



CENTRAL COAST
COUNCIL



Image Credit: Evelyn Antonysen

CENTRAL COAST COUNCIL

ANNUAL REPORT 2022-2023



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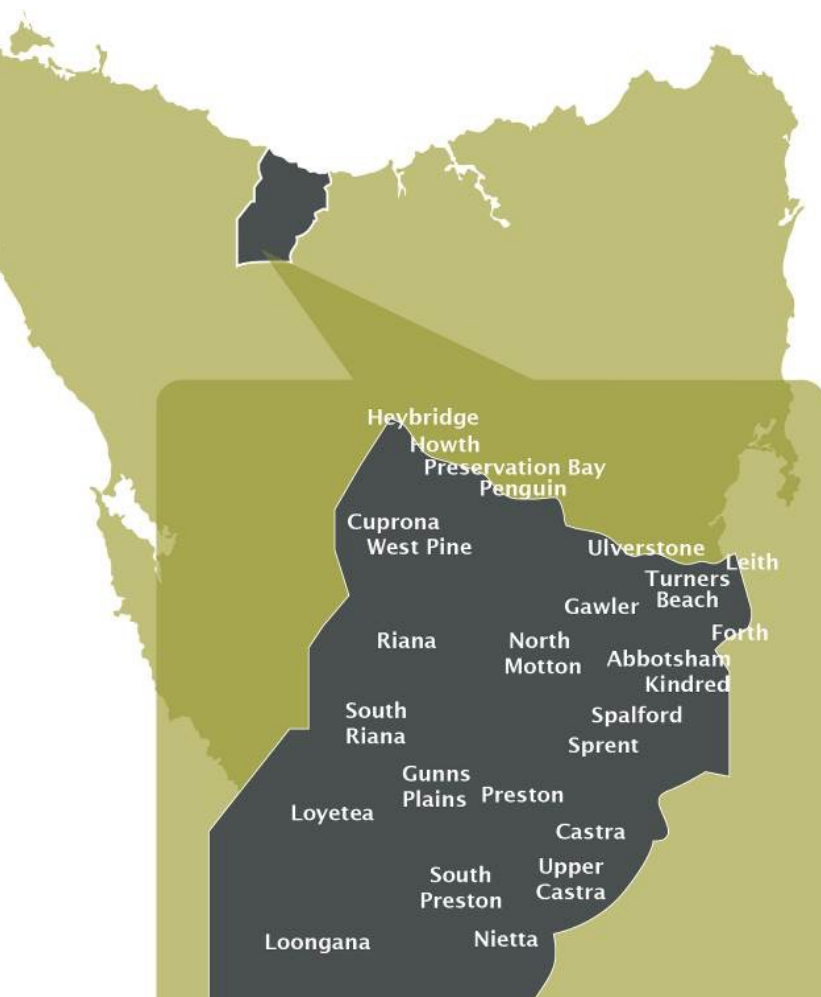
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ACKNOWLEDGEMENT OF COUNTRY

The Central Coast Council acknowledges the palawa-pakana people as the Traditional Custodians of lutrawita (Tasmania), including the land, community, sea and waters where we live and work.

Our community respectfully acknowledges the Punnilerpanner tribe of the Northern Country of Tasmania, their continuing relationship to this land and their ongoing living culture.

We recognise that we have much to learn from the First Nations Peoples who represent one of the world's oldest continuing cultures, and we pay our respects to Elders past and present and to all First Nations Peoples living in and around the Central Coast community.



CENTRAL COAST COUNCIL

Local government was first established in the area with the formation of the Devon Road Trust in 1852 - governing an area from Emu Bay (now Burnie) to Deloraine.

With the introduction of the *Local Government Act 1906*, elections were held in 1907 for the Penguin Municipal Council and Leven Municipal Council (later becoming the Ulverstone Municipal Council).

Then in 1993, as part of statewide local government reform, the Central Coast Council was formed through the amalgamation of the Penguin and Ulverstone Councils.

Tasmania's Central Coast is set in the heart of the North West Coast spanning an area of 932km² and has a population of 23,360 people.

Tasmania's Central Coast extends west to the Blythe River and east just beyond the Forth River. From its northern beaches the boundary extends southward through fertile countryside to the rugged Leven Canyon and the Black Bluff mountain range - boasting snow-capped peaks in the depths of winter.

The coastal townships of Penguin and Ulverstone are the main population centres of Central Coast, providing key services to a growing population along with a flourishing restaurant and café scene, exceptional recreational facilities and expansive open spaces that are synonymous with Central Coast.

Tasmania's Central Coast features both urban and rural areas. Eighty-five per cent of the area's population live along the coastal strip.

Central Coast is at the forefront in agricultural production, well known for its crops of poppies, pyrethrum, peas, potatoes and onions, as well as timber production and livestock enterprises. Tourism continues to be a growth industry and is mirrored by increasing rates of residential and commercial investment.

CENTRAL COAST - LIVING OUR POTENTIAL



Audience watching HEAP by Terrapin Puppet Theatre for Ten Days on the Island Festival at the HIVE (2023)

Image Credit: Kellie Slater



WE ARE A VIBRANT, THRIVING COMMUNITY
THAT CONTINUES TO DRAW INSPIRATION
AND OPPORTUNITIES FROM ITS NATURAL
BEAUTY, LAND AND PEOPLE AND
CONNECTED BY A POWERFUL SENSE OF
BELONGING

ORGANISATIONAL VALUES

- Integrity
- Accountability
- Customer focus
- Respect
- Professionalism
- Initiative

Submissions invited

Members of the community are invited to make submissions in writing on the contents of the Annual Report for discussion at the Annual General Meeting, which will be held at 7pm on Monday 11 December 2023. Submissions should be addressed to the General Manager and received by 4pm, Tuesday 5 December 2023 for inclusion in the agenda of the meeting.



Email: admin@centralcoast.tas.gov.au

Post: General Manager
Central Coast Council
PO Box 220
ULVERSTONE TAS 7315



Image Credit: Forth River - Adam Morton



2022-2023 ANNUAL REPORT

INTRODUCTION BY THE MAYOR

It is with pleasure that I present the Central Coast Council's Annual Report for 2022-2023.

This report provides a snapshot of our performance in our service to the Central Coast community over the past year. It shares our key achievements – some well-known and some not – and presents many of the wonderful community events and initiatives supported by the Council. This report also discloses the Council's performance in its financial, strategic and governance responsibilities. The report shows where we fulfil our responsibilities – our wins and our losses.

The past year has seen a significant change in leadership at Central Coast Council. The first compulsory local government elections in Tasmania were held in October 2022 and saw the retirement of our former Mayor Jan Bonde and Councillors Annette Overton and Tony van Rooyen. In July 2023, our former General Manager Sandra Ayton retired after 45 years of service to the Council – 15 of which were as General Manager.

With the election of a new Mayor, Deputy Mayor and three new Councillors at the October 2022 elections and the appointment of our General Manager Barry Omundson in July 2023, we have focussed on our team as the leaders of this organisation. New vision and mission statements and a plan for the next 3½ years (2023-2026) outlining our priorities and our approach to achieving them – Our Place – Our Future: First Steps – have been developed and shared with our community in recent months, giving us a renewed sense of purpose.

And what is our purpose? Our purpose is to serve and advocate for the community of Central Coast.

Our service takes on many forms and functions, and as a Council we must continually evaluate where to focus our attention, navigating competing community demands, resource limitations and legislative boundaries.

Our advocacy must include ensuring that other levels of government and those in business understand the

needs and wants of our community, which can only be achieved when we are confident in our understanding also.

Following the receipt of the financial reports for this 2022-2023 year, Council has been disappointed to learn that this will be our fifth consecutive year with an underlying deficit. That is, the 'everyday' expenses we incur to serve our community well, have exceeded the normal income we receive.

While two of these years can be attributed to the exceptional circumstances of the COVID-19 pandemic, there is an emerging trend of a widening gap between the budgets and strategic actions set each year and the results delivered. This signals a need for change.

We recognise that our budgetary processes are not providing the information we need to understand our expenses, with a notable gap between budgets set over recent years and money spent. Councillors and staff will commit to rectifying this with a 'budget reset' for the 2023-2024 year to ensure our projects are achievable and our financial position is reliable.

And on behalf of the organisation, I take this opportunity to apologise that we have 'over-promised and under-delivered' in this regard.

There is no cause for alarm in relation to these financial results, rather a timely opportunity to reset.

In closing, I feel a sense of gratitude for our many achievements as a Council over the past year. I am also grateful for this opportunity to reflect on our vulnerabilities as an organisation – this is where we can take our greatest strides forward.

I look to our future with anticipation.

Cheryl Fuller
MAYOR

COUNCILLORS



Councillor Cheryl Fuller
MAYOR



Councillor John Beswick
DEPUTY MAYOR



Councillor Garry Carpenter



Councillor Amanda Diprose



Councillor Casey Hiscutt



Councillor Sophie Lehmann



Councillor Michael Smith



Councillor Philip Viney



Councillor Kate Wylie

Image Credit: Jenny Archer





Image Credit: Matthew Ireland

ACKNOWLEDGEMENTS



Mayor Jan Bonde served on the Central Coast Council for four terms (16 years), having been elected to the Council on 28 October 2005 as Councillor; serving as Deputy Mayor from 29 October 2009 to 16 November 2010; and serving as Mayor from 16 November 2010 to 31 October 2022.

Mayor Jan Bonde (retired)



Councillor Annette Overton served on the Central Coast Council for one term (four years) as Councillor, having been elected on 2 November 2018 and serving to 31 October 2022.

Councillor Annette Overton (retired)



Councillor Tony van Rooyen served on the Central Coast Council for four terms (16 years), having been elected on 28 October 2005 as Councillor; serving as Deputy Mayor from 14 June 2010 to 28 October 2011; and serving again as Councillor from 28 October 2011 to 31 October 2022.

Councillor Tony van Rooyen (retired)



Former General Manager Sandra Ayton retired on 9 July 2023, after 15 years in the position and just over 45 years of service to her community in local government.

General Manager Sandra Ayton (retired)

COMMITTEE REPRESENTATION

LOCAL GOVERNMENT AND STATUTORY BODIES

Local Government Association of Tasmania	Cr Fuller, Cr Beswick, General Manager
Tasmanian Water and Sewerage Corporation	Cr Fuller, Cr Smith (proxy)
Central Coast Audit Panel	Cr Carpenter, Cr Viney, General Manager, Cr Beswick (proxy)
Mersey-Leven Emergency Management Committee	Cr Fuller

JOINT AUTHORITIES

Dulverton Regional Waste Management Authority	Cr Carpenter, General Manager, Cr Lehmann (proxy)
Cradle Coast Authority	Cr Beswick, General Manager

COUNCIL COMMITTEES

Planning Sub-Committee (formerly Development Support Special Committee)	Cr Fuller, Cr Beswick, Cr Carpenter, Cr Diprose, Cr Viney, Cr Hiscutt (proxy), Cr Wylie (proxy)
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SPECIAL COMMITTEES

Ulverstone Community Swimming Centre Management Committee	Cr Diprose, Cr Lehmann (proxy)
Riana Community Centre Advisory Committee	Cr Lehmann, Cr Hiscutt (proxy)
Central Coast Community Shed Management Committee	Cr Beswick, Cr Wylie (proxy)
Penguin Miniature Railway Management Committee	Committee in abeyance

WORKING AND COMMUNITY GROUPS

Central Coast Chamber of Commerce and Industry	Cr Wylie, Cr Diprose (proxy)
Penguin Surf Life Saving Club	Cr Hiscutt, Cr Diprose (proxy)
Ulverstone Surf Life Saving Club	Cr Viney, Cr Diprose (proxy)
Ulverstone Municipal Band	Cr Smith, Cr Beswick (proxy)
Caves to Canyon Tourism Association	Cr Carpenter, Cr Wylie (proxy)
Slipstream Circus Board Inc.	Cr Hiscutt, Cr Lehmann (proxy)
Sprent Primary School Association	Cr Viney, Cr Wylie (proxy)
Central Coast Community Safety Partnership Committee	Cr Fuller, Cr Wylie, General Manager, Cr Diprose (proxy)
Central Coast Youth Leaders Council	Cr Diprose, Cr Lehmann (proxy)
Australia Day Awards Committee	Cr Beswick, Cr Smith, Cr Carpenter (proxy)
General Manager Performance Review Panel	Cr Fuller, Cr Beswick, Cr Carpenter Cr Hiscutt (proxy)
Small Grants Panel	Cr Beswick, Cr Diprose, Cr Lehmann, Cr Smith (proxy)

COUNCILLORS

AS LOCALLY ELECTED REPRESENTATIVES,
COUNCILLORS ADVOCATE FOR AND REPRESENT THEIR
RESIDENTS AND COMMUNITY.

Councillors set the Council's strategic direction annually by adopting an Annual Plan and Budget. Councillors are responsible for making key and statutory decisions, adopting policies and strategies and the appointment of the General Manager. Councillors work closely with the General Manager (the Council's principal adviser) to make decisions and determine service priorities.

The Council's projects are financed by the collection of rates, fees for services, loans, grants and funding received from State and Commonwealth governments.

HOW COUNCIL MAKES DECISIONS

Decisions of Council are generally made through Council meetings, with some additional planning decisions made at Planning Sub-Committee meetings. Council meetings are held monthly and the Planning Sub-Committee meets as required.

Delegations of authority also support effective decision making by Council. Under the *Local Government Act 1993*, Council may delegate its powers and functions to the General Manager, who may then sub-delegate certain powers and functions to Council officers to enable more efficient decision making and conduct of business.

Council is further supported by an Audit Panel, established under the *Local Government Act 1993* and the *Local Government (Audit Panels) Order 2014*. The Audit Panel's objective is to review the Council's performance and report its conclusions and recommendations.

Ordinary meetings of the Council are normally held on the third Monday of each month, commencing at 6.00pm in the Council Chamber, 19 King Edward Street, Ulverstone (one meeting each year is held at a venue in Penguin).

Meeting agendas and minutes are available on the Council's website, or from either the Ulverstone Administration Centre or the Penguin Service Centre.

COUNCIL MEETING DATES

18 JULY 2022	23 JANUARY 2023
15 AUGUST 2022	20 FEBRUARY 2023
29 AUGUST 2022 – SPECIAL MEETING	6 MARCH 2023 – SPECIAL MEETING
26 SEPTEMBER 2022	20 MARCH 2023
17 OCTOBER 2022	17 APRIL 2023
21 NOVEMBER 2022	15 MAY 2023
6 DECEMBER 2022 – AGM	7 JUNE 2023 – SPECIAL MEETING
12 DECEMBER 2022	19 JUNE 2023

PLANNING SUB-COMMITTEE MEETING DATES

FORMERLY DEVELOPMENT SUPPORT SPECIAL COMMITTEE

8 AUGUST 2022	8 MAY 2023
12 SEPTEMBER 2022	13 JUNE 2023
27 MARCH 2023	

COUNCILLOR ATTENDANCE AT MEETINGS AND WORKSHOPS

SECTION 72(1)(CC) LOCAL GOVERNMENT ACT 1993

Councillors	Councillor Workshops	Council Meetings	PSC* Meetings
Sitting			
Fuller, Cheryl	36	15	4
Beswick, John	35	15	3
Carpenter, Garry	28	12	4
Diprose, Amanda	30	11	2
Hiscutt, Casey	33	14	N/A
Lehmann, Sophie (elected 1.11.2022)	23	10	N/A
Smith, Michael (elected 1.11.2022)	25	10	N/A
Viney, Philip	33	16	5
Wylie, Kate (elected 1.11.2022)	24	10	2
Retired			
Bonde, Jan (retired 31.10.2022)	10	5	1
Overton, Annette (retired 31.10.2022)	7	3	N/A
van Rooyen, Tony (retired 31.10.2022)	9	4	2
Total Meetings	36	16	5

*Planning Sub-Committee (formerly Development Support Special Committee)

STATEMENT OF ALLOWANCES AND EXPENSES PAID TO COUNCILLORS

SECTION 72(1)(CC) LOCAL GOVERNMENT ACT 1993

COUNCILLORS' ALLOWANCES	\$298,193
COUNCILLORS' EXPENSES	\$24,843

CODE OF CONDUCT COMPLAINTS

SECTION 72(1)(CC) LOCAL GOVERNMENT ACT 1993

There were no Code of Conduct complaints made against any elected members of the Central Coast Council during the 2022-2023 financial year.

ORGANISATIONAL CHART

COMMUNITY

COUNCIL - ELECTED MEMBERS

All-in all-out local government elections are held in October every four years, with four-year terms also for mayors and deputy mayors. The next (compulsory) elections are in 2026.

Nine elected Councillors shape the strategic direction of the municipal area and determine the policies for the services delivered to the community

Mayor
Cheryl Fuller (current)
Jan Bonde (retired 31 October 2022)

The Mayor acts as leader of the community and chairperson and spokesperson of the Council

Current Councillors: John Beswick - Deputy Mayor, Garry Carpenter (Deputy Mayor until 31 October 2022), Amanda Diprose, Casey Hiscutt, Sophie Lehmann, Michael Smith, Philip Viney, Kate Wylie

Responsible for Council day-to-day operations; human resource management; communication and engagement; economic development; strategic policy and planning; and executive governance



The Council operates in accordance with a corporate-style management structure headed by the General Manager who is assisted by three Department Directors who collectively implement and administer the policies of the elected Councillors

General Manager
Barry Omundson (current)
Sandra Ayton (retired 9 July 2023)

The General Manager is head of the Council's staff and principal adviser to the Council

General Management Staff

Full-time	8
Total	8



Director Infrastructure Services
Paul Breden

Responsible for: emergency management; climate change; natural resource management; public safety; asset management; and the planning, development, operation and maintenance of the physical infrastructure and facilities



Director Community Services
Daryl Connelly

Responsible for: community development (including community wellbeing, community group support, events, recreation and community facilities); children's services; land use planning; and arts & culture (including Hive and visitor services)



Director Corporate Services
Samantha Searle

Responsible for: corporate services (including administration, records management, business, legal, finance and information services) and regulatory services (including building, plumbing, public and environmental health); animal control and parking control

Infrastructure Services Staff

Full-time	66
Part-time	8
Total	74

Community Services Staff

Full-time	20
Part-time	40
Casual	37
Total	97

Corporate Services Staff

Full-time	18
Part-time	7
Casual	3
Total	28

REMUNERATION OF KEY MANAGEMENT PERSONNEL

SECTION 72(1)(CC) LOCAL GOVERNMENT ACT 1993

BAND \$110,000-\$130,000	BAND \$190,000-\$210,000	BAND \$250,000-\$270,000
No. of Positions: 1	No. of Positions: 2	No. of Positions: 1

^Remuneration includes salary, superannuation, motor vehicle and other allowances or benefits for the 2022-2023 financial year. One position was vacant from 30/11/2022 to 16/04/2023.

Staffing Statistics	2021-2022	2022-2023
Average Cost Per Employee^	\$90,247	\$97,425
Staff Turnover Rate	19.28%	16.27%
Average Sick Leave Per Employee	5.95 days	5.94 days
Pandemic Leave	3,233 hrs	1,668 hrs
Lost Time Due to Injury (LTI)*	3,939 hrs	804 hrs

^Average cost per employee includes salaries and wages, on-costs, and movements in leave provision balances.
*The 2021-2022 LTI figure related to 12 claims and the 2022-2023 LTI figure related to 10 claims.

WORKPLACE EQUALITY AND RESPECT

THE COUNCIL IS COMMITTED TO TAKING THE LEAD ON PREVENTING VIOLENCE BY ACTIVELY PROMOTING GENDER EQUALITY. COUNCIL HAVE PARTNERED WITH OUR WATCH AND ENGENDER EQUALITY TO IMPLEMENT THE WORKPLACE EQUALITY AND RESPECT PROGRAM, INCLUDING A NUMBER OF STAFF WORKSHOPS HELD OVER 2022-2023. COUNCIL IS PROUD TO BE DEVELOPING A CULTURE THAT ACTIVELY REDUCES THE PREVALENCE OF VIOLENCE AND PROMOTES WORKPLACE EQUALITY AND INCLUSION FOR ALL EMPLOYEES.



STRATEGIC PERFORMANCE

Central Coast Council's 2014-2024 Strategic Plan focuses on the distinctiveness of our location, lifestyle and strengths to achieve the aspirations of our local communities. It sets the direction for the Council and helps determine where to target its resources and efforts over the 10-year period.

Five strategic directions identify and leverage key assets and capabilities already in place and ensure that we focus our energy, resources and action where they matter most.

STRATEGIC DIRECTION 1

Plan for a vibrant and liveable place: it is important to focus on its shape – planning, precincts, open spaces, the physical environment and augmenting these to highlight the distinctiveness of Central Coast.

STRATEGIC DIRECTION 2

Seeking to enhance connectivity both within Central Coast and with the region – how people move from place to place, how accessible places are, and how people connect with each other and with services within Central Coast.

STRATEGIC DIRECTION 3

In conjunction with community, volunteer and business groups, develop capacity and cultivate a culture that values and showcases creativity, encourages community-based solutions, stimulates innovation and supports innovators in order to achieve quality opportunities and outcomes across all sections of the community.

STRATEGIC DIRECTION 4

Sustaining built infrastructure and the natural environment by encouraging innovation and investment in Central Coast.

STRATEGIC DIRECTION 5

A leading Council that is well governed and managed and engages effectively with its community.

COUNCIL'S PLANNING CYCLE

STRATEGIC PLANNING CYCLE		ANNUAL PLANNING CYCLE	
STRATEGIC PLAN 2014-2024		ANNUAL CORPORATE PLAN	
Vision Platforms Strategic Directions Outcomes/KPIs Values Assumptions Challenges and Opportunities Analysis and Interpretation	Key Strategies Key Actions	Roles/Responsibilities Long-term Financial Plan Forward Works Program Links to Key Related Plans	Annual Plan Annual Estimates Department Business Plans Key Service Activity Plans
Liveability Indicators → Key Performance Measures → Operational Performance Measures			

In order to progress these strategic directions each year, the Council sets its focus and allocates its resources through the development of its Annual Plan and Budget Estimates.

This Annual Report highlights the Council's performance against its 2022-2023 Annual Plan, as it relates to its five key strategic directions.

Of the 69 strategic actions adopted by the Council for the 2022-2023 financial year:

40 (58%) were completed

24 (35%) remain ongoing

5 (7%) have been deferred

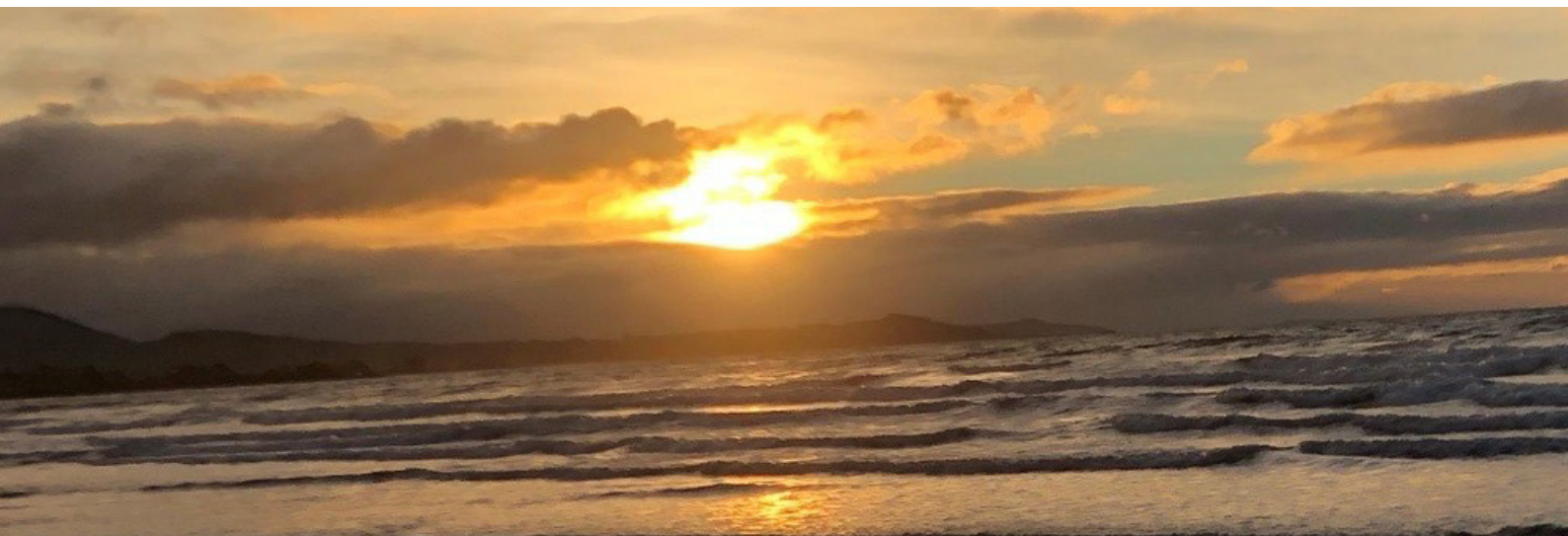
The status of each of these actions is listed below under the applicable strategic direction. Further highlights and statistics are provided to capture some of the Council's challenges and achievements throughout 2022-2023.

STRATEGIC DIRECTION 1

THE SHAPE OF THE PLACE



Image Credit: Erica Evans



Plan for a vibrant and liveable place: it is important to focus on its shape – planning, precincts, open spaces, the physical environment and augmenting these to highlight the distinctiveness of Central Coast.

STRATEGIC ACTIONS:

Completed ✓ In progress → Deferred ↻

Investigate feasibility for development of trotting track at River Park	✓
Consider opportunities for an annual Adventure Festival in Central Coast	✓
Review of the Central Coast Open Space and Recreation Plan 2012-2022	→
Identify areas within Central Coast to allow freedom camping	✓
Finalisation of Camping By-law to regulate freedom camping within Central Coast	→
Investigate and prepare preliminary designs for a shared pathway/roadway between Watcombe Beach and Rockliffs Road	↻
Undertake the re-development of the former Penguin Recreation Ground	→
Review the future use of the former Penguin Depot Site	↻

3 COMPLETED / 3 IN PROGRESS / 2 DEFERRED

CENTRAL COAST COMPRISES ULVERSTONE, PENGUIN, TURNERS BEACH, FORTH, AND OTHER COMMUNITIES THAT EACH HAVE A DISTINCTIVE CHARACTER. THE CHARACTER OF THESE PLACES IS LARGELY INFLUENCED BY THE RELATIONSHIP BETWEEN THE COASTLINE, THE RIVERS AND RANGES AND FERTILE AGRICULTURAL LAND TO THE SOUTH. THE MAJOR TOWNS ARE DISTINGUISHED BY THE DOMINANT LANDFORMS WITHIN WHICH THEY SIT.

OCTOBER SEVERE WEATHER EVENT AND FLOODING

Heavy rains and high winds on Wednesday 12 October 2022 greatly impacted the Central Coast area and its residents. Resulting flooding and landslips throughout the community caused severe damage to Council infrastructure and private property.

At various times during the event communities were cut off, with roads closed and power outages. Due to the extent of the damage, it was necessary to set up an evacuation centre at the Ulverstone Sports and Leisure Centre to accommodate several people displaced from, or unable to return to, their homes.

Loongana Road was severely impacted by landslides and the bridge over the Leven River was damaged and made inaccessible by the flood. The community was isolated for quite some time. Temporary access (for residents only) was made available to the west through private Forico roads to the Ridgley Highway in the Hampshire area while repairs were carried out.



The completion of all flood rectification works will likely take several years, with the total cost estimated to be in the order of \$6 million, which will be partially funded through the Tasmanian Relief and Recovery Arrangements.

The cost of flood rectification works incurred in 2023 was in the order of \$1.6 million, with Council’s portion expected to be in the order of \$520,000. In order to fund the repairs several projects listed for 2022-2023 required deferral and further funds will be required in 2023-2024.

LAND USE PLANNING

The Tasmanian Planning Scheme – Central Coast came into effect on 27 October 2021 and applies to all use and development of land in the municipal area. While the requirements of the Scheme are determined by the State Government, Councils have a legal obligation to administer and enforce the Scheme, while seeking to balance environmental, economic and broader community outcomes.

DEVELOPMENT APPLICATIONS LODGED

Category	2021-2022	2022-2023
Permitted	65	53
Discretionary	150	185
No Permit Required	117	110
Total	332	348

Of the 348 total applications lodged with the Council in 2022-2023, two were refused.

The Council approved 76 new subdivision lots in 2022-2023 - 61 in Ulverstone, 7 in Penguin and the remaining 8 spread across other communities.

Processing times for development applications in 2022-2023 were as follows:

Category	Applications	Required processing times	Actual processing times (average)
Permitted	53	28 days	7.22 days
Discretionary	181	42 days	30.2 days
No Permit Required Certificate	106	No statutory requirement	2.84 days

LAND USE PLANNING - PROCESS REVIEW

A comprehensive review of Council’s land use planning processes was undertaken and has identified a number of important improvements which will be implemented throughout 2023-2024. Many of the improvements are aimed at increasing public awareness of planning processes and encouraging participation in planning decisions.

The improvements will enable Council to play a more proactive role when working with proponents to help ensure that their proposals are successful while also meeting the needs of our community.

BUILDING APPROVALS

Building approvals in Central Coast in 2022-2023 involved a combined value of \$48.5 million.

The building values reported do not represent the total value of building work in the Central Coast municipal area because the *Building Act 2016* does not require permits and notification for all forms of building and plumbing work.

	2019-2020	2020-2021	2021-2022	2022-2023
Building Approvals	82	301	248	185
Total Value	\$25,751,132	\$52,742,000	\$60,929,129	\$48,483,000

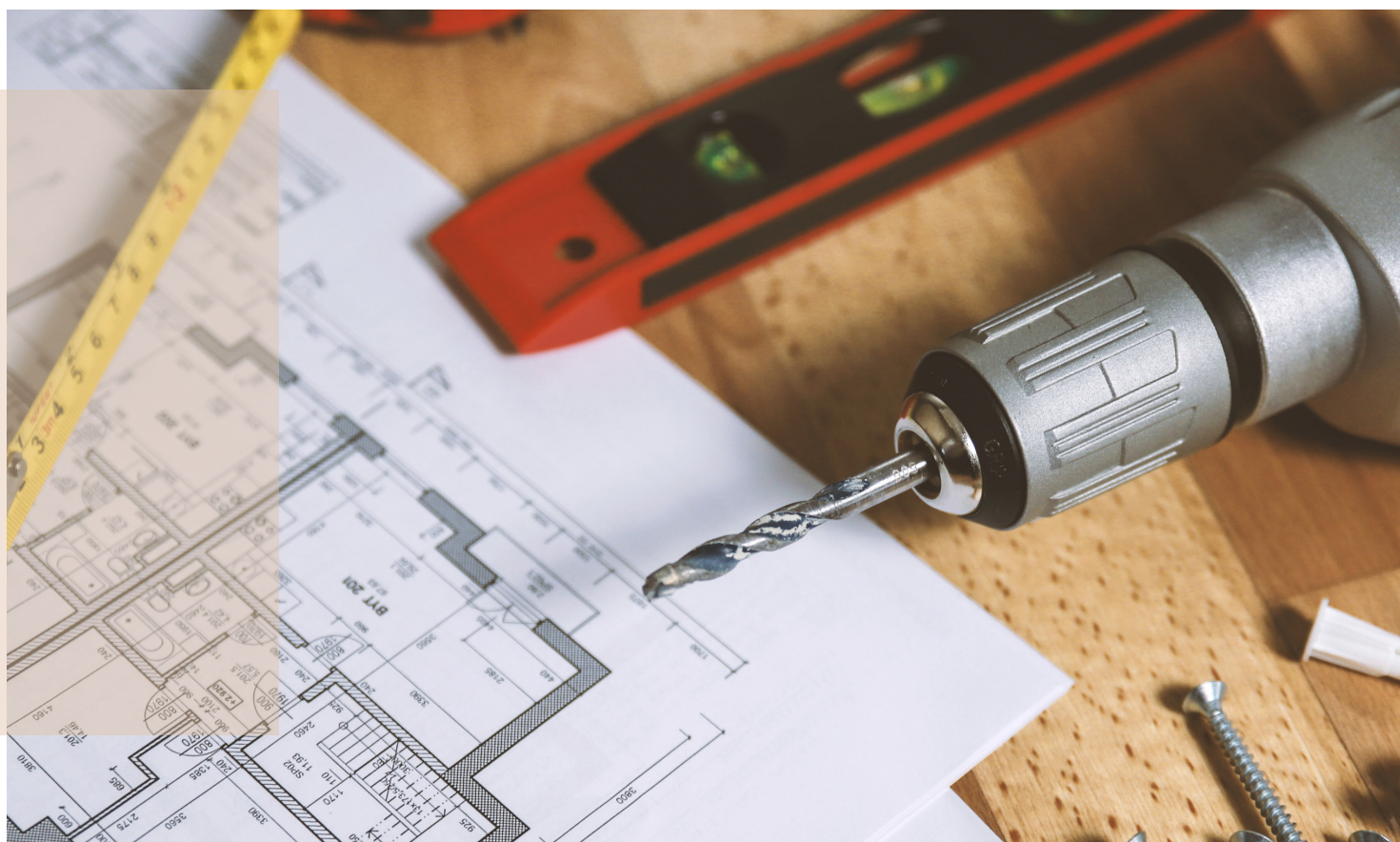
The 185 building approvals for 2022-2023 included:

76 new dwellings, flats or units – with a value of \$33.0 million

41 additions or alterations – with a value of \$5.8 million

43 outbuildings – with a value of \$2.8 million

25 other building approvals - with a value of \$6.9 million



INCREASING SMOKE-FREE AREAS IN TOWN CENTRES

A review of Central Coast's smoke-free areas led to the designation of new smoke-free areas in the Ulverstone and Penguin town centres. These areas were officially declared at the November 2022 Council meeting, with effect from 1 December 2022.



Seeking to enhance connectivity both within Central Coast and with the region – how people move from place to place, how accessible places are, and how people connect with each other and with services within Central Coast.

STRATEGIC ACTIONS:

Completed ✓ In progress → Deferred ↺

Develop a range of activities, seating and signage to encourage greater use of walking routes and pathways	✓
Develop a Community Health and Wellbeing Plan	→
Host a youth-led event that encourages student aspiration and improves their understanding of available career pathways	✓
Investigate opportunities to reduce the cost of youth participation in sport	→
Undertake a review of the impact of homelessness in Central Coast and include an action plan	✓
Increase understanding, value and recognition of First Nation cultures, histories, knowledge and rights, within our organisation	✓
Partner with No.34 Aboriginal Health Service to deliver a joint NAIDOC Week event	✓
Liaise with local indigenous Australian community groups to develop an understanding of areas of cultural significance	✓

6 COMPLETED / 2 IN PROGRESS

AN ABORIGINAL FIRESTICK NOW SITS AT THE CENTRE OF CENTRAL COAST COUNCIL'S MEETING TABLE

THE FIRST RAISING OF THE ABORIGINAL FLAG TOOK PLACE AT THE CENTRAL COAST COUNCIL ADMINISTRATION CENTRE, DURING NAIDOC WEEK 2022. THIS WAS FOLLOWED IN 2023 BY THE FIRST RAISING OF THE ABORIGINAL FLAG BESIDE THE AUSTRALIAN FLAG FOR A CITIZENSHIP CEREMONY, HELD BESIDE THE LEVEN RIVER.



In appreciation of these gestures, the firesticks used during these ceremonies have been gifted to the Council as a cultural exchange and are now displayed in the centre of the Council Chamber meeting table and at Hive.

The firesticks were gifted in the spirit of strengthening relationships between the Council, local Aboriginal people, and Country as a whole; and now sit as a physical reminder of this, as decisions are made across the Council Chamber table.



Lyndon O'Neil and one of the ceremonial firesticks he gifted Council.

Image Credit: Rick Eaves, ABC Northern Tasmania

CITIZENSHIP



THE COUNCIL HELD TWO CITIZENSHIP CEREMONIES AND WELCOMED 18 NEW CITIZENS IN 2022-2023.

COASTAL PATHWAYS – SULPHUR CREEK TO PENGUIN AND WEST ULVERSTONE

The majority of the shared pathway between Leith and Turners Beach was completed during 2022-2023. This included the raised boardwalk section on the western side of the Forth River, the former railway bridge section, the riverside and roadside sections between Forth River and the Bass Highway underpass. The feedback on this section of pathway has been very positive. Due to improvement works to the Bass Highway intersections, the section near the underpass was delayed. TasRail has been engaged to complete the rail crossing in Short Street, this will be scheduled by their contractors to coincide with rail closures and other scheduled works. The viewing platform at the centre of the bridge will also be completed next year.

The shared pathways between Sulphur Creek and Penguin and at West Ulverstone were completed in 2022-2023 apart from minor associated works. These sections of the North West Coastal Shared Pathway, project managed on Council's behalf

by the Cradle Coast Authority, combine to add a further 9km of shared pathway through Central Coast.

The pathway at Sulphur Creek begins south of the Bass Highway overpass at Hogarth Road, continuing east along Preservation Drive past Hall Point, Midway Point, and Penguin Surf Life Saving Club, before crossing the railway line at Johnsons Beach and continuing around the north side of “the Nut” past the Scout Hall and on to the skate park. Here it joins to the already constructed Penguin foreshore pathway.

Fencing has been provided in some sections to provide separation between the pathway and the railway, and to protect native flora and fauna. The roadside sections of the path are separated by intermittent barriers.

This project was funded from a combination of Federal Government, State Government and Council contributions.





Image Credit: Erica Monica Young - Turners Beach

IRONCLIFFE ROAD

The Australian Government has recognised the need to support local roads across Australia, particularly those in regional locations. The Council was successful in receiving Federal funding to upgrade Ironcliffe Road, Penguin between Lester Road and the Dial Range Car Park (9.3km) under the Remote Roads Upgrade Pilot Program. The total value of the project is \$9,500,430 which includes \$7,520,424 Australian Government funding and the Council's funding contribution of \$1,880,106.

It is proposed to improve the safety for all road users along Ironcliffe Road by widening sections of the road, sealing, realigning and/or widening substandard horizontal and

vertical curves, providing footpaths, improving lighting, removing or reducing hazards from the roadside, installing safety barriers and upgrading intersections as required.

A tender for the design consultancy was awarded in April 2023, with survey work commencing shortly after. Design is to be completed during the latter half of 2023, including community engagement on the intended works. A construction tender process will proceed following approval of final designs.

STRATEGIC DIRECTION 3

COMMUNITY CAPACITY AND CREATIVITY

Image Credit: Melanie Kate



In conjunction with community, volunteer and business groups, develop capacity and cultivate a culture that values and showcases creativity, encourages community-based solutions, stimulates innovation and supports innovators in order to achieve quality opportunities and outcomes across all sections of the community.

STRATEGIC ACTIONS:

Completed ✓ In progress → Deferred ↺

Facilitate a strategic review of Child Care Services within Central Coast	✓
Conduct a review of the Ulverstone Civic Centre to improve community outcomes	→
Working with Volunteering Tas to provide training opportunities for volunteer organisations and those reliant on volunteer involvement	✓
Public art projection at HIVE (large wall facing Ulverstone War Memorial)	→
Implement an external community notice board at HIVE	✓
Undertake a comprehensive review of the Arts & Culture Strategy, including creative arts	✓
Review the Wharf Precinct area	→

4 COMPLETED / 3 IN PROGRESS

HIVE

After 18 months of operations, attendance figures show that there is a strong demand from the Central Coast community for Hive as a hub for creativity and connection, and as a centre for STEAM (Science, Technology, Engineering, Art and Mathematics) education in the North West.

Our 2022-2023 program included eight exhibitions, 45 science, technology and art education and public workshops and 15 events including public and school planetarium shows, curriculum-aligned workshops, exhibition openings and artist talks, expo days such as Family Science Day and major events such as National Science Week and Ten Days on the Island festival programs.

This program was facilitated by four full-time, three part-time and two casual staff members and supported by 40 volunteers who work in Visitor Services, Museum and Archive and the Science Centre. The financial year 2022-2023 saw a rapid increase in school enquiries with Hive welcoming 2,347 students from 48 school groups from as far as Rosebery in the West to Ringarooma in the North-East. Our School Holiday Program was also highly successful, with over 1,000 visitors per week.

Hive is also home to two community groups, Leven Regional Arts (LRA) and the North-West Woodcraft Guild. LRA lease Studio 2 on the ground floor where having their own space has enabled them to increase their weekly program from three to five days per week with a popup shop and workshops on the weekend. Studio 2 is also used as an exhibition space featuring art pieces created by members, with membership increasing dramatically from 100 (in December 2021) to 146 members currently.

The North-West Woodcraft Guild occupy the Workshop, also on the ground floor of Hive, where increased visitation of local and interstate visitors has led to increased gallery sales and commissions for custom woodcraft. The Workshop is currently open four days a week. Guild membership has increased by 12% with the development of special interest groups such as the carving group, developed from a training exercise and now regularly get together to expand their skills, which in turn allows the Workshop to be open for an additional day per fortnight with many more workshop training activities ongoing.



Art Gallery exhibition opening of The Gift - an exhibition showcasing the diverse work of the members of Leven Regional Arts, 3 June 2023. **Image credit:** Kelly Slater.

HIVE STATISTICS

2022-2023

Total annual attendance	32,177
Visitor Information Centre attendance	8,383 (5,549 - Tasmania) (2,834 – Interstate)
Tenants (repeat visits from members of local community groups Leven Regional Arts and the North-West Woodcraft Guild)	6,586
General access (ticketed attendance of Museum, Art Gallery and Science Centre)	5,727
General access + Planetarium	4,646
School attendance	48
Student attendance	2,347
Workshops (including school workshop programs)	45

THE SHRINE OF REMEMBRANCE - A PERMANENT EXHIBITION CELEBRATING THE DESIGN AND BUILDING OF ULVERSTONE’S ICONIC CLOCK OPENS AND MAKES THE NATIONAL NEWS



Ulverstone’s clock tower is a Tasmanian icon, but the story of the migrants who hand-built it is little-known. To coincide with the opening of the permanent exhibition *Shrine of Remembrance*, celebrating the design and building of this grand memorial, at Hive, a feature story by Rick Eaves, including an interview with the sole surviving member of the small team who built the clock, Mr Jernej Bajzelj, reached a national audience on ABC National News and radio.

Workers stand in front of the clock face, which is two metres in diameter. Image supplied by Hive.

SOUND IN SPACE - LIVE IN THE ULVERSTONE PLANETARIUM CONCERT SERIES (AUGUST – DECEMBER 2022)

For the very first time the Ulverstone Planetarium at Hive was brought to life as an intimate performance space for music and stories set against a backdrop of scenes of space and earth. Featuring two session times for each of the five performances, the Sound in Space program showcased Tasmanian independent music excellence, featuring unique instrumentation and a deep appreciation of music styles. From existential chamber folk to cosmic psych rock, to an intimate guitar experience, this line-up of performers had not been seen before on the North West coast.



Golden Sunbird perform in the Ulverstone Planetarium as part of the *Sound in Space* concert series. Image supplied by Hive.

ACCESS AND INCLUSION WORKING GROUP

For the first time ever, the needs of people living with disability were explicitly considered in the Council's Annual Plan and Budget development, thanks to the input of the Council's new Access and Inclusion Working Group. The group has played a key role in ensuring that the needs of people living with disability are a focus of Councillor and staff decision making.

HOMELESSNESS RELIEF IN CENTRAL COAST

The year saw Council play a more proactive role in assisting those experiencing or at risk of, homelessness. While this has traditionally been seen as the responsibility of other levels of government, Council saw the need to act, alongside many generous individuals and other organisations from within our community.

As well as helping find a safe place for people who had nowhere else to go, we provided funding to help Gran's Van expand their reach in Central Coast, and held a successful Community Roundtable with stakeholders and service providers, which has led to a much greater level of collaboration and coordination, benefiting those in need.

Due for completion in December 2023, development of a Homelessness Strategy has commenced, which will see Council continue to do more important work in this space.

AUSTRALIA DAY

Australia Day 2023 was celebrated with a "Breakfast in the Park" event in Anzac Park that included a formal citizenship and awards ceremony. The ceremony was also recorded and shared across our Facebook and YouTube channels, enabling wider community access.

A Welcome to Country was presented by Aran and Lyndon O'Neil, and Mayor Cheryl Fuller was delighted to receive a handmade firestick from them. This memento provides a reminder of our connection to this land and is now proudly displayed in the Council Chamber. The event allowed our community a chance to reflect on our past, to recognise the challenges and rewards of the last year, to welcome new citizens, and to celebrate the incredible contribution of some exceptional quiet achievers.

Mayor Cheryl Fuller led the proceedings, commencing with a formal citizenship ceremony that saw 13 people take the exciting step of becoming an Australian citizen, in front of family and friends and over 600 community members.

A special address was then provided by Australia Day Ambassador, Tom Dunbabin, a longterm Ambassador who spoke about his connection to the land and involvement over many years in Landcare, conservation and natural resource management.

The ceremony culminated in the presentation of Australia Day Awards to recognise the outstanding contributions of some very special individuals and groups from our community.

The Citizens of the Year were Lennice Wilson and Robert Menzie, who over many years, have contributed to the community through a variety of roles and initiatives.

Image Credit: Readings Advertising



YOUTH WEEK CELEBRATIONS AT ULVY PARK

The Night Skate Jam held at Ulvy Park attracted participants from all over the State in April 2023. The event was sponsored by a National Youth Week Grant, in partnership with local SES volunteers who assisted and made possible the extensive lighting of the park for the night.

The weather was cool, but the rain held off and both participants and spectators thoroughly enjoyed experiencing the features of the park under lights.

A sausage sizzle was generously provided by local Men's Shed volunteers and the chilly night attracted around 500 people to the area and involved around 100 participants ranging from four years old, through to teenagers.



CANDLELIT VIGIL

In May 2023 the Leven Bridge was bathed in purple light, and a candlelit vigil was held in the Gnomon Room at the Ulverstone Wharf, hosted by North West Domestic Violence Committee, Zonta Club of Devonport, and Soroptimist International.

Mayor Cheryl Fuller acted as Master of Ceremonies for the event, with more than 80 people gathering to remember and honour those women who have lost their lives to intimate partner abuse, and those who live with, resist, and continue to survive violence perpetrated by their intimate partners.

The colour purple – on the bridge and on other landmarks around Tasmania on the day – was used to symbolise equity and equality.

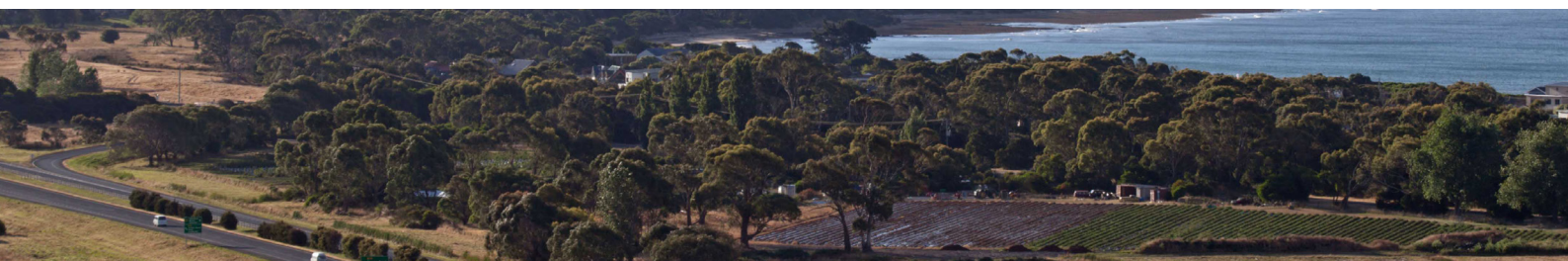


STRATEGIC DIRECTION 4

THE ENVIRONMENT AND SUSTAINABLE INFRASTRUCTURE



Image Credit: Jenny Archer



Sustaining built infrastructure and the natural environment by encouraging innovation and investment in Central Coast.

STRATEGIC ACTIONS:

Completed ✓ In progress → Deferred ↺

Conduct a flood study of Penguin Creek	✓
Complete the Lower Forth Flood Plan	✓
Identification of potentially contaminated sites to add to GIS	✓
Review all smoke-free areas across the municipal area	✓
Review of Dog Park facilities provided	✓
Review Dog Management Policy at Penguin Beach and Johnsons Beach and Preservation Bay	✓
Investigate the development of a By-law for animals and livestock in rural areas	✓
Improve recreational amenities and play equipment in the Council's key foreshore parks	✓
Undertake a strategic review of Reibey Street, including cleanliness, additional infrastructure	✓
Conduct a facilities audit of Council buildings	→
Investigate traffic flows and prepare design plans for roads adjacent to and including Ulverstone Secondary College	↺
Undertake the re-development of the Penguin Foreshore	→
Develop and adopt a Vehicular Kerb Crossover and Driveway Policy (Urban and Rural)	→
Review lighting of parking areas and include outcomes in the Council's Long Term Financial Plan	✓
Complete the Showground Master Plan to include the Ulverstone Sport and Leisure Centre	✓
Complete Fairway Park Master Plan	→
Complete implementation plan for the Perry-Ling Gardens	✓
Review Central Coast Lawn Cemetery, including the feasibility of natural burials	→
Develop Landscape Guidelines for nature strips (Greening Central Coast Strategy)	✓
Complete design of the North Reibey Street car park	→
Undertake re-design work on Reibey Street	→
Undertake a detailed climate change assessment on Council's assets	→
Develop and implement a plan for the upgrade of the Public Area waste systems over a two-year-period	✓
Develop a Master Plan for the Lobster Creek Resource Recovery Centre	✓
Develop a Natural Resource Management Plan which includes identification of at risk vegetation communities including riparian areas	✓

16 COMPLETED / 8 IN PROGRESS / 1 DEFERRED

Council Assets Snapshot

Urban roads	150.4km
Rural sealed roads	409.5km
Rural unsealed	121.9km
Total roads	682.8km
Bridges	88
Footpaths and pathways	168.3km
Total drainage pipeline	165km
Parks and open spaces	100
Recreation grounds	12
Barbecue and picnic huts	30
Public toilets	42
Bus shelters	51
Aged persons units	77
Waste transfer stations	4

PERRY-LING GARDENS AND WATCOMBE BEACH FORESHORE

The Perry-Ling Gardens Landscape Masterplan was adopted in the first half of 2022-2023. This Masterplan includes the extension of the shared pathway above the rock revetment wall which now protects Watcombe Beach and the historic Perry-Ling Gardens to the east, the adjoining Max Perry Reserve to the west and Surf Club Point (Zvoni Gornik Lions Park).

The Perry-Ling Gardens Landscape Masterplan will complement the existing gardens' character and also enhance the future flowering elements of the Perry-Ling Gardens and Max Perry Reserve.

The Council's Open Space and Recreation staff began implementing the Masterplan in Spring, building the front parkland garden beds and adding new soil, mulch and edging.

Plant selection has been guided by a planting palette to feature a mix of exotic and native plants within the heritage gardens and the beachfront parklands, and flowering gardens in the road verge.

Further additions, such as picnic tables, seats and interpretive signage are due to be installed in 2023-2024.

GAWLER RIVER, PRESTON ROAD BRIDGE

The Gawler River Bridge located on Preston Road, is a major arterial road link connecting significant agricultural areas and the regional communities of Preston and North Motton with Ulverstone.

The bridge was owned by the Tasmanian Government's Department of State Growth. In 2017 it was agreed to transfer the bridge to Council, subject to a successful submission to the Australian Government's Bridges Renewal Program.

The original bridge was constructed in 1939. A number of issues have been identified over a period of time resulting in the need for replacement with a contemporary structure.

Council applied for funding in Round 5 of the Bridges Renewal Program in 2018 and was successful in gaining funding of up to \$1,400,000, in addition to co-funding of \$700,000 from both the Department of State Growth and Council - a total of \$2,800,000.

The bridge replacement was tendered in November 2021 and a construction contract awarded in December 2021. Following design and off-site component construction, works commenced on site in March 2022. The bridge and approach roads were completed in December 2022.



Image Credit: Central Coast Council



Image Credit: Jo Rodgers

EMISSIONS REDUCTION PLAN

The Council adopted its new Emissions Reduction Plan in November 2022.

With an increase in recent climatic weather events such as flooding, fire, sea level rise and coastal erosion; and State and Federal Governments taking steps to bring forward net zero emissions targets, previously set for 2050, the Council brought forward its target of net zero emissions by 10 years.

GREENHOUSE GAS EMISSIONS

As part of the Emissions Reduction Plan, the Council monitors its corporate greenhouse gas emissions and energy use. The Council has been measuring this since 2008 and is committed to a continual reduction in emissions.

The 2022-2023 results are the second lowest since recording began, however with a slight increase of 3% emissions over the previous year.

Diesel emissions reduced by 4%, although this remains the largest emissions contributor at 477 tonnes CO₂(e). Petrol emissions have increased by 18% to 50 tonnes CO₂(e). Electricity emissions have seen the highest increase of 21% to 198 tonnes CO₂(e).

Year	Total Greenhouse Gas Emissions (Tonnes of Equivalent Carbon Dioxide (CO ₂) Emitted)
2012-2013	1,323 tonnes
2013-2014	1,122 tonnes
2014-2015	1,229 tonnes
2015-2016	870 tonnes
2016-2017	822 tonnes
2017-2018	898 tonnes
2018-2019	861 tonnes
2019-2020	804 tonnes
2020-2021	799 tonnes
2021-2022	704 tonnes
2022-2023	725 tonnes

NATURAL RESOURCE MANAGEMENT PLAN

With a focus on protecting at-risk vegetation communities in the Central Coast area the Council adopted a revised Natural Resource Management (NRM) Plan in June 2023.

The Plan utilises the concept of a Biodiversity Index to identify differences in biodiversity and areas of ecological richness.

This led to over 400 hectares of Council managed land and reserves being identified for management across 19 key sites. The Plan also identified areas of significant bushland within these key sites.

The new NRM Plan provides a greater understanding of Central Coast's natural environments and rich biodiversity and ensures that environmental considerations are part of Council decision making – resulting in better conservation outcomes.

JOHNSONS BEACH BBQ SHELTER

As one of the identified works in the Council's Johnsons Beach Reserve Master Plan, the Council's construction team installed a new barbecue and shelter in 2022-2023, with the Johnsons Beach BBQ Shelter opened to the public in March 2023.

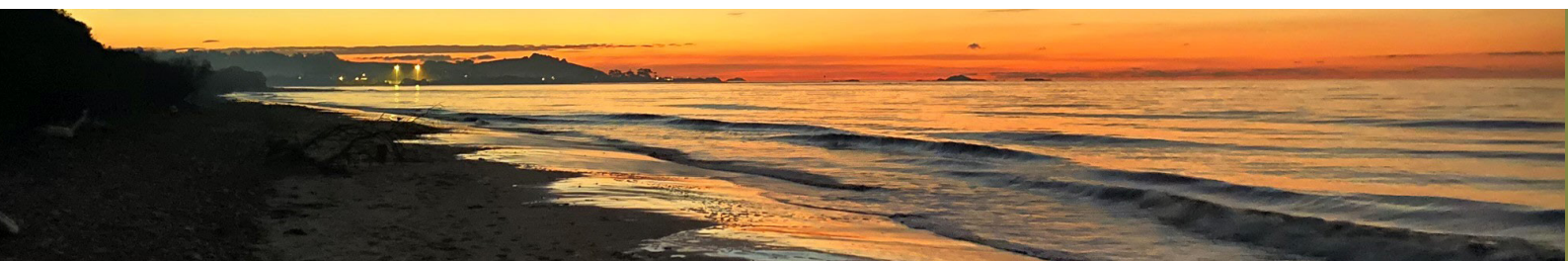


TURNERS BEACH PATHWAY, STREETSCAPING AND TRAFFIC MANAGEMENT PLAN

Following multi-stage community consultation and workshoping with Councillors, a management plan was finalised and concept plans were adopted by the Council at its January 2023 meeting.

A working group consisting of Councillors, staff and community members was established to guide and provide input to the process. The community members shared their concerns and provided local knowledge of the area while Council staff provided technical support with drawings and guidance on relevant standards and guidelines.

A series of concept plans were developed to reflect the group's ideas and these were presented to the broader public through public consultation sessions at the Turners Beach Football Club. Feedback was considered by the group and plans finalised and adopted by Council.



A leading Council that is well governed and managed and engages effectively with its community.

STRATEGIC ACTIONS:

Completed ✓ In progress → Deferred ↶

Undertake a business continuity training exercise	↶
Undertake Fraud training to supplement review of our management practices	✓
Complete the Workplace Health and Safety system migration from AS 4801 to ISO 45001	✓
Complete upgrade of financial software to Community Finance (Microsoft Dynamics)	→
Implement a new Website which is customer oriented	→
Develop a Cloud-based strategy	✓
Update the strategic and operational risk register	✓
Identify areas where the Tasmanian Planning Scheme "Road and Rail Code" would be applied for noise attenuation	✓
Review the Turners Beach, Forth and Revell Lane, Penguin Specific Area Plans	→
Development of site maps at cemeteries	→
Review and update the 2014 Parking Plan	→
Develop planning permit conditions that facilitates the deliverance of Green Infrastructure outcomes	✓
Develop guidance material that helps developers navigate planning processes and undertake best practice development in Central Coast	✓
Develop web content and brochure to help people with disabilities to identify the most convenient and accessible facilities, carparks and recreation areas	✓
Investigate with Stadiums Tasmania the use of the Dial Sports Complex	→
Complete Settlement Strategy	→
Review the Central Coast Interpretation Plan	✓
Develop a Communication and Engagement Strategy including suggested advice for different scenarios	→
Collaboratively encourage the usage of Central Coast to Canyon "It's in our nature" message	✓
Develop placemaking guidelines and update Council's communication and engagement strategy, to ensure our public spaces reflect the diverse needs and aspirations of our community	✓
Develop a Local Economic Development Committee to further explore local economic challenges including identification of priorities and innovative solutions	↶

11 COMPLETED / 8 IN PROGRESS / 2 DEFERRED

COUNCIL MEETING IN PENGUIN

Following a motion by Cr Hiscutt in August 2022 to investigate holding one Council meeting in Penguin each year, the Council moved to the Dial Park Function Centre on 20 March 2023 for its monthly Council meeting.

Forty members of public attended, directly engaging with the Council through public question time and an informal catchup following the meeting. Following this success, the practice of holding one Council meeting in Penguin each year will continue.

DIGITAL STRATEGY

In December 2022, the Council adopted its first cloud-based Digital Strategy. The Strategy was developed to address the need to transform the information technology functions of the Council away from a traditional model to a digital cloud-based model – better meeting operational needs and improving the security of Council's digital information.

GRANTS, ASSISTANCE AND BENEFITS PROVIDED

SECTION 77 LOCAL GOVERNMENT ACT 1993

In accordance with section 77(2) of the *Local Government Act 1993*, the Council is to provide details of any grant or benefit provided. The following benefits were given in the 2022-2023 year.

Community Group	Benefit (\$)
Rotary Club of Ulverstone – supply of bollards	2,277
Leven District Scouts Association – amenities upgrade Paton Park	2,934
Penguin Squash Club - heating upgrade to viewing platform	3,000
Cradle Coast Mountain Bike Club - bike park environmental master plan	3,000
Ulverstone Fire Brigade – contribution to storage shelving	2,660
Central Connect Tasmania – youth empowerment stories	2,198
Ulverstone Surf Life Saving Club – junior activities gear trailer	3,047
Penguin History Group – contribution to display and storage units	2,424
Apex Club of Ulverstone – traffic control for Christmas parade	2,840
Rotary Club of Ulverstone West – sponsorship and reduced venue hire fees	5,380
Men Care Too – reduced venue hire fees	117
Cancer Council of Tasmania – reduced venue hire fees	600
RSPCA Million Paws Walk – reduced venue hire fees	93
Central Coast Chamber of Commerce and Industry – event equipment	256
Ignite International Women's Day Breakfast – sponsorship	240
Penguin Running Festival – event equipment and traffic control	5,600
Lions Club of Penguin - sponsorship	500
Central Coast Chamber of Commerce and Industry – sponsorship	1,200
North West Tasmania Thunder Basketball Club – sponsorship	4,400
Live @ the Wharf – reduced venue hire fees and storage facility	2,544
Ulverstone Wharf Market – reduced venue hire fees and storage facility	2,199
Ulverstone Municipal Band – instrument renewal	7,425
Single Pensioner Remissions	37,310
Total	92,244

The Central Coast Council received a number of awards in the 2022-2023 year for achievements in construction projects, innovation and creativity, and LGBTIQ+ inclusion.

MASTER BUILDERS TASMANIA 2022 AWARD FOR EXCELLENCE: NEW CONSTRUCTION \$10 MILLION - \$20 MILLION – HIVE

Fairbrother Construction was awarded in this category for its excellent work in the construction of the Council's Ulverstone Cultural Precinct, Hive. The Master Builders said of the project:

"The external cladding – a combination of precast, glass and metal cladding – is well composed and assembled, and the diverse interior spaces are equally well finished in a pared back palette of exposed concrete, plaster, acoustic wall and ceiling panels and a dramatic solid timber stair that links the floors. Given Fairbrother's close involvement in the project gestation, the success of these material combinations and the quality of construction reflect very well on the success of the project team."

TASMANIAN LOCAL GOVERNMENT 2022 AWARDS FOR EXCELLENCE – DELIVERING EXCELLENCE (LARGER COUNCIL CATEGORY)

Members of the Council attended the Local Government Association of Tasmania's Awards for Excellence in December 2022, where the Council received this award recognising the positive impact of Hive on the community and the Council's commitment to innovation, creativity and excellence in delivery.

2023 DOROTHIES AWARDS - MOST INSPIRING

The theme of this year's awards was 'Excellence in LGBTIQ+ Inclusion in Local Government' and the Most Inspiring award, received by Council, recognised the significant change that has occurred in our municipality since it was the home of antigay rallies in the 1990s, and Council's role in supporting that change.

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA – TASMANIA - 2022 EXCELLENCE IN PUBLIC WORKS PROJECT

The Council received the 2022 Excellence in Public Works Project Award (Tasmania) for the Penguin Foreshore Rehabilitation and Upgrade Project. The project demonstrated through its innovative, continuous improvement-based processes that complex projects can be delivered effectively and within the project constraints.

COMPLAINTS

SECTION 339F(5) LOCAL GOVERNMENT ACT 1993

The *Local Government Act 1993* requires the General Manager to provide a report to Council each year of the number and nature of complaints received. For the 2022-2023 period, the number and nature of complaints are shown below.

Nature	Number
Staff	5
Service	17
Total	22

PUBLIC INTEREST DISCLOSURES

PUBLIC INTEREST DISCLOSURES ACT 2002

In accordance with section 86 of the *Public Interest Disclosure Act 2002*, the Council is required to report the number and type of public interest disclosures in its Annual Report.

There were no disclosures reported in the 2022-2023 period.

The Council's procedures for dealing with matters under the *Public Interest Disclosure Act 2002* are available for viewing on the Council's website.

STATEMENT OF ACTIVITIES

SECTION 21 AND SECTION 72(1)(CA) LOCAL GOVERNMENT ACT 1993

The Council has not resolved to exercise any powers or undertake any activities in accordance with section 21 (Enterprise powers) of the *Local Government Act 1993*.

DISPOSAL OF PUBLIC LAND

SECTION 72(1)(DA) AND SECTION 177 LOCAL GOVERNMENT ACT 1993

No land was donated by the Council under section 177 of the *Local Government Act 1993*.

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES

REGULATIONS 29 AND 27 OF THE LOCAL GOVERNMENT (GENERAL) REGULATIONS 2015

In accordance with regulation 29 of the *Local Government (General) Regulations 2015*, the following contracts or tenders awarded to the value of \$100,00 or above excluding GST, were entered in to during the 2022-2023 financial year. It is noted that during 2022-2023, there were no instances where regulation 27 of the *Local Government (General) Regulations 2015* was applied.

Successful Contractor	Description of Contract	Period of Contract	Extension Option	Value of Tender/ Contract Sum \$ GST excl.
TasSpan Civil Contracting P/L 27-28 Falkner Drive LATROBE TAS 7310	Design and construction of Laurel Creek bridge, Loyetee Road, Loyetee	September 2022	N/A	265,509
Rodney Wright & Sons Contracting P/L PO Box 115 ULVERSTONE TAS 7315	Provision of coastal and rural roadside mowing	October 2022 – June 2025	N/A	Based on schedule of rates
Onetrak Pty Ltd 2 McKays Road SOMERSET TAS 7322	Supply and delivery of one Hidromek HMK102B Supra backhoe	November 2022	N/A	135,945
Hardings Hotmix Industrial Drive ULVERSTONE TAS 7315	Supply of bituminous sealing for urban and rural roads	November 2022 - June 2023	N/A	527,779
Pellows Saws & Mowers 223 Invermay Road INVERMAY TAS 7248	Supply and delivery of one Toro Groundmaster 4010 Smart power 4WD mower	December 2022	N/A	119,090
PDA Surveyors, Engineers & Planners 6 Queen Street BURNIE TAS 7320	Design and contract management services for the improvement of road safety as required - Ironcliffe Road, Penguin	April 2023 – October 2023	N/A	509,090
Tasmanian Consulting Services 24 Oldaker Street DEVONPORT TAS 7310	Design work to rectify road damage in Gunns Plains Road, and design of suitable landslip rehabilitation structures at Lowana Road - Gunns Plains (Stage 1 only)	April 2023 – September 2023	N/A	151,550
AJ & M Construction 3 Upper Stowport Road STOWPORT TAS 7321	Design and construction of Heybridge Recreation Ground facility, River Avenue, Heybridge	May 2023	N/A	1.03 million

PUBLIC HEALTH STATEMENT

SECTION 72(1)(AB) LOCAL GOVERNMENT ACT 1993

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.

Throughout the 2022-2023 year, the Council ensured that sufficient funds and resources were available to support its environmental health and management service to the community.

Public health staff resources in 2022-2023:

- One Manager Regulatory Services (full-time)
- One Environmental Health Officer (full-time)
- One Environmental Health Officer (casual)
- One Cadet Environmental Health Officer (fulltime – commenced April 2023)
- Two Immunisation Nurses (casual)

A snapshot of the Council's key public health functions and objectives, and related performance in 2022-2023 is provided below.

Functions and objectives	Performance
Food safety Monitoring and enforcing public health and hygiene standards for food businesses	<ul style="list-style-type: none">• Registered businesses – 156• Registered mobile food businesses – 41• Registered temporary food businesses – 11• Scheduled inspections – 86• Follow-up inspections – 53
Immunisations Providing immunisation services and record keeping consistent with the recommendations of the National Health and Medical Research Council	<ul style="list-style-type: none">• Provided annual immunisation clinics for schools• All school-aged children who were eligible under the National Immunisation Program were offered the required vaccines
Public health risk activities Ensuring systems are in place to manage the public health risks in premises used for skin penetration (tattooing, body piercing etc.)	<ul style="list-style-type: none">• Registered businesses – 4• Licenced operators – 7• Scheduled inspections - 3
Disease prevention and control Responding to notifications of notifiable diseases by conducting investigations and reporting the findings to the Director of Public Health	Number and type of notifiable diseases reported for investigation – one case of Salmonellosis
Regulation of cooling towers Ensuring that regulated systems are operated and maintained in accordance with relevant health guidelines and standards	The two relevant property owners report that all cooling towers operated by them are maintained in accordance with guidelines and standards
Recreational water quality Monitoring recreational water bodies and managing appropriate use to protect public health	<ul style="list-style-type: none">• Beach sampling was undertaken regularly between December 2022 and March 2023. Throughout the sampling season one site, Ulverstone Wharf, exceeded the investigation level on one occasion. However, re-sampling produced satisfactory results.• Pools were sampled throughout the year with the exception of Ulverstone Waterslide, which is sampled while operational over summer. All pools sampled consistently complied with guidelines.
Assessment of public events Ensuring that public events have appropriate facilities that are maintained to relevant public health and standards	<ul style="list-style-type: none">• Licences were issued for four events where the organisers advised that the criteria were met• No place of assembly licences were cancelled and no notices were served for noncompliance

JOINT AUTHORITIES

SECTION 30(1) LOCAL GOVERNMENT ACT 1993

Under Section 30(1) of the *Local Government Act 1993*, the Central Coast Council resolved to participate in the establishment of two joint authorities: the Cradle Coast Authority and Dulverton Regional Waste Management Authority. The following reports provide a summary of activities, budget and performance of the Authorities in 2022-2023.

18 August 2023

Barry Omundson

General Manager

Central Coast Council

Dear Barry

Re: Cradle Coast Authority (CCA) CEO report for inclusion in the Council's Annual Report

Local government is always a very dynamic space, but for the last twelve months it has been even more interesting against the backdrop of the local government review and the inevitable question as to how it will impact our future as individual councils and as a region.

Being able to attend Council workshops, meet Councillors, learn about their priorities and build a connection is fundamental to the work of CCA. Participation in workshops has been even more important this financial year as there are so many new members and new Mayors. It is also worth noting that the CCA Board and Committees have also welcomed new representative members and independent directors. Although it is early days there is already evidence of new thinking and new opportunities that come from any refresh.

The CCA Board is currently developing a strategic plan for the future which will incorporate any relevant outcomes from the Local Government Review, feedback from Council Workshops, the implementation of the Letter of Expectation, NRM strategy and projects, and the Regional Futures Plan; and more broadly reflect community priorities. Central to all work undertaken by CCA is a commitment to sharing and building strong regional partnerships.

The demand for CCA's input and engagement continues to increase, with CCA facilitating multiple meetings, roundtables and providing input and/or feedback on State Government policy and initiatives including but not limited to: TasPorts redevelopment, planning, Homes Tasmania, Tasmanian Population Strategy, ReCFIT, Tasmanian Salmon Industry Plan. In addition, CCA has been working with the Federal Member for Braddon to organise regional roundtables which provide an opportunity to bring a regional perspective to a number of Government priorities including infrastructure, housing and workforce with further conversations planned later in the year.

The Cradle Coast Community Pathway is nearing completion with the recent opening of two sections within Central Coast - the West Ulverstone and the Penguin to Sulphur Creek section. It is worth noting the enthusiasm for the Pathway from all who attended the opening. It is hoped that

the Don to Leith section will be completed prior to the end of the year, making it possible to ride, walk and scoot from Latrobe through to Sulphur Creek. Councils from across this region need to be congratulated for their foresight and commitment to this project which is highly valued by the Community and a tourism asset for the region.

In late April/May CCA was able to sign off on all funding for the Braddon Truck Wash and Effluent Dump Project. Detailed design work has commenced for King Island, a call for subcontractors has gone out for Stanley, deeds of agreement for Smithton between CCA, TasWater and NRE have been finalised and the Request for Tender for Minna Road is currently with the Quantity Surveyors.

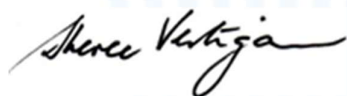
CCA continues to work on organisational alignment, noting that there have been very few changes to staffing, with a small increase in both NRM, the appointment of a Regional Development Manager and staff returns from leave. Our FTE is approximately 19FTEs with a focus on upskilling and realignment rather than large-scale recruitment.

In 2023-24, Central Coast Council contribution was \$178,104 EX GST (\$195,914.40 GST Inc). Member Councils' contribution totalled \$797,223 ex GST (\$876,945.30 GST inc.) and a further \$5,154,719 was received from government grants.

I would like to acknowledge the support provided to the CCA by the retiring General Manager, Sandra Ayton and take this opportunity to welcome the New General Manager to the region. In addition, I would like to thank Mayor Cheryl Fuller for her willingness to join the CCA Board and find time in her busy schedule to actively participate in shaping CCA's agenda for the future. It is also important to acknowledge the contribution of Deputy Mayor John Beswick to the Representative Meetings.

Their input and voice are critical when shaping CCA's agenda for now and the future.

Regards,



Sheree Vertigan
Chief Executive Officer

Report to Owner Councils for inclusion in Council Annual Report 2022/23

DWM underwent a number of changes in the 2022/23 financial year, with changes in CEO, new directors and new representatives joining the Owner Representatives. These changes brought fresh eyes and ideas to our governance team, and ensured the business was well placed to deliver on its largest project ever, thus capitalising on the investment in time and energy of those departing the organisation.

By any measure, 2022/23 was another strong year for DWM.

The commencement of the much anticipated Dulverton Organics Transformation (DOT) Project was celebrated by a Ground Breaking ceremony in December 2022, and is making great progress since bulk earthworks commenced in January 2023. Erection of the precast concrete tunnels is nearing completion, and works continue on the waste receival hall and service corridor. The high voltage power supply to the site has been upgraded, and installation of underground water and fire mains is also complete. External works are scheduled to be completed in late 2023, with the installation of specialised plant and equipment commencing in early 2024.

The 2022/23 Financial Year concluded strongly, with profit exceeding budget by \$583k. The result was influenced by volume increases in landfill waste streams, and additional unbudgeted Landfill Special Projects relating to contaminated material.

Whilst the total quantity of chargeable waste disposals managed by DWM decreased by 5.5%, from 107,471 tonnes in 2021/22 to 101,567 tonnes in 2022/23, the additional controlled and special project waste ensured this reduction did not have a negative financial impact.

Waste diversion to the Dulverton Organics Recycling Facility (DORF) for recycling into compost totalled 21.9%, not including almost 8,000 additional tonnes of green waste mulch which was also accepted. The development of the new organics processing factory, together with the wet winter period, reduced the space available for composting and incoming materials were not maximised this year. We expect that with the DOT coming online in mid-2024 that growth in organic waste will be achieved and we are currently working to secure contracts with various new businesses.

As the one of the key waste management providers in the region, DWM continues to provide expertise to the Cradle Coast Waste Management Group (CCWMG). Knowledge in landfill, organics recycling, kerbside recycling, recycling of problematic materials and other industry relevant activities allows DWM's services to be provided for the greater benefit of the region.

The amount of tax equivalents (or NTER - National Tax Equivalent Regime) paid to the Owner Councils relating to the 2022/23 financial year, plus Dividends paid, totalled \$1.5M, which is 9.9% above budget. The ability to provide Dividends to Owner Councils and their communities remains a key focus into the future.

Business expenses exceeded budget by 24.7%, with the majority of this uplift attributed to regional recycling contract cost increases relating to fuel prices and reduced commodity rebates. The impact of fuel prices has been widespread in the sector. Operating costs related to the Dulverton Facility increased by 6.1%.

I thank the Owner Representatives and Board for their support since I commenced in August 2022. Together we have met the many challenges thrown at DWM by the weather and the financial climate whilst working toward best practice environmental standards. The organisation has strong foundations, and it will be with great anticipation that I lead it into the next phase as a leader in resource recovery.

Veronica Schilling
Chief Executive Officer

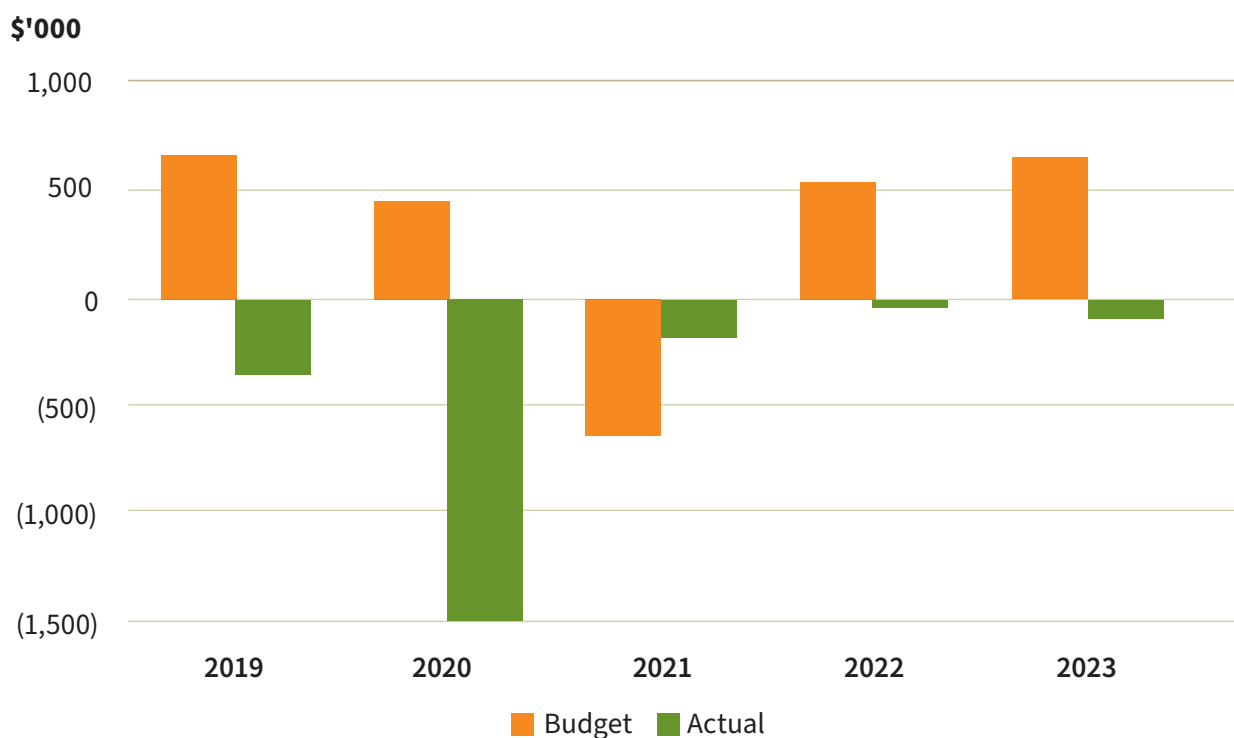
FINANCIAL PERFORMANCE OVERVIEW

OPERATING PERFORMANCE

The primary measure of financial performance is whether the Council achieved an underlying surplus or deficit. The Council's long-term financial sustainability depends on consistently achieving underlying surpluses. By removing extraneous factors that can mask Council's true underlying operating performance, the underlying surplus/deficit result is a useful financial measure of the Council's day-to-day operations. The underlying result for 2022-2023 is a deficit of \$102,000 against a budgeted surplus of \$656,000.

The result for the year is disappointing but not unexpected in that it represents a continuation of the organisation's performance in recent years. The Council has made underlying operating deficits for the past five years. A couple of these deficits can be attributed to the exceptional circumstances of the COVID-19 pandemic, however, there is an emerging trend of a widening gap between the budget set and the actual results delivered.

UNDERLYING SURPLUS/DEFICIT



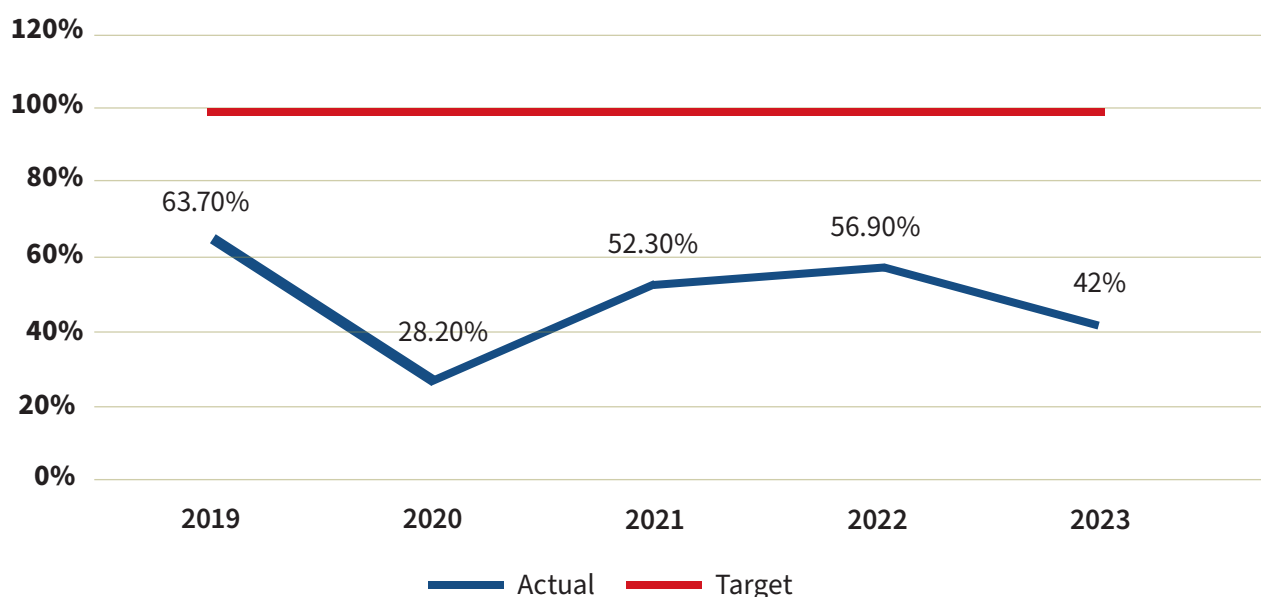
The deficit reported for 2022-2023 is not significant in the context of the Council's overall operating expenditure (less than 1%). To enhance the Council's financial decision-making and manage community expectations, the Council will need to take corrective action to return to a sustainable operating position and to ensure that the organisation has the required capabilities to drive its success into the future.

CAPITAL EXPENDITURE

The Council delivered \$10.3 million in capital expenditure during 2022-2023 against a budget of \$24.7 million. This equates to a delivery performance of 42% against budget and a drop in the value of capital projects delivered compared to the prior year of approximately \$5 million. This is a continuation of an underspend against the budget in recent years.

CAPITAL DELIVERY

CAPITAL DELIVERY AS PERCENTAGE OF BUDGET COMMUNITY CAPACITY AND CREATIVITY



There were some mitigating circumstances influencing the delivery of the capital program, including a lack of engineering resources due to vacancies, contractor availability and resources diverted to flood mitigation. However, these are not the key drivers of low delivery performance. The budgeting approach is the main driver, with projects fully provided for in the budget that were unlikely to be delivered in full.

Strategic projects, by nature, take longer than 12 months, and they should be staged from a budgeting perspective. This is an area of improvement that the Council is working on with the aim of creating a three-year rolling budget that more accurately reflects estimated delivery timeframes. This will also assist in managing community expectations.

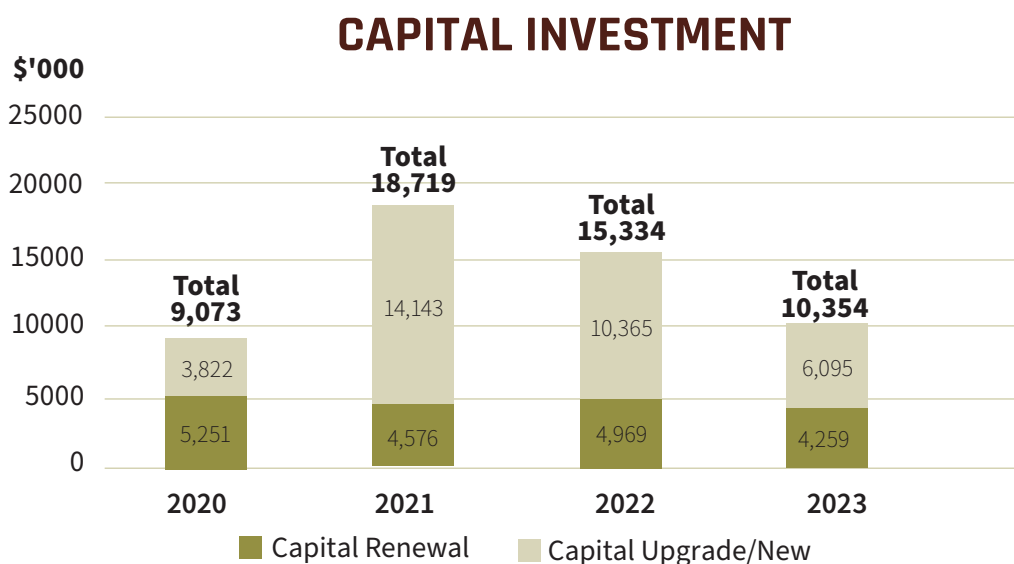
ASSET SUSTAINABILITY RATIO

The Asset Sustainability Ratio measures the rate at which the Council has been maintaining existing assets relative to its annual depreciation expense.

Whilst it is not essential to achieve 100% every year, it is important that the Council's spend is aligned to our annual depreciation costs over the longer term. This ensures we are renewing and replacing our existing assets at an appropriate rate.

In 2022-2023, the Council achieved an asset sustainability target of 50% against a benchmark of 100%. An important observation in this result is that approximately \$2.8 million in renewal and upgrade projects allowed for in the budget was not spent.

The split of capital spending between renewal and upgrade/new is outlined in the graph below.



Capital Expenditure	2021-2022 \$'000	2022-2023 \$'000
Land	-	49
Buildings	3,244	941
Roads and Streets	1,273	3,175
Bridges	2,211	372
Car Parks	151	39
Drainage	277	317
Footpaths	2,265	3,177
Plant and Machinery	867	1,208
Furniture and Equipment	652	275
Recreation	4,380	664
Environmental	15	137
Total	15,335	10,354

Cash position and liquidity

	BUDGET 2022-2023 \$'000	ACTUAL 2022-2023 \$'000
Total assets	586,578	647,942
Total liabilities	20,648	20,892
NET ASSETS	565,930	627,050
Cash and funds invested	8,760	17,039

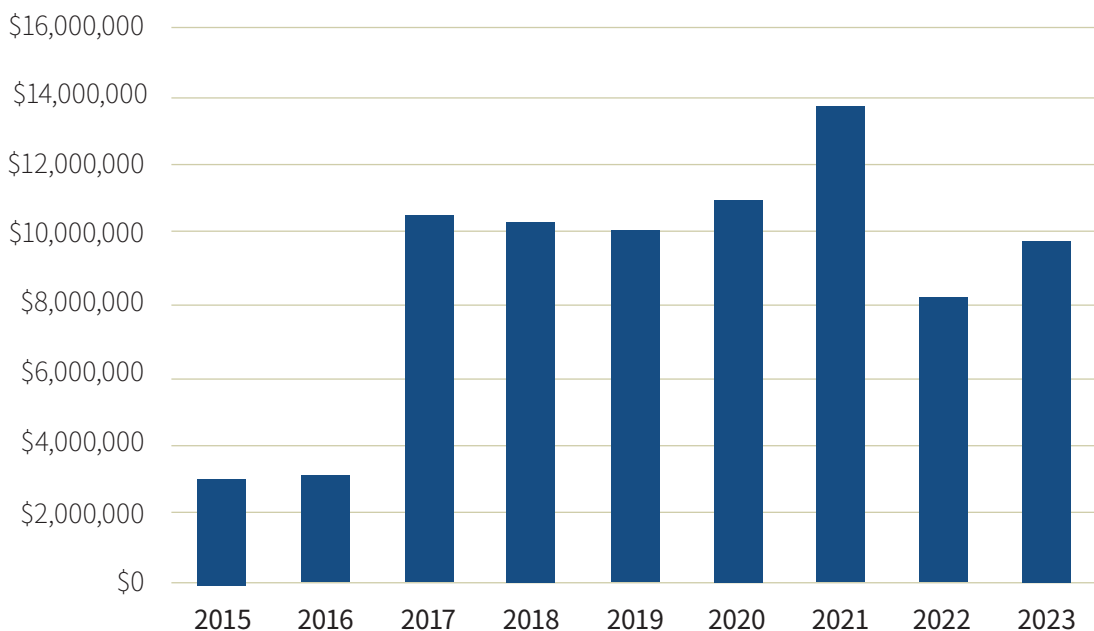
Cash and investment funds increased to \$17 million as at 30 June 2023 - an increase of \$4 million over the previous year.

The total net worth of the Council increased by \$62.5 million at 30 June 2023. The majority of the increase relates to the net asset revaluation increment of \$53.6 million for Road, Drainage, Footpath, Car Park and Bridge asset classes that were revalued in 2022-2023.

Council's liabilities have remained relatively consistent over the last two years, with the only movement representing the additional \$2.2 million borrowings to support the Council's contribution to the Coastal Pathway project.

The Council's exposure to debt at 30 June 2023, given a debt exposure ratio of 3.29%, is considered responsible and manageable.

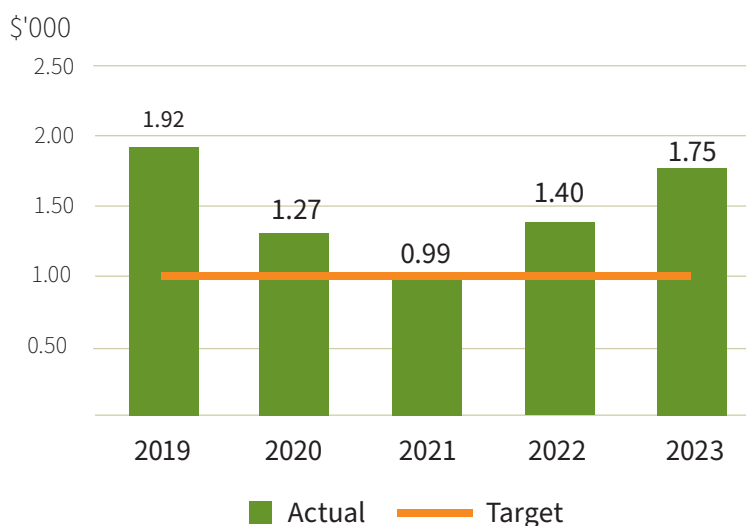
FINANCIAL LIABILITIES AT 30 JUNE 2023



CURRENT RATIO

The current ratio is a measure of the Council's liquidity. The Council must maintain liquidity to ensure that it can meet its financial obligations as and when they fall due. It does so by ensuring its short-term assets held are greater than its short-term liabilities. The Council's current ratio result is strong and demonstrates that the Council can meet its financial liabilities comfortably.

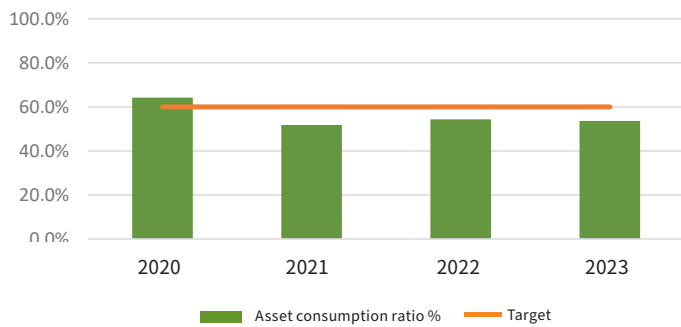
CURRENT RATIO



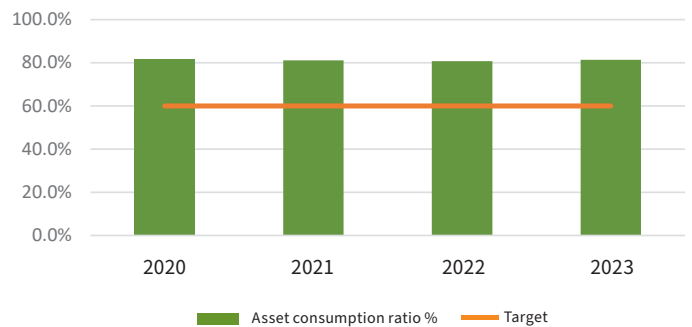
ASSET SERVICE POTENTIAL

The asset consumption ratio indicates the levels of service potential available on existing infrastructure managed. The higher the percentage, the greater future service potential available to provide services to ratepayers. A ratio of above 60% may represent a low sustainability risk and less than 40% a high sustainability risk. The Council has a ratio benchmark target of 60% for its asset classes and is currently achieving this for all classes other than buildings and bridges, indicating 54% and 67% respectively. Overall, the weighted asset consumption ratio across all classes is consistent with last year.

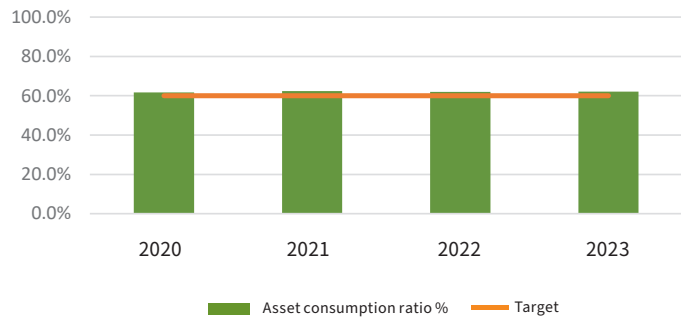
BUILDINGS



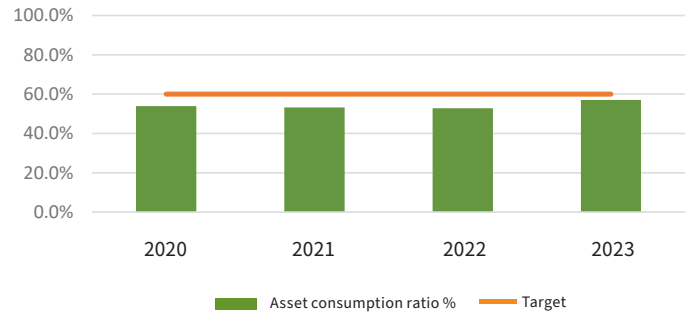
ROADS & STREETS



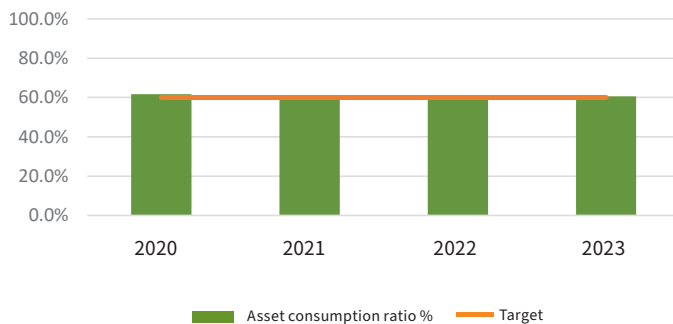
FOOTPATHS



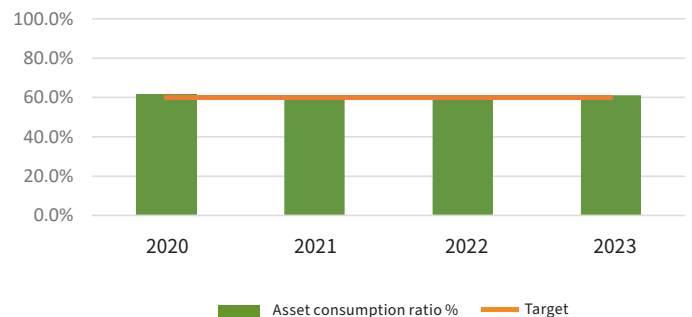
BRIDGES



DRAINAGE



OTHER ASSETS



OTHER FINANCIAL DATA

	2021-2022	2022-2023
Rate coverage ratio:		
(rates and charges revenue/total operating revenue)	44.63%	43.37%
Rate collection ratio:		
(rates receivables/rates and charges)	0.87%	0.86%
Debt payment ratio:		
(debt servicing cost/total revenue)	0.93%	0.67%
Debt exposure ratio:		
(total liabilities/total assets)	3.31%	3.29%
Government grants per capita:		
(grant revenue/population)	\$532	\$455
Expenditure per capita:		
(operating expenses/population)	\$1,444	\$1,521
Working capital ratio:		
(current assets/current liabilities)	1.47:1	1.91:1



Image Credit: Kirby Edwards



FOR THE YEAR ENDED 30 JUNE 2023

AUDIT OPINION AND FINANCIAL REPORT

ANNUAL FINANCIAL REPORT APPENDED SEPARATELY

Independent Auditor's Report
To the Councillors of Central Coast Council
Central Coast Council
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Central Coast Council (Council), which comprises the statement of financial position as at 30 June 2023 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2023 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5 (f), nor the Significant Business Activities disclosed in note 10.4 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 assets <i>Refer to notes 6.1 & 9.10</i>	
<p>At 30 June 2023, Council's assets included land, land under roads, buildings and infrastructure assets such as roads, bridges, footpaths and cycleways, drainage, recreation and parks, car parks and environmental assets valued at fair value totalling \$535.12 million. The fair values of these assets are based on market value 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 the carrying values reflect fair values.</p> <p>During 2022-23, Council undertook a full revaluation of roads, bridges and drainage assets. Indexation was applied to land. The valuations were determined by experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts involved in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs into the valuation model. • Testing, on a sample basis, the mathematical accuracy of the valuation model calculations. • Evaluating indexation applied to assets between formal valuations. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

28 September 2023
Hobart

APPENDED

Central Coast Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2023

Statement of Comprehensive Income For the Year Ended 30 June 2023

	Note	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	18,012	18,238	17,290
Statutory fees and fines	2.2	486	499	536
User fees	2.3	3,803	4,047	3,763
Grants	2.4	4,840	7,448	6,458
Contributions - cash	2.5	1,965	2,043	1,811
Interest	2.6	190	636	177
Other income	2.7	764	1,222	2,018
Investment revenue	2.9, 5.2	1,399	1,459	1,590
		31,459	35,592	33,643
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	11,179	3,175	5,396
Contributions - non-monetary assets	2.5	-	2,679	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	357	(396)	(1,215)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	789	1,089	916
		12,325	6,547	5,097
Total income from continuing operations		43,784	42,140	38,740
Expenses from continuing operations				
Employee benefits	3.1	(13,469)	(13,535)	(12,442)
Materials and services	3.2	(10,004)	(12,472)	(10,184)
Depreciation and amortisation	3.3	(7,320)	(8,678)	(8,432)
Finance costs	3.4	(250)	(333)	(405)
Other expenses	3.5	(550)	(607)	(552)
Total expenses from continuing operations		(31,592)	(35,624)	(32,015)
Result from continuing operations		12,192	6,515	6,725
Net result for the year		12,192	6,515	6,725
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.2, 9.1	-	2,330	1,974
Net asset revaluation increment/(decrement)	9.1	-	53,556	12,409
Share of other comprehensive income of associates and joint ventures accounted for by the equity method		-	-	-
Total Other Comprehensive Income		-	55,886	14,383
Total Comprehensive result		12,192	62,401	21,108

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

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	8,664	4,999
Trade and other receivables	4.2	791	874
Investments	4.3	8,375	8,098
Non-current assets classified as held for sale	4.4	14	96
Other assets	6.3	501	309
Total current assets		18,346	14,376
Non-current assets			
Investments in associates accounted for using the equity method	5.1	10,710	9,521
Investment in water corporation	5.2	76,490	74,161
Property, infrastructure, plant and equipment	6.1	542,247	485,709
Right-of-use assets	6.2	148	208
Total non-current assets		629,596	569,599
Total assets		647,942	583,975
Liabilities			
Current liabilities			
Trade and other payables	7.1	3,424	3,818
Trust funds and deposits	7.2	340	443
Provisions	7.3	2,599	2,772
Lease liabilities	7.4	53	63
Contract liabilities	7.5	2,722	2,169
Interest-bearing loans and borrowings	8.1	550	503
Total current liabilities		9,687	9,768
Non-current liabilities			
Provisions	7.3	1,855	1,769
Lease liabilities	7.4	108	163
Interest-bearing loans and borrowings	8.1	9,241	7,626
Total non-current liabilities		11,204	9,558
Total liabilities		20,892	19,327
Net Assets		627,050	564,649
Equity			
Accumulated surplus		280,655	273,029
Reserves	9.1	346,395	291,620
Total Equity		627,050	564,649

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

Statement of Cash Flows

For the Year Ended 30 June 2023

		2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates		18,360	17,457
Statutory fees and fines		499	536
User charges and other fines (inclusive of GST)		4,337	4,077
Grants (inclusive of GST)		7,426	6,469
Contributions (inclusive of GST)	2.5	2,237	1,921
Interest received		638	181
Dividends		243	243
Investment revenue	2.9	1,459	1,590
Other receipts (inclusive of GST)		1,015	1,847
Net GST refund/(payment)		1,656	1,713
Payments to suppliers (inclusive of GST)		(15,032)	(11,842)
Payments to employees		(13,824)	(12,482)
Finance costs paid		(243)	(374)
Other payments		(415)	(360)
Net cash provided by (used in) operating activities	9.2	8,355	10,976
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,246)	(16,536)
Proceeds from sale of property, infrastructure, plant and equipment		529	478
Capital grants		3,809	6,347
Payments for investments		(277)	(2,137)
Proceeds from sale and withdrawals of investments		-	1,400
Net cash provided by (used in) investing activities		(6,185)	(10,448)
Cash flows from financing activities			
Proceeds from / (repayment of) trust funds and deposits		(103)	67
Repayment of lease liabilities (principal repayments)		(63)	(63)
Proceeds from interest bearing loans and borrowings		2,200	2,500
Repayment of interest bearing loans and borrowings		(539)	(8,132)
Net cash provided by (used in) financing activities	9.3	1,495	(5,628)
Net increase (decrease) in cash and cash equivalents		3,665	(5,100)
Cash and cash equivalents at the beginning of the financial year		4,999	10,099
Cash and cash equivalents at the end of the financial year	9.4	8,664	4,999
Restrictions on cash assets	4.1	1,265	792

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

Statement of Changes in Equity

For the Year Ended 30 June 2023

	Note	Accumulated Surplus 2023 \$'000	Revaluation Reserve 2023 \$'000	Fair Value Reserve 2023 \$'000	Other Reserves 2023 \$'000	Total Equity 2023 \$'000
2023						
Balance at beginning of the financial year		273,029	276,868	7,671	7,081	564,649
Net result for the year		6,515	-	-	-	6,515
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.2,9.1	-	-	2,330	-	2,330
Net asset revaluation increment/(decrement)	9.1	-	53,556	-	-	53,556
Total comprehensive income		279,544	330,424	10,000	7,081	627,050
Transfers between reserves		1,111	-	-	(1,111)	-
Balance at end of the financial year		280,655	330,424	10,000	5,970	627,050

		Accumulated Surplus 2022 \$'000	Asset Revaluation Reserve 2022 \$'000	Fair Value Reserve 2022 \$'000	Other Reserves 2022 \$'000	Total Equity 2022 \$'000
2022						
Balance at beginning of the financial year		265,596	264,459	5,697	7,789	543,540
Net result for the year		6,725	-	-	-	6,725
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.2,9.1	-	-	1,974	-	1,974
Net asset revaluation increment/(decrement)	9.1	-	12,409	-	-	12,409
Total comprehensive income		272,321	276,868	7,671	7,789	564,649
Transfers between reserves		708	-	-	(708)	-
Balance at end of the financial year		273,029	276,868	7,671	7,081	564,649

The above statement should be read with the accompanying notes.

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Financial Report
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Notes to the Financial Report For the Year Ended 30 June 2023

Note 1 Overview

1.1 Reporting entity

- (a) The Central Coast Council was established on 2 April 1993 and is a body corporate with perpetual succession and a common seal.

The Council's Administration Centre is located at 19 King Edward Street, Ulverstone.

- (b) The purpose of the Council is to:

- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 4.4, 5.2, 6.1, 6.2, 7.3, 8.1 and 11.3(d).

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.2.

Landfill / Tip Rehabilitation

Assumptions and judgements are utilised in determining the estimated liability for restoring the Resource recovery Centre site at Lobster Creek Road. These assumptions are noted at note 7.3 (b).

Notes to the Financial Report

For the Year Ended 30 June 2023

1.4 Material Budget Variations

Council's original budget was adopted by the Council on **20 June 2022**. 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 weather. Material variations of more than 10% are explained below:

Revenues

1 Grants

The variation of \$2,608,576 on budget (54%) was due to the impact of Commonwealth Financial Assistance Grant funding. The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Council bases its budget on actual cash funding in the previous year and we have received a 10% increase in the 2022-2023 funding allocation. The Commonwealth also prepaid 100% of the 2023-2024 entitlement in the current year, which is higher than the previous year where Council received a 75% prepayment of its allocation. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2022-2023 by \$2,393,276 and 2021-2022 by \$1,838,026. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in both years by these amounts. Future payments remain at the Commonwealth's discretion.

2 Interest

The increase of \$445,782 on budget (235%) was due to significantly higher interest rates achieved on deposited funds versus the outlook on rates at the time of setting the budget.

3 Other income

The increase of \$457,724 on budget (60%) was due to insurance proceeds on Council owned properties (\$184,692), reimbursement for workers compensation payments (\$105,186), proceeds for the June 2022 Storm damages under the Tasmanian Relief and Recovery Arrangements – National Disaster Relief funding (\$98,539) and Retail Sales at Visitor Information Centres (\$93,595).

4 Capital grants received specifically for new or upgraded assets

Capital grant revenue was down \$8,004,000 on budget (72%) due to delayed completion of major capital projects for the Coastal Pathways (\$4.4m.) and Ironcliffe Road upgrade (\$2.3m.) and budgeted funding for strategic projects not progressed.

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

The reported net gain/(loss) on disposal of property, infrastructure plant and equipment was down \$752,361 due to losses associated with de-recognition of Bridge assets not owned by Council (\$436,000), asset write-offs associated with the construction of new assets subject to Grant proceeds (\$215,000) and the unscheduled write down of road assets (\$77,000).

6 Contributions - non monetary assets

The increase of \$2,679,336 largely relates to the recognition of assets contributed to Council from subdivision activities and other assets and transferred to Council ownership.

7 Share of net profits/(losses) of associates and joint ventures accounted for by the equity method

The increase of \$300,426 on budget (38%) was due to higher than budgeted share of profit from Dulverton Waste Management Authority.

Expenses

1 Materials and services

The increase of \$2,467,815 on budget (24%) was due to a number of operational costs coming in higher than budget some of which are covered by additional revenue streams and storm damages related to the October 2022 floods. The materials costs (excluding employee expenses) for Storm damages relating to the October 2022 floods totalled \$346,000. Employees engaged in Storm damage mitigation activities also resulted in additional outsourced costs to support ongoing operational activities and lower activity in capital works meaning lower overheads recovered. These costs are currently subject to a claim under a Government assistance package. There were also additional costs associated with TasWater charges (\$160,000), temporary costs to support the re-establishment of facilities at the Heybridge Recreation Ground after the building was destroyed by fire (\$194,000), higher waste collection charges (\$286,000), Tasmanian Waste Levy charges (\$94,000) and additional costs for building levies, private works, land tax recovered through revenue lines (\$136,000). Other notable variances were expenses for Operational grant funds received (\$64,000), Legals (\$75,000), Election expenses (\$45,000), Grass Maintenance (\$72,000), recruitment costs (\$67,000) and retail stock purchases (\$55,000).

2 Depreciation and Amortisation

The depreciation expense variance to budget of \$1,357,747 (19%) is largely due to revaluation of assets not being factored in to the 2022-2023 budget. The increase in depreciation expense on last year is \$245,191 (2.9%). The impacts for these and current year revaluations have been considered in determining the 2023-2024 budget.

3 Other expenses

An increase on budget of \$57,488, (11%) due to higher than budgeted costs for External Audit services relating to ISO accreditation (\$10,000), Councillor Allowances (\$18,000) and value recognised as revenue and expense for Volunteer contributions (\$23,000).

**Notes to the Financial Report
For the Year Ended 30 June 2023**

1.5 Functions/Activities of the Council

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

	Grants 000's	Other 000's	Total Revenue 000's	Total Expenditure 000's	Surplus/ (Deficit) 000's	Assets 000's
Government and administration						
2022 - 2023	7,101	20,379	27,480	8,556	18,924	115,461
2021 - 2022	6,222	19,514	25,735	7,656	18,079	109,425
Roads, streets and bridges						
2022 - 2023	1,756.59	1,213	2,970	6,544	(3,575)	353,109
2021 - 2022	1,997	(506)	1,492	5,692	(4,200)	304,726
Drainage						
2022 - 2023	-	693	693	826	(133)	32,581
2021 - 2022	-	(251)	(251)	747	(999)	28,538
Waste management						
2022 - 2023	100	526	626	5,175	(4,549)	5,845
2021 - 2022	17	503	520	4,417	(3,897)	5,839
Environmental health						
2022 - 2023	-	56	56	225	(168)	28
2021 - 2022	-	55	55	250	(195)	10
Planning services						
2022 - 2023	-	440	440	541	(101)	3
2021 - 2022	-	409	409	574	(165)	7
Building control						
2022 - 2023	-	352	352	624	(271)	7
2021 - 2022	-	367	367	503	(136)	12
Community amenities						
2022 - 2023	-	1,241	1,241	2,761	(1,520)	5,843
2021 - 2022	-	1,081	1,081	2,635	(1,554)	5,537
Community services						
2022 - 2023	172	3,326	3,499	3,847	(348)	53,170
2021 - 2022	203	3,041	3,244	3,200	43	51,179
Recreation facilities						
2022 - 2023	644	646	1,290	5,563	(4,273)	78,526
2021 - 2022	571	310	881	5,447	(4,566)	74,818
Economic development						
2022 - 2023	750	290	1,040	319	721	3,369
2021 - 2022	2,732	79	2,811	415	2,396	3,884
Other - not attributable						
2022 - 2023	99	2,356	2,454	644	1,810	-
2021 - 2022	112	2,285	2,397	478	1,919	-
Total						
2022 - 2023	10,623	31,518	42,140	35,624	6,515	647,942
2021 - 2022	11,854	26,886	38,740	32,016	6,725	583,975

**Notes to the Financial Report
For the Year Ended 30 June 2023**

1.5 Functions/Activities of the Council (Continued)

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

	2023	2022
	000's	000's
Current assets	18,346	14,376
Non-current assets	629,596	569,599
	647,942	583,975

(c) Governance and administration

Provision of organisational functions including executive services, governance, corporate support, ICT, risk, people and financial services.

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 development approvals.

Building control

The development and maintenance of building constructions standards.

Community amenities

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

Community services

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

Recreation facilities

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

Economic development

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 2 Revenue		
Note 2.1 Rates and charges		

Council uses assessed annual values as the basis of valuation of all properties within the municipality. The assessed annual value of a property is determined by the Valuer-General in accordance with the *Valuation of Land Act 2001*.

The valuation base used to calculate general rates for 2022-2023 was \$226 million (2021-2022 \$175 million). The 2022-2023 weighted average rate in the dollar was 7.231 cents (2021-2022, 8.835 cents). Council adopted differential rating for the 2022-2023 year, with separate rates applied to residential, primary production and industrial/commercial to adjust for the impacts of revaluation movements in these land use classifications.

General Rate revenue	15,801	14,976
Waste levies	2,466	2,348
Fire Service levies	776	742
Early payment discount	(768)	(738)
Rates remitted	(37)	(37)
Total rates and charges	18,238	17,290

The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2019, and the next general revaluation is due to take place in 2025-2026. Adjustment factors are applied every two years and the last adjustment was completed in April 2022, and the valuation was first 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 2.2 Statutory fees and fines

Fines and penalties	18	27
Regulatory charges	481	509
Total statutory fees and fines	499	536

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 2.3 User fees

Cemetery fees	99	89
Certificate charges	133	163
Child care fees	964	874
Community development	26	24
Inspection and connection fees	102	119
Licence fees	165	175
Other fees and charges	140	125
Other rental	510	472
Recreation	380	352
Rental of Aged Persons Home units	574	564
Rental of Ganesway units	186	142
Resource Recovery Centre - entry fees	468	406
Resource Recovery Centre - other income	55	94
Swimming pool and waterslide	137	129
Visitor centres	108	34
Total user fees	4,047	3,763

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.

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due. The Council does not have any assets classified as investment properties nor has it received rent from buildings that are primarily occupied for Council purposes.

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.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023 \$'000	2022 \$'000
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	9,347	10,108
State funded grants	1,231	1,329
Others	45	367
Total	10,623	11,804
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants - General Purpose (Untied)	3,920	4,004
Commonwealth Government Financial Assistance Grants - Roads (Untied)	3,085	2,143
Commonwealth Government - training subsidy	133	50
Diesel and alternative fuel	36	42
Heavy Vehicle Motor Tax	72	72
Tasmanian Weeds Action Fund	75	25
Ulverstone Child Care Centre bus	13	13
Arts Grant Contributions (HIVE)	92	93
Other	22	16
Total recurrent grants	7,448	6,458
Capital grants received specifically for new or upgraded assets		
Coastal Shared Pathways	514	501
Commonwealth Government - Roads to Recovery	772	772
Gawler River Bridge, Preston Road	840	1,190
Nine Mile Road	75	-
Penguin Foreshore	750	1,250
Penguin Recreation Ground	55	-
Resource Recovery Centre contribution - Dulverton	99	17
Riana Community Centre	-	309
South Road, Penguin	70	-
Ulverstone Cultural Precinct	-	500
Ulverstone Sports & Leisure Centre community rooms	-	411
Ulverstone Skate Park	-	277
Other	-	169
Total capital grants	3,175	5,396
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	80	-
Add: Funds received and not recognised as revenue in the current year	676	80
Balance of unspent funds at 30 June	756	80
Capital		
Balance of unspent funds at 1 July	264	1,659
Add: Funds received and not recognised as revenue in the current year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(95)	(1,395)
Balance of unspent funds at 30 June	169	264
Total unspent funds	925	344

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.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

2023 **2022**
\$'000 **\$'000**

Note 2.4 Grants (Continued)

Accounting policy

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

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised and revenue as the unspent funds are expended at the point in time at which required performance obligations are completed.

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

In both years the Commonwealth has made early payment of the first two quarterly instalments of untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2022-23 by \$2,393,276, (2021-22, \$1,838,206). This has impacted the Statement of Comprehensive Income resulting in the Net result for the year being higher by the same amount.

Note 2.5 Contributions

(a) Cash

Public Open Space contributions	212	127
Community Child Care fee contributions	1,753	1,577
Other	78	107
Total	2,043	1,811

(b) Non-monetary assets

Roads	1,323	-
Drainage	659	-
Other	698	-
Total	2,679	-

Total contributions

4,723 **1,811**

Accounting policy

Council recognises contributions without performance obligations when received. In cases where the contribution is for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled.

Note 2.6 Interest

Interest on cash and cash equivalents	636	177
Total	636	177

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 2.7 Other income

Private Works	44	15
Reimbursements of costs	276	173
Insurance Claims Proceeds	185	1,186
Accelerated Local Government Capital Program - Loan interest reimbursement	95	266
Volunteer services	203	192
Storm Claim - Tasmanian Relief and Recovery Arrangements – National Disaster Relief	99	-
Other	320	186
Total other income	1,222	2,018

Accounting policy

Volunteer services

Council recognises the inflow of resources in the form of volunteer services where the fair value of those services can be reliably measured and Council would have purchased those services if they had not been donated.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale - Land	134	49
Proceeds of sale - Property, plant and infrastructure	395	424
Write down value of Land assets disposed	(81)	(55)
Write down value of Property, plant and infrastructure assets disposed	(843)	(1,633)
Total	(396)	(1,215)

Accounting policy

Gains and losses on asset disposals

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

Note 2.9 Investment revenue		
Dividend revenue received - TasWater	1,145	1,145
Tax equivalent received - Dulverton Waste Management Authority	314	445
Total investment revenue	1,459	1,590

Accounting policy

Investment revenue

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 3 Expenses		
Note 3.1 Employee benefits		
Wages and salaries	11,983	11,217
Workers compensation	191	167
Superannuation	1,346	1,183
Fringe benefits tax	33	24
Payroll tax	712	702
	<u>14,263</u>	<u>13,293</u>
Less amounts capitalised	(728)	(851)
Total employee benefits	<u>13,535</u>	<u>12,442</u>

Accounting policy

Employee benefits

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

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

Note 3.2 Materials and services		
Aged Persons Home Units	424	409
Amenities and cemeteries	346	324
Child Care Centre	450	350
Computer maintenance	520	523
Contributions to Cradle Coast Authority	154	174
Contributions to LGAT	55	58
Corporate administration and governance	945	828
Election expenses	176	10
Fire service contribution	752	695
Garbage collection contracts	1,780	1,594
Insurance	224	262
Land tax	279	256
Other Council buildings and structures	528	365
Other materials and contracts	600	487
Other waste management costs	1,652	1,103
Parks	668	567
Recreation grounds and centres	1,421	1,299
Roads, footpaths and car parks	808	565
Utilities - street lighting power charges	345	315
Flood and storm damage remediation materials	346	-
Total materials and services	<u>12,472</u>	<u>10,184</u>

Accounting policy

Materials and services expense

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 3.3 Depreciation and amortisation		
<i>Property</i>		
Buildings	2,217	2,084
<i>Plant and Equipment</i>		
Plant, machinery and equipment	983	1,029
Fixtures, fittings and furniture	239	241
<i>Infrastructure</i>		
Roads	2,653	2,549
Bridges	521	512
Footpaths and cycleways	635	616
Drainage	473	471
Recreation and Parks	556	560
Off street car parks	95	84
Environmental	202	183
<i>Intangible assets</i>		
Amortisation of municipal revaluation	43	43
<i>Right-of-use of assets</i>		
Right-of-use of assets	60	60
Total	8,678	8,432

Accounting policy

Depreciation and amortisation expense

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

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

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

Land, heritage, artwork and road earthwork 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 and amortisation periods used are listed below and are consistent with the prior year unless stated:

	Period
<i>Property</i>	
Buildings	
Buildings	20-100 years
<i>Plant and Equipment</i>	
Plant, machinery and equipment	2-30 years
Fixtures, fittings and furniture	5-40 years
Computers and telecommunications	2-5 years
<i>Infrastructure</i>	
Roads	
Road pavements and seals	15-150 years
Road substructure	15-150 years
Road kerb, channel and minor culverts	15-150 years
Bridges	
Bridges deck	10-100 years
Bridges substructure	10-100 years
<i>Other Infrastructure</i>	
Footpaths and cycleways	15-150 years
Drainage	100 years
Recreational, leisure and community facilities	5-60 years
Waste management	10-50 years
Parks, open space and streetscapes	5-60 years
Off street car parks	15-150 years
<i>Intangible assets</i>	
Municipal property revaluation	5 years
<i>Right-of-use of assets</i>	
Right-of-use of assets	term of lease

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 3.4 Finance costs		
Interest - borrowings	276	351
Unwinding of rehabilitation liability	51	46
Interest - lease liabilities	6	8
Total finance costs	333	405

Accounting policy

Finance expense

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

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

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

Note 3.5 Other expenses

External auditors' remuneration (Tasmanian Audit Office)	44	22
Internal auditors' remuneration (internal audit services - BSI Group)	16	10
Councillors' allowances	339	319
Volunteer services	203	192
Other	5	9
Total	607	552

Internal Audit services relate to assessment of accreditation to ISO 45001 for Council's Workplace Health and Safety management systems.

Accounting policy

Other expenses

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023 \$'000	2022 \$'000
Note 4 Current Assets		
Note 4.1 Cash and cash equivalents		
Cash at bank	78	192
Money market call account	2,587	1,807
Term Deposits	6,000	3,000
Total cash and cash equivalents	8,664	4,999
Council's cash and cash equivalents are subject to a number of internal and external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:		
Restricted funds		
i) Trust funds and deposits (note 7.2)	340	443
ii) Unspent grant funds with conditions (note 2.4)	925	349
	1,265	792
Internal committed funds		
iii) Landfill restoration (note 7.3)	2,048	2,116
iv) Employee provisions (note 7.3)	1,105	992
v) Other Reserve fund provisions (note 9.1)	5,971	7,081
Committed funds	10,388	10,982
Total uncommitted cash and cash equivalents	(1,724)	(5,983)
Total Investments (note 4.3)	8,375	8,098
Total uncommitted funds	6,652	2,115

Accounting policy

Cash and cash equivalents

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

Restricted and internally committed funds include:

- i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii) Landfill restoration provision for the Lobster Creek waste landfill site as outlined in note 7.3.
- iv) Monies set aside to meet employee leave provision obligations
- v) Other reserve fund provisions represent internal discretionary cash reserves set aside for specific future needs in replacing or maintaining Council assets and services.

Note 4.2 Trade and other receivables

Current

Rates debtors	185	150
Other debtors	308	343
Net GST receivable	298	381
Total trade and other receivables	791	874

For ageing analysis of the financial assets, refer to note 10 (d)

Accounting policy

Trade and other receivables

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

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council 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 2023**

	2023 \$'000	2022 \$'000
Note 4.3 Investments		
Current		
Managed funds	7,275	6,998
Term deposits - more than 3 months	1,100	1,100
	<u>8,375</u>	<u>8,098</u>

Council has a managed investment in an income fund held with TPT Wealth.

Accounting policy

Investments

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. As Council's Managed funds are actively managed and their performance is evaluated on a fair value basis, these investments are mandatorily required to be measured at fair value through profit or loss.

Note 4.4 Assets held for sale		
Opening Balance	96	66
Disposals	(81)	(55)
Internal transfer from Land	-	85
Total	<u>14</u>	<u>96</u>

Council sold an unused vacant block of land in 2022-2023 that was surplus to requirements.

The balance recognised in Assets held for sale represents land parcels placed with real estate agents and likely to be sold within the next twelve months. The land is valued at the lower of carrying value and fair value less costs to sell.

Accounting policy

Assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 5 Other Investments		
Note 5.1 Investment in associates		
Investments in associates accounted for by the equity method are:		
Dulverton Regional Waste Management Authority	10,710	9,521
Total	10,710	9,521

Dulverton Regional Waste Management Authority

Background

The Council is a partner in the Dulverton Regional Waste Management Authority, a Joint Authority established under the LGA 1993. The primary activity of the Authority is to operate a regional landfill site at Dulverton. Other partners in the Joint Authority are Devonport City, Latrobe and Kentish Councils.

The Council's ownership interest in the Authority at 30 June 2023 was 36.82%. The proportion of voting power held in the Authority is 25%. The Council's investment in the Authority has been calculated by reference to the Authority's reported equity at 30 June 2023. The share of profit for the current year is based on a draft estimate of the profit to be received for the 2022-2023 financial year.

There were no quantified contingent liabilities disclosed by the Authority.

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	7,134	6,461
Reported surplus(deficit) for year	1,089	916
Distributions for the year	(243)	(243)
Council's share of accumulated surplus(deficit) at end of year	7,980	7,134

Council's share of reserves

Council's share of reserves at start of year	2,730	2,387
Council's share of reserves at end of year	2,730	2,387

Movement in carrying value of specific investment

Carrying value of investment at start of year	9,521	7,869
Share of surplus(deficit) for year	1,089	916
Share of asset revaluation	343	979
Distributions received	(243)	(243)
Carrying value of investment at end of year	10,710	9,521

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 Statement of Comprehensive Income.

Note 5.2 Investment in water corporation

Opening balance	74,161	72,187
Fair Value adjustments on equity investment assets	2,330	1,974
Total investment in water corporation	76,490	74,161

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 4.37% ownership interest in TasWater (2022, 4.48%) which is based on Schedule 2 of the Corporation's Constitution.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 6	Non-current assets		
Note 6.1	Property, infrastructure, plant and equipment	2023	2022
		\$'000	\$'000
	Summary		
	at cost	16,964	21,243
	Less accumulated depreciation	(9,838)	(9,703)
		7,126	11,541
	at fair value as at 30 June	744,694	668,698
	Less accumulated depreciation	(209,572)	(194,530)
		535,122	474,168
	Total	542,247	485,709
	Property		
	Land		
	at fair value as at 30 June	45,409	39,734
		45,409	39,734
	Land under roads		
	at fair value as at 30 June	30,094	30,045
		30,094	30,045
	Total Land	75,504	69,779
	Buildings		
	at fair value as at 30 June	170,442	167,204
	Less accumulated depreciation	(79,063)	(76,378)
		91,379	90,826
	Total Buildings	91,379	90,826
	Total Property	166,882	160,605
	Plant and Equipment		
	Plant, machinery and equipment		
	at cost	8,666	8,610
	Less accumulated depreciation	(5,528)	(5,630)
		3,139	2,980
	Fixtures, fittings and furniture		
	at cost	5,431	5,163
	Less accumulated depreciation	(4,310)	(4,073)
		1,121	1,090
	Total Plant and Equipment	4,260	4,070
	Infrastructure		
	Roads		
	at fair value as at 30 June	318,328	269,824
	Less accumulated depreciation	(59,118)	(51,912)
		259,210	217,912
	Bridges		
	at fair value as at 30 June	37,081	36,446
	Less accumulated depreciation	(15,928)	(17,179)
		21,154	19,267

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 6.1 Property, infrastructure, plant and equipment (continued)	2023 \$'000	2022 \$'000
Footpaths and cycleways		
at fair value as at 30 June	53,018	41,962
Less accumulated depreciation	(20,107)	(15,959)
	32,911	26,003
Drainage		
at fair value as at 30 June	51,379	46,956
Less accumulated depreciation	(20,236)	(18,628)
	31,142	28,328
Recreation & Parks		
at fair value as at 30 June	25,428	23,934
Less accumulated depreciation	(9,342)	(9,534)
	16,086	14,400
Car Parks		
at fair value as at 30 June	5,509	4,741
Less accumulated depreciation	(2,446)	(1,970)
	3,064	2,771
Environmental		
at fair value as at 30 June	8,005	7,852
Less accumulated depreciation	(3,333)	(2,971)
	4,672	4,881
Total Infrastructure	368,239	313,564

Accounting policy

Land assets include Council owned land held for Council buildings and facilities, parks and public amenities, active recreation, car parks and land under roads. Land assets are revalued with sufficient regularity to ensure that the assets represent fair

Building assets include all building assets under the control of Council, and are recognised if it is probable that future economic benefits will flow to Council. Building assets values are reviewed regularly to ensure that carrying amounts do not exceed their recoverable amounts.

Roads includes substructures, seals and kerbs related to the road network.

Drainage assets includes all Council's drainage and related asset types including manholes, pits, headwalls, lines, and miscellaneous drainage items.

Roads, Footpaths and Cycleways, Car Parks and Drainage asset classes were revalued on 30 June 2023 by the Infrastructure Services Department of the Council in line with the 3 year revaluation cycle adopted by the Council. The revaluation is based on the current replacement cost using modern equivalent materials and work methods for each asset as the best estimate of fair value taking into consideration the remaining useful life of the asset. Input rates were sourced from current market rates for inputs and benchmarked to industry standard rates from Rawlinsons and Cordell Platinum.

The Council revalued the road pavements, formations and sub-base to reflect the service potential of the asset and the cost of the work methods. This more accurately estimates the costs of replacing the service potential of the asset at the end of its useful life. The effect of the change in estimate is an increase in both replacement and depreciation.

Bridges were revalued at 30 June 2023 by AusSpan Pty Ltd and are based on depreciated replacement cost for both the substructure and superstructure components of Council Bridge assets and taking in to consideration the lifespan of the asset.

Recreation and Parks and Environmental asset classes were revalued on 30 June 2022 by the Infrastructure Services Department of the Council. The revaluation was based on assessment of the current replacement cost for each asset as the best estimate of fair value taking into consideration the remaining useful life of the asset.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 6.1	Property, infrastructure, plant and equipment (continued)	2023 \$'000	2022 \$'000
	<i>Works in progress</i>		
	Buildings	53	1,017
	Environmental	3	19
	Roads	103	9
	Drainage	132	186
	Footpaths and cycleways	1,492	1,537
	Car Parks	10	-
	Recreation	697	3,138
	Plant & Machinery	-	-
	Furniture and Equipment	5	-
	Bridges	371	1,565
	<i>Total Works in progress</i>	<u>2,866</u>	<u>7,471</u>
	<i>Total property, infrastructure, plant and equipment</i>	<u>542,247</u>	<u>485,709</u>

Notes to the Financial Report
For the Year Ended 30 June 2023

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

Reconciliation of property, infrastructure, plant and equipment

2023	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers from Work in Progress	Other Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Property									
Land	39,733	-	5,676	-	-	-	-	-	45,409
Land under roads	30,045	-	-	-	-	-	49	-	30,094
Total land	69,779	-	5,676	-	-	-	49	-	75,504
Buildings	90,826	638	271	(2,217)	(44)	-	1,904	-	91,379
Total buildings	90,826	638	271	(2,217)	(44)	-	1,904	-	91,379
Total property	160,605	638	5,947	(2,217)	(44)	-	1,953	-	166,882
Plant and Equipment									
Plant, machinery and equipment	2,979	-	-	(983)	(65)	-	1,208	-	3,139
Fixtures, fittings and furniture	1,091	-	-	(239)	-	-	270	-	1,122
Total plant and equipment	4,070	-	-	(1,222)	(65)	-	1,478	-	4,260
Infrastructure									
Roads	217,913	964	39,977	(2,653)	(215)	-	3,080	145	259,210
Bridges	19,268	-	1,278	(521)	(436)	-	1,566	-	21,154
Footpaths and cycleways	26,004	359	3,373	(635)	(77)	-	3,222	665	32,911
Drainage	28,328	659	2,273	(473)	(5)	-	353	7	31,142
Recreation & Parks	14,401	-	61	(556)	-	-	3,076	(895)	16,086
Off street car parks	2,773	-	280	(95)	-	-	29	77	3,064
Environmental	4,880	-	(158)	(202)	-	-	152	-	4,672
Total infrastructure	313,564	1,981	47,084	(5,136)	(733)	-	11,480	-	368,239
Works in progress									
Land		49					(49)		-
Buildings	1,017	941	-	-	-	-	(1,904)		53
Environmental	19	137	-	-	-	-	(152)		3
Roads	9	3,175	-	-	-	-	(3,080)		103
Drainage	186	299	-	-	-	-	(353)		132
Footpaths and cycleways	1,537	3,177	-	-	-	-	(3,222)		1,492
Car Parks	-	39	-	-	-	-	(29)		10
Recreation and Parks	3,138	634	-	-	-	-	(3,076)		697
Plant & Machinery	-	1,208	-	-	-	-	(1,208)		-
Furniture and Equipment	-	275	-	-	-	-	(270)		5
Bridges	1,565	372	-	-	-	-	(1,566)		371
Total works in progress	7,470	10,306	(0)	(0)	(0)	(0)	(14,911)		2,866
Total property, infrastructure, plant and equipment	485,709	12,925	53,031	(8,575)	(843)	(0)	(0)		542,247

Notes to the Financial Report
For the Year Ended 30 June 2023

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

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

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers from Work in Progress	Other Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Property									
Land	30,654	-	9,191	-	(27)	-	-	(85)	39,733
Land under roads	30,045	-	-	-	-	-	-	-	30,045
Total land	60,699	-	9,191	-	(27)	-	-	(85)	69,779
Buildings	81,967	-	-	(2,084)	(614)	-	11,555	2	90,826
Total buildings	81,967	-	-	(2,084)	(614)	-	11,555	2	90,826
Total property	142,666	-	9,191	(2,084)	(641)	-	11,555	(83)	160,605
Plant and Equipment									
Plant, machinery and equipment	3,148	-	-	(1,029)	(70)	-	930	-	2,979
Fixtures, fittings and furniture	566	-	-	(241)	-	-	746	20	1,091
Total plant and equipment	3,714	-	-	(1,270)	(70)	-	1,677	20	4,070
Infrastructure									
Roads	218,298	-	4	(2,549)	(443)	-	2,603	-	217,913
Bridges	17,516	-	1,612	(512)	-	-	652	-	19,268
Footpaths and cycleways	25,697	-	-	(616)	(140)	-	1,063	-	26,004
Drainage	28,714	-	-	(471)	(266)	-	351	-	28,328
Recreation & Parks	13,145	-	378	(560)	(36)	-	1,474	-	14,401
Off street car parks	2,518	-	-	(84)	(36)	-	375	-	2,773
Environmental	5,068	-	(51)	(183)	-	-	68	(22)	4,880
Total infrastructure	310,956	-	1,943	(4,975)	(921)	-	6,586	(22)	313,564
Works in progress									
Buildings	9,328	3,244	-	-	-	-	(11,555)	-	1,017
Environmental	72	15	-	-	-	-	(68)	-	19
Roads	1,338	1,273	-	-	-	-	(2,603)	-	9
Drainage	261	277	-	-	-	-	(351)	-	186
Footpaths and cycleways	335	2,265	-	-	-	-	(1,063)	-	1,537
Car Parks	224	151	-	-	-	-	(375)	-	-
Recreation and Parks	232	4,380	-	-	-	-	(1,474)	-	3,138
Plant & Machinery	63	867	-	-	-	-	(930)	-	-
Furniture and Equipment	95	652	-	-	-	-	(746)	-	-
Bridges	6	2,211	-	-	-	-	(652)	-	1,565
Total works in progress	11,954	15,335	-	-	-	-	(19,817)	-	7,470
Total property, infrastructure, plant and equipment	469,289	15,335	11,134	(8,329)	(1,632)	-	-	-	485,709

**Notes to the Financial Report
For the Year Ended 30 June 2023**

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

Accounting policy

Recognition and measurement of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

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

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

	Threshold \$'000
Land	
Land	5
Land under roads	5
Buildings	5
Plant and Equipment	
Plant, machinery and equipment	2
Fixtures, fittings and furniture	2
Infrastructure	
Roads	5
Road pavements and seals	5
Road substructure	5
Road formation and earthworks	5
Road kerb, channel and minor culverts	5
Bridges	5
Footpaths and cycleways	5
Drainage	2
Recreation and Parks	2
Off street car parks	5
Environmental	2

**Notes to the Financial Report
For the Year Ended 30 June 2023**

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

Accounting policy (Cont.)

Revaluation

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

Land	fair value
Land under roads	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Recreation and Parks	fair value

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

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

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

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

Impairment of assets

Impairment losses are recognised in the Statement of Comprehensive Income under other expenses.

Reversals of impairment losses are recognised in the Statement of Comprehensive Income under other revenue.

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 2023**

Note 6.2 Right-of-use assets

a) Right-of-use assets

	Property \$'000	Plant and Equipment \$'000	Total \$'000
2023			
Opening Balance at 1 July 2022	154	55	208
Additions	-	-	-
Depreciation expense	(38)	(22)	(60)
Balance at 30 June 2023	116	33	148
2022			
Opening Balance at 1 July 2021	119	59	178
Additions	71	20	91
Depreciation expense	(36)	(24)	(60)
Opening Balance at 1 July 2022	154	55	208

Accounting policy

Leases - Council as Lessee

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

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

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

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

	2023 \$'000	2022 \$'000
Note 6.3 Other assets		
Current		
Prepayments	357	155
Accrued Revenue	144	154
Total	501	309

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	1,300	1,431
Rates and charges in advance	1,738	1,581
Accrued expenses	387	806
Total trade and other payables	3,424	3,818

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 14 days of invoice receipt.

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

For ageing analysis of trade and other payables, refer to note 10 (d).

Note 7.2 Trust funds and deposits

Refundable building deposits	121	155
Refundable contract deposits	2	2
Other refundable deposits	216	286
Total trust funds and deposits	340	443

Council collects and holds deposits and retention amounts for submissions for Building, Private Works and subdivision activities.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Accounting policy

Tender deposits

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

Note 7.3 Provisions	Annual leave	Long service leave	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2023				
Balance at beginning of the financial year	992	2,116	1,433	4,541
Additional provisions	889	350		1,239
Unwinding of discount rate	-	-	51	51
Amounts used	(776)	(362)	-	(1,138)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(56)	(182)	(239)
Balance at the end of the financial year	1,105	2,048	1,301	4,454
Current	1,105	1,494	-	2,599
Non-current	-	554	1,301	1,855
Total	1,105	2,048	1,301	4,454

2022

Balance at beginning of the financial year	990	2,366	1,683	5,040
Additional provisions	797	329	-	1,126
Unwinding of discount rate	-	-	46	46
Amounts used	(795)	(319)	-	(1,115)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(260)	(296)	(556)
Balance at the end of the financial year	992	2,116	1,433	4,541
Current	992	1,780	-	2,772
Non-current	-	336	1,433	1,769
Total	992	2,116	1,433	4,541

(a) Employee benefits

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

	2023	2022
Weighted average increase in employee costs	5.50%	6.50%
Weighted average discount rates	4.05%	3.30%
Weighted average settlement period (days)	10	10

Employee Numbers

146 147

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 7.3 Provisions (Continued)

(b) Land fill restoration

Accounting policy

Land fill restoration

The Council is obligated to restore the Lobster Creek site to a particular standard at the end of its useful life. Current projections prepared by external parties indicate that the Lobster Creek site will cease operation in 2040 and restoration work is expected to commence shortly thereafter. The forecast life of the Lobster Creek site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. In calculating the present value a discount rate of 4.05% (3.3% in 2021-2022) has been used. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work/independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. Each year the provision liability is reviewed and reassessed to ensure the provision represents an accurate reflection of expected future costs. Where there is an asset revaluation reserve available these changes are taken to the reserve balance. If there is no revaluation reserve available, the adjustment is expensed in the year they are incurred. Council does not expect to receive reimbursement from a third party.

	2023	2022
	\$'000	\$'000
Movement in provision		
Opening balance	1,433	1,683
Unwinding of discount	51	46
Change in discount rate taken to equity	(182)	(296)
Closing balance	<u>1,301</u>	<u>1,433</u>
 Key assumptions:		
- discount rate	4.05%	3.30%
- index rate	2.57%	2.60%

Note 7.4 Lease liabilities

Lease liabilities	162	226
	<u>162</u>	<u>226</u>
Current	54	63
Non-Current	<u>108</u>	<u>163</u>

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

As at 30 June 2023	Minimum lease payments due						Total
	Within 1 Year \$ '000	1-2 Years \$ '000	2-3 Years \$ '000	3-4 Years \$ '000	4-5 Years \$ '000	After 5 Years \$ '000	
Lease payments	58	54	14	11	11	27	174
Finance charges	(4)	(2)	(2)	(1)	(1)	(1)	(13)
Net present value	<u>54</u>	<u>52</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>26</u>	<u>162</u>
 As at 30 June 2022							
Lease payments	69	58	54	14	11	38	244
Finance charges	(6)	(4)	(2)	(2)	(1)	(2)	(18)
Net present value	<u>63</u>	<u>54</u>	<u>52</u>	<u>12</u>	<u>9</u>	<u>36</u>	<u>226</u>

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Accounting policy

Leases - Council as Lessee

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

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

Short-term leases and leases of low-value assets

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

Exposure from variable lease payments

Council has lease agreements for use of Crown land which are subject to rental rate reviews every three years. Lease liabilities are adjusted for the impacts of the updated rates to the end of the current lease period when advised.

Exposure from extension options and termination options

Council includes options in the Crown land lease agreements to provide flexibility and certainty to Council operations and lessees that the Council sub-leases to. At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised. There are additional potential future lease payments which are not included in lease liabilities as Council has assessed that the exercise of the option is not reasonably certain.

	2023 \$'000	2022 \$'000
Note 7.5 Contract Liabilities		
Current		
Funds received to acquire or construct an asset controlled by Council	-	-
Funds received prior to performance obligation being satisfied (Upfront payments)	925	344
Deposits received in advance of services provided - Aged Person Home Units	1,797	1,825
	<u>2,722</u>	<u>2,169</u>
Aged Person Home Units		
Current	1,797	1,825
Non-current	-	-
Total	<u>1,797</u>	<u>1,825</u>
Movement in provision		
Opening balance	1,825	1,925
Contributions received	235	60
Refunds paid	(117)	(12)
Amortisation revenue recognised	(146)	(148)
Closing balance	<u>1,797</u>	<u>1,825</u>

Accounting policy

Council recognised the following contractual liabilities:

i) Contract liability for Aged Persons Home Unit contributions received from tenants upon entry to units owned by the Council. The contributions are amortised over a twenty year term on a straight line basis. The contract liability balance represents the unamortised portion of contributions received that Council would have to reimburse residents should the all units be vacated at 30 June 2023.

ii) Grant funds received in advance includes funds received for the construction of new changerooms and amenities at the Ulverstone Showgrounds to support sporting clubs using the facility. The funds received are under an enforceable contract which requires Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.

iii) Advance instalment payments for the Local Roads and Community Infrastructure (LRCI) program funds for Phase 3 projects not commenced or completed have been recognised as a contract liability until performance obligations under the program have been satisfied. Revenue will be recognised as performance obligations are progressively fulfilled.

iv) Upfront payments for operational grants have been recognised as a contract liability until performance obligations have been satisfied. Revenue is to be recognised as performance obligations are met.

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

Funds to construct Council controlled assets	95	1,315
Funds received prior to performance obligation being satisfied (upfront payments) – AASB 15	-	-
Deposits received in advance of services provided - Aged Person Home Units	146	148
	<u>-</u>	<u>-</u>
	<u>241</u>	<u>1,463</u>

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023 \$'000	2022 \$'000
Note 8 Non-current		
Note 8.1 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	550	503
	<u>550</u>	<u>503</u>
Non-current		
Borrowings - secured	9,241	7,626
	<u>9,241</u>	<u>7,626</u>
Total	<u>9,791</u>	<u>8,129</u>

Council took on an additional \$2,200,000 in additional borrowings in 2022-2023 to support Council's share of the construction of the Coastal Pathway.

The maturity profile for Council's borrowings is:

Not later than one year	550	503
Later than one year and not later than five years	2,094	1,821
Later than five years	7,147	5,805
Total	<u>9,791</u>	<u>8,129</u>

Accounting policy

Interest bearing liabilities

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 9	Other financial information	Balance at	Increment	(Decrement)	Balance at end of
		beginning of reporting year			reporting year
Note 9.1	Reserves	\$'000	\$'000	\$'000	\$'000
	(a) Asset revaluation reserve				
	2023 Property				
	Land	34,562	5,676	-	40,238
	Buildings	48,844	271	-	49,116
	Heritage buildings	-	-	-	-
		83,406	5,947	-	89,354
	Infrastructure				
	Roads	159,725	43,630	-	203,355
	Bridges	10,488	1,278	-	11,766
	Furniture & Equipment	97	-	-	97
	Drainage	18,345	2,273	-	20,618
	Plant and Machinery	78	-	-	78
	Recreation	1,235	61	-	1,296
	Associate - Dulverton Waste Management Authority (note 5.1)	2,387	343	-	2,730
	Environmental	1,107	24	-	1,131
		193,462	47,609	-	241,071
	Total asset revaluation reserve	276,868	53,556	-	330,424
	2022 Property				
	Land	25,371	9,191	-	34,562
	Buildings	48,844	-	-	48,844
		74,215	9,191	-	83,406
	Infrastructure				
	Roads	159,721	4	-	159,725
	Bridges	8,876	1,612	-	10,488
	Furniture & Equipment	97	-	-	97
	Drainage	18,345	-	-	18,345
	Plant and Machinery	78	-	-	78
	Recreation	856	378	-	1,235
	Associate - Dulverton Waste Management Authority (note 5.1)	1,408	979	-	2,387
	Environmental	862	245	-	1,107
		190,244	3,218	-	193,462
	Total asset revaluation reserve	264,459	12,409	-	276,868
The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.					
	(b) Fair value reserve				
	2023 Equity Investment assets				
	Investment in water corporation	7,671	2,330	-	10,000
	Total fair value reserve	7,671	2,330	-	10,000
	2022 Equity Investment assets				
	Investment in water corporation	5,697	1,974	-	7,671
	Total fair value reserve	5,697	1,974	-	7,671

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.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

(c) Other reserves

2023	Asset Replacement Reserve	2,018	-	(509)	1,509
	Fire Service reserve	59	23	-	82
	Garbage collection reserve	982	136	(338)	780
	Special projects reserve	4,022	222	(645)	3,599
	Total Other reserves	7,081	381	(1,492)	5,971
2022	Asset Replacement Reserve	1,786	232	-	2,018
	Fire Service reserve	44	15	-	59
	Garbage collection reserve	638	344	-	982
	Special projects reserve	5,321	-	(1,299)	4,022
	Total Other reserves	7,789	591	(1,299)	7,081

Asset replacement reserves represent funds reserved for the future replacement of Roads and Streets, Plant and Machinery, Furniture and Equipment and ongoing refurbishment of Aged Persons home units.

Fire Service and Garbage Collection reserves represent any funds over recovered from Waste and Fire Service levies included in annual Rates and Charges that are set aside for future needs within these activities.

Special Projects reserves includes provisions set aside from a previous insurance claim for the reconstruction of the Heybridge Recreation Ground and Public Open Space contributions received from development activity to be utilised in future capital works for public open spaces. The balance of special reserves relate to discretionary funds set aside for future improvements relating specific Council activities such as Child Care services and Caravan Park sites.

	2023	2022
	\$'000	\$'000
Total Reserves	346,395	291,620

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	2023	2022
	\$'000	\$'000
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	6,515	6,725
Depreciation/amortisation	8,575	8,329
Depreciation of right-of-use assets	60	60
(Profit)/loss on disposal of property, infrastructure, plant and equipment	396	1,215
Capital grants received specifically for new or upgraded assets	(3,809)	(5,335)
Share of Profit in associate	(1,089)	(916)
Dividends	243	243
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	83	2,106
Decrease/(increase) in other assets	(192)	50
Decrease/(increase) in inventories	-	-
Increase/(decrease) in trade and other payables	(395)	(217)
Increase/(decrease) in provisions	66	(100)
Increase/(decrease) in other liabilities	581	(1,315)
Non Cash Asset transfer contributions	(2,679)	131
Net cash provided by/(used in) operating activities	8,355	10,976

Note 9.3 Reconciliation of liabilities arising from financing activities

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

	Interest-bearing loans and borrowings	Lease liabilities	Other
	\$'000	\$'000	\$'000
Balance as at 30 June 2022	8,129	226	-
Acquisitions / New leases	-	-	-
Changes from financing cash flows:			
Cash received	2,200	-	-
Cash repayments	(539)	(63)	-
Balance as at 30 June 2023	9,790	164	-
Balance as at 1 July 2021	13,761	195	-
Acquisitions / New leases	-	94	-
Changes from financing cash flows:			
Cash received	2,500	-	-
Cash repayments	(8,132)	(63)	-
Balance as at 30 June 2022	8,129	226	-

	2023	2022
	\$'000	\$'000
Note 9.4 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	8,664	4,999
Total reconciliation of cash and cash equivalents	8,664	4,999
Note 9.5 Financing arrangements		
Credit Card Facility	35	35
Used facilities	(30)	(30)
Unused facilities	6	6

Council has a total credit card facility for cards issued to key management personnel. At reporting date, the balance outstanding was \$8,148 which is reflected under note 7.1 as part of accrued expenses.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 9.6 Superannuation

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

For the year ended 30 June 2023 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

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

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

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

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

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

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

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

- In terms of Rule 15.2 of the Spirit Super Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit. However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions.
- The application of Fund assets on Spirit Super being wound-up is set out in Rule 20.2. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Spirit Super. However it is likely that Rule 15.2 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- The Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of superannuation contributions paid to defined benefits schemes was \$0 (2021-22, \$0), and the amount paid to accumulation schemes was \$1,292,970 (2021-22, \$1,182,800).
- During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$1,300,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 9.6 Superannuation (Continued)

- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2022, showed that the Fund had assets of \$49.53 million and members' Vested Benefits were \$40.79 million. These amounts represented 0.20% and 0.17% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2022 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2022 were \$780,908 and \$229,521 respectively.

	2023 \$'000	2022 \$'000
Fund		
Defined benefits fund		
Employer contributions to Quadrant Defined Benefits	-	-
	-	-
Employer contributions payable to Quadrant Defined Benefits at reporting date	-	-
	-	-
Accumulation funds		
Employer contributions to accumulation funds *	1,293	1,183
	1,293	1,183

* Accumulated funds are not disclosed in detail due to the private nature of individual self managed superannuation schemes

Note 9.7 Commitments

Capital Expenditure Commitments

Buildings	1,168	439
Plant and equipment	151	375
Roads, Footpaths, Bridges & Car parks	673	1,181
Parks & Amenities	-	377
Total Capital expenditure commitments	1,992	2,372

Contractual commitments

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

Garbage & Waste collection contracts	433	307
Maintenance provision contracts	951	1,078
Security Services	37	113
Other Services	-	-
Total contractual commitments	1,421	1,498

Note 9.8 Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees with sporting clubs, community organisations and business entities. These include commercial and non-commercial agreements.

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

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

Note 9.9 Contingent liabilities and contingent assets

Contingent liabilities

Council is not aware of any contingent assets or liabilities as at 30 June 2023.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 10 Financial Instruments

(a) Interest Rate Risk

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

2023

	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	4.00%	2,587	6,000	-	-	78	8,664
Investments	4.29%	-	1,100	7,275	-	-	8,375
Trade and other receivables	0.00%	185	-	-	-	606	791
Accrued Revenue - Interest Reimbursement		-	-	-	-	144	144
Investment in water corporation		-	-	-	-	76,490	76,490
Total financial assets		2,772	7,100	7,275	-	77,318	94,465
Financial liabilities							
Trade and other payables		-	-	-	-	3,424	3,424
Trust funds and deposits		-	-	-	-	340	340
Interest-bearing loans and borrowings	5.41%	-	550	2,094	7,147	-	9,791
Total financial liabilities		-	550	2,094	7,147	3,764	13,555
Net financial assets (liabilities)		2,772	6,550	5,182	(7,147)	73,554	80,910

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	1.06%	1,807	4,100	-	-	192	6,099
Investments	1.95%	-	-	6,998	-	-	6,998
Trade and other receivables		150	-	-	-	723	874
Accrued Revenue - Interest Reimbursement		-	-	-	-	154	154
Investment in water corporation		-	-	-	-	74,161	74,161
Total financial assets		1,957	4,100	6,998	-	75,230	88,286
Financial liabilities							
Trade and other payables		-	-	-	-	3,818	3,818
Trust funds and deposits		-	-	-	-	443	443
Interest-bearing loans and borrowings	2.97%	-	503	1,821	5,805	-	8,129
Total financial liabilities		-	503	1,821	5,805	4,261	12,390
Net financial assets (liabilities)		1,957	3,597	5,177	(5,805)	70,968	75,895

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10 Financial Instruments (Continued)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	8,664	6,099	8,664	6,099
Other financial assets	8,375	6,998	8,375	6,998
Trade and other receivables	935	1,028	935	1,028
Investment in water corporation	76,490	74,161	76,490	74,161
<i>Total financial assets</i>	<u>94,465</u>	<u>88,286</u>	<u>94,465</u>	<u>88,286</u>
<i>Financial liabilities</i>				
Trade and other payables	3,424	3,818	3,424	3,818
Trust funds and deposits	340	443	340	443
Interest-bearing loans and borrowings	9,791	8,129	9,080	8,129
<i>Total financial liabilities</i>	<u>13,555</u>	<u>12,390</u>	<u>12,844</u>	<u>12,390</u>

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

All loan borrowings are sourced from Tasmanian Public Finance Corporation (Tascorp) with benchmarking undertaken with major Australian banks to ensure quoted rates are the lowest available rate. Finance leases are sourced from major Australian financial institutions. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10 Financial Instruments (Continued)

(d) Risks and mitigation (Continued)

Credit risk

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

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 9.9.

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

	Financial Institutions	Government agencies	Other	Total
2023				
Cash and cash equivalents	8,664	-	-	8,664
Trade and other receivables	-	298	493	791
Investments and other financial assets	8,375	-	-	8,375
Total contractual financial assets	17,040	298	493	17,831
2022				
Cash and cash equivalents	4,999	-	-	4,999
Trade and other receivables	-	380	493	873
Investments and other financial assets	8,098	-	-	8,098
Total contractual financial assets	13,097	380	493	13,970

Ageing of Trade and Other Receivables

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

	2023	2022
	\$'000	\$'000
Current (not yet due)	429	588
Past due by up to 30 days	10	(14)
Past due between 31 and 180 days	167	150
Past due between 181 and 365 days	137	108
Past due by more than 1 year	48	42
Total Trade & Other Receivables	791	873

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10 Financial Instruments (Continued)

(d) Risks and mitigation (Continued)

Credit risk (Continued)

Ageing of individually impaired Trade and Other Receivables

At balance date, there are no trade debtors or other receivables that are identified as impaired. This is the same as reported at the end of the 2021-22 financial year. The majority of long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

Liquidity risk

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

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

To help reduce these risks we:

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

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

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

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

2023	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	3,424	-	-	-	-	3,424	3,424
Trust funds and deposits	340	-	-	-	-	340	340
Interest-bearing loans and borrowings	280	270	566	1,528	7,147	9,791	9,791
Total financial liabilities	4,044	270	566	1,528	7,147	13,555	13,555

2022	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	3,818	-	-	-	-	3,818	3,818
Trust funds and deposits	443	-	-	-	-	443	443
Interest-bearing loans and borrowings	253	250	477	1,344	5,805	8,129	8,129
Total financial liabilities	4,514	250	477	1,344	5,805	12,390	12,390

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10 Financial Instruments (Continued)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 5.41%

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

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	2,587	(26)	(26)	26	26
Investments	-	-	-	-	-
Trade and other receivables	185	(2)	(2)	2	2
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

		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	1,807	(18)	(18)	18	18
Investments	-	-	-	-	-
Trade and other receivables	150	(9)	(9)	9	9
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10.1 Fair Value Measurements

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

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

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These assets are disclosed in note 4.4. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

(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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2023.

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

As at 30 June 2023

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	76,490	76,490
Land	6.1	-	45,409	-	45,409
Land under roads	6.1	-	30,094	-	30,094
Buildings	6.1	-	91,379	-	91,379
Roads, including footpaths & cycleways	6.1	-	-	295,185	295,185
Bridges	6.1	-	-	21,154	21,154
Drainage	6.1	-	-	31,142	31,142
Other Infrastructure	6.1	-	-	20,759	20,759
		-	166,882	444,730	611,612
Non-recurring fair value measurements					
Assets held for sale	4.4	-	14	-	14
		-	14	-	14

As at 30 June 2022

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.2	-	-	74,161	74,161
Land	6.1	-	39,734	-	39,734
Land under roads	6.1	-	30,045	-	30,045
Buildings	6.1	-	90,826	-	90,826
Roads, including footpaths & cycleways	6.1	-	-	246,687	246,687
Bridges	6.1	-	-	19,267	19,267
Drainage	6.1	-	-	28,328	28,328
Other Infrastructure	6.1	-	-	19,281	19,281
		-	160,605	387,724	548,329
Non-recurring fair value measurements					
Assets held for sale	4.4	-	96	96	96
		-	96	96	96

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10.1 Fair Value Measurements (Continued)

(a) Fair Value Hierarchy (Continued)

Transfers between levels of the hierarchy

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

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

(b) Highest and best use

At the reporting date, all assets valued at fair value in this note are being utilised for their highest and best use as public assets.

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

Level 2 Measurements (recurring and non-recurring) - Level 2 assets are measured at the Valuer-General's or independent valuers independent valuation

Level 3 Measurements (recurring and non-recurring) - Level 3 assets have been determined by independent valuers valuations and internal valuations conducted by Infrastructure Services employees of Council based on the current replacement costs. Inputs used are cost of materials, cost of labour and other intangible costs.

Land

Land fair values were determined by the Valuer-General's valuation factor update issued on 8 March 2023. Commercial, Industrial and Community Services land classes held by Council were indexed by 11.54% over the previous 30% adjustment factor applied in 2021-2022. Residential land held was increased by 34.62%. The next full valuation is planned for 30 June 2024. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

Land under roads

Land under roads is based on Council valuations at 30 June 2019 using site values provided for by the Valuer-General and adjusted at 30 June 2019 using the adjustment factor provided by the Valuer-General. This adjustment is an observable input in the valuation.

Notes to the Financial Report For the Year Ended 30 June 2023

Note 10.1 Fair Value Measurements (Continued)

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

Buildings

The fair value of buildings were determined by a qualified independent valuer Gavin Lipplegoes, Grad. Dip (Prop), B.Bus (Acc), FFin, AAPI, CPV of Opteon Property Group Pty Ltd effective 30 June 2021. While there have been some identified movements in building costs in the market, based on subsequent valuations undertaken during the financial period for specific individual building assets contained in the previous valuation, Council believe these valuations represent fair value. The next full valuation is scheduled to be undertaken in 30 June 2024 and Council will review annually to determine if minor revaluations are required. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

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

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

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

Infrastructure assets

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

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

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

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

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Roads, including footpaths & cycleways

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

Roads, Footpaths and Cycleways, Car parks and Drainage asset classes were revalued on 30 June 2023 by the Infrastructure Services department of the Council in line with the 3 year revaluation cycle adopted by the Council. The revaluation is based on the current replacement cost using modern equivalent materials and work methods for each asset as the best estimate of fair value taking into consideration the remaining useful life of the asset.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 30cm for all roads. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 30 June 2023. The valuation is based on the current replacement costs for each asset. AusSpan are contracted to provide ongoing review of Bridge assets and an updated full valuation will be undertaken again as at 30 June 2024. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's Infrastructure Services personnel, effective 30 June 2023. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 10.1 Fair Value Measurements (Continued)

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

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Other Infrastructure

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

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Buildings	\$91,379	Movements in Market value	Market Valuation	Value will increase or decrease with movements in market
Roads & Carparks	\$262,274	Input Costs	Input costs per m ²	Value will increase or decrease with movements in input costs
Bridges	\$21,154	Individual costs of replacement	Replacement Cost	Value will increase or decrease with movements in replacement cost inputs
Footpaths	\$32,911	Input Costs	Input costs per m ²	Value will increase or decrease with movements in input costs
Drainage	\$31,142	Individual costs of replacement	Replacement Cost	Value will increase or decrease with movements in replacement cost inputs
Recreation & Parks	\$16,086	Individual costs of replacement	Replacement Cost	Value will increase or decrease with movements in replacement cost inputs
Investment in Water Corporation	76,490	Refer to note 5.2 for a description of the valuation basis.		

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 property plant and equipment assets with recurring fair value measurements are detailed in note 6.1 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3 has been separately disclosed in note 5.2.

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 notes 5.1 and 6.1 respectively.

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

Asset valuations are based on the asset replacement cost at the end of its useful life. The asset replacement cost is defined as the total project cost of the asset, which includes design, project management and construction costs including supply of all materials. Valuations have been prepared with consideration of the current cost of delivering infrastructure projects, contractor rates, modern renewal / rehabilitation practice, asset componentisation and benchmarked rates.

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 8.1 is provided by Tascorp (level 2).

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

Note 10.2 Events occurring after balance date

- (a)** Council is not aware of any events that have occurred after balance data that are expected to have a material impact on the financial statements. Council has submitted a claim in late 2022-23 under the Tasmanian Relief and Recovery Arrangements of the National Disaster Relief Fund and received an initial payment which has been included in the 2022-2023 statements. Council expects to receive a further reimbursement in 2023-2024.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 11 Other matters

Note 11.1 Related party transactions

(i) Councillor Remuneration 2023

Name	Position	Period	Short term employee benefits		Total Compensation AASB 124 \$	Expenses ² \$	Total allowances and expenses section 72 \$
			Allowances \$	Vehicles ¹ \$			
C Fuller	Mayor	Nov - Jun	56,218	-	56,218	738	56,956
J Bonde	Mayor	Jul - Oct	28,926	-	28,926	160	29,086
G Carpenter	Deputy Mayor	Jul - Oct	14,178	-	14,178	1,215	15,393
J Beswick	Deputy Mayor	Nov - Jun	29,177	-	29,177	1,976	31,153
	Councillors	Full Year	169,694	0	169,694	20,754	190,448
Total			298,193	0	298,193	24,843	323,036
Councillor Remuneration 2022							
J Bonde	Mayor	Full Year	82,913	-	82,913	2,003	84,916
G Carpenter	Deputy Mayor	Full Year	42,229	-	42,229	2,749	44,978
	Councillors	Full Year	165,877	-	165,877	17,224	183,101
Total			291,019	0	291,019	21,976	312,995

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

² Expenses includes reimbursement for mobile phone, travel allowances, costs for attending Local Government seminars and meals provided at Council meetings.

(ii) Key Management Personnel Remuneration 2023

Key Management Personnel Remuneration 2023			Remuneration band	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
Name	Position	Period		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
				\$	\$	\$	\$	\$	\$		
S Ayton	General Manager	Full Year	\$250 001 - \$300 000	263,603	-	19,174	-	-	-	(13,392)	269,385
P Breden	Director - Infrastructure Services	Full Year	\$180 001 - \$250 000	154,102	-	7,029	4,729	30,931	-	5,721	202,512
D Connelly	Director - Community Services	Full Year	\$180 001 - \$250 000	165,418	-	12,694	507	17,369	-	4,802	200,790
I Stoneman	Director - Corporate Services	To 29/11/22	\$ 30 001 - \$100 000	71,797	-	10,362	-	7,603	12,316	(18,393)	83,685
S Searle	Director - Corporate Services	From 17/4/23	\$ 30 001 - \$100 000	26,735	-	-	-	5,350	-	4,189	36,274
Total				681,655	-	49,259	5,236	61,253	12,316	(17,073)	792,646
Key Management Personnel Remuneration 2022			Remuneration band	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷	Total
Name	Position	Period		Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶		
				\$	\$	\$	\$	\$	\$		
S Ayton	General Manager	Full Year	\$280 001 - \$300 000	248,659	-	16,944	-	-	-	22,381	287,984
P Breden	Director - Infrastructure Services	Full Year	\$180 001 - \$200 000	148,370	-	11,745	-	28,112	-	2,022	190,249
D Connelly	Director - Community Services	Full Year	\$180 001 - \$200 000	149,700	-	7,732	-	14,970	-	8,616	181,018
I Stoneman	Director - Corporate Services	Full Year	\$160 001 - \$180 000	141,911	-	10,152	-	14,191	-	9,538	175,792
Total				688,640	-	46,573	-	57,273	-	42,557	835,043

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 11 Other matters

Note 11.1 Related party transactions (Continued)

(ii) Key Management Personnel Remuneration (Continued)

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. There are no incentive arrangements in place for Key Management Personnel.

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

⁴ Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable. No other allowances or benefits have been provided to Key management Personnel.

⁵ Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were determined based on payments required to be contributed, as advised by Quadrant Defined Benefits Fund.

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

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

(iii) Remuneration Principles

Councillors

Councillors Emoluments have been made in accordance with Council's decision regarding payment of Councillors Allowances and the reimbursement of any expenses to the Councillors.

Executives

The Council has designated the General Manager and the Directors as being senior employees. The employment terms and conditions of senior employees are contained in either individual employment contracts or detailed letters of appointment and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, the Council 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 the General Manager contains a termination clause that requires the Council to provide a minimum notice period of 6 months prior to termination of the contract. Whilst not automatic, the contract can be extended.

(iv) Transactions with associates

Council's interest in associates are detailed in Note 5.1.

The following transactions occurred with associated entity, Dulverton Waste Management Authority

Transactions with associates 2022-2023

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding Balances including Commitments at year end</i>	<i>Terms and conditions</i>
Waste Disposal Services	\$1,234,738	\$89,807	30-day terms on invoices
National Taxation Equivalent Regime (NTER)	\$314,189	\$0	As per section 71 of the Government Business Enterprises Act 1995
Dividends	\$243,012	\$0	As determined by the Board of Dulverton Regional Waste Management Authority

Transactions with associates 2021-2022

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding Balances including Commitments at year end</i>	<i>Terms and conditions</i>
Waste Disposal Services	\$922,182	\$82,420	30-day terms on invoices
National Taxation Equivalent Regime (NTER)	\$445,008	\$0	As per section 71 of the Government Business Enterprises Act 1995
Dividends	\$243,012	\$0	As determined by the Board of Dulverton Regional Waste Management Authority

(v) Loans and guarantees to/from related parties

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

(vi) 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
- Payment for land-use planning/building permit applications
- Dog registration

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

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 11.2 Interests in other entities

Interests in associates

Associates:	Principal place of business / country of incorporation	Percentage owned 2023 (%)	Percentage owned 2022 (%)
Dulverton Waste Management Authority	Latrobe, Australia	36.82%	36.82%

The percentage ownership interest held is equivalent to the percentage voting rights for all associates.

The Council is a partner in the Dulverton Regional Waste Management Joint Authority established under the Local Government Act 1993 (as amended). Other partner Councils in the Dulverton Waste Management Authority are Devonport City, Latrobe and Kentish Councils. The Authority operates a regional landfill site at Dulverton which is its primary activity.

Dulverton Regional Waste Management has the same year end as the Council. There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the council.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note 11.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board 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 2023**

Note 11.4 Significant Business Activities

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

	Child Care Services	
	2023	2022
	\$'000	\$'000
<i>Revenue</i>		
Rates	-	-
User Fees	2,774	2,498
Grants	-	-
Total Revenue	2,774	2,498
<i>Expenditure</i>		
<i>Direct</i>		
Employee Costs	1,369	1,174
Materials and Contacts	409	359
Interest	-	-
Utilities	13	13
<i>Indirect</i>		
Engineering & Administration	678	567
Total Expenses	2,469	2,112
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	35	33
Opportunity cost of capital	161	137
Total Capital Costs	196	170
<i>Competitive neutrality adjustments</i>		
Rates and land tax	-	-
Loan guarantee fees	-	-
	-	-
<i>Calculated Surplus/(Deficit)</i>	109	216
Tax Equivalent rate	30%	30%
Taxation equivalent	33	65
Competitive neutrality costs	81	106

**Notes to the Financial Report
For the Year Ended 30 June 2023**

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 Child Care services, as defined above is considered significant business activities. 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 notional opportunity cost of capital was calculated by applying an interest rate of 6.5% (2022, 6.5%) which the Council has determined as an appropriate interest rate adjusted for a risk margin.
- Taxation equivalents were calculated by an applicable taxation rate of 30% applied to the activity's notional accounting profit before abnormal items.
- Notional Council rates and land tax have been calculated using actual rates and charges set by the Council and government for the current financial period.
- The impact of Fringe Benefit Tax credits, stamp duty and other taxes were deemed to be immaterial and have not been included.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

Note	11.5 Management indicators	Benchmark	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(a) Underlying surplus or deficit						
	Net result for the year		6,515	6,725	13,772	1,000
	Less non-operating income					
	Capital contributions - and recognition of assets		(2,679)	-	-	-
	COVID-19 and National disaster relief grants		(99)	-	-	-
	Grants specifically for new or upgraded assets		(3,175)	(5,396)	(13,613)	(2,433)
	Gains on disposal of surplus Assets		(52)	-	-	-
	Grants received in advance - current year		(5,622)	(3,729)	(2,191)	(2,200)
	Grants received in advance - prior year (Add+)		3,729	2,191	2,200	2,030
	Insurance Proceeds on asset losses		43	(1,186)	-	-
	Section 137 Sale proceeds		-	-	(53)	-
	Add non-operational expenses					
	Disaster relief and recovery expenditure		536	229	-	-
	Unscheduled one-off loss on disposal of non-financial assets		702	995	(306)	-
	Covid Expenses		-	109	-	97
	Underlying surplus/deficit	0	(102)	(61)	(192)	(1,506)

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

Underlying surplus has been impacted by marked increases in material input costs in line with market CPI increases and the impact of higher than budgeted depreciation charges. The surplus has also been impacted over the past 12 months by employee cost increase in line with the current Enterprise Agreement that is linked to the annual CPI change, that was higher than budgeted. The current year result was also impacted by significant diversion of resources to support mitigation of the major flooding event in October 2022. Whilst the directly attributable costs have been identified and excluded in determining the underlying result, there were flow on impacts on normal operating costs that were required to maintain normal operations that have not specifically been able to be directly quantified. The underlying deficit also includes losses on disposal for replacement of Road assets that were replaced in 2022-23 that were included in the capital works program.

(b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>		(102)	(61)	(192)	(1,506)
Recurrent income*		34,864	31,677	28,226	28,992
Underlying surplus ratio %	0%	-0.3%	-0.2%	-0.7%	-5.2%

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

The Council targets achieving an underlying surplus as a key financial strategy, as set out in the long term financial planning process. Whilst this has not been achieved again in 2022-2023, the updated Long-term Financial Plan details a plan and actions to return to an underlying surplus over the term of the plan. Council management will also deliver an updated Financial Management Strategy in early 2023-2024 as well as an updated budget process to improve financial oversight.

(c) Net financial liabilities

Liquid assets less		17,831	13,971	20,440	12,122
total liabilities		(20,892)	(19,327)	(26,846)	(21,927)
Net financial liabilities	0	(3,061)	(5,356)	(6,406)	(9,805)

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 measure continues to come in below the benchmark which has been the result of borrowings undertaken to support key strategic capital projects over recent years. The current Long-term Financial Plan includes a focus on bringing this measure in line with the benchmark in the medium to long term of the plan, through a focus on debt management.

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>		(3,061)	(5,356)	(6,406)	(9,805)
Recurrent income*		34,864	31,677	28,226	28,992
Net financial liabilities ratio %	0% - (50%)	-9%	-17%	-23%	-34%

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

This ratio has again improved in the 2022-2023 financial year as Council continues its focus on managing debt levels in line with its Long-term Financial Plan. Council has been through a significant investment phase on new assets over recent years which has seen it take on additional borrowings to support key projects at the HIVE facility and the Coastal Pathways project. Council will continue to focus on debt reduction.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	Benchmark	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(e) Asset consumption ratio					
An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
<i>Buildings</i>					
<u>Fair value (Carrying amount)</u>		91,379	90,826	81,967	71,972
Current replacement cost (Gross)		170,442	167,204	158,313	112,007
Asset consumption ratio %		54%	54%	52%	64%
<i>Roads & Streets</i>					
<u>Fair value (Carrying amount)</u>		259,210	217,913	218,298	218,472
Current replacement cost (Gross)		318,328	269,824	268,910	267,675
Asset consumption ratio %	60%	81%	81%	81%	82%
<i>Footpaths</i>					
<u>Fair value (Carrying amount)</u>		32,911	26,004	25,697	24,287
Current replacement cost (Gross)		53,018	41,962	41,235	39,359
Asset consumption ratio %	60%	62%	62%	62%	62%
<i>Bridges</i>					
<u>Fair value (Carrying amount)</u>		21,154	19,268	17,516	17,616
Current replacement cost (Gross)		37,081	36,446	32,877	32,707
Asset consumption ratio %	60%	57%	53%	53%	54%
<i>Drainage</i>					
<u>Fair value (Carrying amount)</u>		31,142	28,328	28,714	28,710
Current replacement cost (Gross)		51,379	46,956	47,045	46,589
Asset consumption ratio %	60%	61%	60%	61%	62%
<i>Other infrastructure Assets</i>					
<u>Fair value (Carrying amount)</u>		23,822	22,053	28,714	28,710
Current replacement cost (Gross)		38,943	36,527	47,045	46,589
Asset consumption ratio %	60%	61%	60%	61%	62%

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

The Council has an overall average asset consumption rate of 67.3% which is above the benchmark of 60%. Bridges is the only category that falls below this benchmark and it is only marginally below. With current capital bridge works in progress and planned asset renewal and upgrade programs contained in the Long-term Financial Plan, this ratio should improve over the coming years, back above the benchmark over the medium term.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	Benchmark	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(f) Asset renewal funding ratio					
An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
<i>Buildings</i>					
<u>Projected capital funding outlays**</u>		8,199	8,014	8,003	6,177
Projected capital expenditure funding***		8,199	8,014	8,003	6,177
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Roads & Streets</i>					
<u>Projected capital funding outlays**</u>		38,220	34,560	27,012	25,400
Projected capital expenditure funding***		38,220	34,560	27,012	25,400
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Footpaths</i>					
<u>Projected capital funding outlays**</u>		3,174	2,354	2,540	2,350
Projected capital expenditure funding***		3,174	2,354	2,540	2,350
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Bridges</i>					
<u>Projected capital funding outlays**</u>		3,090	3,634	6,111	3,300
Projected capital expenditure funding***		3,090	3,634	6,111	3,300
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Drainage</i>					
<u>Projected capital funding outlays**</u>		3,920	3,110	3,259	2,800
Projected capital expenditure funding***		3,920	3,110	3,259	2,800
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Carparks</i>					
<u>Projected capital funding outlays**</u>		2,490	2,830	2,672	2,400
Projected capital expenditure funding***		2,490	2,830	2,672	2,400
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Recreation</i>					
<u>Projected capital funding outlays**</u>		8,676	6,738	8,105	6,244
Projected capital expenditure funding***		8,676	6,738	8,105	6,244
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%
<i>Other infrastructure assets</i>					
<u>Projected capital funding outlays**</u>		1,190	1,970	1,677	1,591
Projected capital expenditure funding***		1,190	1,970	1,677	1,591
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

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

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

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

For the 2020, 2021, 2022 and 2023 financial years the Council prepared Long-term Financial Plans based on the information that the Infrastructure Services Department used to develop their 10 year forward works programs for renewals and upgrades of existing assets. Consequently the funding for renewals and upgrades in the Long-term Financial Plan and the projected outlays for renewals and upgrades in the asset management plans are identical.

**Notes to the Financial Report
For the Year Ended 30 June 2023**

	Benchmark	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(g) Asset sustainability ratio					
<u>Capex on replacement/renewal of existing assets</u>		4,259	4,969	4,576	5,251
Annual depreciation expense		8,575	8,329	7,118	6,938
Asset sustainability ratio %	100%	50%	60%	64%	76%

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

This measure has been impacted in recent years due to an increased focus on investment in new assets, and an increase in depreciation expense relating to the impact of the revaluation of assets. Council has prepared an updated Long-term Financial Plan and is completing an updated Strategic Asset Management Plan which have an increased focus on renewal and upgrade capital projects, which will bring us back in line with our benchmark target.

2023	Capital renewal expenditure	Capital new/ upgrade expenditure	Total Capital Expenditure
By asset class	\$'000	\$'000	\$'000
Buildings	625	302	927
Roads & Streets	2,501	365	2,867
Footpaths	11	2,432	2,443
Bridges	708	-	708
Drainage	36	212	247
Recreation	216	1,327	1,543
Other	162	1,458	1,620
Total	4,259	6,095	10,354

2022	Capital renewal expenditure	Capital new/ upgrade expenditure	Total Capital Expenditure
By asset class	\$'000	\$'000	\$'000
Buildings	876	2,496	3,372
Roads & Streets	1,663	483	2,145
Footpaths	156	1,531	1,687
Bridges	2,017	-	2,017
Drainage	11	217	229
Recreation	241	3,921	4,162
Other	4	1,717	1,721
Total	4,969	10,365	15,334

Auditor-General
Tasmanian Audit Office
GPO Box 851
HOBART TAS 7001

CERTIFICATION OF THE FINANCIAL REPORT

The financial report presents fairly the financial position of the Central Coast Council as at 30 June 2023 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Barry Omundson
GENERAL MANAGER

Date: 28 September 2023



CENTRAL COAST
COUNCIL

