	Community Grant	\$ 550.00
Kingston Community Garden & Shed Inc	Community Grant	\$ 520.00
Loaves and Fishes Tasmania	Community Grant	\$ 500.00
Handweavers Spinners and Dyers Guild of Tasmania	Quick Response Community Grant	\$ 500.00
Gynaecological Cancer Research	Contribution to cancer research	\$ 400.00
Woodbridge Community Association Inc	Quick Response Community Grant	\$ 350.00
Malayalee Association Tasmania	Quick Response Community Grant	\$ 300.00
Bruny Island Arts Inc	Contribution to Christmas Carols Event	\$ 250.00
Blackmans Bay Primary	Contribution to fundraising	\$ 250.00
Jagga Pybus	Athletics Australia U23 Contribution	\$ 200.00
Loaves and Fishes Tasmania (via Dean Winter MP)	Contribution to Solstice Splash Fundraiser	\$ 150.00
Taroona High School	Donation for Presentation Fee	\$ 100.00
Taroona High School	School Citizenship Award 2021	\$ 100.00

Name	Description	Amount
Woodbridge School	School Citizenship Award 2021	\$ 100.00
Margate Primary School	School Citizenship Award 2021	\$ 100.00
Blackmans Bay Primary School	School Citizenship Award 2021	\$ 100.00
Kingston High School	School Citizenship Award 2021	\$ 100.00
Southern Christian College	School Citizenship Award 2021	\$ 100.00
Illawarra Primary School	School Citizenship Award 2021	\$ 100.00
Calvin Christian School	School Citizenship Award 2021	\$ 100.00
Taroona Primary School	School Citizenship Award 2021	\$ 100.00
St Aloysius Catholic College	School Citizenship Award 2021	\$ 100.00
Bruny Island District School	School Citizenship Award 2021	\$ 100.00
St Aloysius Catholic Collete	School Citizenship Award 2021	\$ 100.00
Snug Primary School	School Citizenship Award 2021	\$ 100.00
Kingston Primary School	School Citizenship Award 2021	\$ 100.00
Channel Christian School	School Citizenship Award 2021	\$ 100.00
Calvin Christian School	School Citizenship Award 2021	\$ 100.00
Matilda Lange	Little Athletics Contribution	\$ 100.00
Kayla McPherson	Little Athletics Contribution	\$ 100.00
Isla Werkman	Little Athletics Contribution	\$ 100.00
Lily Carr	Little Athletics Contribution	\$ 100.00
Milah Hatten	Little Athletics Contribution	\$ 100.00
Charles Morgan	Little Athletics Contribution	\$ 100.00
Jason Reid	Special Olympics Contribution	\$ 100.00
Rebecca Lodge	Aust Athletics Team Champs Contribution	\$ 100.00
Campbell Norris	Aust Athletics Team Champs Contribution	\$ 100.00
Oliver Wilson	Contribution selection Sthn States U/16 Rugby Squad	\$ 100.00
Hamish Grant	Contribution - Rugby Tournament - Canberra	\$ 100.00
Thomas Cane	Contribution - National Futsal Championships	\$ 100.00
		\$ 137,450.20



Fees Waived

Date	Organisation / Individual	Type	Amount	
4/08/2021	Kingborough Repair Cafe	Hall hire	\$	428.00
13/08/2021	Bruny Island District School	Hall hire	\$	119.00
23/08/2021	Sandfly Fire Brigade	Hall hire	\$	175.00
30/08/2021	St Aloysius	Projector Fee	\$	250.00
31/08/2021	Kingston Neighbourhood House	DA Fees	\$	255.00
6/09/2021	Sandfly Fire Brigade	Hall Hire	\$	119.00
8/09/2021	Penguin Art Exhibition	Surcharge Fee	\$	50.00
29/09/2021	Taroona Tennis Club	Application Fees (development component)	\$	330.00
6/10/2021	Jireh House	Fees	\$	2,016.00
22/11/2021	Huntingfield Pony & Riding Club	Fees	\$	784.00
28/02/2022	Era Planning (DA-2022-64)	10% of Fee	\$	753.96
2/03/2022	Bill Hughes (DA-2022-65)	Application Fees (development component)	\$	729.00
1/04/2022	Channel Men's Shed	No Permit Required	\$	147.00
11/04/2022	Scouts Tasmania	Application Fees	\$	927.00
27/04/2022	Kingborough Council	Plumbing Permit	\$	154.00
10/06/2022	SCRRA	Food permit	\$	187.00
21/06/2022	Kingston Sea Scouts	Mobile food business registration renewal fee	\$	260.00
			\$	7,683.96

Tenders and Contracts

(Section 33A of the *Local Government Act 1993*)

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

Contract	Start Date	Forecast End Date	Value of Tender	Contractor
Supply and Transport of Bins - Barretta and Bruny Island with KWS	1/06/2021	31/05/2026	\$832,750	Spectran Environmental Management Pty Ltd
Haulage, Trailer Maintenance and Yard Truck for Barretta Waste Management Facility with KWS	1/06/2021	31/05/2026	\$1,723,633	B.E & C.F Morey Pty Ltd
Pedestrian Access Upgrades, Tarooma	1/07/2021	25/08/2021	\$115,152	Bullock Civil Contracting Pty Ltd
Dennes Point Toilet Upgrades	9/09/2021	3/12/2021	\$121,678	Tascon Constructions Pty Ltd
Goshawk Way Construction & Kingston Wetlands Upgrade	28/09/2021	29/03/2022	\$2,641,811	MMS Tas Civil Pty Ltd T/As MS Civil
Tarooma Crescent Footpath Upgrade	30/09/2021	23/12/2021	\$104,160	Statewide Earthworks Pty Ltd
Kingston Park Public Open Space Stage 2 Construction	12/10/2021	18/03/2022	\$2,641,811	MMS Tas Civil Pty Ltd
Algona Road Stormwater Re-lining	25/10/2021	18/02/2022	\$244,540	Machos Pty Ltd t/a Nu-jet
Supply, Installation & Commissioning of Grid-Connected 100KW Solar Photovoltaic system with 55-60KW Battery Storage & Charging System at Kingborough Sports Centre	4/11/2021	26/02/2022	\$201,835	Powercom Systems Pty Ltd
Garnett Street, Blackmans Bay Stormwater Upgrade	13/12/2021	4/04/2022	\$494,672	Bullock Civil Contracting Pty Ltd
Kingston Park Stage 2 Pumptrack design & construction	1/02/2022	31/03/2022	\$110,275	Mtn. Trails Pty Ltd
Barretta Environmental Monitoring and Reporting	1/02/2022	30/01/2025	\$442,549	Elgin Associates Pty Ltd
Christopher Johnston Public Toilets D&C	11/02/2022	31/03/2022	\$208,292	ASCO Group (Aust) Pty Ltd
Kettering Oval Public Toilets D&C	15/02/2022	31/05/2022	\$178,167	ASCO Group (Aust) Pty Ltd

Contract	Start Date	Forecast End Date	Value of Tender	Contractor
Gemalla Road Construction (Stage 1), Margate	15/02/2022	7/06/2022	\$818,445	Duggans Pty Ltd
Snug Tiers Road Reconstruction, Snug	15/02/2022	24/05/2022	\$907,816	Duggans Pty Ltd
Village Drive Entrance Reconstruction, Kingston	29/03/2022	19/07/2022	\$120,372	Bullock Civil Contracting
Stormwater Upgrade. Hillside Drive, Blackmans Bay	26/04/2022	21/06/2022	\$180,010	Bullock Civil Contracting
Panel for the Provision of Legal Services	1/05/2022	31/05/2026	Panel above the prescribed amount	Simmons Wolfhagen, Dobson Mitchell & Allport and Page Seager
Whitewater Creek Track Rehabilitation - Stage 1	23/05/2022	23/09/2022	\$736,907	Stabilised Pavements Australia
Browns Road, Kingston - Road Rehabilitation	30/05/2022	31/08/2022	\$547,727	Batchelor Construction Group Pty Ltd
Wells Parade Reconstruction	1/06/2022	3/08/2022	\$449,842	Duggans Pty Ltd
Meath Avenue Stormwater Design	1/06/2022	5/10/2022	\$644,983	Black Cap Pty Ltd
Taroona Hall Deck - Exemption from tendering	20/06/2022	20/07/2022	\$109,582	Channel Construction & Joinery



Public Interest Disclosures

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

In compliance with the Act, Council has policies and procedures to deal with such disclosures which may be obtained from Council's website or at the Civic Centre. Pursuant to the requirements of Section 86 of the *Public Interest Disclosures Act 2002*, Council provides the following information relating to actions taken under the Act during the 2021/22 financial year.

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



FINANCIAL REPORT

Audit Panel Chairman's Report

Analysis of the Annual Financial Report

Independent Auditor's Report

Annual Financial Report

Audit Panel Chairman's Report

Kingborough Council Audit Panel Report September 2022

Composition and Attendance:

During the financial year ended 30th June 2022, the members of the Panel were:

Panel Member	Period	Capacity
Paul McTaggart	Full Year	Independent Chairman
John Hills	July to December 2021	Independent Member
Paul Viney	January to June 2021	Independent Member
Colette Millar	Full Year	Independent Member
Councillor Flora Fox	Full Year	Councillor Member
Councillor Christian Street	Full Year	Councillor Member

The Panel met five times in the financial year ended 30 June 2022 (FY2021: Met five times) with attendance by management, including the General Manager, Chief Financial Officer, Finance Manager, Executive Manager Information Services and various other Council employees as required.

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

Panel Member Meeting Attendance:	6 th Aug 2021	15 th Oct 2021	10 th Dec 2021	11 th Feb 2022	13 th May 2022	Total attended
Paul McTaggart	✓	✓	✓	✓	✓	5 from 5
John Hills	✓	✓	✓			3 from 3
Paul Viney				✓	✓	2 from 2
Colette Millar	✓	✓		✓	✓	4 from 5
Councillor Flora Fox		✓	✓	✓	✓	4 from 5
Councillor Christian Street	✓		✓	✓	✓	4 from 5

Key Activities as per the Charter

Risk Management

The Risk Framework and associated Policy was reviewed by the Panel during the year.

With the Council, a risk workshop was performed in September 2021 facilitated by WLF. The purpose of this workshop was to discuss two strategic risks in depth from the Councils Strategic Risk Register against the risk appetite statements. These two risks were;

- Climate change and carbon; and
- Community Resilience and Emergency Management.

Management is currently conducting a review of the operational risk register with a view that it will be reviewed by the Panel at a future meeting.

The Panel also conducted "deep dives" into the following strategic risks;

- Climate Change;
- Community Resilience/Emergency Management; and
- The Kingston Park Project.

Emerging risks are also reviewed regularly by the Panel to identify any new risks and any impacts on the strategic risks.

Insurance

The Panel reviewed the current insurance arrangements with the brokers JLT.

Fraud Control

The Panel at their December 2021 meeting reviewed the fraud control plans and associated policies. These then went to Council for approval.

Compliance

There was review of the legislative compliance by the panel. This is done via the compliance checklists that management complete.

A legal claims list was reviewed by the Panel.

Internal Audit

There were two internal audits performed by WLF Accounting and Advisory (WLF) from the approved Strategic Internal audit Plan. These included;

- Cyber Security (December 2021); and
- Payroll (February 2022).

WLF's contract was extended after a review of their performance.

Internal Audit Plan

A new three year Internal Audit Plan was presented and approved at the May 2022 meeting.

Other Internal Audit Areas

The Panel continues to review the performance of Internal Audit with an effectiveness form received after each report. These showed the audits met or exceeded the expectations of management.

In accordance with good governance the Panel met separately with the Internal Auditors (WLF) without management present.

External Audit and Financial Statements

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

FY2021 External Audit

The Audit Panel reviewed and endorsed the signing of the financial statements (and accompanying Management Representation Letters) for the financial year ending June 2021 by the General Manager and Chief Financial Officer at its meetings in August 2021 and October 2021.

FY2022 External Audit

The 2021/22 Financial Audit Services Strategy was outlined by the Assistant Auditor General Financial Services of the at the May 2022 meeting. The External Audit this year is being completed by Crowe on behalf of the Tasmanian Audit Office. The Tasmanian Audit Office will still sign the accounts but Crowe will do the audit work.

The Panel considered all reports received from the TAO on their activities undertaken in reviewing and auditing the control environment in order to assess the quality and effectiveness of the internal control systems. All matters raised are being monitored to ensure they are being addressed by management.

Other Activities in 2021/22

- Survey of Audit Panel Performance;
- Update of Audit Panel Charter;
- Review of Asset Infrastructure Reconciliation and Depreciation Protocols;
- Review of Gift Registers;
- Presentations from Management (eg cyber strategies);
- Review of Capital Work in Progress;
- Review of Long Term Financial and Asset Management Plans; and
- Induction of new member.

Paul McTaggart
Chair Kingborough Audit Panel

Analysis of the Annual Financial Report

The Annual Financial Report for 30 June 2022 is attached as an Appendix to the Annual Report.

The Financial Report meets the requirements of the *Local Government Act 1993* and Australian Accounting Standards and has been audited by the Tasmanian Audit Office.

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

The Statement of Comprehensive Income shows a net surplus for 2021/22 of \$5.3 million, before other comprehensive income adjustments. If capital and non-recurring income and expenses of \$5.9 million are eliminated, the underlying financial performance is a deficit of \$0.6 million.

The results for the previous year 2020/21 was a surplus of \$0.2 million based on the underlying financial performance.

The result for 2021/22 was significantly impacted by the need to set aside a provision of \$0.8 million for the rehabilitation of an old quarry on Bruny Island. Without this provision, Council would have achieved an underlying surplus of \$0.2 million for the year.

Council's Long Term Financial Plan (LTFP) was adopted by Council in early 2022. It is the key financial strategy document and was updated to consider the impacts of the pandemic. The LTFP covers a 10-year planning horizon and is an important part of Council's overall financial management framework.

The key principles underpinning the LTFP are:

- Council's finances are managed responsibly on behalf of the residents and ratepayers of Kingborough.
- Resources are allocated to activities and services which generate maximum community benefit.
- Future population growth is supported by an infrastructure renewal program and development of new infrastructure.
- A strong municipal economy supports business activity and facilitates higher commercial rate revenue.
- Unexpected events are mitigated by risk management practices and by maintaining a robust financial position.
- Accountability, transparency and good governance underpin the development, implementation and reporting on fiscal objectives.

The Statement of Financial Position at 30 June 2022 shows an increase in total assets from \$667.1 million to \$780.1 million. This increase was primarily due to an increase in infrastructure assets and the value of Council's investment in water corporation.

The Statement of Cash Flows shows a cash decrease of \$0.01 million during 2021/22 resulting in cash of \$23.5 million at 30 June 2022.

The cash from operating activities was \$1.9 million greater than the previous year, while cash outflows from investment activities was \$8.0 million greater than 2020/21. No loans were received during the year.

Independent Auditor's Report



Independent Auditor's Report

To the Councillors of Kingborough Council

Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Group's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

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

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 22 and 44</i>	
<p>At 30 June 2022, Council's assets included land, land under roads, buildings, and infrastructure assets, such as roads and bridges, stormwater and minor infrastructure assets valued at fair value totalling \$602.21 million. The fair values of these assets are based on market values or 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>At the commencement of the financial year Council undertook a full revaluation of land, roads and bridges. At balance date, indexation was applied to roads and bridges, buildings, stormwater and minor infrastructure assets. The valuations were determined by internal and external experts 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 engaged to assist in the valuations. Evaluating the appropriateness of the valuation methodology applied to determine fair values. Critically assessed assumptions and other key inputs into the valuation model. Testing, on a sample basis, the mathematical accuracy of valuation model calculations. Evaluating indexation applied to assets between formal valuations. Assessing the adequacy of 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

2 November 2022
Hobart

ANNUAL FINANCIAL REPORT

Certification of the Consolidated Financial Report

The Consolidated financial report presents fairly the financial position of the Kingborough Council as at 30 June 2022 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Mr Gary Arnold
General Manager

Date: 1-Nov-22

Kingborough Council

Consolidated Financial Report

Table of Contents

CONSOLIDATED FINANCIAL REPORT

Consolidated Financial Report

Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

Consolidated Statement of Changes in Equity

Notes to Financial Report

Introduction

Note 1 Overview

Note 2 Functions/Activities of the Council

Note 3 Rates and fire levies

Note 4 Statutory fees and fines

Note 5 User fees

Note 6 Grants

Note 7 Contributions

Note 8 Interest

Note 9 Other income

Note 10 Investment revenue from water corporation

Note 11 Net gain (loss) on disposal of property, infrastructure, plant and equipment

Note 12 Employee benefits

Note 13 Material and services

Note 14a Depreciation and amortisation

Note 14b Finance costs

Note 14c Impairment of receivables

Note 15 Other expenses and levies to state government

Note 16 Underlying Result

Note 17 Investment in associates

Note 18 Investment in water corporation

Note 19 Cash and cash equivalents

Note 20 Trade and other receivables

Note 21 Other assets

Note 22 Property, infrastructure, plant and equipment

Note 23a Intangible assets

Note 23b Right-of-use assets

Note 24 Trade and other payables

Note 25 Trust funds and deposits

Note 26a Provisions

Note 26b Lease liabilities

Note 26c Contract liabilities

Note 27 Interest-bearing loans and borrowings

Note 28 Reserves

Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)

Note 29a Reconciliation of liabilities arising from financing activities

Note 30 Reconciliation of cash and cash equivalents

Note 31 Financing arrangements

Note 32 Subsidiaries

Note 33 Superannuation

Note 34 Commitments

Note 35 Contingent liabilities

Note 36 Financial instruments

Note 37 Auditors' remuneration

Note 38 Events occurring after balance date

Note 39 Related party transactions

Note 40 Special committees and other activities

Note 41 Other significant accounting policies and new accounting standards

Note 42 Significant business activities

Note 43 Management indicators

Note 44 Fair value measurement

Note 45 Material budget variations

Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2022

	Note	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Income from continuing operations				
Recurrent Income				
Rates and fire levies	3	34,009	33,970	31,898
Statutory fees and fines	4	2,615	2,390	2,616
User fees	5	2,895	3,036	2,914
Grants - operating	6(a)	2,765	3,971	2,908
Contributions - cash	7(a)	207	445	190
Interest	8	98	77	39
Other income	9	2,319	2,888	2,377
Investment revenue from Water Corporation	10	620	1,478	616
		45,528	48,254	43,558
Capital Income				
Capital grants received specifically for new or upgraded assets	6(b)	3,000	2,155	4,192
Contributions - non-monetary assets	7(b)	1,000	211	2,093
Initial recognition of infrastructure assets	7(c)	-	2,495	62
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	11(a)	-	321	1,162
Carrying amount of assets retired	11(b)	(400)	(539)	(496)
Share of net profits/(losses) of investment in associate	17	250	607	490
Total income from continuing operations		49,378	53,504	51,061
Expenses from continuing operations				
Employee benefits	12	(16,945)	(16,858)	(16,235)
Materials and services	13	(10,449)	(12,148)	(9,886)
Depreciation and amortisation	14(a)	(11,933)	(12,090)	(11,493)
Finance costs	14(b)	(98)	(99)	(94)
Impairment of receivables	14(c)	-	-	6
Other expenses	15(a)	(4,646)	(5,267)	(4,303)
Fire levies	15(b)	(1,799)	(1,785)	(1,666)
Total expenses from continuing operations		(45,870)	(48,247)	(43,671)
Net surplus / (deficit)	16	3,508	5,257	7,390
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Fair value adjustment on equity investment assets	18	-	2,534	6,746
Net asset revaluation increment (decrement)	28	-	101,468	(16,451)
Comprehensive result		3,508	109,259	(2,315)

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

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	19	23,538	23,595
Trade and other receivables	20	1,093	971
Other assets	21	82	54
Total current assets		24,713	24,620
Non-current assets			
Investment in associates	17	4,056	3,447
Investment in Water Corporation	18	92,689	90,155
Trade and other receivables	20	316	356
Property, infrastructure, plant and equipment	22	657,876	547,967
Intangible assets	23(a)	298	373
Right-of-use assets	23(b)	128	230
Total non-current assets		755,363	642,528
Total assets		780,076	667,149
Liabilities			
Current liabilities			
Trade and other payables	24	4,406	2,665
Trust funds and deposits	25	1,718	1,718
Provisions	26(a)	2,408	2,755
Lease Liabilities	26(b)	64	96
Contract Liabilities	26(c)	3,303	1,783
Interest-bearing loans and borrowings	27	5,600	-
Total current liabilities		17,499	9,018
Non-current liabilities			
Provisions	26(a)	1,612	757
Lease Liabilities	26(b)	66	134
Interest-bearing loans and borrowings	27	16,723	22,323
Total non-current liabilities		18,401	23,214
Total liabilities		35,899	32,231
Net Assets		744,177	634,918
Equity			
Accumulated surplus		293,534	285,741
Reserves	28	450,643	349,177
Total Equity		744,177	634,918

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

Consolidated Statement of Cash Flows For the Year Ended 30 June 2022

		2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and fire levies		34,073	32,202
Statutory fees and fines		2,390	2,616
User fees		3,036	2,914
Grants		5,491	3,910
Developer contributions		444	190
Other cash inflows, incl. reimbursements		2,921	3,298
Investment revenue from Water Corporation		1,478	616
Interest received		77	39
Payments to suppliers		(16,057)	(14,238)
Payments to employees		(16,254)	(15,985)
Finance costs		(97)	(92)
Payments of fire levies		(1,785)	(1,666)
Net cash provided by operating activities	29	<u>15,716</u>	<u>13,804</u>
Cash flows from investing activities			
Proceeds from sale of property, infrastructure, plant and equipment		830	3,200
Capital grants		2,155	4,192
Payments for property, infrastructure, plant and equipment		(18,697)	(15,045)
Net cash used in investing activities		<u>(15,712)</u>	<u>(7,653)</u>
Cash flows from financing activities			
(Advances) repayments for community organisation loans		41	43
Repayment of lease liabilities (principal repayments)		(102)	(83)
Proceeds from interest bearing loans and borrowings		0	9,424
Net cash provided by financing activities		<u>(61)</u>	<u>9,384</u>
Net increase (decrease) in cash and cash equivalents		(57)	15,535
Cash and cash equivalents at the beginning of the financial year		23,595	8,060
Cash and cash equivalents at the end of the financial year	19	<u>23,538</u>	<u>23,595</u>
Financing arrangements	31		
Restrictions on cash assets	19		

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

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2022**

	Note	Total 2022 \$'000	Accumulated Surplus 2022 \$'000	Asset Revaluation Reserve 2022 \$'000	Fair Value Reserve 2022 \$'000	Other Reserves 2022 \$'000
2022						
Balance at beginning of the financial year		634,918	285,741	354,758	(21,577)	15,996
Surplus / (deficit) for the year		5,257	5,257	-	-	-
Other Comprehensive Income:						
Net asset revaluation increment(decrement)	28	102,522	-	102,522	-	-
Fair value adjustment on equity investment assets	18	2,534	-	-	2,534	-
Transfers between reserves and accumulated surplus		(1,054)	2,536	(1,054)	-	(2,536)
Balance at the end of the financial year		744,177	293,534	456,226	(19,043)	13,460
	Note					
		Total 2021 \$'000	Accumulated Surplus 2021 \$'000	Asset Revaluation Reserve 2021 \$'000	Fair Value Reserve 2021 \$'000	Other Reserves 2021 \$'000
2021						
Balance at beginning of the financial year		637,233	277,806	371,209	(28,322)	16,541
Surplus / (deficit) for the year		7,390	7,390	-	-	-
Other Comprehensive Income:						
Net asset revaluation increment(decrement)	28	(16,451)	-	(16,451)	-	-
Fair value adjustment on equity investment assets	18	6,746	-	-	6,745	-
Transfers between reserves and accumulated surplus		-	545	-	-	(545)
Balance at the end of the financial year		634,918	285,741	354,758	(21,577)	15,996

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 1 Overview

(a) Reporting Entity

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

(b) Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives (Note 46).

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management and material subsidiaries and joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 40.

Consolidation

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

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 12 and note 26.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 33.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 1 Overview

(b) Basis of accounting (cont.)

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 14 (a) and in note 22.

Investment in water corporation

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 2 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Government and administration						
2021-2022	5,452	35,622	41,074	10,456	30,618	5,274
2020-2021	6,606	31,816	38,422	10,961	27,461	5,681
Roads, streets and bridges						
2021-2022	-	1,082	1,082	12,243	(11,161)	348,327
2020-2021	-	818	818	10,639	(9,821)	280,511
Drainage						
2021-2022	-	1,417	1,417	1,648	(231)	95,621
2020-2021	-	1,358	1,358	1,525	(167)	89,938
Waste management						
2021-2022	-	4,346	4,346	4,296	51	-
2020-2021	-	3,805	3,805	3,763	42	-
Environmental health						
2021-2022	146	237	383	1,750	(1,367)	-
2020-2021	184	232	416	1,735	(1,319)	-
Planning services						
2021-2022	-	764	764	2,341	(1,577)	-
2020-2021	-	982	982	2,077	(1,095)	-
Building control						
2021-2022	-	697	697	739	(43)	-
2020-2021	-	744	744	710	34	-
Community amenities						
2021-2022	-	418	122	1,188	(1,066)	179,111
2020-2021	-	418	548	2,176	(1,759)	144,435
Community services						
2021-2022	18	548	567	1,923	(1,356)	-
2020-2021	12	509	520	1,900	(1,380)	-
Recreation facilities						
2021-2022	-	1,273	1,273	6,608	(5,335)	29,543
2020-2021	-	1,160	1,160	5,947	(4,787)	27,402
Other - not attributable						
2021-2022	510	974	1,484	5,055	(3,571)	122,201
2020-2021	316	2,103	2,419	2,239	180	119,182
Total						
2021-2022	6,126	47,378	53,504	48,247	5,257	780,076
2020-2021	7,117	43,945	51,062	43,671	7,389	667,149

Notes to the Financial Report For the Year Ended 30 June 2022

Note 2 Functions/Activities of Council (cont.)

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

	2022	2021
	\$'000	\$'000
Current assets	24,713	24,620
Non-current assets	755,363	642,528
	780,076	667,149

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

Governance and administration

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

Roads, streets and bridges

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

Drainage

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

Waste Management

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

Environmental Health/Environmental Management

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

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

Planning Services

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

Building control

The development and maintenance of building constructions standards.

Community amenities

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

Community services

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

Recreation facilities

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

Economic development

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000

Note 3 Rates and fire levies

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

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

The valuation base used to calculate general rates for 2020/21 was \$10,187 million (2019/20 \$10,042 million). The 2020/21 residential rate in the capital value dollar was 0.00244415 (2019/20: 0.00237758).

General rate	26,471	25,082
Stormwater rate	1,417	1,358
Garbage charge	4,295	3,758
Total rates	32,183	30,198
Volunteer brigade fire district service levy	999	948
Permanent brigade fire district service levy	425	414
General land fire service levy	362	339
Total fire levies	1,786	1,700
Total rates and fire levies	33,970	31,898

The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2021, and the valuation will be applied in the rating year commencing 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.

Note 4 Statutory fees and fines

Dog registration fees & fines	344	388
Building & plumbing fees	688	736
Property & rating certificates	284	287
Planning & subdivision fees	760	982
Health fees & licenses	133	127
Recovered legal & collection costs	181	95
Total statutory fees and fines	2,390	2,616

Accounting policy

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

Note 5 User fees

Revenues from Kingborough Sports Centre	928	951
Waste disposal charges	1,549	1,550
Rentals & leasing fees	233	183
Other charges	326	230
Total user fees	3,036	2,914

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000

Note 5 User fees (continued)

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.

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

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

Operating leases as lessor

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

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

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

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

Note 6 Grants

Grants were received in respect of the following:

Summary of grants

Federally funded grants	3,923	4,230
State funded grants	2,128	4,535
Others	75	147
Total	<u>6,126</u>	<u>8,912</u>

(a) Operational Grants

Commonwealth Government Financial Assistance Grants	3,288	2,344
Bruny Island Boat Shed	77	-
Bruny Island Destinations Action Plan	55	50
Regional Cat Management	73	121
City Deal Funds	275	71
Community Recovery Grants	1	100
Kingborough Sports Precinct Future Directions Plan	-	30
Community Road Safety Grant	9	3
National Disaster Resilience Grant	-	3
Local Roads and Community Infrastructure	110	125
Other	84	61
Total operational grants	<u>3,971</u>	<u>2,908</u>

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
(b) Capital grants received specifically for new or upgraded assets		
Commonwealth 'Roads to Recovery' Fund	596	596
KSC LED Light Upgrade	911	202
Beach Road Footpath	340	-
Local Roads and Community Infrastructure	(71)	1,075
City Deal Funds	-	1,889
Lighthouse Road Bruny Island	-	200
Kingston MTB Pump Track	2	-
Other	377	230
Total capital grants	2,155	4,192
(c) 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	198	219
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	75	189
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	(187)	(210)
Balance of unspent funds at 30 June	86	198
Capital		
Balance of unspent funds at 1 July	1,567	562
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	2,570	1,227
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	(945)	(222)
Balance of unspent funds at 30 June	3,192	1,567
Total unspent funds	3,278	1,765

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000

Note 6 Grants (continued)

Accounting policy

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

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

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

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.

In both years the Commonwealth has made early payment instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2021-22 by \$1.99m, (2020-21, \$1.21m). This has impacted the Consolidated Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

Note 7 Contributions

(a) Cash

Capital works projects	30	8
Payments in lieu of Public Open Space	324	90
Tree Preservation	88	89
Manor Gardens Club	3	3
Total	445	190

(b) Non-monetary assets - gifted

Roads & footpaths	211	2,093
Total	211	2,093

(c) Non-monetary assets - other

Initial recognition of infrastructure assets	2,495	62
Total Contributions	3,151	2,345

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.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 8 Interest		
Interest on financial assets	77	39
Total	<u>77</u>	<u>39</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 9 Other income

Charges for external works	1,100	620
Refund of motor tax	244	232
Other revenues	331	325
Pensioner Rate Remissions (State Government)	1,213	1,200
Total other income	<u>2,888</u>	<u>2,377</u>

Accounting policy

Charges for external works

Income from external works is recorded as revenue once the external works have been completed and payment is due or received.

Other income

Income from other revenue sources is recorded as revenue on the receipt of funds.

Note 10 Investment revenue from water corporation*

Dividend revenue	1,478	616
Total investment revenue from water corporation	<u>1,478</u>	<u>616</u>

*Taswater has paid an additional dividend of \$246k in 2021/22 to compensate Council for lost dividends during the COVID pandemic. It is expecting to pay this amount every year for the next four years. The 2020/21 dividend amount paid was 50% of the normal dividend.

Accounting policy

Investment revenue

Dividends and other investment revenue is recognised when Council's right to receive payment is established.

Note 11 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

(a) Proceeds of sale:

Plant & vehicles	413	271
Land & Buildings	387	2,928
Total	<u>800</u>	<u>3,200</u>

Written down value of assets disposed

Plant & vehicles	245	163
Land & Building	234	1,874
Total	<u>479</u>	<u>2,037</u>

Net Gain (Loss)	<u>321</u>	<u>1,163</u>
------------------------	------------	--------------

(b) Carrying amount of assets retired

Buildings	-	(52)
Road pavements	(388)	(339)
Stormwater drainage	(145)	(105)
Reserves	(6)	-
Total	<u>(539)</u>	<u>(496)</u>

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.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 12 Employee benefits		
Wages and salaries	14,350	13,783
Workers compensation	239	221
Annual leave and long service leave	172	556
Superannuation	1,773	1,698
Payroll Tax	969	919
Other	10	11
Total	17,513	17,188
Less: Capitalised amounts	(655)	(953)
Total employee benefits	16,858	16,235

Accounting policy

Employee benefits

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

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

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

Note 13 Materials and services

Building maintenance	17	25
Consultants	377	347
Contract and materials	9,788	7,718
Fuel and oil	420	294
IT consumables	358	259
Plant and vehicles maintenance	192	193
Utilities	996	1,050
Total materials and services	12,148	9,886

Accounting policy

Materials and services expense

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 14(a) Depreciation and amortisation		
Roads and Bridges	7,562	7,156
Stormwater	1,241	1,201
Buildings	1,452	1,367
Plant, Machinery and Equipment	915	888
Minor Infrastructure	543	539
Fixtures, Fittings, Furniture, and Computers	59	59
Computers and telecommunications	142	112
Total depreciation	11,914	11,322
Intangible assets		
Intangible assets	74	90
Right-of-use of assets	102	81
Total depreciation and amortisation	12,090	11,493

Accounting policy

Depreciation and amortisation expense

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

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

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

Land assets are not depreciated on the basis that they are assessed as not having a limited useful life.

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

Major depreciation periods used are listed below and are consistent with prior years:

	Period
Buildings	
buildings	10 - 120 years
building improvements	10 - 120 years
Plant and Equipment	
plant, machinery and equipment	7 - 10 years
fixtures, fittings and furniture	5 - 15 years
computers and telecommunications	4 - 5 years
Roads	
road pavements and seals	10 - 80 years
road substructure	50 - 100 years
road formation and earthworks	200 years
road kerb, channel and minor culverts	80 years
Bridges	
timber	30 years
bridges concrete and steel	100 years
Stormwater	
pits	100 years
pipes	100 years

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000

Note 14(a) Depreciation and amortisation (continued)

Other Infrastructure		
paths		15 - 80 years
recreational, leisure and community facilities		10 - 60 years
parks, open space and streetscapes		5 - 60 years
off street car parks		40 - 100 years
Intangible assets		
intangible assets		5 - 10 years
Right-of-use of assets		
Right-of-use of assets		4 - 10 years

Note 14(b) Finance Costs

Interest - Borrowings	97	92
Interest - Lease Liability	2	2
Total	99	94
Less capitalised borrowings on qualifying assets	-	-
Total finance costs	99	94
Rate used to capitalise finance costs		

Accounting policy

Finance expense

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

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

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

Note 14(c) Impairment of receivables

Other Debtors	-	(6)
Total impairment of receivables	-	(6)

Accounting policy

Impairment expense

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 15 Other expenses and Levies to State Government		
(a) Other expenses		
External Audit Remuneration (Tasmanian Audit Office)	48	47
Councillors Allowances & Expenses (refer Note 39)	481	468
Land Tax	331	330
Liability and Property Insurance	587	525
Rate Remissions	11	13
Government funded rate remissions	1,211	1,135
Legal Fees	201	112
Tourism	7	19
Valuation Fees	271	104
Advertising & Marketing	118	146
Bank Charges	94	91
Printing	32	19
Refunds	46	43
Subscriptions	85	107
Short term leases for 12 months or less	-	5
Postage	83	103
Provision for Rehabilitation	800	-
Other expenses	860	1,037
Total other expenses	5,267	4,303
(b) Levies to State Government		
Tasmanian Fire Service Contribution	1,785	1,666

Accounting policy

Other expenses

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

Note 16 Underlying result

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

Surplus / (Deficit)	5,257	7,390
<i>exclude</i>		
Capital grants	(2,155)	(4,192)
Contributions - non-monetary assets	(211)	(2,093)
Contributions - capital projects	(30)	(8)
Initial recognition of infrastructure assets	(2,495)	(62)
Profit on sale of land	(153)	(815)
<i>Grant received in advance</i>		
Grants paid in 2020/21 relating to 2021/22	1,213	1,232
Grants paid in 2021/22 relating to 2022/23	(1,995)	(1,213)
Underlying Surplus (Deficit)	(568)	240

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022 \$'000	2021 \$'000
Note 17 Investment in associates		
Investments in associates accounted for by the equity method are:		
Copping Refuse Disposal Site Joint Authority (CRDSJA) - 20%	3,606	3,076
Investment in Copping C-Cell Pty Ltd as Trustee (Trust) - 8%	450	371
Total	4,056	3,447
<i>Background</i>		
Council has a 20% (2020/21: 20%) ownership interest in the Authority, being a landfill refuse disposal facility.		
Council has a 8% (2020/21: 8%) ownership in Copping C-Cell Pty Ltd.		
Council uses the equity method to account for its interest.		
Summarised financial information on CRDSJA:		
Current assets	12,099	10,617
Non-current assets	23,609	27,960
Total assets	35,708	38,577
Current liabilities	(2,456)	(4,963)
Non-current liabilities	(12,985)	(16,179)
Total liabilities	(15,441)	(21,142)
Net Assets	20,267	17,435
Minority Interests	(2,237)	(1,859)
Equity Attributable to Owners	18,030	15,576
Share of associates' net assets	3,606	3,115
Total Income	13,493	11,294
Net result	1,033	1,199
Share of associates' result after tax	207	240
Additional equity injection	323	230
Total adjustment in Statement of Comprehensive Income	530	470
Summarised financial information on the Trust:		
Current assets	1,687	1,244
Non-current assets	8,433	10,533
Total assets	10,120	11,777
Current liabilities	(622)	(530)
Non-current liabilities	(3,879)	(6,571)
Total liabilities	(4,501)	(7,101)
Net Assets	5,619	4,676
Share of associates' net assets	450	374
Total Income	1,603	886
Net result	695	251
Share of associates' result after tax	56	20
Year End Adjustment to Trust Accounts	22	-
Total adjustment in Statement of Comprehensive Income	78	20

**Notes to the Financial Report
For the Year Ended 30 June 2022**

2022	2021
\$'000	\$'000

Note 1/ Investment in associates (continued)

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Consolidated Statement of Comprehensive Income.

Note 18 Investment in water corporation

Opening Balance	90,155	83,410
Change in fair value of investment	2,534	6,745
Total investment in water corporation	92,689	90,155

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

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2022, Council holds a 5.60% (2020/21: 5.72%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

Note 19 Cash and cash equivalents

Cash on hand	9	9
Cash at bank	6,260	9,352
Money market call account	17,269	14,234
Total cash and cash equivalents	23,538	23,595

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

- Reserve funds allocated for specific future purposes (Note 28c)	13,460	15,994
- Grants received in advance (Note 26c)	3,278	1,765
- Trust funds and deposits (Note 25)	1,718	1,718
Restricted Funds	18,456	19,477
Total unrestricted cash and cash equivalents	5,081	4,118

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000

Note 19 Cash and cash equivalents (continued)

Accounting policy

Cash and cash equivalents

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

Restricted funds

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

Note 20 Trade and other receivables

Current

Rates debtors	82	193
Loans and advances to community organisations	9	9
Other debtors	543	574
Provision for expected credit losses - other debtors	-	(6)
GST receivable	460	202
Total	1,093	971

Non-Current

Loans and advances to community organisations	316	356
Total	316	356
Total trade and other receivables	1,409	1,327

Reconciliation of movement in expected credit loss

Carrying amount at 1 July	6	22
Amounts written off during the year	(6)	-
Amounts recovered during the year	-	(16)
Increase / (decrease) in provision recognised in profit or loss	-	-
Carrying amount at 30 June	-	6

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

Accounting policy

Trade and other receivables

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 21 Other assets		
<i>Current</i>		
Inventories held for distribution	82	54
Total	82	54

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 22 Property, infrastructure, plant and equipment

	2022	2021
	\$'000	\$'000
Summary		
at cost	70,159	58,246
Less accumulated depreciation	(14,497)	(14,156)
	<u>55,662</u>	<u>44,090</u>
at fair value	935,261	830,077
Less accumulated depreciation	(333,048)	(326,199)
	<u>602,213</u>	<u>503,878</u>
Total	<u>657,876</u>	<u>547,968</u>
Property		
Land		
at fair value at 30 June	87,645	53,831
	<u>87,645</u>	<u>53,831</u>
Land under roads		
at fair value at 30 June	33,079	36,514
	<u>33,079</u>	<u>36,514</u>
Total Land	<u>120,724</u>	<u>90,345</u>
Buildings		
at fair value	86,256	79,353
Accumulated depreciation	(31,644)	(27,667)
	<u>54,612</u>	<u>51,686</u>
Total Property	<u>175,336</u>	<u>142,032</u>

**Notes to the Financial Report
For the Year Ended 30 June 2022**

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

	2022	2021
	\$'000	\$'000
Plant and Equipment		
Plant, machinery and equipment		
at cost	9,465	9,387
Accumulated depreciation	(4,778)	(4,263)
	<u>4,687</u>	<u>5,124</u>
Fixtures, fittings and furniture		
at cost	1,096	1,054
Accumulated depreciation	(821)	(762)
	<u>275</u>	<u>292</u>
Computers and telecommunications		
at cost	585	1,382
Accumulated depreciation	(273)	(1,117)
	<u>312</u>	<u>265</u>
Total Plant and Equipment	<u>5,274</u>	<u>5,681</u>
Infrastructure		
Roads and Bridges		
at fair value	601,600	538,621
Accumulated depreciation	(264,821)	(264,059)
	<u>336,779</u>	<u>274,562</u>
Stormwater		
at fair value	126,681	121,758
Accumulated depreciation	(36,583)	(34,473)
	<u>90,098</u>	<u>87,285</u>
Minor infrastructure		
at fair value	24,870	23,620
Accumulated depreciation	(8,625)	(8,014)
	<u>16,245</u>	<u>15,606</u>
Total Infrastructure	<u>443,122</u>	<u>377,453</u>
Work in Progress		
Buildings, at cost	3,775	1,775
Other Infrastructure, at cost	13,298	11,796
Roads and Bridges, at cost	11,548	5,949
Stormwater, at cost	5,523	2,653
	<u>34,143</u>	<u>22,173</u>
Total Property, Infrastructure, Plant and Equipment	<u>657,875</u>	<u>547,338</u>

Notes to the Financial Report
For the Year Ended 30 June 2022

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

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	53,831	3,514	30,534	-	(234)	-	-	87,645
Land under roads	36,514	-	(3,435)	-	-	-	-	33,079
Total land	90,345	3,514	27,099	-	(234)	-	-	120,724
Buildings	51,686	7	4,351	(1,452)	-	-	20	54,612
Total buildings	51,686	7	4,351	(1,452)	-	-	20	54,612
Total property	142,031	3,521	31,450	(1,452)	(234)	-	20	175,336
Plant and Equipment								
Plant, machinery and equipment	5,124	724	-	(916)	(245)	-	-	4,687
Fixtures, fittings and furniture	292	41	-	(58)	-	-	-	275
Computers and telecommunications	265	-	-	(142)	-	-	189	312
Total plant and equipment	5,681	765	-	(1,116)	(245)	-	189	5,274
Infrastructure								
Roads & Bridges	274,562	-	67,287	(7,562)	(389)	-	2,881	336,779
Stormwater	87,285	18	2,324	(1,241)	(145)	-	1,857	90,098
Minor infrastructure	15,806	154	407	(543)	(35)	-	656	16,245
Total infrastructure	377,453	172	70,018	(9,346)	(569)	-	5,394	443,122
Works in progress								
Buildings	2,404	1,517	-	-	-	-	(146)	3,775
Other Infrastructure	11,796	2,032	-	-	-	-	(530)	13,298
Roads and bridges	5,949	8,769	-	-	-	-	(3,170)	11,548
Stormwater	2,653	4,627	-	-	-	-	(1,757)	5,523
Total works in progress	22,801	16,945	-	-	-	-	(5,603)	34,143
Total property, infrastructure, plant and equipment	547,966	21,403	101,468	(11,914)	(1,048)	-	-	657,875

Notes to the Financial Report
For the Year Ended 30 June 2022

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

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	54,760	57	-	-	(986)	-	-	53,831
Land under roads	60,848	-	(24,334)	-	-	-	-	36,514
Total land	115,608	57	(24,334)	-	(986)	-	-	90,345
Buildings	41,017	-	2,273	(1,367)	(53)	-	9,816	51,686
Total buildings	41,017	-	2,273	(1,367)	(53)	-	9,816	51,686
Total property	156,625	57	(22,061)	(1,367)	(1,039)	-	9,816	142,031
Plant and Equipment								
Plant, machinery and equipment	5,321	854	-	(888)	(163)	-	-	5,124
Fixtures, fittings and furniture	276	75	-	(59)	-	-	-	292
Computers and telecommunications	320	57	-	(112)	-	-	-	265
Total plant and equipment	5,917	986	-	(1,059)	(163)	-	-	5,681
Infrastructure								
Roads & Bridges	269,223	729	4,104	(7,156)	(339)	-	8,001	274,562
Stormwater	83,934	1,312	1,290	(1,201)	(105)	-	2,055	87,285
Minor infrastructure	15,323	-	216	(539)	-	-	606	15,606
Total infrastructure	368,480	2,041	5,610	(8,896)	(444)	-	10,662	377,453
Works in progress								
Buildings	11,159	1,132	-	-	-	-	(9,887)	2,404
Other Infrastructure	9,364	4,587	-	-	(887)	-	(1,268)	11,796
Roads	7,402	6,430	-	-	-	-	(7,883)	5,949
Stormwater	2,131	1,962	-	-	-	-	(1,440)	2,653
Total works in progress	30,056	14,111	-	-	(887)	-	(20,478)	22,802
Total property, infrastructure, plant and equipment	561,078	17,195	(16,451)	(11,322)	(2,533)	-	-	547,967

Notes to the Financial Report
For the Year Ended 30 June 2022

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

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold
	\$
Land	1
Land under roads	1
Buildings	5,000
Plant, machinery and equipment	1,000
Roads and bridges	5,000
Stormwater	5,000
Minor Infrastructure (paths, recreation and community facilities)	5,000
Fixtures, fittings and furniture	1,000
Computers and telecommunications	2,000
Intangible assets	1,000
Right of use assets	1,000
Revaluation	
Council has adopted the following valuation bases for its non-current assets as noted in note 44.	
Land	fair value
Land under roads	fair value
Plant, machinery and equipment	cost
Furniture, fittings and furniture	cost
Computers and telecommunications	cost
Stormwater	fair value
Roads and bridges	fair value
Buildings	fair value
Minor Infrastructure (paths, recreation and community facilities)	fair value
Investment in water corporation	fair value
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.	
In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.	
Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.	
Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.	
Impairment of assets	
Impairment losses are recognised in the consolidated statement of comprehensive income under other expenses.	
Reversals of impairment losses are recognised in the consolidated statement of comprehensive income under other revenue.	
Land under roads	
Council recognised the value of land under roads it controls at fair value.	

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022 \$'000	2021 \$'000
Note 23(a) Intangible assets		
Software	702	702
Less: Accumulated amortisation	(404)	(330)
Total	298	373
Total intangible assets	298	373

Reconciliation of intangible assets

	Software \$'000	\$'000
Gross carrying amount		
Balance 1 July	702	695
Additions	-	6
Written off	-	-
Balance 30 June	<u>702</u>	<u>702</u>
Accumulated amortisation		
Balance 1 July	(330)	(240)
Amortisation expense	(74)	(90)
Written off	-	-
Balance 30 June	<u>(404)</u>	<u>(330)</u>
Net book value 30 June	298	372

Accounting policy

Intangible assets

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

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

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

Software 5 years

Note 23(b) Right-of-use assets

Right-of-use assets and concessional leases

	Concessional Property Lease \$'000	Plant & Equipment \$'000	Total \$'000
2022			
Opening Balance 1 July 2021	4	226	230
Depreciation expense	(4)	(98)	(102)
Balance at 30 June 2022	<u>-</u>	<u>128</u>	<u>128</u>
2021			
Opening Balance 1 July 2020	4	125	129
Additions	3	179	182
Disposals / derecognition	-	(8)	(8)
Depreciation expense	(3)	(70)	(73)
Balance at 30 June 2021	<u>4</u>	<u>226</u>	<u>230</u>

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Accounting policy

Leases - Council as Lessee

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

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

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

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

	2022	2021
	\$'000	\$'000
Note 24 Trade and other payables		
Trade payables	2,949	1,310
Accrued expenses	891	916
Rates and Charges in advance	401	371
Other	165	68
Total trade and other payables	4,406	2,665

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 25 Trust funds and deposits		
Refundable building deposits and contract retentions	1,718	1,718
Total trust funds and deposits	1,718	1,718

Accounting policy

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 26(a) Provisions

	Annual leave	Long service leave	Other leave	Quarry Rehabilitation	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2022					
Balance at beginning of the financial year	1,387	1,953	172	-	3,512
Additional provisions	887	282	-	800	1,969
Amounts used	(978)	(407)	(76)	-	(1,461)
Balance at the end of the financial year	1,296	1,828	96	800	4,020
2021					
Balance at beginning of the financial year	1,339	1,808	173	-	3,320
Additional provisions	1,196	421	-	-	1,617
Amounts used	(1,148)	(276)	(1)	-	(1,425)
Balance at the end of the financial year	1,387	1,953	172	-	3,512

	2022	2021
	\$'000	\$'000
Employee Provisions		
Current		
Annual leave	1,296	1,387
Long service leave	616	1,196
Other leave	96	172
Rehabilitation of Bruny Island quarry site	400	-
	2,408	2,755
Non-current		
Long service leave	1,212	757
Rehabilitation of Bruny Island quarry site	400	-
	1,612	757

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

Weighted average increase in employee costs	3.50%	2.80%
Weighted average discount rates	3.08%	0.30%
Weighted average settlement period	12	12
Employee numbers (Full Time Equivalents)	192	189

Accounting policy

Quarry Rehabilitation

Under agreement, Council is obliged to restore the quarry site at Pybrus Hill on Bruny Island to a particular standard. A plan for rehabilitation has been developed and is currently with the owner of the site for their approval. Work is expected to commence in 2023 and continue throughout the year. The expected cost of works has been estimated based on the work required to restore the site as per the developed plan. Accordingly, the estimation of the provision required is dependent on the plan being approved and the works being undertaken in line with the plan.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 26(a) Provisions (cont)

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 26(b) Lease Liability		
Lease Liability	130	226
Concessional Leases	-	4
	<u>130</u>	<u>230</u>
Current	64	96
Non-Current	66	134
	<u>130</u>	<u>230</u>

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

	Minimum lease payments					
As at 30 June 2022	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	64	48	18	-	-	130
Finance charges	(2)	(1)	(1)	-	-	(4)
Net present value	<u>62</u>	<u>47</u>	<u>17</u>	-	-	<u>126</u>
As at 30 June 2021						
Lease payments	98	65	48	18	-	230
Finance charges	(2)	(1)	-	-	-	(3)
Net present value	<u>96</u>	<u>64</u>	<u>48</u>	<u>18</u>	-	<u>226</u>

Concessionary Lease

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

	Minimum lease payments					
As at 30 June 2022	Within 1	1-2	2-3	3-4	4-5	Total
	Year	Years	Years	Years	Years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	-	-	-	-	-	-
Net present value	-	-	-	-	-	-
As at 30 June 2021						
Lease payments	3	1	-	-	-	4
Net present value	3	1	-	-	-	4

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

Leases - Council as Lessee

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

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

Short-term leases and leases of low-value assets

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

Exposure from residual value guarantees

Council has no exposure to residual value payments.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 26(c) Contract Liability		
Current		
Funds received to acquire or construct an asset controlled by Council	3,192	1,585
Funds received prior to performance obligation being satisfied (Upfront payments)	86	198
Upfront Fees	25	-
	3,303	1,783

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

Council recognised the following contract liabilities with customers:

Grants received in advance includes funding for the construction of a new facility for the provision of community structures. 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.

Upfront payments of funds from contracts with customers are recognised as a contract liability until performance obligations are satisfied. Revenue is recognised as performance obligations are progressively fulfilled.

	2022	2021
	\$'000	\$'000
Note 27 Interest-bearing loans and borrowings		
Current		
Borrowings	5,600	-
	5,600	-
Non-current		
Borrowings	16,723	22,323
	16,723	22,323
Total	22,323	22,323
Borrowings		
Council's loan portfolio has been reviewed by Tascorp effective 30 June 2022 to determine the market value. Their advice is that having regard to the fixed rates of interest applicable for the remaining life of each loan, that the market value is \$21,562,638 compared to the actual value of \$22,322,500		
Borrowings are secured by a Deed of Charge over the present and future receivables of the Council representing Council's general revenue from general rates, service rates, permit fees, rents and other charges imposed by Council.		
The maturity profile for Council's borrowings is;		
Not later than one year	5,600	-
Later than one year and not later than five years	16,723	22,323
Later than five years	-	-
Total	22,323	22,323

Accounting policy

Interest bearing liabilities

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 28 Reserves

	2022 \$'000	2021 \$'000
Asset revaluation reserve	456,226	354,758
Fair value reserve	(19,043)	(21,576)
Other reserves	13,460	15,994
Total	450,643	349,177

	Balance at beginning of reporting year \$'000	Increment \$'000	Decrements \$'000	Balance at end of reporting year \$'000
(a) Asset revaluation reserve				
2022				
Property				
Land and land under roads	74,301	27,099	-	101,400
Buildings	26,286	4,351	-	30,637
	100,587	31,450	-	132,037
Infrastructure				
Roads	190,605	68,341	-	258,946
Bridges	13,116	-	(1,054)	12,062
Stormwater drainage	49,460	2,324	-	51,784
Minor infrastructure	989	407	-	1,396
	254,171	71,072	(1,054)	324,189
Total asset revaluation reserve	354,759	102,522	(1,054)	456,226
2021				
Property				
Land and land under roads	98,635	-	(24,334)	74,301
Buildings	24,013	2,273	-	26,286
	122,648	2,273	(24,334)	100,587
Infrastructure				
Roads	186,769	3,836	-	190,605
Bridges	12,848	268	-	13,116
Stormwater drainage	48,170	1,290	-	49,460
Minor infrastructure	773	216	-	989
	248,561	5,610	-	254,171
Total asset revaluation reserve	371,210	7,883	(24,334)	354,758

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 28 Reserves (Continued)

	Balance at beginning of reporting year	Increment	Decrements	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(b) Fair Value reserve				
2022				
Change in fair value of investments				
- Water Corporation	(21,576)	2,533	-	(19,043)
Total fair value reserve	(21,576)	2,533	-	(19,043)
2021				
Change in fair value of investments				
- Water Corporation	(28,321)	6,745	-	(21,576)
Total fair value reserves	(28,321)	6,745	-	(21,576)

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.

	Balance at beginning of reporting year	Increment	Decrements	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(c) Other reserves				
2022				
Specific purpose reserves	2,652	92	(780)	1,964
Asset replacement reserves	967	1,189	(948)	1,207
Unexpended capital reserves	12,375	10,289	(12,375)	10,289
Total other reserves	15,994	11,569	(14,103)	13,460
2021				
Specific purpose reserves	2,513	507	(368)	2,652
Asset replacement reserves	736	1,035	(804)	967
Unexpended capital reserves	13,290	12,375	(13,290)	12,375
Total other reserves	16,539	13,917	(14,462)	15,994

The specific purpose reserves were established to identify funds received for public open space, tree preservation and public car parking.

Asset replacement reserves are funds set aside for the replacement of plant, vehicles and equipment.

Notes to the Financial Report
For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/(Deficit)	5,257	7,390
Non cash items		
Depreciation/amortisation	12,090	11,493
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(321)	(1,163)
Contributions - non monetary assets	(211)	(2,093)
Carrying Amount of assets retired	539	496
Share of net (profit)/loss of investment in associate	(607)	(490)
Initial recognition of infrastructure assets	(2,495)	(62)
Add (less) items classified as investing or financing included in Surplus/(Deficit)		
Capital grants received specifically for new or upgraded assets	(2,155)	(4,192)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(122)	1,219
Decrease/(increase) in inventories	(28)	(12)
Increase/(decrease) in trade and other payables	1,741	24
Increase/(decrease) in provisions	508	193
Increase/(decrease) in contract liabilities	1,519	1,002
Net cash provided by/(used in) operating activities	15,716	13,808
Note 29a Reconciliation of liabilities arising from financing activities		
Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Consolidated Statement of Cash Flows as cash flows from financing activities.		
2022	Interest-bearing loans and borrowings \$'000	Lease liabilities \$'000
Balance at 1 July 2021	22,323	230
Acquisitions / New Leases	-	-
Changes from financing cash flows:		
Cash Received	-	-
Cash Repayments	-	(99)
Balance as at 30 June 2022	22,323	131
2021		
Balance at 1 July 2020	12,900	126
Acquisitions / New Leases	-	182
Changes from financing cash flows:		
Cash Received	9,424	-
Cash Repayments	-	(78)
Balance as at 30 June 2021	22,323	230
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 19)	23,538	23,595
Total reconciliation of cash and cash equivalents	23,538	23,595
Note 31 Financing arrangements		
Business Card - Credit Limit	26	26
Total amount unused at reporting date	11	23

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 32 Subsidiaries

Kingborough Waste Services Pty Ltd

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

The directors of KWS are:

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

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

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

	2022 \$'000	2021 \$'000
Financial Performance		
Revenue		
User Charges	1,136	1,059
Recycling Sales	528	524
Council Charges	1,220	1,074
Sundry Charges	5	4
Total Revenue	2,889	2,661
Expenditure		
Employee Costs	1,144	1,011
Disposal Costs	659	623
Hire & Maintenance	379	335
Other Expenses	569	468
Total Expenses	2,751	2,437
Surplus / (Deficit)	138	224
Financial Position		
Assets	1,039	911
Liabilities	432	442
Net Assets	607	469

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

Accounting Policy

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

Subsidiaries

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 33 Superannuation

	2022	2021
	\$'000	\$'000
Superannuation contributions paid:		
Accumulated Benefits	1,773	1,698
Defined Benefits	-	-

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

For the year ended 30 June 2022 Council contributed 0.0% of employees' gross income to the Fund based on advice from the actuary. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 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% pa
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2020.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 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 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 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 different from the method used at the previous actuarial review in 2017.

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 33 Superannuation

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

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

The Fund is a defined benefit Fund.

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2020-21, \$0), and the amount paid to accumulation schemes was \$1,773,000 (2020-21, \$1,698,000).

During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$1.8 million.

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, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.

An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2021, showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.

As at 30 June 2021 the fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 34 Commitments

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

	2022	2021
	\$'000	\$'000
Capital commitments		
Road construction	2,381	2,171
Stormwater drainage	890	665
Other infrastructure	970	661
Kingston Park	1,953	794
Total	6,194	4,291

Operating leases as lessor

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

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

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

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140 *Investment Properties*. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the consolidated statement of financial position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.

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

	2022	2021
	\$'000	\$'000
Maturity analysis of operating lease payments to be received		
Year 1	65	33
Year 2	58	13
Year 3	18	1
Year 4	-	1
Year 5	-	1
Later than 5 years	-	-
Total	141	49

Contractual Commitments

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

		2022	2021
	Period	Future Commitment	Future Commitment
Public toilet, barbecue cleaning and hall cleaning	01/19 - 01/24	337	549
Kerbside Collection Service	10/18 - 10/23	1,380	2443
Public waste bin collection - Bruny Island	01/22 - 01/23	44	185
Public waste bin collection - Other	02/19 - 01/22	-	115
Internal Audit Services	07/22 - 06/25	120	31
Baretta Landfill Gas Monitoring	07/19 - 06/22	229	36
Kerbside Green Waste Collection	07/20-10/23	427	835
Haulage, Trailer Maintenance, Yard Truck - Baretta	06/21-05/26	97	1,210
Supply & Transport of Bins - Barretta & Bruny	06/21 - 05/26	691	819
Traffic Management Services	07/21 - 07/22	-	174
Roadside Slashing & Spraying Services	11/20 - 06/23	223	149
Park and Reserve Mowing	02/21 - 01/23	143	-
Total		3,691	6,546

Notes to the Financial Report For the Year Ended 30 June 2022

Note 35 Contingent liabilities

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

Guarantees for Loans to other entities

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

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

Notes to the Financial Report
For the Year Ended 30 June 2022

Note 36 Financial instruments (cont.)

(a) Interest Rate Risk

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

2022

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	0.31%	23,538	-	-	-	-	23,538
Trade and other receivables	7.87%	82	-	-	-	1,327	1,409
Investment in Water Corporation		-	-	-	-	92,689	92,689
Total financial assets		23,619	-	-	-	94,016	117,636
Financial liabilities							
Trade and other payables		-	-	-	-	4,406	4,406
Trust funds and deposits		-	-	-	-	1,718	1,718
Interest-bearing loans and borrowings	1.90%	-	5,600	16,723	-	-	22,323
Total financial liabilities		-	5,600	16,723	-	6,124	28,447
Net financial assets (liabilities)		23,619	(5,600)	(16,723)	-	87,892	89,189

2021

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	0.30%	23,595	-	-	-	-	23,595
Trade and other receivables	6.81%	193	-	-	-	1,134	1,327
Investment in Water Corporation		-	-	-	-	90,155	90,155
Total financial assets		23,788	-	-	-	91,289	115,077
Financial liabilities							
Trade and other payables		-	-	-	-	2,666	2,666
Trust funds and deposits		-	-	-	-	1,718	1,718
Interest-bearing loans and borrowings	1.90%	-	-	22,323	-	-	22,323
Total financial liabilities		-	-	22,323	-	4,384	26,707
Net financial assets (liabilities)		23,788	-	(22,323)	-	86,905	88,370

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 36 Financial Instruments (cont.)

(b) Fair Values

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

Financial Instruments	Total carrying amount as per Consolidated Statement of Financial Position		Aggregate net fair value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	23,538	23,595	23,538	23,595
Investment in Water Corporation	92,689	90,155	92,689	90,155
Trade and other receivables	1,409	1,334	1,409	1,334
<i>Total financial assets</i>	117,636	115,084	117,636	115,084
<i>Financial liabilities</i>				
Trade and other payables	4,406	2,665	4,406	2,665
Trust funds and deposits	1,718	1,718	1,718	1,718
Lease liabilities	130	230	130	230
Interest-bearing loans and borrowings	22,323	22,323	21,563	22,323
<i>Total financial liabilities</i>	28,577	26,936	27,817	26,936

(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 Consolidated Statement of Financial Position.

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Interest rate liability risk arises primarily from long term loans and borrowings at fixed rates, however with minor holdings, there is limited exposure to this risk for Council.

Our loan borrowings are sourced from either Tascorp or major Australian banks. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 36 Financial Instruments (cont.)

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

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

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

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

Credit risk

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

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

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

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

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2022				
Cash and cash equivalents	23,538	-	-	23,538
Trade and other receivables	-	-	1,409	1,409
Total contractual financial assets	23,538	-	1,409	24,947

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 36 Financial Instruments (cont.)

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2021				
Cash and cash equivalents	23,595	-	-	23,595
Trade and other receivables	-	-	1,334	1,334
Total contractual financial assets	23,595	-	1,334	24,929

Movement in Provisions for Impairment

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	6	22
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	6	10
Amounts provided for but recovered during the year	-	6
Balance at end of year	-	6

Ageing of Trade and Other Receivables

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

	2022 \$'000	2021 \$'000
Current (not yet due)	1,352	1,193
Past due by up to 30 days	33	37
Past due between 31 and 60 days	-	29
Past due between 61 and 90 days	-	2
Past due by more than 90 days	12	7
Total Trade & Other Receivables	1,397	1,268

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$0k (2020/21: \$6k) were impaired. The amount of the provision raised against these debtors was \$0k (2020/21: \$6k). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	2022 \$'000	2021 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	6
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
Total Trade & Other Receivables	-	6

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 36 Financial Instruments (cont.)

Liquidity risk

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

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

To help reduce these risks we:

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

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

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

The table below lists the contractual maturities for Financial Liabilities. For lease liabilities refer to Note 26(b).

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

2022	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	4,406	-	-	-	-	4,406	4,406
Trust funds and deposits	1,718	-	-	-	-	1,718	1,718
Interest-bearing loans and borrowings	-	5,600	14,623	2,100	-	22,323	22,323
Total financial liabilities	6,124	5,600	14,623	2,100	-	28,447	28,447

2021	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	2,666	-	-	-	-	2,666	2,666
Trust funds and deposits	1,718	-	-	-	-	1,718	1,718
Interest-bearing loans and borrowings	-	-	-	22,323	-	22,323	22,323
Total financial liabilities	4,384	-	-	22,323	-	26,707	26,707

Notes to the Financial Report
For the Year Ended 30 June 2022

Note 36 Financial Instruments (cont.)

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -1% in market interest rates.

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
2022	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	23,538	(235)	(235)	235	235
Trade and other receivables	82	(1)	(1)	1	1
Financial liabilities:					
Interest-bearing loans/borrowings	16,723	167	167	(167)	(167)

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	23,595	(236)	(236)	236	236
Trade and other receivables	193	(2)	(2)	2	2
Financial liabilities:					
Interest-bearing loans/borrowings	22,323	223	223	(223)	(223)

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 37 Auditor's remuneration	2022	2021
	\$'000	\$'000
Audit fee to conduct external audit - Tasmanian Audit Office	47	46
	<u>47</u>	<u>46</u>

Note 38 Events occurring after balance date

Nil

Note 39 Related party transactions

(i) Responsible Persons

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

			Period of Appointment
Councillors	P Wreidt	Mayor	2021-22
	J Westwood	Deputy Mayor	2021-22
	S Bastone	Councillor	2021-22
	F Fox	Councillor	2021-22
	C Glade-Wright	Councillor	2021-22
	G Cordover	Councillor	2021-22
	D Grace	Councillor	2021-22
	A Midgley	Councillor	2021-22
	C Street	Councillor	2021-22
	S Wass	Councillor	2021-22

(ii) Council Remuneration

Short term employee benefits

2022	Period	Allowances	Vehicles ²	Total Compensation AASB 124	Expenses ³	Total allowances and expenses
		\$	\$	\$	\$	\$
Mayor	Full year	104,362	-	104,362	3,195	107,557
Deputy Mayor	Full year	52,635	-	52,635	306	52,941
Councillors	Full year	246,378	-	246,378	6,561	252,939
Total		<u>403,375</u>	<u>-</u>	<u>403,375</u>	<u>10,062</u>	<u>413,437</u>

Council Remuneration

Short term employee benefits

2021	Period	Allowances	Vehicles ²	Total Compensation AASB 124	Expenses ³	Total allowances and expenses
		\$	\$	\$	\$	\$
Mayor	Full year	84,782	-	84,782	6,759	91,541
Deputy Mayor	Full year	51,040	-	51,040	1,071	52,111
Councillors		242,560	-	242,560	9,399	251,959
Total		<u>378,382</u>	<u>-</u>	<u>378,382</u>	<u>17,229</u>	<u>395,611</u>

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

(iii) Key Management Personnel Remuneration

2022

Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁶	Total
		Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Super-annuation ⁴	Termination Benefits ⁵		
		\$	\$	\$	\$	\$	\$	\$
\$140 001 - \$160 000	1	134,779	10,000	-	16,847	-	(8,178)	153,449
\$160 001 - \$180 000	2	278,144	20,000	1,040	34,768	-	290	334,243
\$180 001 - \$200 000	2	303,004	20,000	779	36,345	-	16,331	376,458
\$220 001 - \$240 000	1	179,207	10,000	1,320	22,401	-	12,446	225,373
\$260 001 - \$280 000	1	234,330	10,000	-	23,433	-	(2,253)	265,510
Total		1,129,463	70,000	3,139	133,794	-	18,636	1,355,032

Key Management Personnel Remuneration

2021

Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁶	Total
		Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Super-annuation ⁴	Termination Benefits ⁵		
		\$	\$	\$	\$	\$	\$	\$
\$140 001 - \$160 000	2*	172,613	10,000	777	21,577	47,601	(38,155)	214,412
\$160 001 - \$180 000	2	258,504	20,000	1,040	31,692	-	2,119	313,355
\$180 001 - \$200 000	3	430,101	30,000	779	52,696	-	15,351	528,927
\$260 001 - \$280 000	1	234,330	10,000	-	22,261	-	11,266	277,857
		1,095,548	70,000	2,596	128,225	47,601	(9,420)	1,334,550

* The Deputy General Manager ceased employment on 6 January 2021 and was paid out his leave entitlements.

The Director Environment, Development and Community started employment on 6 January 2021.

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

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

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

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

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

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

(iv) Remuneration Principles

Councillors

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

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

Executives

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

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

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

Termination benefits

There were no termination payment during the current year.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

(v) Interest in other entities

Interest in subsidiaries

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

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

The following transactions occurred with subsidiaries:

Subsidiary	Grant and subsidies provided by council	Goods and services supplied by council, on normal terms and conditions		
		Rental accommodation	Commercial rates and charges	Other
Kingborough Waste Services \$(000)	\$ -	\$ -	\$ 1,220	\$ 82

Transactions with associates

Council received \$323k in income tax equivalents from the Copping Refuse Disposal Site Joint Authority during 2021/22.

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

Council agreed to reinvest these payments back into the Authority.

(vi) Transactions with related parties

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

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

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

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

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

Note 40 Special committees and other activities

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

Cash Flow for 2021/22	Income	Expenditure	Cash 30 June
	\$	\$	\$
Adventure Bay Hall	6,033	2,421	5,414
Kettering Hall & Recreation Committee	7,374	5,327	20,644
Lower Longley Hall Committee	766	591	8,318
Lunawanna Hall Committee	3,777	1,215	5,236
North Bruny Community Centre Committee	8,521	7,091	9,142
Snug Hall Management Committee	6,751	3,834	12,048
Taroona Hall Management Comm	13,586	11,462	10,243
Woodbridge Hall Management Comm	5,251	5,910	8,615

Notes to the Financial Report For the Year Ended 30 June 2022

Note 41 Other significant accounting policies and new accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Consolidated Statement of 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 Consolidated 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 Consolidated 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 Consolidated Statement of Comprehensive income represent revised budget amounts and are not audited.

(g) Adoption of new and amended accounting standards

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

(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.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 42 Significant Business Activities

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

	Sports Centre	
	2022	2021
	\$'000	\$'000
<i>Revenue</i>		
User Charges	928	951
Grants	-	30
Other revenues	55	58
Total Revenue	983	1,039
<i>Expenditure</i>		
<i>Direct</i>		
Materials, Contracts, Employee Costs	1,521	1,129
Other expenses	-	28
Total Expenses	1,521	1,157
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	508	484
Opportunity cost of capital	516	387
Total Capital Costs	1,024	871
<i>Competitive neutrality adjustments</i>		
Rates and land tax	17	16
	17	16
<i>Calculated Surplus/(Deficit)</i>	(1,046)	(602)
Competitive neutrality costs	(1,579)	(1,005)

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the Sports Centre as defined above is considered a significant business activity. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note	43	Management indicators	Benchmark	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
(a) Underlying surplus or deficit							
		Net result for the year		5,257	7,390	11,802	6,866
		Less non-operating income:					
		capital grants		(2,155)	(4,192)	(1,112)	(2,839)
		contributions-non-monetary assets		(211)	(2,093)	(10,243)	(4,049)
		contributions - capital		(30)	(8)	(20)	-
		initial recognition of infrastructure assets		(2,495)	(62)	(476)	(638)
		profit on sale of land		(153)	(815)	-	-
		Add non-operating expenses					
		grants received in advance in prior year		1,213	1,232	1,158	1,109
		grants received in advance in current year		(1,995)	(1,213)	(1,232)	(1,158)
		Storm Damage Expenditure		-	-	526	146
		Underlying surplus/deficit	0	(568)	240	(649)	(563)

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

In 2021/22, Council delivered an underlying deficit for the year, due to the \$800k rehabilitation provision.

(b) Underlying surplus ratio

Underlying surplus or deficit		(568)	240	(649)	(563)
Recurrent income*		47,831	41,804	40,469	39,121
Underlying surplus ratio %	0%	-1.2%	0.6%	-1.6%	-1.4%

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

The ratio for 2021/22 of 0.5% was comfortably above the benchmark of 0%.

(c) Net financial liabilities

Liquid assets less		24,631	24,566	10,250	10,160
total liabilities		35,899	32,231	21,489	16,726
Net financial liabilities	0	(11,268)	(7,665)	(11,239)	(6,566)

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

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

(d) Net financial liabilities ratio

Net financial liabilities		-11,268	-7,665	-11,239	-6,566
Recurrent income*		47,831	44,726	41,804	40,469
Net financial liabilities ratio %	0% - (50%)	-24%	-17%	-27%	-16%

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

43	Management indicators (cont.)	2022	2021	2020	2019
		\$'000	\$'000	\$'000	\$'000

(e) Asset consumption ratio

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

Road Infrastructure

<u>Fair value (Carrying amount)</u>	336,779	274,562	274,562	257,902
Current replacement cost	601,600	538,621	538,621	503,352

Asset consumption ratio %	40% - 80%	56%	51%	51%	51%
---------------------------	-----------	-----	-----	-----	-----

Buildings

<u>Fair value (Carrying amount)</u>	54,612	51,686	41,017	53,649
Current replacement cost	86,256	79,353	66,253	71,208

Asset consumption ratio %	40% - 80%	63%	65%	62%	75%
---------------------------	-----------	-----	-----	-----	-----

Stormwater

<u>Fair value (Carrying amount)</u>	90,098	87,285	83,934	79,549
Current replacement cost	126,681	121,758	116,793	110,671

Asset consumption ratio %	40% - 80%	71%	72%	72%	72%
---------------------------	-----------	-----	-----	-----	-----

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

All ratios are in the acceptable range and indicate an acceptable level of service potential is available in the Council's existing asset base.

(f) Asset renewal funding ratio

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

Road Infrastructure

<u>Projected capital funding outlays**</u>	4,840	4,580	4,484	4,367
Projected capital expenditure funding***	6,050	5,725	5,606	5,458

Asset renewal funding ratio %	90-100%	80%	80%	80%	80%
-------------------------------	---------	-----	-----	-----	-----

Buildings

<u>Projected capital funding outlays**</u>	929	875	751	575
Projected capital expenditure funding***	1,162	1,094	938	719

Asset renewal funding ratio %	90-100%	80%	80%	80%	80%
-------------------------------	---------	-----	-----	-----	-----

Stormwater

<u>Projected capital funding outlays**</u>	794	769	733	694
Projected capital expenditure funding***	993	961	916	868

Asset renewal funding ratio %	90-100%	80%	80%	80%	80%
-------------------------------	---------	-----	-----	-----	-----

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2022**

The council is currently targeting renewal funding at 80% of depreciation.

43 Management indicators (cont.)	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000
(g) Asset sustainability ratio				
<u>Capex on replacement/renewal of existing assets</u>	<u>6,274</u>	<u>7,903</u>	<u>9,239</u>	<u>9,608</u>
Annual depreciation expense	12,090	11,493	10,916	10,351
Asset sustainability ratio %	52%	69%	85%	93%

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

The capital expenditure on the replacement/renewal of existing assets has fluctuated between 52% and 93% over the past four years, depending on asset renewal plans. Due to the asset life of Council's infrastructure being relatively young, there is no need for replacement expenditure of 100%. Expenditure over 50% is reasonable in the short term, however in around 40 years, Council will need to invest substantially in replacement capital expenditure to replace assets nearing the end of their useful life.

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	2022	2022	2022
	\$'000	\$'000	\$'000
By asset class			
Land	-	3,514	3,514
Buildings	1,001	523	1,524
Infrastructure	4,508	8,386	12,894
Plant & Equipment	765	-	765
Total	6,274	12,423	18,697

Notes to the Financial Report For the Year Ended 30 June 2022

Note 44 Fair Value Measurements

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

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

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

(a) Fair Value Hierarchy

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

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

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

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

As at 30 June 2022

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	18	-	-	92,689	92,689
Land	22 (a)	-	87,645	-	87,645
Land Under Roads	22 (a)	-	-	33,079	33,079
Buildings	22 (a)	-	-	54,612	54,612
Roads (including bridges & footpaths)	22 (a)	-	-	336,779	336,779
Stormwater	22 (a)	-	-	90,098	90,098
Minor Infrastructure	22 (a)	-	-	16,245	16,245
		-	87,645	623,502	711,147

**Notes to the Financial Report
For the Year Ended 30 June 2022**

44 Fair Value Measurements (cont.)

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	18	-	-	90,155	90,155
Land	22 (a)	-	52,902	-	52,902
Land Under Roads	22 (a)	-	-	12,180	12,180
Buildings	22 (a)	-	-	51,686	51,686
Roads (including footpaths & cycleways)	22 (a)	-	-	274,562	274,562
Stormwater	22 (a)	-	-	87,285	87,285
Minor Infrastructure	22 (a)	-	-	15,606	15,606
		-	52,902	531,474	584,376

Transfers between levels of the hierarchy

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

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

(b) Highest and best use

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

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

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

Investment in water corporation

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

Land

During 2021/22 the Valuer-General undertook the revaluation of all properties in Kingborough, with the exception of certain non-rateable properties. The revaluation determined values as at 1st July 2021.

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

Land under roads

The road reservations are classified based upon their location, Residential, Rural, Commercial or Industrial.

Land under roads is based on valuations by the Valuer-General effective 1 July 2019, using site values adjusted englobio (undeveloped and/or unserviced) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services.

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

44 Fair Value Measurements (cont.)

Buildings

Buildings were independently revalued in July 2019 by Assetic. For 2021/22, buildings have been escalated by ABS Building Construction-Tasmania Index leading to a 8.7% increase in value. Buildings acquired during the year have been valued at their acquisition cost.

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

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

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

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 14.

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

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

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

Roads (including footpaths & cycleways)

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Roads are managed in segments based on the installed or renewed length and are categorised into a road hierarchy based on the type of road and vehicle numbers. Roads are valued based on typical construction type (pavement, seal, kerb etc) for the given width and hierarchical classification of the road. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Council last revalued its roads on 1 July 2021.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

44 Fair Value Measurements (cont.)

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the actual cost of the works for the first year, and standard replacement rates thereafter. Construction costs were escalated by 2.7% for the 2021/22 year, in accordance with the ABS Road and Bridge Construction - Australia Index.

Bridges

A full valuation of bridges assets was undertaken by AusSpan, effective 1 July 2021. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area. Costs were escalated by 2.7% for 2021/22, in accordance with the ABS Roads and Bridges Construction-Australia Index.

Stormwater

A full revaluation and componentisation of drainage assets was undertaken by Council Engineers and effective from 1 July 2016.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Costs were escalated by 2.7% for 2021/22, in accordance with the ABS Roads and Bridges Construction-Australia Index.

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

Minor Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Consolidated Statement of Financial Position and is valued on a CRC basis. Values were escalated by 2.7% for 2021/22, in accordance with the ABS Roads and Bridges Construction-Australia Index.

(d) Unobservable inputs and sensitivities

Investment in water corporation

Carrying amount (at fair value) \$'000	Key unobservable inputs	Expected range of inputs	Description of how the change in inputs will affect fair value
92,689	Council's percentage holding in the Water Corporation, currently 5.60%	None	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.
	Net assets of the Water Corporation	Variable based on the net asset value of the Water Corporation at balance date	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.

Refer Note 18 for further details.

**Notes to the Financial Report
For the Year Ended 30 June 2022**

44 Fair Value Measurements (cont.)

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 22 (Property, infrastructure, plant and equipment) and note 18 (Investment in water corporation). There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment and investment in water corporation (recurring fair value measurements) is set out in note 18 and 22.

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2022

Note 45 Material Budget Variations

Council's original budget was adopted by the Council in June 2021. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity and decisions made by the Council. No budget is estimated for expenditure included in Other Comprehensive Income due to the uncertain nature of the outcomes. Material variations of more than 10% are explained below:

Revenues

1 Grants - operating

Grants were over budget by \$1.21m (44%) due to a number of unexpected operational grants being received during the year.

2 Contributions (Cash)

The positive variance of \$0.24m (115%) primarily relates to the receipt of public open space funds from the Spring Farm development.

4 Interest

The negative variance of \$21k (-22%) relates to cash balances remaining lower than expected throughout the year and the reduction in the interest rates to historical low levels.

3 Other Income

The increase of \$0.57m (25%) relates primarily to income from private works undertaken on behalf of the State Government on Bruny Island.

5 Investment in Water Corporation

The Taswater dividend was \$0.86m (138%) over budget due to the expectation of only a 50% dividend being paid in 2021/22. The actual outcome was a full dividend plus special dividend amounting to \$1.48m was paid.

6 Carrying Amount of Assets Retired

The carrying amount of assets retired was \$0.14m (-35%) over budget due to asset write-offs being above expectations.

7 Share of Profit in Associate

Council's share of the profit in associate was \$0.36m (+143%) over budget due to a greater than expected return from the investment in Copping Refuse Disposal Site Joint authority.

8 Capital Grants Received

The increase of \$0.85m (-28%) relates to grants carried forwards to future periods to match the grant expenditure.

9 Contributions - Non Monetary Assets

The increase of \$0.79m (-79%) relates to the contribution of assets being less than budget due to no new large subdivisions being transferred to Council.