

The background of the cover is a scenic photograph of a valley. In the foreground, a calm river reflects the sky and the surrounding landscape. The middle ground is filled with dense trees, some with golden-brown autumn foliage and others with dark green leaves. In the background, a range of mountains is visible under a sky with soft, grey clouds. A white, irregular outline follows the top and sides of the image, framing the text. At the bottom center, there is a small white logo consisting of three stylized, overlapping leaf-like shapes.

# Meander Valley Council

2022-23 ANNUAL REPORT











## Acknowledgment of Traditional Owners

Council acknowledges the Pallitore and Panninher past peoples and the traditional owners and custodians of the land on which we gather for the Council Meetings, with respects paid to elders past and present and extended to all Aboriginal and Torres Strait Islander peoples.

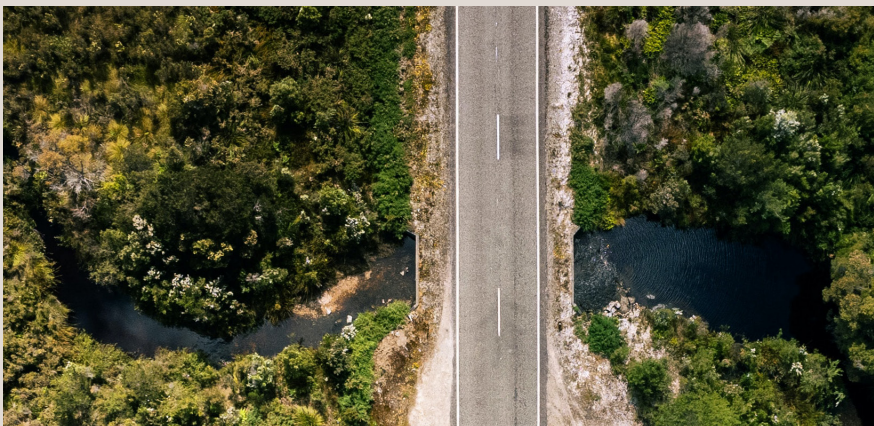


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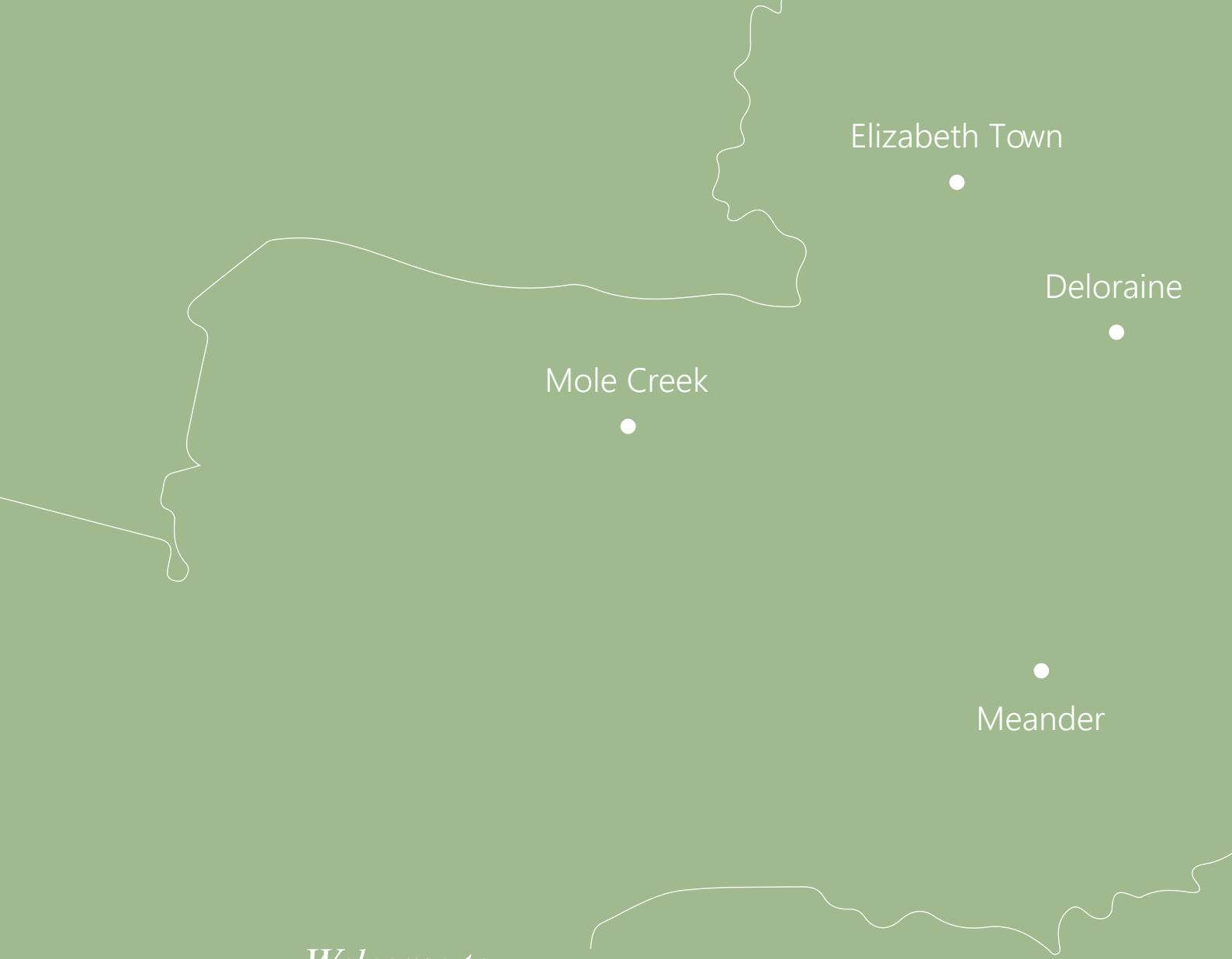




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## *Welcome to* **MEANDER VALLEY**

Nestled within Tasmania's green heart, Meander Valley is not just a place to live and work; it's a space to grow, build and thrive together.

To the west, the Meander Valley unfolds with picturesque landscapes, from lush pastures to the majestic peaks of the Great Western Tiers, a world heritage-listed treasure. Our towns are rural gems, offering unique experiences like agritourism, picturesque road trips, world-class fly fishing, scenic cycling routes, and invigorating walks amongst our pristine and majestic wilderness.

Heading east, our urban and peri-urban communities radiate their own distinctive charm, providing residents with a peaceful lifestyle complemented by excellent amenities, surrounded by lush green and a vast collection of our nation's cherished history.







# *Tasmania's* **GREEN HEART.**



21,356  
Residents



9 Elected  
Members



1,644  
Local  
businesses



193  
Bridges



13  
Public halls

828

Kilometres of  
road networks



3,327  
Square  
kilometres  
of land area



10,568  
Rateable  
assessments

Operating Revenue

\$25,013,152

Operating Expenditure

\$26,228,375

Capital Expenditure

\$6,149,812



58

Parks &  
Reserves

3

Municipal  
waste facilities

2

Municipal  
swimming pools

36

Playgrounds &  
fitness stations

7,060

Kerbside  
collections

41

Sporting facilities



7

Bike &  
skate parks

8

Sporting grounds

The Meander Valley Council's productivity reflects its commitment to the well-being and progress of the community it serves. In terms of infrastructure development, the council has successfully implemented key projects that enhance the quality of life for residents. Notably, road upgrades and maintenance initiatives have improved accessibility and connectivity, fostering a safer and more efficient transport network.

Financial stewardship is another area where the Meander Valley Council has excelled. Through responsible budgeting and resource management, the council has maintained fiscal stability while delivering essential services to its constituents. This prudent approach not only ensures the sustainability of municipal operations but also underscores the council's dedication to long-term community development.

Community engagement stands out as a cornerstone of the Meander Valley Council's productivity. The council has implemented inclusive strategies to gather input from residents, allowing them to actively participate in decision-making processes. This collaborative approach not only empowers the community, it also ensures that the council's initiatives align with the needs and aspirations of its diverse population. This is characterized by effective infrastructure development, sound financial management, and a commitment to inclusive governance, collectively contributing to the flourishing of the region.





## *Message from Mayor,* **WAYNE JOHNSTON**

This year I had the pleasure of being returned as the Mayor of Meander Valley. I wish to extend my thanks to those that supported my election campaign. It is my great honour to serve our community in this capacity and I look forward to continuing to serve our vibrant and diverse community.

Recently, the Tasmanian Government introduced compulsory voting for municipal elections which created much work for our Council employees this time around, but also resulted in an increase in votes returned. I'm incredibly grateful for their hard work in facilitating a seamless election for our residents. I also acknowledge the significant contributions of Councillors Michal Frydrych, Tanya King, Andrew Sherrieff and Deborah White who all ended their time with Council at the 2022 elections.

In October 2022, the resilience of the Meander Valley community was tested with the devastating flooding of the Meander River. This caused much damage to our townships in the Western area of the municipality. Community members, Council employees and

support services operated the emergency evacuation centre at Deloraine and responded to extensive damage to our road, bridge, storm-water, recreation assets and unfortunately several private residences. It's a testament to the strength of our community to see how we have come together to begin to rebuild in these past months.

In late 2022, Council signed a lease for the use of the former Meander Primary School with Deloraine House, a community service organisation that works with individuals, families and groups to build community connectedness and participation and wellbeing in Meander Valley, who have set to work improving the buildings and gardens. Many of our residents have an affiliation with the former Meander Primary School property with friends or family having attended as a student. You will be pleased to know Deloraine House have been collaborating with community members to establish new community uses for the site. In October, Council worked with the Rotary Club of Deloraine to purchase the property known as 'Wild Wood' along the banks of the river in Deloraine. The area was simply too





much to look after for the current owners and Council has embraced the opportunity to assist in improving the functionality as a passive recreation area through community ownership. With Council assistance, Meander Valley residents have since formed a Landcare group with members now working to improve vegetation management in the area. We are very excited to see this project come to fruition as another space for our community to utilise.

In January, we hosted our annual Australia Day event at the Country Club Tasmania. This was made even more significant with local indigenous elder, Uncle Hank Horton, providing a Welcome to Country for the first time. The event once again showcased the wide range of volunteers that participate in our many service organisations and sports clubs, providing inspiration and encouragement to those around them.

Finally, in early 2023, the Tasmanian Government moved ahead with their Future of Local Government Review (FOLGR). As a Council we recognized the importance of asking our community to share their thoughts on the

proposed reforms.

We embarked on public meetings and surveys of our community to receive their feedback. I was grateful to listen to the many aspects people identified that they value about the Meander Valley area that they would like to see retained and built upon. There was also much appreciation expressed for the quality services that our Council delivers to the community. We are committed to seeking the best outcomes for our residents from the FOLGR.

During the year we farewelled a number of long serving employees and our General Manager, John Jordan after three years in the role. Thank you to the councillors for their leadership, and our dedicated staff and volunteers for their hard work and commitment to the Meander Valley area every day.

Mayor Wayne Johnston,  
Meander Valley Council





*Message on behalf of  
the General Manager,*  
**JONATHAN HARMHEY**







## *Your community,* **YOUR COUNCIL.**

Voters in the Meander Valley elect nine councillors to represent the community, including the mayor and deputy mayor. The Council commenced a new four-year term, having been elected in October 2022. Our mayor and councillors are leaders and community advocates, working to inform policy and make decisions on behalf of the community. They work closely with Council's management team on a range of plans and strategies that guide the delivery of projects and services across the municipality.

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*Mayor*  
Wayne Johnston



*Deputy Mayor*  
Stephanie Cameron



*Councillor*  
Michael Kelly



*Councillor*  
Kevin House  
Term: 1/11/2 to 30/6/23



*Councillor*  
Lochie Dornauf  
Term: 1/11/22 to 30/6/23



*Councillor*  
Anne-Marie Loader  
Term: 1/11/22 to 30/6/23



*Councillor*  
**Ben Dudman**

Term: 1/11/22 to 30/6/23



*Councillor*  
**John Temple**



*Councillor*  
**Rodney Synfield**

Term: 1/07/22 to 1/11/22 +  
14/2/23 to 30/6/23

## *Outgoing Councillors*

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*Councillor*  
**Deborah White**

Term: 1/07/22 to 1/11/22



*Councillor*  
**Andrew Sherriff**

Term: 1/07/22 to 1/11/22



*Councillor*  
**Tanya King**

Term: 1/07/22 to 1/11/22



*Councillor*  
**Michal Frydrych**

Term: 1/07/22 to 1/11/22



*Councillor*  
**Barry Lee**

Term: 1/07/22 to 31/1/23





## *Organisational* **STRUCTURE.**

Meander Valley Council's executive management team, under the direction of the General Manager, provide leadership to maintain good governance, achieve excellence in service delivery and deliver the strategic outcomes determined by Council.

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John Jordan  
*General Manager*



Krista Palfreyman  
*Director, Development  
& Regulatory Services*



Dino De Paoli  
*Director, Infrastructure  
Services*



Jonathan Harmey  
*Director, Corporate  
Services*



Matthew Millwood  
*Director, Works*



# Organisational **STRUCTURE.**





# Key Measures of Performance 2023-24

## *Strategy Implementation & Reporting*

This report documents our performance against the Annual Plan. It serves as an assessment of progress towards the implementation of the Community Strategic Plan 2014-24 and celebrates a broad range of achievements.

The Annual Report contains details about:

- Our key performance measures against targets established in the Annual Plan
- Results achieved from the Annual Plan targets
- Details of the services that have been provided to the community
- Transparency and accountability
- Reports delivered in accordance with legislation
- Financial performance and financial reports



**\$113.58m**

Value of building applications processed

**\$6.15m**

Value of capital works projects delivered



**1,675**

Service requests managed

**20,000+**

Inbound calls managed

### Annual Plan Actions

**80**

Achieved, in progress or near completion

**3**

Pending

**20**

Deferred



**\$93,199**



Community grants and sponsorships









# Governance & Community Wellbeing

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## *Governance & Community Wellbeing*

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The Governance & Community Wellbeing department, encompassing the Mayor's office and General Manager, plays a crucial role in supporting elected representatives and providing advisory services. By managing corporate and community communications, the department ensures transparent and effective dissemination of information to the public. This fosters community engagement and awareness, empowering residents to participate in local governance.

Furthermore, Governance contributes to the community's well-being by overseeing strategic planning and reporting, which helps shape the Council's direction in a way that aligns with the needs and

aspirations of the residents. The management of right to information requests ensures accessibility, transparency, and accountability, building trust between the Council and the community.

Intergovernmental liaison and issues management across all Council services and functions enable efficient collaboration and problem resolution. This collaborative approach enhances the overall effectiveness of Council initiatives, leading to positive outcomes for the community, such as improved services, infrastructure, and overall quality of life for Meander Valley residents.

Community Wellbeing strive for a pros-





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perous, vibrant, creative, and inclusive Meander Valley. Throughout the year, we celebrated citizenship ceremonies and the Australia Day Awards. Council supported community initiatives like Winterfire and the Deloraine Craft Fair, attracting larger events to the municipality.

Various international and national celebrations raised awareness for key community groups. Council continued its commitment to support the elderly and people with disabilities through the Deloraine and Westbury Community Car services. The Community Grants and Sponsorship Program contributed funds to various organizations, including sporting sponsorships, and others, fostering

ongoing community success.

The Great Western Tiers Visitor Centre played a pivotal role in drawing visitors, with an increase in visitor numbers and a rise in accommodation bookings. Collaborations, such as the partnership with Visit Northern Tasmania to promote short walks, showcased the Meander Valley as the Short Walks Capital of Tasmania. Council's resolution of tensions over the former primary school led to its successful leasing to Deloraine House.



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Review and update Council's New Residents Kit to improve information on key services, events, dates for people new to our community	Awaiting updated corporate imagery from Governance.	Progressing
Secure lease over former Meander Primary School	Lease signed with Deloraine House.	Achieved
Deliver support to the Meander Valley Art Award	Successful event held at Westbury Town Hall with a two-week exhibit of 58 entries and attendance of 470 in September 2022.	Achieved
Manage recurrent sponsorship funding to Deloraine Cup, Deloraine, Chudleigh and Westbury Show Societies	Sponsorship Agreements provided to Show Societies.	Achieved
Deliver programmed activity and support for NAIDOC Week	Project funding provided to Arts Deloraine for liaison with local aboriginal leaders and delivery of future NAIDOC week event.	Achieved
Deliver a community celebration and thank you event upon signing of a lease for the former Meander Primary School site	Community BBQ and celebration event held for October 2022.	Achieved
Deliver programmed activity and support for Youth Week	DPAC grant of \$50,000 received, with first milestone in Q4.	Achieved
Deliver programmed activity and support for Volunteer Week	Community volunteer morning tea held Q4.	Achieved
Deliver programmed activity and support for Seniors Week	Two events supported: - University of the Third Age (20 attendees) - Westbury Health and Westbury Community Garden (40 attendees)	Achieved
Review legacy support arrangements and finalise agreements (church lighting)	Agreements not in place for church lighting, legacy arrangements continuing.	Pending
Undertake consultation and engagement to prepare inputs for Community Strategic Plan	Included in 2023-24 Annual Plan projects.	Deferred

<i>Activity</i>	<i>Action</i>	<i>Result</i>
Deliver community consultation on Deloraine Recreation Precinct.	Initial consultation and engagement stages completed; feedback presented to Council at November 2022 Workshop. Councilors received additional presentations from Deloraine AFL Clubs and Mr Tony Wadley at February 2023 workshop.	Progressing
Undertake needs analysis and review grant and sponsorship categories and funding amounts to ensure community needs are met	Initial research completed and a recommendation regarding a change in how Council delivers funding will be provided in Q1 of 2023-24.	Deferred
Deliver community survey and drop-in sessions to determine community views on Council performance, services, and key issues of interest	Consultation program conducted throughout Q1-Q2 to inform future consultation on the Community Strategic Plan.	Progressing
Review and update Council's Community Wellbeing Program and brief incoming Council	Review and update Council's Community Wellbeing Program and brief incoming Council	Progressing
Undertake consultation with key groups to identify the needs for volunteering in our community.	Undertake consultation with key groups to identify the needs for volunteering in our community.	Progressing
Establish a staff community volunteering program	Establish a staff community volunteering program	Progressing
Renew and release an updated Meander Valley regional prospectus to promote the region to potential businesses and people relocating	Updated wording and images provided in response to Department of State Growth request in Dec 2022. Coordinator General has advised this work is still pending (April 2023).	Progressing
Liaise with tourism and business operators to deliver in kind support to major events i.e., Deloraine Car Show, AgFest, Winterfire	Q4 support provided to ANZAC Day services and Winterfire event.	Achieved
Progress development of branding and marketing initiatives to establish Meander Valley as a lifestyle, tourism and investment destination	Postponed pending additional resources.	Progressing



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Assess the feasibility of electronic notice boards located at community hubs throughout the region to support Council and community messaging	Scheduled to commence in Q4.	Pending
Deliver business information and networking sessions (3) to business operators across Meander Valley	Three sessions held in November 2022, with delivery by Informed Decisions Consulting and guest speaker from the Project Lab.	Achieved
Review services and attractions at the Great Western Tiers Visitor Centre to enhance customer service and tourist satisfaction	Deferred to commence in Q4 or as part of the feasibility assessment stage for the Short Walks project.	Deferred
Deliver a climate change youth forum	Delivered in Q1 with presentation to Council Workshop in November (Q2).	Achieved
Coordinate the 2022 Local Government election including new Councillor induction and training	Planning meetings being undertaken with employee base.	Achieved
Maintain General Manager's electoral roll	Fully reviewed induction program started in Q2 with ongoing support into Q3.	Achieved
Implement new software solutions to support Council Meetings, record keeping and public information.	General Manager's Roll reviewed and submitted to Tasmanian Electoral Commission in Q1.	Achieved
Refresh and promote "Good Governance" program and induction for incoming Councillors	Core agenda & minutes software implemented. Ongoing staff training underway to improve customer service and performance reporting improvements.	Achieved
Develop a caretaker policy for the local government election period	Initial program of induction completed with professional development ongoing.	Achieved
Review the risk management framework and mitigations to enhance responses to changing risk profiles	Approved by Council 9 Aug 2022.	Achieved
Deliver the Annual Plan for 2023-24	The 2022-23 Annual Plan was endorsed by Council 11 October 2022.	Achieved

<i>Activity</i>	<i>Action</i>	<i>Result</i>
Deliver the Annual General Meeting	Held 13 December 2022.	Achieved
Deliver the Annual Report for 2021-22	Presented at Annual General Meeting 13 December 2022.	Achieved
Renew the Community Strategic Plan	Included in 2023-24 Annual Plan projects.	Deferred
Represent and respond to the Future of Local Government Review	All data requests provided; internal meetings conducted.	Achieved
Review Council's administrative and legislative delegations	Review progressing. Delay occurred due to staff vacancy.	Progressing
Develop and implement a Council Communication Strategy	Contractor proposal presented to Jan workshop. Included in 2023-24 Annual Plan projects.	Progressing
Update Council's writing style guide, including writing for the web	Not started, project deferred to 2023-24.	Deferred
Update corporate photo library with new images.	Not started, project deferred to 2023-24.	Deferred
Develop a signage strategy to ensure all Council signage is cohesive	Not started, project deferred to 2023-24. Note measure is incorrect.	Deferred
Implement website functionality and content improvements	Not started, project deferred to 2023-24, will include input Communications Strategy not started.	Deferred
Deliver a new Enterprise Agreement to better meet the needs of employees and our organisation	Approved by Fair Work Commission in Dec 22.	Achieved









# Corporate Services

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The Corporate Services department oversees Council's financial, administrative, customer service, human resources, information technology, and workplace health and safety functions.

Council Officers ensure legislative compliance by managing budget estimates, the long-term financial plan, and financial statements. Rates and charges, based on property values provided by the Tasmanian Office of the Valuer General, are adopted according to Council's policy.

Progress is underway for the renewal of corporate software, including the system for managing community service requests. This ongoing project will extend beyond 2022-23, focuses on IT system development and enhancing service delivery.



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Renew the Customer Service Charter to ensure alignment to customer expectations and our capacity to deliver service outcomes	Internal review commenced, further discussion planned for the September Customer Service Group meeting.	Progressing
Develop a new customer feedback policy and automated customer survey tool to ensure we learn from our customers and respond to complaints	Included in FY2023-24 Annual Plan projects.	Deferred
Identify opportunities to provide customers with more control through online forms and self-service which leverages the new ERP system	Customer Request Management included in ERP planning and report provided by consultants Councillor.	Progressing
Undertake a full review of ICT security arrangements to strengthen cyber security and data management, implement cyber security protection actions to mitigate risk of cyber attack	Several security measures in place and provided engaged for email, security awareness program implemented for employees and elected members.	Achieved
Assess and implement as required upgrading of website enabling technology	Project involves implementing network and security arrangements for engagement platform. No engagement platform purchased by Governance department; project deferred to FY2023-24.	Deferred
Invest in the skills development of our ICT team to ensure they are able to address emerging ICT agendas	Consultant delivered report to the June Council Workshop.	Achieved
Deliver upgrades to Microsoft licenses and software to enhance access to better technology, security and remote working capabilities	Licence upgrades completed in Q2, planning with employee base continuing. Additional software developments in SharePoint and Records Management to occur in FY2023-24.	Progressing
Establish the ERP System Upgrade Project (project plan, resourcing and financial plan, implementation staging, risk mitigation, governance)	ERP planning development and consultant engaged to inform information for elected members.	Progressing
Commence implementation of the 2022-23 stages of the ERP System Upgrade Project including recruitment of resources	Microsoft licencing commenced, further stages dependent on adoption of ERP preferred vendor.	Progressing

<i>Activity</i>	<i>Action</i>	<i>Result</i>
Undertake progressive improvement in records and data management to enable data migration to the new ERP solution	Planning meetings being undertaken with employee base.	Progressing
Review corporate risk registers and implementation status of mitigation actions	Review of Risk Registers has commenced, Risk Policy reviewed, and Risk Appetite Statement adopted by Council.	Progressing
Conduct a review and annual test scenario and update the Business Continuity Plan	Test scenario completed and BCP document updated.	Achieved
Update staff Code of Conduct and related policies, complete staff training	Included in 2023-24 Annual Plan projects.	Deferred
Deliver staff training and development in Council's records management system	All new employees have received induction training in records management.	Achieved
Deliver training and ensure compliance with organisation wide procurement and contract policy and processes	All new employees have received induction training in accounts payable.	Achieved
Coordinate workplace culture "health check" and assistance with measures to promote a positive workplace	Culture action plan finalised. Year 2 report on employee culture survey received from University of South Australia.	Achieved
Review the annual staff performance review process with management	Review meeting completed with Directors and Supervisors, changes to be implemented for the Q1 review cycle.	Progressing
Develop a Workforce Strategy and Resourcing Plan, including overview of recruitment and induction processes	Not started, project deferred to 2023-24.	Deferred
Review technical software supporting GIS, engineering and other specialist software and implement updates as needed	Engineering design software upgraded. Assessment of GIS software progressing.	Progressing







# Development & Regulatory Services

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## Planning

Number of planning applications accepted this financial year:

Discretionary	245
Permitted	38

Average number of statutory days\* to determine applications

Discretionary	36
Permitted	12

While the number of applications received this financial year has seen a slight decrease from the previous year, over the past 10 years Council has received an average of 275 planning applications per financial year. This year has maintained the trend and delivered a 10% increase on the previous 10 year average.

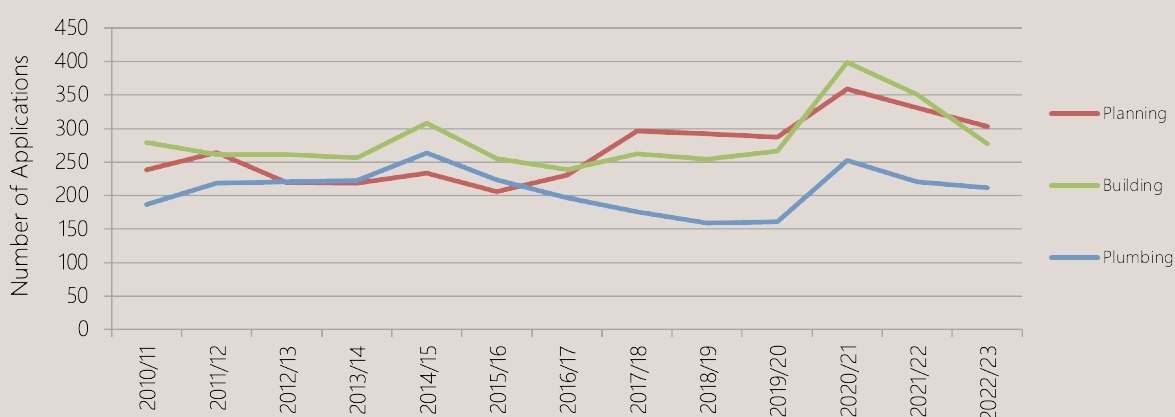
*\*Statutory days' are the total number of days from receipt of an application to determination, less any extra days requested by the Heritage Council under section 39 [3] of the Historic Cultural Heritage Act 1995. Statutory days include any additional days negotiated between Council and the applicant under section 57 [6] of the Land Use Planning and Approvals Act 1993, but do not include days where the 'clock is stopped'.*

This is 6 days shorter than the 42 day statutory period provided within the Land Use Planning and Approvals Act 1993. A total of 15 discretionary planning applications were presented to Council as the Planning Authority for determination. Two appeals were lodged with the Tasmanian Civil and Administrative Tribunal against the decision of the Planning Authority. One appeal was resolved via consent agreement between parties and the other appeal was withdrawn by the representor.

## Building & Plumbing

277 building applications and 211 plumbing applications were received by Council's Permit Authority in 2022-23. This slight decrease is in line with the planning applications and continues to be a 10% increase on the previous 10 year average. This development has however resulted in a 24% increase on the previous financial year on the value of building works completed in the municipality. This demonstrates the continued property growth that is occurring in Meander Valley.

Annual Application Trends



# Environmental Health Statement

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**Council recognises the importance of and is committed to protecting the health and safety of its residents and visitors.**

We are required to undertake numerous inspection and monitoring programs to ensure compliance with the Public Health Act 1997, Food Act 2003, and Environmental Management and Pollution Control Act 1994 and associated regulations and guidelines.

Approximately \$317K was spent on environmental health projects and services during 2022-23, including the employment of 2.6 FTE Environmental Health Officers (Jul-Oct), and 2.4 FTE Environmental Health Officers (Nov-Feb), 1.4FTE Environmental Health Officers (Feb-Jun).

Council's core Environmental Health functions are:

- Food safety, including education, registration and inspection of food businesses and food stalls at major events;
- Disease prevention and control, including immunisations, notifiable disease investigations, education, and sharps disposal service;
- Water quality monitoring, including recreational water, public pools/spas and private water suppliers and water carriers;
- Licencing and inspection of Places of Assembly (specific events);
- Licencing and inspection of premises where public health risk activities are carried out;
- On-site wastewater management system assessment and installation inspections; and
- Public health and environmental complaints.

The following summarises the activities carried out during the financial year 2022-23:

## **Activities under Public Health Act 1997:**

- 15 Place of Assembly (Specific Events) Licenses issued and six Place of Assembly (Specific Events) inspected;



Approximately  
**\$244,000**  
on animal control  
services

**3,849**

Dogs  
registered



**179**  
Food  
premises  
registered

Approximately  
**\$317,000**  
on environmental  
health projects



**230**  
Complaints  
investigated



- Four recreational water sites sampled on a weekly basis from December to the end of March, totaling 63 samples;
- Six public pools/spas were sampled on a monthly basis, totaling 84 samples;
- 21 private water suppliers registered and 16 private water supplier samples undertaken;
- Four water carriers registered and inspected;
- Three premises where public health risk activities are carried out licenced and three premises where public health risk activities are carried out inspected;
- Five regulated systems registered;
- Two unhealthy premises investigations undertaken;
- Eight notifiable disease investigations completed;
- Immunisation sessions were held at Deloraine High School and Giant Steps Tasmania in October 2022 and April 2023. Immunisations were provided in accordance with the National Immunisation Program Schedule and included diphtheria, tetanus and pertussis (whooping cough) (dTpa), human papilloma virus (HPV), and Meningococcal ACWY. 174 vaccines were administered at the school sessions during the Immunisations against seasonal influenza were also offered to all Meander Valley Council Staff.

#### *Activities under Food Act 2003:*

- 179 food premises and 33 statewide mobile businesses were registered and 77 food businesses notified under the Food Act 2003;
- 224 inspections were completed for premises registered or notified under the Food Act 2003;
- 84 temporary food stall applications were registered and 227 inspections of statewide mobile businesses or temporary food stalls were conducted,

including 92 at Agfest (August 2022), 79 at Agfest (May 2023) and 34 inspections at the Tasmanian Craft Fair;

- Five complaints relating to food premises investigated.

#### *Other Activities:*

- 87 environmental complaints investigated (e.g. noise, water quality and air pollution);
- 76 on-site wastewater management system assessments completed and 50 on-site wastewater management system installation inspections undertaken;
- 258 development application referrals completed;
- Regular attendance at Tamar Estuary and Esk Rivers (TEER) program meetings including the recreational water quality working group and Lake Trevallyn working group.

#### *Dog Management*

Approximately \$244K was spent on animal control services during 2022-23, including the employment of 2 EFT Rangers and a contractor for urgent on-call after hours services for animal management matters.

- 3,849 dogs registered in the 2022-23 financial year.
- 58 dogs were impounded with all either returning home or being surrendered to the Dogs Home of Tasmania;
- 34 infringement notices issued;
- 225 complaints received and actioned;
- 44 active kennel licenses;
- 3 registered declared dangerous dogs and 2 guard dogs.

## Annual Plan Performance — Development & Regulatory Services

<i>Activity</i>	<i>Action</i>	<i>Result</i>
Finalise and implement the review of the Dog Management Policy	Policy approved by Council in Oct 22	Achieved
Contribute to regional planning initiatives: Northern Tasmanian Regional Land Use Strategy Review	Regional submission to Draft Tasmanian Planning Policies completed. Work commenced on the Strategic Alignment & Integration project.	Progressing
Contribute to the Greater Launceston Plan Review	Have Your Say on the Future of Greater Launceston survey developed and out for Community consultation.	Progressing
Progress development of a Structure Plan for Carrick	Included in 2023-24 Annual Plan projects. Final reviewed document expected to commence consultation 23-24.	Deferred
Complete the Prospect Vale - Blackstone Heights Structure Plan Review	Included in 2023-24 Annual Plan projects. Final reviewed document expected to commence consultation 23-24.	Progressing
Complete implementation of an automated planning assessment tool and template report	Project in progress, on hold subject to consultant availability	Progressing







# Infrastructure Services

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Waste management continues to present a challenge to communities across the State, and Council has invested significant resources over the past year to review the level of service provided to the municipality.

There has been a gradual change in the community's expectations over recent years concerning the disposal of waste to landfill and protecting environmental values, as well as the amenity and access provided to property owners for waste disposal. This has led Council to implement significant changes to the kerbside collection service this year.

A new seven year contract was awarded to J.J. Richards and Sons for the collection of bins from over 6,700 properties. The new contract provides for collection services for the first time to some rural properties in the Westwood, Rosevale and Selbourne areas.

Council has also implemented the roll out of an expanded food organics and garden organics [FOGO] collection service to properties in the Prospect Vale, Travellers Rest and Hadspen areas. This new FOGO service ensures that Council is doing its best to minimise costs to property owners as a result of the introduction of the State Government's waste landfill levy of \$20 per tonne.

Council thanks all property owners for their patience during the implementation of the new FOGO collection service and changes to the contractor's collection schedule across the municipality.

Council continues to work on plans for improvement of our waste facilities at the Clu-

an and Deloraine waste disposal sites, with options for development of future landfilling capacity still under assessment. This work will need to be finalised next financial year before the approval of Council's new waste management strategy can occur.

The number of capital works projects under construction or completed during the year was lower than expected. There are a number of factors that influenced our delivery program, including inflated building and civil construction market conditions, the availability of local contractors, and internal and external resourcing constraints. Both unscheduled project delays and work anticipated to carry through to next financial year, together with the planned forward works program will result in an overall investment by Council of almost \$20m for the 2022-23 financial year.

Major projects progressed by the Infrastructure Services Department during the year included the redevelopment of the Bracknell Hall and the upgrade of the Deloraine football oval lighting, with contractors now engaged on both projects and completion scheduled next financial year.

Four bridge renewal projects were completed during the year at a combined cost of approximately \$900,000. The largest of the four projects was the replacement of the existing deck structure on Strath Bridge over the Meander River at Selbourne. The new deck work was completed with funding from the Australian Government and this will allow the passage of wider agricultural vehicles.

Other notable projects progressed or com-

pleted during the year included the replacement of the Las Vegas playground in Prospect Vale; the development of a new pump track at Alveston Drive, Deloraine; expansion of change room facilities at the Hadsen Recreation Ground; and the installation of insulation to improve heating in the Little Theatre at the Meander Valley Performance Arts Centre.

Council officers continue to manage the delivery of our annual footpath, storm-water improvement and asphalt resealing programs

to improve amenity for our residents and in response to community requests. Design work has been progressed for a number of projects which will be constructed in coming years, including intersection and storm-water improvements.

Council's capital works investment in our civil infrastructure and building assets over the four year term of the Council can be summarised briefly as follows:

<i>Asset</i>	<i>Capital Investment</i>
Road Rehabilitation	\$4,440,500
Road Resurfacing (spray seals and asphalt overlays)	\$4,000,108
Footpaths	\$1,955,067
Bridges	\$4,663,593
Community Halls	\$571,000
Recreation Grounds and Sports Facilities	\$4,775,000
Parks and Reserves	\$640,000
Gravel Resheeting	\$834,390

Council's asset management processes underpin our future works programs, and officers completed our recurring asset inspections to schedule for footpaths, playgrounds, sports grounds and rail interfaces.

The inspection and revaluation of our road network was also undertaken. The road net-

work forms Council's largest asset class by value being around \$170m and the recent inspection work will ensure Council's future road renewal program is prioritised based on asset condition, asset life, traffic volumes and safety.



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Update information (web) and user guides for the use of indoor facilities	To be completed in FY2023-24 in line with implementation of new facility booking system.	Deferred
Simplify the booking process for Council facilities and assess feasibility of online booking systems and develop implementation plan if viable	New booking system software purchased.	Achieved
Determine future of former landfill at Bracknell – lease renewal or sale	Land sold through public process.	Achieved
Progress the Hadsphen Meander Valley Road intersection upgrades design and procurement documentation	Consultant design work and service authority design reviews progressing. Project completion expected FY2023-24.	Progressing
Develop a level of service strategy and policy to inform the provision, replacement and upgrading of sport, recreation and public amenities	Pending completion of Northern Tasmania Sports Facility Plan. Update of Council's Sport and Recreation Venue Action Plan scheduled for FY2023-24.	Deferred
Renew the Eastern Play Spaces Strategy 2020	Updated information to be presented to Council in FY2023-24.	Deferred
Finalise electrical safety and asbestos audits and register and deliver program of rectification works	Planned work completed. Further work scheduled in FY2023-24.	Achieved
Complete a review of all leases and agreements, develop a contemporary lease document and renew leases when due	Review of leases ongoing. Contemporary lease document to be developed in FY2023-24.	Progressing
Implement a program to renew and ensure currency of all leases and agreements	Further work scheduled for FY2023-24.	Progressing
Develop a community hall renewal policy, considering asset condition, utilisation rates, renewal and maintenance costs and service options	Will not be completed. Scheduled for FY2023-24.	Deferred

<i>Activity</i>	<i>Action</i>	<i>Result</i>
Renew lease for the Meander River reserve areas in Deloraine	Executed lease documents received.	Achieved
Progress tendering and commence construction of the Deloraine Squash Courts	Construction to commence in Q1 FY2023-24.	Achieved
Progress construction of Bracknell Hall	Construction in progress. Anticipated completion in Q1 FY2023-24.	Achieved
Progress consultation, master planning and design of the Deloraine Recreation Precinct	Grant deed with Aust. Government executed. Survey and heritage consultants engaged. Flood modelling and precinct concept design in progress.	Achieved
Deliver lighting upgrades to Deloraine AFL oval	Light towers completed and in use.	Achieved
Implement a preferred project management methodology for major project delivery	Project management software purchased. Implementation will commence for FY2023-24	Progressing projects.
Deliver the bridge inspection and maintenance program	Inspection and maintenance will continue in FY2023-24.	Achieved
Deliver civil construction and infrastructure works for transport and recreation assets		Achieved
Plan, manage, construct and maintain bridges, culverts and other infrastructure		Achieved
Review Municipal Emergency Management Plan in line with new SES regional template	Review to recommence in FY2023-24.	Deferred



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Complete logical test of Emergency Management Plan	Review in FY2023-24 subject to completion of Emergency Management Plan.	Deferred
Review and update the Waste Management Strategy and model against long-term financial plan	Review and update the Waste Management Strategy and model against long-term financial plan	Progressing
Complete feasibility assessment of new landfill cell at Deloraine	Complete feasibility assessment of new landfill cell at Deloraine	Achieved
Progress purchase of landfill land (Cluan)	Progress purchase of landfill land (Cluan)	Progressing
Design and commence construction a new transfer station at Deloraine	Design and commence construction a new transfer station at Deloraine	Achieved
Provide the annual Hard Waste Collection Service	Provide the annual Hard Waste Collection Service	Achieved
Assess the feasibility and deliver a program to promote voluntary car body removal in rural areas	Assess the feasibility and deliver a program to promote voluntary car body removal in rural areas	Deferred
Design and construct new landfill cell at Cluan	Design and construct new landfill cell at Cluan	Pending
Select and implement operating model for Cluan and Deloraine landfills	Select and implement operating model for Cluan and Deloraine landfills	Achieved
Maintain planning and environmental approvals and compliance for landfill operations	Maintain planning and environmental approvals and compliance for landfill operations	Achieved
Achieve EPA approvals for increased height and manage land fill cell at Deloraine in accordance with approvals to provide for either continuing operation or close and capping	Achieve EPA approvals for increased height and manage land fill cell at Deloraine in accordance with approvals to provide for either continuing operation or close and capping	Progressing













# Works

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## *Works*

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The Works Department is a team of 30 employees that primarily undertake maintenance and construction work associated with road, footpath and drainage infrastructure and other urban amenities such as parks, reserves, recreational grounds, cemeteries, public toilets, street cleaning and bin collections. Additionally, the team provides regular on-ground support for Council and community lead events ranging from ANZAC Day services to fairs. The team also manage the three depot facilities and the procurement of plant and associated equipment to support service delivery requirements.

The team is the face of Meander Valley Council in the community and our staff take significant pride in their work so that community assets are safe, fit

for purpose and generally support the needs and expectations of our communities and visitors.

2022-23 presented another challenging year, with a flooding event in early October which required an immediate and extended response by the team due to significant and widespread infrastructure damage. This unprecedented flooding of the Meander River catchment caused substantial damage to adjacent infrastructure and temporarily displaced Councils operations from the Deloraine Works Depot.

Reestablishing road access for community was Councils immediate focus and all damaged roads were made passable within five days of the event occurring - this was a substantial accomplishment



and assistance from local contractors and community members was appreciated.

This repair work has continued for majority of the year and consequently impacted the available time and resources for the team to deliver a full complement of Capital Works Program projects. Despite the heavy workload, notable completed projects were road reconstructions at Dairy Plains Road, Westwood Road, Selbourne Road and Grifins Road, and new piped underground drainage systems at Liffey Street, Carrick and Jones Street, Westbury.

The department also delivered majority of the unsealed road gravel re-sheeting program and completed road surface patching work to allow the re-

sealing of approximately 120,000 square metres of the rural road network.

The October weather event and an extended La Nina pattern adversely influenced many other programs, including the urban mowing and rural roadside slashing programs. Due to these factors, Customer Service enquiries increased by more than 30 percent and the end of year maintenance costs exceeded the department operating budget.

Council continues to progress the consolidation of the depot operations to Valley Central Industrial Estate. Finalisation of the design and advertising of a public tender is expected by late 2023 and a construction contract awarded in the first quarter of 2024.



<i>Activity</i>	<i>Action</i>	<i>Result</i>
Liaise with tourism and business operators to deliver in kind support to major events i.e., Deloraine Car Show, AgFest, Winterfire	Q4 support provided to ANZAC Day services and Winterfire event.	Achieved
Complete a review of property assets – develop a divestment plan for surplus assets, and implement on approval from Council	Property valuations received. Two properties sold, three currently advertised for sale.	Achieved
Design and commence construction for new centralised Works Department depot at Valley Central	De-merger within the design consultant business which delayed progress. Consultant engagement contract finalised. Detailed design and tender documentation in progress with anticipated completion end July/early August	Progressing
Develop and deliver maintenance schedules and improvement programs for civil and road related assets	Q4 objectives achieved. Basic schedules developed and progressing to program for recurring maintenance work.	Achieved
Deliver operational programs to maintain Council owned public amenities, urban streets-capes, public land and public facilities	Q4 objectives achieved. Operational maintenance progressing to program schedule.	Achieved
Deliver capital and maintenance program for road and associated infrastructure	Q4 objectives achieved. Operational maintenance progressing to schedule. Capital works construction projects concluded and completed majority of the remediation work on flood impacted assets.	Achieved

# Capital Works Program Summary

(Works over \$20,000, excl. GST)

<i>Administration</i>	<i>Amount</i>
Workstations and Peripherals	\$33,799
Network Infrastructure	\$26,043
Networked Copiers and Printers	\$26,265
Software and Upgrades	\$33,677
Council Chambers - Fire Detection System	\$51,176

<i>Roads &amp; Streets</i>	<i>Amount</i>
Long Ridge Rd – Montana (Road widening)	\$34,580
Louisa St – Bracknell (Footpath)	\$20,226
Henrietta St – Bracknell (Footpath)	\$31,811
Morrison St – Deloraine (Subdivision contribution)	\$48,947
Alveston Dr – Deloraine (Footpath)	\$88,367
Parsonage St – Deloraine (Footpath)	\$47,751
Scott St – Hadspen (Footpath)	\$99,145
Country Club Av - Prospect Vale (Design for road improvements)	\$29,394
Mace St - Prospect Vale (Intersection improvement)	\$35,460
Franklin St – Westbury (Kerb & channel)	\$74,279
Bridgenorth Rd – Bridgenorth (Reconstruction)	\$199,926
Bishopsbourne Rd – Carrick (Land acquisition)	\$37,665
Meander Main Rd – Meander (Traffic calming)	\$68,628
Westwood Rd – Westwood (Reconstruction)	\$845,803
Railton Rd – Kimberley (Road widening)	\$38,124
East Barrack St – Deloraine (Footpath)	\$138,075

<i>Roads &amp; Streets</i>	<i>Amount</i>
Main St, Hadspen – Raised Pedestrian Crossing	\$50,214
Mitchells - High Plains (Gravelling)	\$25,199
Old Gads Hill Rd – Liena (Gravelling)	\$32,904
East Meander Rd – Meander (Gravelling)	\$66,443
Glen Eagles Way - Prospect Vale (Resealing)	\$42,928
St Andrews Circle - Prospect Vale (Resealing)	\$165,607
Pinehurst Ct - Prospect Vale (Resealing)	\$32,012
Buckingham Pl - Prospect Vale (Resealing)	\$37,106
Oakmont Way - Prospect Vale (Resealing)	\$32,206
Bridgenorth Rd - Bridgenorth (Resealing)	\$69,982
Bishopsbourne Rd - Carrick (Resealing)	\$61,984
Cheshunt Rd - Meander (Resealing)	\$250,631
Union Bridge Rd - Mole Creek (Resealing)	\$190,188
Osmaston Rd - Osmaston (Resealing)	\$125,221
Heald Rd - Travellers Rest (Resealing)	\$26,087
Wilderness Way - Travellers Rest (Resealing)	\$27,312
Travellers Drive - Travellers Rest (Resealing)	\$46,691

<i>Storm Water Drainage</i>	<i>Amount</i>
William St, Westbury	\$146,452
Taylor St, Westbury	\$100,974
Main Rd, Meander	\$36,560
Bartley St, Hadspen	\$54,278

<i>Cultural</i>	<i>Amount</i>
Meander Valley Performing Arts Centre - Little Theatre Heating	\$43,485



# Capital Works

## Program Summary cont.

<i>Recreation Grounds &amp; Sports Facilities</i>	<i>Amount</i>
Hagley Recreation Ground - Building Works	\$55,980
Deloraine Recreation Ground – Lighting upgrade	\$284,119
Hadspen Memorial Centre – Building Extension	\$156,585
Deloraine Community Complex - Squash Courts	\$137,430
Deloraine Pump Track – Alveston Dr	\$247,554

<i>Parks &amp; Reserves</i>	<i>Amount</i>
Las Vegas Drive Reserve, Prospect Vale – Play-ground Renewal	\$78,996
Willow Lane Reserve, Prospect Vale – Playground Renewal	\$30,899
Pioneer Drive, Mole Creek – New Playground	\$51,729
Management & Indirect Overheads Amount Minor Plant Purchases	\$22,563
New Works Depot Design & Construction	\$32,028
Prospect Vale Park Works Depot - Shed, Wash Down Bay & Roller Door	\$28,799

<i>Plant</i>	<i>Amount</i>
Ute Replacement (No. 236)	\$40,907
Tractor (No.805) & Reach Arm Slasher	\$231,854
Mower (No. 625)	\$27,800
Mower (No. 635)	\$27,800
Verti-Drain turf maintenance equipment	\$31,209
Fleet Vehicle Purchases	\$208,303

<i>Public Halls</i>	<i>Amount</i>
Chudleigh Hall - Carpark Improvements	\$22,334
Bracknell Hall Redevelopment	\$83,353
Mole Creek Hall - Roof Replacement	\$29,050

<i>Bridges</i>	<i>Amount</i>
Main Drain - Cheshunt Rd	\$97,376
Meander River - Main Rd Meander	\$33,262
Meander River - Selbourne Rd	\$480,133
Bradys Creek Tribulet - Davies Rd	\$183,048
Irrigation Channel - Cheshunt Rd	\$127,048

<i>Waste</i>	<i>Amount</i>
Westbury Land fill Site - Cell Expansion	\$55,131
Mobile Garbage Bins	\$62,554
Mobile Organics Bins	\$202,404
Deloraine Landfill Site Improvements	\$25,902

<i>Cemeteries</i>	<i>Amount</i>
Deloraine Lawn Cemetery Land Purchase & Im-provements	\$209,306
Deloraine Lawn Cemetery Landscaping, Access Road & Fencing	\$21,446

## Grants & Sponsorships – Organisations

<i>Recipient</i>	<i>Amount</i>
Rural Youth Young Farmer of the Year Award	\$4,000
Birrlee Hall Equipment	\$1,860
Blackstone Heights Community News Association Inc. – Establish community garden	\$2,237
Deloraine Agricultural and Pastoral Society 2021 Deloraine Show – Entertainment	\$3,000
Deloraine Community Band/Arts Deloraine – Keyboard purchase	\$3,000
Folk Federation of Tasmania – Celtic folk workshops	\$500
Northern Tasmanian Axemen's Association 61st Tasmanian Government Thousands – Deloraine	\$2,800
Prospect Park Sports Club – Dishwasher purchase	\$2,275
Rotary Passport Club of Tasmania Inc. – Carols by Candlelight (Prospect)	\$3,000
Westbury Cricket Club – Wicket covers	\$3,000
Westbury Parents and Friends – School fair	\$2,125
Westbury Preservation Association Inc. – Video display screens	\$1,794
Rural Alive and Well– Toolbox Talks (Round 3 20-21)	\$2,500
Westbury Health Inc. Valley Carers Week - National Carers Week	\$500
New Horizons – Great Western Tiers Cycle Challenge - March	\$380
Arts Deloraine – ARTS coordination	\$750
Chudleigh Agricultural and Horticultural Society – Kid Friendly Zone at Chudleigh Show	\$3,000
Deloraine Pony Club – Kitchen upgrades	\$3,000
Mole Creek Progress Association – Community PA system	\$1,479
Mole Creek Caving Club – Cave rescue equipment	\$3,000
Australian Italian Club (Tennis Club) – Tennis court lighting	\$3,000
Westbury Bowls Club – Representation at the Municipal Bowls Championships	\$150

<i>Recipient</i>	<i>Amount</i>
Australian Italian Club – TV display screens	\$1,773
Bracknell Cricket Club – New cricket pitch	\$3,000
Parkrun Australia Ltd. – A Park Run for Westbury	\$1,949
Prospect Park Sports Club Inc. – Purchase of fridges	\$3,000
Westbury Health Inc. – Community garden re-vamp	\$3,000
Blackstone Heights Community News Association Inc. – Easter egg hunt event	\$350
Australian Italian Club Tennis Club/AIC – Auspice. BBQ and hot water installation	\$2,482
Central North Field Naturalists – Beneath the Surface Presentation event	\$1,175
Deloraine House Inc. Community Garden – plumbing and electrical.	\$3,000
Deloraine RSL Sub-Branch. – Flagpole replacement	\$2,940
Diggers Cricket Club. – Cricket pitch replacement	\$3,000
Lions Club of Deloraine Inc. – Promotion pamphlet.	\$750
Westbury Ladies Probus Club. – Modernising Probus	\$2,325
Westbury Volunteer Fire Brigade – Automated External Defibrillator (AED)	\$2,545

## Grants & Sponsorships – Schools

<i>Recipient</i>	<i>Amount</i>
Prospect High – Eagle Awards	\$150
Westbury Primary – End of year presentations	\$150
Hagley Farm School – Year 6 prizes	\$150



# Reporting on Legislative Requirements

## Tenders and Contracts

### Local Government (General) Regulations 2015

*In accordance with the reporting requirements under Regulation 29 (1) Council entered into the following contracts for the supply of goods or services exceeding \$250,000 (excluding GST).*

<i>Contractor</i>	<i>Value</i>	<i>Details</i>
BridgePro Engineering Pty Ltd 19 Faulkner Drive, Latrobe Tasmania 7307	\$397,750	Design & Construct, Bridge No. 1736, Meander River, Selbourne Road Strath Bridge Contract period: 21/10/2021 – 20/05/2023
Fulton Hogan Industries Pty. Ltd. 11 Cavalry Road, Mowbray Tasmania 7248	\$1,152,588	2021-22 Asphalt Resurfacing & Bituminous Resealing Contract period: 6/10/2021 – 31/03/2023
MPH Builders Pty. Ltd. 65 Meander Valley Road, Prospect Vale Tasmania 7250	\$834,400	Bracknell Memorial Hall Redevelopment Contract period: 4/04/2022 – 13/06/2024
J.J. Richards & Sons Pty Ltd 3 Grant Street, Cleveland Queensland 4163	\$4,606,930 <sup>1</sup>	Contract No. 227-2021-22 Kerbside Collection Contract; Waste, Recyclables & FOGO Contract period: 1/01/2022 – 29/06/2029 7 yr extension option.

<sup>1</sup>Value for kerbside collection contract over specified period was estimated based on number of collection services and rates at tender and not adjusted for potential residential growth or annual price adjustment.

*In accordance with the reporting requirements under Regulation 29 (1) Council extended the following contract under the provisions of Regulation 23 (5)(b):*

<i>Contractor</i>	<i>Value (excl GST)</i>	<i>Details</i>
Justwaste Consulting Suite 11, 66 Cameron Street, Launceston Tasmania 7250	\$534,954	Contract No.167-2015-2016; management and operation of the Deloraine and Cluan refuse disposal sites and the Mole Creek transfer station Contract extension period: 1/07/2021 – 30/06/2022
J.J. Richards & Sons Pty Ltd 3 Grant Street, Cleveland Queensland 4163	\$303,000 <sup>2</sup>	Contract No. 149-2014-15 Kerbside Waste & Recycling Collection & Disposal Services Contract extension period: 1/07/2021 – 31/12/2021

<sup>2</sup>Value for contract over specified period was estimated based on number of collection services and applicable contract rates at end of financial year adjusted for CPI increase.

*In accordance with the reporting requirements under Regulation 29 (2) Council tendered and entered into the following contracts under Regulation 27 (i) for the supply of goods or services exceeding \$250,000 (excluding GST) due to the unavailability of competitive or other reliable tenders:*

<i>Contractor</i>	<i>Value (excl GST)</i>	<i>Details</i>
MPH Builders Pty. Ltd. 65 Meander Valley Road, Prospect Vale Tasmania 7250	\$284,370	Deloraine Recreation Ground, Installation of AFL Sports Lighting
J.J. Richards & Sons Pty Ltd 3 Grant Street, Cleveland Queensland 4163	\$303,000 <sup>2</sup>	Contract No. 149-2014-15 Kerbside Waste & Recycling Collection & Disposal Services Contract extension period: 1/07/2021 – 31/12/2021

*In accordance with the reporting requirements under Regulation 29 (3) Council entered into the following contracts for the supply of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000:*

<i>Contractor</i>	<i>Value (excl GST)</i>	<i>Details</i>
BridgePro Engineering Pty Ltd 19 Faulkner Drive, Latrobe Tasmania 7307	\$163,100	Design & Construct, List No. 370. Brady Creek Bridge Tributary, Davies Road Contract period: 10/02/2022 – 29/04/2023
A_Space Australia Pty Ltd 3 Dalmore Drive, Scoresby, Victoria 3179	\$130,000	Design & Construct, Las Vegas Reserve Playspace Contract period: 7/12/2021 – 31/10/2023 <sup>3</sup>
The Trustee for C & K Walters Family Trust 11 East Goderich Street, Deloraine Tasmania 7304	\$190,750	Culvert Replacements, Bridge No. 317 and 447, Cheshunt Road, Meander Contract period: 16/11/2021 – 4/05/2023
Shaun Daniel O'Connor 22 Paddington Lane, Barrengarry New South Wales 2577	\$184,319	Construction of Deloraine Bicycle Pump Track Contract period: 30/09/2021 – 11/07/2023
Trident Plastics (SA) Pty Ltd 589 Torrens Road, St Clair, SA 5011	\$220,800	Manufacture and supply of Mobile Garbage Bins (Garbage, Recycling and FOGO) Contract period: 24/03/2022 – 8/07/2022

<sup>3</sup>Completion date forecast only.



*In accordance with the reporting requirements under Regulation 29 (3) Council entered into the following contracts for the supply of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000 cont.:*

<i>Contractor</i>	<i>Value (excl GST)</i>	<i>Details</i>
N.A. Hadley & T.J. Hadley 75 Freshwater Point Road, Legana, Tasmania 7277	\$129,337	Management & Operation of Deloraine Swimming Pool Contract period: 27/10/2021 – 1/03/2023
Tasmania City Building Pty Ltd 58A Elizabeth Street, Launceston, Tasmania 7250	\$129,168	Hadspen Recreation Ground, Female Change Rooms Contract period: 23/08/2021 – 25/02/2023
Pro-Dig Earthworks Pty Ltd 89-93 St Leonards Road, St Leonards, Tasmania 7250	\$105,226	Storm-water upgrades, William Street, Westbury Contract period: 25/10/2021 – 2/05/2023
Midland Tractors 24-26 Wellington St, Longford, Tas- mania 7301	\$147,603	Supply John Deere 6140 M tractor as per Vendor Panel Quotation #475093.

## Customer Service Complaints

*Local Government Act 1993*

*There was one complaint received and considered under Section 339F, Sub-section (5) of the Local Government Act 1993.*

## Code of Conduct Complaints

*There were no code of conduct complaints received during the preceding financial year, under Division 3A of Part 3.*

# Reporting on Legislative Requirements

## Councillor Meeting Attendance

*Section 72(1) (cc) (Local Government Act 1993)*

*The table below shows meeting attendance for all Councillors and the Mayor.*

*During the 2022-23 financial year, Council held twelve Ordinary Meetings, twelve Closed Meeting, two Special Council Meetings and one Annual General Meeting.*

**Number of business items transacted by Council in 2021-22: 255**

<i>Attendance</i>				
<i>Elected Member</i>	Ordinary Meeting (Open Session)	Ordinary Meeting (Closed Session)	Special Meeting	Annual General Meeting
Mayor Wayne Johnston	10 of 12	10 of 12	2 of 2	1 of 1
Deputy Mayor Stephanie Cameron	12 of 12	12 of 12	2 of 2	1 of 1
Cr Ben Dudman	8 of 8	8 of 8	2 of 2	1 of 1
Cr Lochie Dornauf	7 of 8	7 of 8	2 of 2	1 of 1
Cr Kevin House	8 of 8	8 of 8	2 of 2	1 of 1
Cr Michael Kelly	9 of 12	9 of 12	2 of 2	1 of 1
Cr Ann-Marie Loader	8 of 8	8 of 8	2 of 2	1 of 1
Cr Rodney Synfield	8 of 8	8 of 8	2 of 2	-
Cr John Temple	10 of 12	10 of 12	2 of 2	0 of 1
Cr Deborah White	4 of 4	4 of 4	-	-
Cr Michal Frydrych	4 of 4	4 of 4	-	-
Cr Barry Lee	3 of 3	3 of 3	-	1 of 1
Cr Tanya King	4 of 4	4 of 4	-	-
Cr Andrew Sherriff	4 of 4	4 of 4	-	-









# Financial Performance

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# Overview of Financial Performance

The following information is provided to assist readers of the Financial Report.

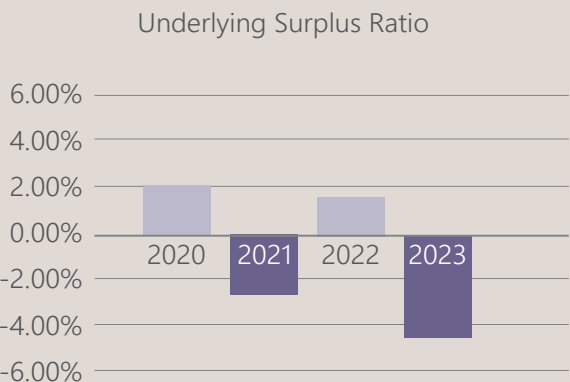
## Statement of Comprehensive Income

### Operating Result

Council reported a net surplus of \$3,251,929 in the 2023 financial year. However, after adjusting for non-operating items there was an Underlying Deficit of \$1,215,223. Notable items removed were Capital Grants totalling \$2,134,213 and Subdivision Assets taken over by Council totalling \$2,809,200. The effects of a number of income and expenditure items are further detailed in the itemised summaries.

### Underlying Surplus Ratio

The Underlying Surplus Ratio shows Council's Underlying Surplus (or Deficit) for the financial year as a percentage of its Operating Income. Note the prepayment of the Financial Assistance Grants has been removed to recognise the grant in the correct year. The financial result in 2023 was significantly impacted by the flood event in October 2022, with approximately \$2.7m of expenditure on flood remediation costs during the financial year.



## Income

### Rates and Charges

Income from Rates and Charges is marginally above budget, due to additional revenue related to supplementary rates on properties first rated and revalued during the year. Total Rates and Charges income has

increased approximately 8% from the previous financial year.

### Interest

This includes interest from invested funds, loaned funds and interest on rate debtors. Overall interest was well above budget, due to a significant increase in interest rates on offer from financial institutions during the financial year.

### Reimbursements & Contributions Monetary Assets

Revenue is higher than budget by \$201,074 (60%). Revenue included community contributions towards construction of new infrastructure, public open space contributions and contributions from special committees of Council.

### User Fees and Charges

This revenue includes a range of services including property sales certificates, development application fees and use of the sport and recreation facilities. This item is slightly above budget (5%) primarily due to the high volume of development applications processed during the financial year and approval fees for new subdivisions.

### Operational Grants

Operational Grants revenue is significantly above budget, primarily due to the Commonwealth Government prepaying \$5,426,415 (approximately 100%) of the 2024 Financial Assistance Grants in advance with the amount being received as income in 2023.

### Investment Revenue from Water Corporation

This revenue is owners' distributions received from Tas-Water. Total received for the year was \$667,200, which was within budget for the financial year.

### Capital Grants

Revenue is significantly below budget for the financial year. Grants received included \$874,333 from the Commonwealth Government for the Roads to Recovery program, \$552,512 for the Bracknell Hall redevelopment

project and a number of less substantial grants.

### Subdivision Assets Taken Over

Is significantly above budget and includes road and storm-water infrastructure received from several separate subdivisions constructed, including significant subdivisions in Deloraine, Hadspen and Blackstone Heights.

### Capital Contributions Monetary Assets

This consists of a third-party contribution received towards a Recreation Ground facility upgrade project.

### Profit on Disposal of Land & Buildings

This is the net profit from the disposal of Council owned land in Bracknell and Blackstone Heights.

## Expenses

### Employee Costs

Employee Costs were slightly below budget by \$372,809 (-4%). This is primarily due to a number of staff departures during the year and some positions not yet being filled.

### Materials and Contracts

Expenditure was significantly above budget by \$1,778,326 (18%) due to a combination of variances across operational functions. Areas of note are as follows:

*Economic Services:* Expenses were under budget by \$606,491 (-73%) largely due to the Meander Valley Road redesign work at Hadspen and the Tasmanian Short Walks project not progressing as budgeted.

*Roads & Streets:* Expenses were above budget by \$1,424,067 (125%) primarily due to the expenditure on flood remediation costs following the flood event in October 2022. Some of the more heavily impacted roads included Union Bridge Road, Den Road, Priestleys Lane and Gulf Road.

*Bridges:* Expenses were above budget by \$118,042 (24%), primarily due to flood remediation costs, in particular the Meander River suspension bridge at Deloraine.

*Non-Household Waste:* Expenses were below budget by

\$169,229 (-65%), largely due to the street bin replacement program not progressing as anticipated.

*Recreation Grounds:* Expenses were over budget by \$62,604 (12%), primarily due to restoration costs at various facilities following the flood event and additional maintenance expenditure incurred at Prospect Vale Park.

*Parks & Reserves:* Expenses were over budget by \$52,456 (17%), due to restoration costs at various reserves following the flood event, in particular at the Deloraine River Reserve.

### Depreciation and Amortisation

Depreciation & Amortisation overall was marginally below budget by \$62,042 (-1%). Slight variances were recorded across a number of asset classes, with the most significant being Land Improvements (\$66,477 over budget) and Roads (\$119,101 under budget).

### Finance Costs

Includes interest charges of \$211,320 paid to Tascorp for loaned funds. The loan from Tascorp was repaid in full in June 2023. Finance costs also includes the recognition of twelve months expense for unwinding of the Westbury and Deloraine tip rehabilitation provision liabilities, which was in line with the budget for the year.

### Other Expenses

Other Expenses are grants provided to community organisations and external audit fees. Grants paid were slightly under budget for the year.

### Loss on Disposal of Assets

Includes net profit on disposal of one fleet vehicle, less the write off of the remaining book value of infrastructure assets replaced during the year in accordance with the capital works program.

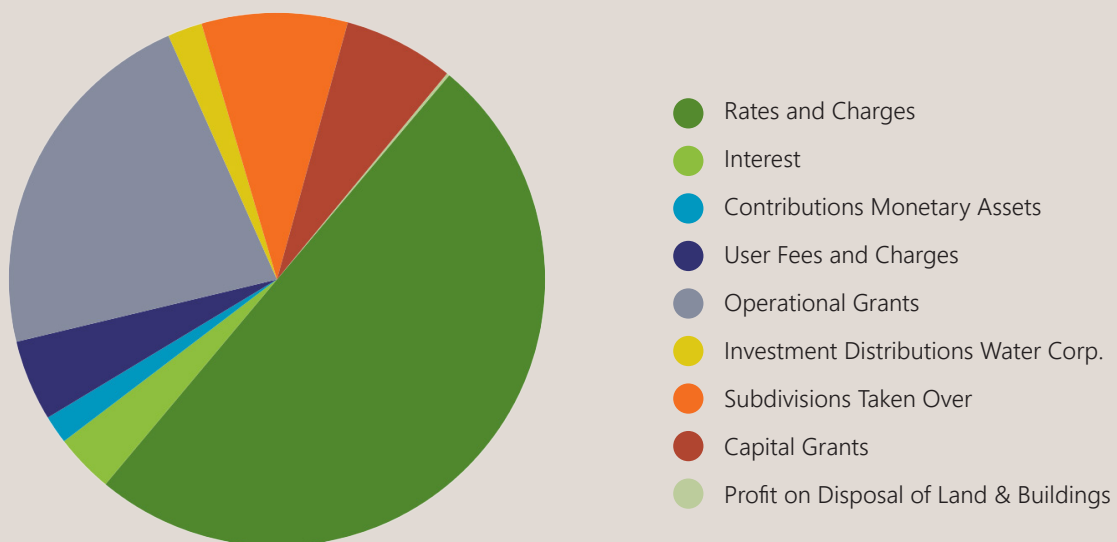
### Recognition of Tip Site Aftercare Provision

Recognitions of Tip Site Aftercare Provision is the initial recognition of the provision for the costs, over a period of thirty years, to maintain Council's landfill sites following their closure and rehabilitation.



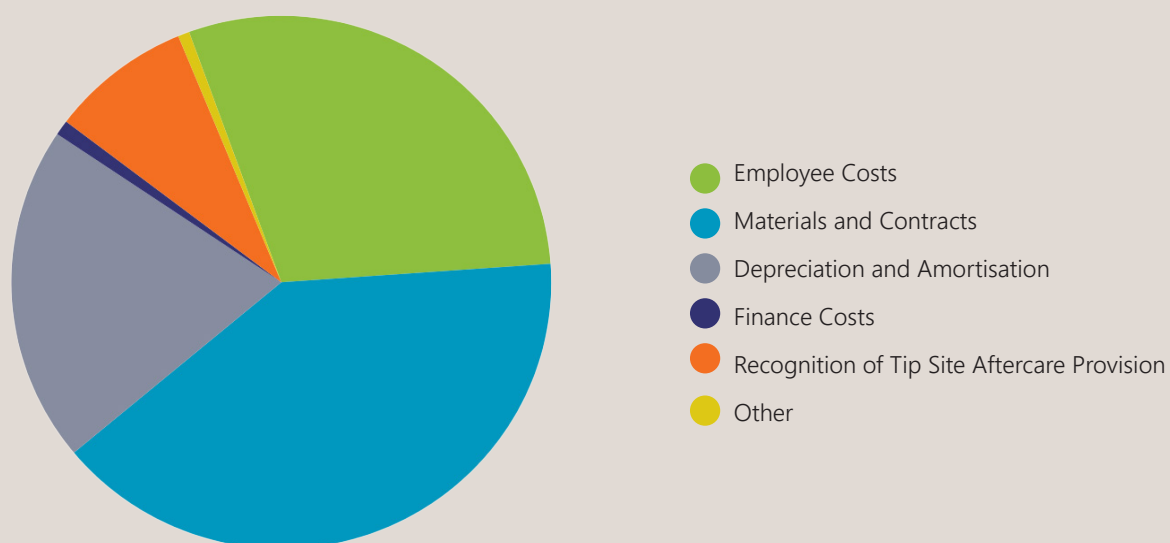
## Sources of Income - Revenue Comparison

<i>Revenue Comparison</i>	2020 %	2021 %	2022 %	2023 %	2023 \$
Rates & Charges	54.6	54.5	52.4	49.9	15,932,599
Interest	3.5	2.4	1.9	3.6	1,136,810
Contributions Monetary Assets	1.7	1.4	1.9	1.7	545,324
User Fees & Charges	5.4	5.8	5.5	4.9	1,568,726
Operational Grants	20.8	18.0	22.4	22.1	667,200
Investment Distributions Water Corp.	1.2	1.2	2.4	2.1	667,200
Subdivisions Taken Over	2.7	4.1	6.7	8.8	2,809,200
Capital Grants	8.8	11.8	6.8	6.7	2,134,213
Profit on Disposal of Land & Buildings	1.2	0.8	N/A	0.2	51,142



## Application of Expenditure - Expense Comparison

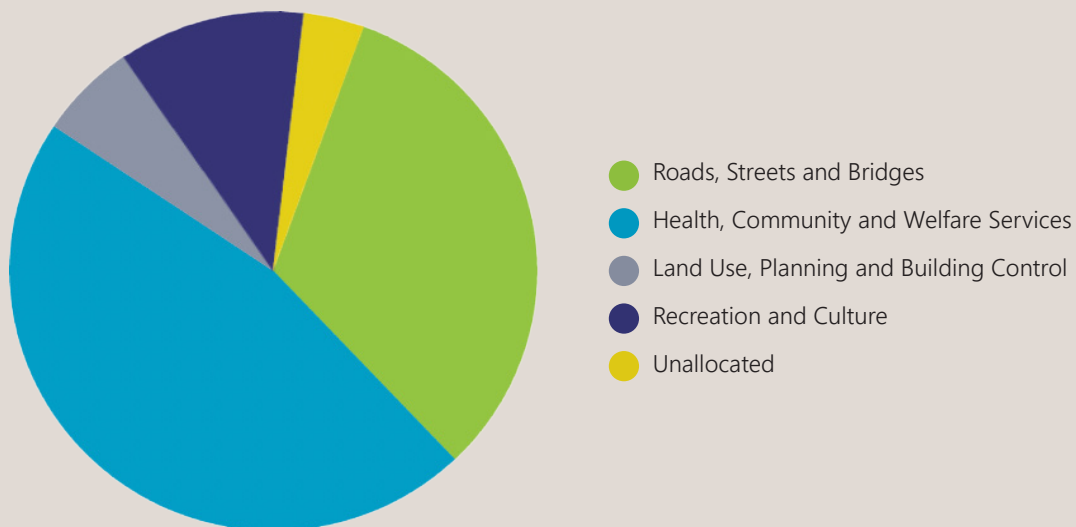
<i>Expense Comparison</i>	2020 %	2021 %	2022 %	2023 %	2023 \$
Employee Costs	34.4	35.2	34.5	29.4	8,437,621
Materials and Contracts	38.3	38.3	38.6	40.1	11,476,606
Depreciation and Amortisation	25.4	24.7	25.1	20.4	5,856,458
Finance Costs	1.3	1.2	1.1	0.9	262,953
Recognition of Tip Site Aftercare Provision	N/A	N/A	N/A	8.5	2,422,507
Other	0.6	0.6	0.7	0.7	194,737





## Application of Expenditure - Expense Comparison by Function

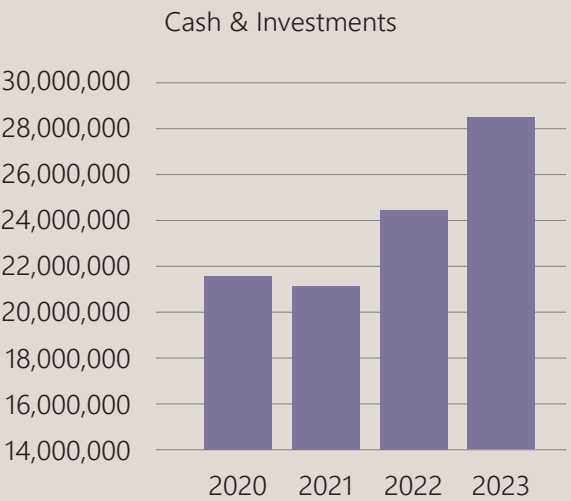
<i>Expense Comparison by Function (refer note 2a in Financial Report)</i>		2023 %	2023 \$
Road, Streets and Bridges	Construction, maintenance and cleaning of roads, streets, footpaths, bridges & street lighting.	32.4	9,271,179
Health, Community and Welfare Services	Collection, handling, processing and disposal of all waste materials, operation and maintenance of preventative health, animal control, fire protection (including roadside slashing), tourism promotion, economic services, state emergency services, urban storm-water drainage, protection of the environment, cemeteries, community amenities, families and children, aged & disabled and community development.	46.5	13,316,446
Land Use, Planning and Building Control	Administration of the town planning scheme, subdivisions and urban and rural renewal programs. The development and maintenance of building constructions standards.	6.0	1,725,029
Recreation and Culture	Administration and maintenance of public halls, swimming pools facilities, recreation grounds & other sports facilities, library services, parks & reserves and sundry cultural activities.	11.5	3,280,529
Unallocated	General services & activities not identifiable with the functions above.	3.6	1,057,699



# Statement of Financial Position

## Current Assets

Cash and Investments increased from 2022 by \$4,209,379. It is noted that these assets are inflated by the inclusion of the Financial Assistance Grant prepayment of \$5,426,415 which relates to the 2024 financial year. Other Receivables decreased significantly from 2022 largely due to the repayment of the \$3,600,000 loan by Aged Care Deloraine.



## Current Liabilities

Current Liabilities overall decreased from 2022 by \$2,942,896, primarily due to the repayment of the \$3,600,000 loan from Tascorp. Contract Liabilities, specifically Grants Received in Advance, increased by \$778,740, largely due to grants received for the Bracknell Hall and Deloraine Squash Courts projects.

## Non-Current Assets

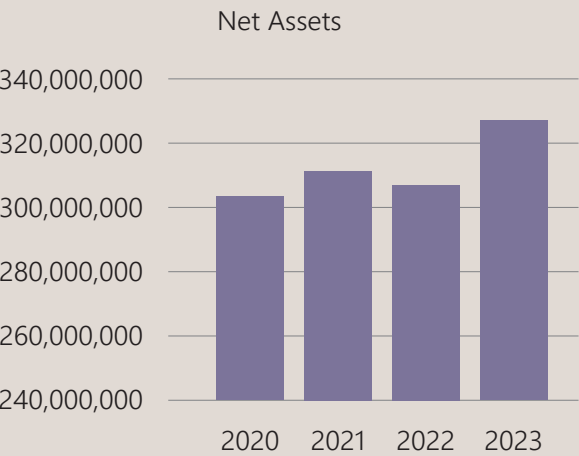
Non-Current Assets increased by \$23,187,720 (8%) overall, largely due to the revaluation increment of Roads, Bridges and Buildings of \$20,770,687 in total. Council's Capital Works in Progress balance increased by \$716,464, and investment in TasWater increased by \$1,545,392.

## Non-Current Liabilities

Non-Current Liabilities increased by \$2,896,509, primarily due to the initial recognition of the Tip Site Aftercare Provision (\$2,422,507). The existing provision for rehabilitation of Council's tip sites also increased by \$325,590 (5%).

## Equity

An increase in Accumulated Surplus reflects the operating profit for the year (\$3,251,929). Reserves increased by \$20,237,781 (25%) overall, primarily due to the increase in value of Council's Roads (\$12,200,230), Bridges (\$4,486,099) and Buildings (\$4,084,358) assets, as noted above. Also included is the increase in the investment in TasWater (\$1,545,392).





## Financial Performance Ratios

<i>Financial Ratio</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Budget achievement - Revenue	106.2%	95.3%	101.3%	97.3%
Budget achievement - Expenses	99.8%	93.7%	100.1%	105.2%
Debt Servicing	0.9%	0.9%	0.8%	0.7%
Working Capital	713.2%	635.0%	370.0%	582.1%
Revenue Growth	1.8%	2.7%	16.2%	14.1%
Expenditure Growth	0.5%	3.3%	8.4%	17.4%
Revenue per Capita	\$1,191	\$1,201	\$1,376	\$1,493
Total Rates per Capita	\$650	\$654	\$721	\$746
General Rate per Capita	\$586	\$590	\$657	\$682
Year End Rates Outstanding	5.7%	6.2%	6.0%	6.7%



# Financial Report

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*Year ended 30 June 2023*



## **Certification of the Financial Report**

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

A handwritten signature in black ink, appearing to read 'Dino De Paoli', with a stylized, cursive script.

Dino De Paoli  
**Acting General Manager**

**Date:** 27 September 2023



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# Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Note	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
<b>INCOME FROM CONTINUING OPERATIONS</b>				
<b>Recurrent Income</b>				
Rates and Charges		15,750,400	15,932,599	14,654,722
Interest	3	595,700	1,136,810	525,510
Reimbursements and Contributions Monetary Assets		331,400	532,474	419,099
User Fees and Charges		1,482,600	1,568,726	1,550,523
Operational Grants	4	4,894,600	7,057,597	6,261,821
Investment Revenue from Water Corporation		667,200	667,200	667,200
		<u>23,721,900</u>	<u>26,895,406</u>	<u>24,078,875</u>
<b>Capital &amp; Non-Recurrent Income</b>				
Capital Grants	4	8,426,000	2,134,213	1,899,667
Subdivision Assets Taken Over		645,000	2,809,200	1,884,809
Contributions Monetary Assets		-	12,850	100,909
Non-Recurrent Profit/(Loss) on Disposal of Assets	10	-	51,142	-
		<u>9,071,000</u>	<u>5,007,405</u>	<u>3,885,385</u>
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<u>32,792,900</u>	<u>31,902,811</u>	<u>27,964,260</u>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>				
<b>Recurrent Expenditure</b>				
Employee Costs	5	8,810,430	8,437,621	7,701,886
Materials and Contracts	6	9,698,280	11,476,606	8,618,824
Depreciation and Amortisation	7	5,918,500	5,856,458	5,624,060
Finance Costs	8	251,700	262,953	248,078
Other Expenses	9	141,500	137,981	121,959
Recurrent (Profit)/Loss on Disposal of Assets	10	108,800	56,756	29,932
		<u>24,929,210</u>	<u>26,228,375</u>	<u>22,344,739</u>
<b>Capital &amp; Non-Recurrent Expenditure</b>				
Recognition of Tip Site Aftercare Provision	34	-	2,422,507	-
		<u>-</u>	<u>2,422,507</u>	<u>-</u>
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<u>24,929,210</u>	<u>28,650,882</u>	<u>22,344,739</u>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>	2(a)	<u>7,863,690</u>	<u>3,251,929</u>	<u>5,619,521</u>
<b>OPERATING RESULT FROM DISCONTINUED OPERATIONS</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>NET OPERATING RESULT FOR THE YEAR</b>		<u>7,863,690</u>	<u>3,251,929</u>	<u>5,619,521</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to net result</b>				
Fair value adjustments on equity investment assets	18	-	1,545,392	1,314,232
Net asset revaluation increment/(decrement)	35	-	18,692,389	(13,123,849)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>20,237,781</u>	<u>(11,809,617)</u>
<b>TOTAL COMPREHENSIVE RESULT</b>		<u>7,863,690</u>	<u>23,489,710</u>	<u>(6,190,096)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

# Statement of Financial Position

As at 30 June 2023

	Note	Actual 2023 \$	Actual 2022 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11	2,450,689	598,646
Trade and Other Receivables	12	1,496,474	5,802,615
Investments	13	26,081,732	23,724,396
Other	14	551,454	199,089
<b>Total Current Assets</b>	2(b)	<b>30,580,349</b>	<b>30,324,746</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Water Corporation	18	48,882,749	47,337,357
Loans and Other Receivables	19	-	162,000
Work in Progress	20	1,888,713	1,172,249
Land	21	12,634,325	13,385,905
Land Under Roads	22	29,222,665	29,106,910
Land Improvements	23	10,043,600	9,793,652
Buildings	24	27,414,062	23,728,233
Roads and Streets	25	123,689,297	109,476,214
Bridges	26	32,843,684	28,475,859
Stormwater	27	21,605,205	22,052,629
Plant and Equipment	28	3,027,203	3,374,165
Heritage	29	18,641	18,922
Computer Software	30	142,300	106,548
Valuations	31	68,069	102,150
<b>Total Non-Current Assets</b>	2(b)	<b>311,480,513</b>	<b>288,292,793</b>
<b>TOTAL ASSETS</b>		<b>342,060,862</b>	<b>318,617,539</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	15	1,687,790	1,808,345
Provisions	16	1,464,797	1,465,878
Contract Liabilities	17	2,100,847	1,322,107
Borrowings	33	-	3,600,000
<b>Total Current Liabilities</b>		<b>5,253,434</b>	<b>8,196,330</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	34	9,207,654	6,311,145
<b>Total Non-Current Liabilities</b>		<b>9,207,654</b>	<b>6,311,145</b>
<b>TOTAL LIABILITIES</b>		<b>14,461,088</b>	<b>14,507,475</b>
<b>NET ASSETS</b>		<b>327,599,774</b>	<b>304,110,064</b>
<b>EQUITY</b>			
Accumulated Surplus		227,536,760	224,284,831
Reserves	35	100,063,014	79,825,233
<b>TOTAL EQUITY</b>		<b>327,599,774</b>	<b>304,110,064</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes



## Statement of Changes in Equity

For the Year Ended 30 June 2023

		<b>Total</b>	<b>Accumulated</b>	<b>Asset</b>	<b>Fair Value</b>
		<b>2023</b>	<b>Surplus</b>	<b>Revaluation</b>	<b>Reserve</b>
		<b>\$</b>	<b>\$</b>	<b>Reserves</b>	<b>\$</b>
<b>2023</b>	<b>Note</b>				
<b>Balance at beginning of the financial year</b>		304,110,064	224,284,831	84,174,952	(4,349,719)
Net Operating Result for the Year		3,251,929	3,251,929	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	1,545,392	-	-	1,545,392
Net asset revaluation increment/(decrement)	35	18,692,389	-	18,692,389	-
<b>Balance at end of the financial year</b>		<b>327,599,774</b>	<b>227,536,760</b>	<b>102,867,341</b>	<b>(2,804,327)</b>

		<b>Total</b>	<b>Accumulated</b>	<b>Asset</b>	<b>Fair Value</b>
		<b>2022</b>	<b>Surplus</b>	<b>Revaluation</b>	<b>Reserve</b>
		<b>\$</b>	<b>\$</b>	<b>Reserves</b>	<b>\$</b>
<b>2022</b>					
<b>Balance at beginning of the financial year</b>		310,300,160	218,665,310	97,298,801	(5,663,951)
Net Operating Result for the Year		5,619,521	5,619,521	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	1,314,232	-	-	1,314,232
Net asset revaluation increment/(decrement)	35	(13,123,849)	-	(13,123,849)	-
<b>Balance at end of the financial year</b>		<b>304,110,064</b>	<b>224,284,831</b>	<b>84,174,952</b>	<b>(4,349,719)</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

# Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	Actual 2023 \$ Inflows (Outflows)	Actual 2022 \$ Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates and Charges		15,744,022	14,577,792
Interest Received		787,273	447,795
Reimbursements and Contributions		532,474	419,099
User Fees and Charges		1,761,507	1,697,910
Operational Grants		7,057,597	6,143,938
Distributions from Water Corporation		667,200	667,200
Net Refunds from the Australian Tax Office		1,222,239	1,180,297
<b>Payments</b>			
Employee Costs		(8,290,292)	(7,601,526)
Materials and Contracts		(13,069,082)	(9,562,113)
Interest Expense		(211,320)	(211,320)
Other Expenses		(137,980)	(121,959)
<b>Net cash provided by Operating Activities</b>	39	<b>6,063,638</b>	<b>7,637,113</b>
<b>Cash Flows from Investing Activities</b>			
<b>Proceeds from</b>			
Sale of Property, Plant and Equipment		258,958	161,777
Loaned Funds Repaid		4,710,792	-
Capital Grants		2,912,953	2,357,865
Capital Contributions		12,850	188,004
Investments		27,961,376	24,387,027
<b>Payments for</b>			
Property, Plant and Equipment		(6,149,812)	(7,195,476)
Investments		(30,318,712)	(29,728,814)
<b>Net cash used in Investing Activities</b>		<b>(611,595)</b>	<b>(9,829,617)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Payments for</b>			
Borrowed Funds Repaid		(3,600,000)	-
<b>Net cash provided by Financing Activities</b>	39	<b>(3,600,000)</b>	<b>-</b>
Net Increase/(Decrease) in cash held		1,852,043	(2,192,504)
Cash at the beginning of the year		598,646	2,791,150
<b>Cash and Cash Equivalents at end of the financial year</b>	11	<b>2,450,689</b>	<b>598,646</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

## Introduction

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.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

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

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

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. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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.

All funds where Council controls resources to carry on its functions have been included in this financial report. All entities controlled by Council that have material assets or liabilities, such as Special Committees of Council, have been included in this financial report. In the process of reporting on Council as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated in full.

Amounts received as tender deposits and retention amounts controlled by Council are included in the amounts disclosed as "Trade and Other Payables" within current liabilities until they are refunded or forfeited.

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 34.

#### *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 38.

#### *Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives, depreciation rates and impairment of assets. These assumptions are discussed in Note 44.

#### *Investment in Water Corporation*

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

#### *Tip Rehabilitation*

Assumptions and judgements are utilised in determining Council's valuation of its Provision for Tip Rehabilitation are discussed in Note 34.



**(b) Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable. Revenue is measured on major income categories including the following:

*Rates, Grants, Reimbursements and Contributions of Monetary Assets, and Contributions of Non-Monetary Assets*

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.

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

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

Unreceived contributions over which Council has control are recognised as receivables.

Non-monetary contributions and Subdivision Assets Taken Over are recognised as revenue and as non-current assets.

*User Fees and charges*

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

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

*Dividends*

Dividend revenue is recognised when Council's right to receive payment is established.

**(c) Expense Recognition**

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.

**(d) Concessionary Leases**

Council has elected to measure concessionary leases for land at cost, which equated to nil value.

## 2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Expenses, revenues and assets have been attributed to the following functions/activities, descriptions of which are set out in Note 2(c).

	ROADS, STREETS & BRIDGES		HEALTH, COMMUNITY & WELFARE SERVICES		LAND USE PLANNING & BUILDING CONTROL		RECREATION & CULTURE		UNALLOCATED & UNCLASSIFIED		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>												
Grants	4,644,713	4,580,928	103,320	205,349	-	-	882,986	535,163	3,560,791	2,840,048	9,191,810	8,161,488
Rates	-	-	4,296,843	3,870,385	-	-	-	-	11,635,756	10,784,337	15,932,599	14,654,722
Other	1,670,161	1,365,792	1,914,254	1,352,817	731,222	745,890	451,210	403,452	2,011,555	1,280,099	6,778,402	5,148,050
Total	\$ 6,314,874	\$ 5,946,720	\$ 6,314,417	\$ 5,428,551	\$ 731,222	\$ 745,890	\$ 1,334,196	\$ 938,615	\$ 17,208,102	\$ 14,904,484	\$ 31,902,811	\$ 27,964,260
<b>Expenses</b>												
	\$ 9,271,179	\$ 6,883,728	\$ 13,316,446	\$ 10,014,390	\$ 1,725,029	\$ 1,798,711	\$ 3,280,529	\$ 2,967,684	\$ 1,057,699	\$ 680,226	\$ 28,650,882	\$ 22,344,739
%	32.36%	30.81%	46.48%	44.82%	6.02%	8.05%	11.45%	13.28%	3.69%	3.04%	100.00%	100.00%
<b>Net Surplus/(Deficit)</b>	\$ (2,956,305)	\$ (937,008)	\$ (7,002,029)	\$ (4,585,839)	\$ (993,807)	\$ (1,052,821)	\$ (1,946,333)	\$ (2,029,069)	\$ 16,150,403	\$ 14,224,258	\$ 3,251,929	\$ 5,619,521
<b>Assets Note 2(b)</b>	\$ 156,485,232	\$ 137,745,123	\$ 30,050,574	\$ 34,984,687	\$ (15,207)	\$ 18,728	\$ 37,942,746	\$ 34,633,775	\$ 117,597,517	\$ 111,235,226	\$ 342,060,862	\$ 318,617,539

## 2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONT.)

(b) Total assets shown in Note 2(a) are reconciled with the amounts shown for assets in the Statement of Financial Position:

Current Assets	30,580,349	30,324,746
Non-Current Assets	311,480,513	288,292,793
	<u>342,060,862</u>	<u>318,617,539</u>

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

### **Roads, Streets and Bridges**

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

### **Health, Community and Welfare Services**

Collection, handling, processing and disposal of all waste materials, operation and maintenance of preventative health, animal control, fire protection, tourism promotion, sundry economic services, state emergency services, urban stormwater drainage, protection of the environment, cemeteries, community amenities, families and children, aged and disabled, and community development.

### **Land Use Planning and Building Control**

Administration of the town planning scheme, subdivisions and urban and rural renewal programs. The development and maintenance of building constructions standards.

### **Recreation and Culture**

Administration and maintenance of public halls, swimming pools and other swimming, recreation grounds and other sports facilities, library services, sundry cultural activities and parks and reserves.

### **Unallocated and Unclassified**

General rates and charges, general services and activities not identifiable with the foregoing functions, including private works and stock.



	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>3. INTEREST</b>		
Interest on Cash and Financial Assets	824,904	165,187
Interest on Rate Debtors	92,741	77,863
Other Interest on Loans/Receivables	219,165	282,460
	<u>1,136,810</u>	<u>525,510</u>

Interest is recognised progressively as it is earned.

#### 4. GOVERNMENT GRANTS

Grants were received in respect of the following:

##### Recurrent and Operating Grants

Commonwealth Government Financial Assistance Grant: General Purpose	3,514,572	2,799,006
Commonwealth Government Financial Assistance Grant: Roads & Bridges	3,426,806	3,043,890
Fuel Tax Funding	46,219	41,042
Premiers Fund for Children & Young People	50,000	-
Meander Valley Lift Local Grant	20,000	-
Meander Valley Short Walks Grant	-	200,000
Safer Rural Roads Program	-	117,883
Huntsman Lake Boat Ramp	-	60,000
<b>Total Recurrent Grants</b>	<u>7,057,597</u>	<u>6,261,821</u>

##### Capital Grants received for new or upgraded assets

Commonwealth Government Roads to Recovery Capital Projects	874,333	874,333
Local Roads and Community Infrastructure Program	134,108	514,113
Deloraine Recreation Ground – Ground and Lighting Upgrades	181,681	68,319
Deloraine Squash Courts	49,680	10,191
Deloraine Waste Transfer Station Upgrades	15,712	5,349
Bracknell Hall Upgrade	552,512	-
Bridge Renewal Program	242,619	-
Prospect Vale Park - Ground Fencing & Safety Netting	65,959	-
Bass Highway Signage - Westbury	17,609	-
Deloraine Pump Track	-	250,000
Hadspen Memorial Centre Extension	-	109,796
Vulnerable Road User Program	-	67,566
<b>Total Capital Grants</b>	<u>2,134,213</u>	<u>1,899,667</u>
<b>Total Government Grants</b>	<u>9,191,810</u>	<u>8,161,488</u>

##### Unspent Grants and Contributions

Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:

##### Recurrent and Operating Grants

Balance of unspent funds at 1 July	-	117,883
Add: Funds received and not recognised as revenue in the current year	-	-
Less: Funds received in prior year but revenue recognised in current year	-	(117,883)
Balance of unspent funds at 30 June	<u>-</u>	<u>-</u>

##### Capital Grants

Balance of unspent funds at 1 July	1,235,012	776,814
Add: Funds received and not recognised as revenue in the current year	900,029	1,136,113
Less: Funds received in prior year but revenue recognised in current year	(121,289)	(677,915)
Balance of unspent funds at 30 June	<u>2,013,752</u>	<u>1,235,012</u>
<b>Total Unspent Funds</b>	<u>2,013,752</u>	<u>1,235,012</u>

	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
Government funds received in relation to pensioner rates of \$820,153 (2021-22: \$778,783) were treated in the Statement of Comprehensive Income as rate revenue.		

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

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

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

In 2022-23 the Commonwealth made an early payment of 100% of the Financial Assistance Grants allocation for the following year. The early receipt of the grant resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2022-23 by \$5,426,415 (2021-22: \$3,544,161). This has impacted the Statement of Comprehensive Income resulting in the Net Operating Result for the year being higher by the same amount.

## 5. EMPLOYEE COSTS

Wages and Salaries	6,279,966	6,012,886
Annual, Sick and Long Service Leave	1,167,986	990,350
Superannuation	925,591	839,094
State Government Payroll Tax	417,654	382,440
Total Employee Expenses	<u>8,791,197</u>	<u>8,224,770</u>
Less Capital & Non-Recurrent Expenditure		
Labour Capital Assets constructed by Council	<u>(353,576)</u>	<u>(522,884)</u>
	<u>(353,576)</u>	<u>(522,884)</u>
	<u>8,437,621</u>	<u>7,701,886</u>

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

## 6. MATERIALS AND CONTRACTS

Fire Levy	1,332,800	1,294,652
Councillor Allowances	204,889	199,479
Computer Licences and Support	195,167	181,538
Insurance	393,753	367,543
Street Lighting	210,828	203,349
Household Waste	2,187,390	1,900,479
Road Maintenance	2,559,567	1,236,970
Bridge Maintenance	605,942	53,589
Consultants	827,912	627,329
Electricity	92,626	95,894
Motor Vehicles	145,006	125,616
Publications and Subscriptions	184,097	168,859
Recreation Grounds, Parks and Reserves	817,255	665,829
Plant Expenses	688,247	601,946
Other	1,031,127	895,752
	<u>11,476,606</u>	<u>8,618,824</u>

## 7. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation was charged in respect of:

Land Improvements	1,150,577	1,025,234
Buildings	481,052	428,692
Roads and Streets	2,646,199	2,643,852
Bridges	432,934	429,596
Stormwater	415,627	417,571
Plant and Equipment	656,171	599,941
Heritage	281	281
Computer Software	39,536	44,812
Valuations	34,081	34,081
	<u>5,856,458</u>	<u>5,624,060</u>

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their economic life to Council at a rate of depreciation that reflects the consumption of the service potential of the assets. Depreciation is recognised on a straight-line basis and is reviewed each reporting period. Depreciation rates and methods are reviewed annually.

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

Land and Land Under Roads are not depreciable assets.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. This shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to road earthworks reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

The current depreciation method and useful lives are:

<b>Asset</b>	<b>Method</b>	<b>Useful Life</b>
Land	Not Depreciated	Unlimited Life
Land Under Roads	Not Depreciated	Unlimited Life
Land Improvements	Straight Line	2 - 100 years
Buildings	Straight Line	30 - 250 years
Road and Street Components	Straight Line	5 - 200 years
Bridges	Straight Line	18 - 133 years
Stormwater Drainage Reticulation	Straight Line	72 - 76 years
Plant & Equipment	Straight Line	3 - 30 years
Large Plant/Machinery (Mechanical)	Straight Line	7 - 20 years
Small Plant/Machinery (Mechanical)	Straight Line	3 - 20 years
Plant/Machinery (Electrical)	Straight Line	5 - 20 years
Office Equipment	Straight Line	3 - 30 years
Motor Vehicle	Straight Line	4 - 5 years
Heritage Assets	Straight Line	15 - 300 years
Computer Software	Straight Line	3 - 10 years
Valuations	Straight Line	6 years

## 8. FINANCE COSTS

Unwinding of Tip Rehabilitation Provision	51,633	36,758
Interest Charges	<u>211,320</u>	<u>211,320</u>
	<u>262,953</u>	<u>248,078</u>

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings and unwinding of present value calculations.



	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>9. OTHER EXPENSES</b>		
Other Expenses includes:		
External Auditor's Remuneration	44,771	37,793
Community Grants	93,199	83,891
Donations and Other	11	275
	<u>137,981</u>	<u>121,959</u>

#### 10. DISPOSAL & DERECOGNITION OF ASSETS

##### Total

Proceeds from sales/disposal	(258,958)	(161,777)
Written down value of assets sold/disposed	264,572	191,709
(Profit)/Loss on Disposal of Assets	<u>5,614</u>	<u>29,932</u>
Recurrent write-off/disposal of infrastructure and plant & equipment	56,756	29,932
One-off disposals of Land & Buildings	(51,142)	-
	<u>5,614</u>	<u>29,932</u>

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

#### 11. CURRENT ASSETS - Cash and Cash Equivalents

Cash at Bank	2,449,239	597,196
Cash on Hand	1,450	1,450
	<u>2,450,689</u>	<u>598,646</u>

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

##### Restricted Funds

Grant Funds Received in Advance	2,013,752	1,235,012
Property Developer Infrastructure Contributions	87,095	87,095

##### Internal Committed Funds

Employee Provisions	1,759,318	1,611,987
Provisions for Tip Site Rehabilitation and Aftercare	8,913,133	6,165,036

##### Committed Funds

	<u>12,773,298</u>	<u>9,099,130</u>
Total Uncommitted Cash and Cash Equivalents	(10,322,609)	(8,500,484)
Total Investments	26,081,732	23,724,396
<b>Total Uncommitted Funds</b>	<u>15,759,123</u>	<u>15,223,912</u>

Cash Assets include all amounts readily convertible to cash on hand (cash on hand, deposits at call with financial institutions, other short term, highly liquid investments) at Council's option with an insignificant risk of changes in value with an original maturity of three months or less.

#### 12. CURRENT ASSETS - Trade and Other Receivables

Rates Debtors	1,071,574	882,996
Other Debtors	424,900	373,393
Assessed Contributions - Westbury Industrial Development	-	946,226
Loan Receivable - Aged Care Deloraine	-	3,600,000
	<u>1,496,474</u>	<u>5,802,615</u>

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

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

### 13. CURRENT ASSETS - Investments

Term Deposits	26,081,732	23,724,396
Market value of investments as at the reporting date	26,081,732	23,724,396

Term Deposits and Cash at Bank are managed and expended in accordance with Council's Long Term Financial Plan.

### 14. CURRENT ASSETS - Other

Inventory Materials	105,888	108,038
Accrued Revenue	445,566	91,051
	551,454	199,089

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

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

### 15. CURRENT LIABILITIES - Trade and Other Payables

Employee Costs	195,604	177,188
Materials and Contracts	814,205	1,008,098
Other Creditors	283,316	275,299
Rates and Charges Received in Advance	394,665	347,760
	1,687,790	1,808,345

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.

### 16. CURRENT LIABILITIES - Provisions

Provision for Annual Leave	733,209	709,923
Provision for Long Service Leave	555,332	586,254
Employee Provisions oncosts	176,256	169,701
	1,464,797	1,465,878

Liabilities for wages and salaries, including non-monetary benefits, annual leave and 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.

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.

All annual leave and the long service leave entitlements representing 10 or more years of continuous service:

- Short-term employee benefits, that fall due within 12 months after year end are measured at nominal value.
- Long-term employee benefits that do not fall due within 12 months after year end measured at present value.

	Actual 2023 \$	Actual 2022 \$
<b>17. CURRENT LIABILITIES - Contract Liabilities</b>		
Grant Funds Received in Advance	2,013,752	1,235,012
Property Developer Infrastructure Contributions	87,095	87,095
	<u>2,100,847</u>	<u>1,322,107</u>

Grants received in advance includes are funds received under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.

**18. NON-CURRENT ASSETS - Investment in Water Corporation**

Opening balance	47,337,357	46,023,125
Fair Value adjustments on equity investment assets	1,545,392	1,314,232
Carrying value of investment at end of year	<u>48,882,749</u>	<u>47,337,357</u>

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2023, Council holds a 2.79% (2021-22: 2.86%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

**19. NON-CURRENT ASSETS - Loans and Other Receivables**

Vendor Finance - Aged Care Deloraine	-	162,000
	<u>-</u>	<u>162,000</u>

**20. NON-CURRENT ASSETS - Work in Progress**

Work in Progress - at cost	<u>1,888,713</u>	<u>1,172,249</u>
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**21. NON-CURRENT ASSETS - Land**

Land at Fair Value	<u>12,634,325</u>	<u>13,385,905</u>
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**22. NON-CURRENT ASSETS - Land Under Roads**

Land Under Roads at Fair Vaue	<u>29,222,665</u>	<u>29,106,910</u>
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Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

**23. NON-CURRENT ASSETS - Land Improvements**

Land Improvements at Cost	19,237,942	18,173,935
Less Accumulated Depreciation	<u>(9,194,342)</u>	<u>(8,380,283)</u>
	<u>10,043,600</u>	<u>9,793,652</u>

Land improvements include landscaping (trees, grass, rocks and shrubs), earthworks not integral to other assets, playing surfaces on recreation reserves and recreational equipment and structures. Also includes assets recognised in respect of the Tip Rehabilitation Provision.

**24. NON-CURRENT ASSETS - Buildings**

Buildings at Fair Value	27,460,856	24,937,582
Less Accumulated Depreciation	<u>(46,794)</u>	<u>(1,209,348)</u>
	<u>27,414,062</u>	<u>23,728,233</u>



	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>25. NON-CURRENT ASSETS - Roads and Streets</b>		
Roads and Streets at Fair Value	183,293,665	161,562,946
Less Accumulated Depreciation	<u>(59,604,368)</u>	<u>(52,086,732)</u>
	<u><u>123,689,297</u></u>	<u><u>109,476,214</u></u>
Roads and streets include earthworks, substructures, seals and kerbs relating to roads, roundabouts, driveways, footpaths, nature strips and parking areas.		
<b>26. NON-CURRENT ASSETS - Bridges</b>		
Bridges at Fair Value	44,818,733	38,472,495
Less Accumulated Depreciation	<u>(11,975,049)</u>	<u>(9,996,636)</u>
	<u><u>32,843,684</u></u>	<u><u>28,475,859</u></u>
<b>27. NON-CURRENT ASSETS - Stormwater</b>		
Stormwater at Fair Value	31,044,548	31,829,582
Less Accumulated Depreciation	<u>(9,439,343)</u>	<u>(9,776,953)</u>
	<u><u>21,605,205</u></u>	<u><u>22,052,629</u></u>
<b>28. NON-CURRENT ASSETS - Plant and Equipment</b>		
Plant and Equipment at Cost	7,509,721	7,658,954
Less Accumulated Depreciation	<u>(4,482,518)</u>	<u>(4,284,789)</u>
	<u><u>3,027,203</u></u>	<u><u>3,374,165</u></u>
<b>29. NON-CURRENT ASSETS - Heritage</b>		
Heritage at Cost	139,854	139,854
Less Accumulated Depreciation	<u>(121,213)</u>	<u>(120,932)</u>
	<u><u>18,641</u></u>	<u><u>18,922</u></u>
<b>30. NON-CURRENT ASSETS - Computer Software</b>		
Computer Software at Cost	821,576	795,501
Less Accumulated Amortisation	<u>(679,276)</u>	<u>(688,953)</u>
	<u><u>142,300</u></u>	<u><u>106,548</u></u>
<b>31. NON-CURRENT ASSETS - Valuations</b>		
Valuations at Cost	193,642	193,642
Less Accumulated Depreciation	<u>(125,573)</u>	<u>(91,492)</u>
	<u><u>68,069</u></u>	<u><u>102,150</u></u>

## 32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

	Opening Balance	Recognition & Acquisition of Assets	Revaluation Increments / (Decrements) (Note 35)	Depreciation & Amortisation (Note 7)	Written Down Value of Disposals	Reclassification of Assets	Transfers	Year End Balance
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2023</b>								
<b>Works In Progress</b>								
	1,172,249	6,149,812	-	-	-	-	(5,433,348)	1,888,713
<b>Total Works In Progress</b>	<u>1,172,249</u>	<u>6,149,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,433,348)</u>	<u>1,888,713</u>
<b>Property</b>								
Land	13,385,905	-	(591,600)	-	(172,800)	-	12,820	12,634,325
Land Under Roads	29,106,910	115,755	-	-	-	-	-	29,222,665
Land Improvements	9,793,652	273,958	-	(1,150,577)	(12,289)	-	1,138,856	10,043,600
Buildings	23,728,233	-	4,084,358	(481,052)	-	-	82,523	27,414,062
Total property	<u>76,014,700</u>	<u>389,713</u>	<u>3,492,758</u>	<u>(1,631,629)</u>	<u>(185,089)</u>	<u>-</u>	<u>1,234,199</u>	<u>79,314,652</u>
<b>Infrastructure</b>								
Roads & Streets	109,476,214	1,619,241	12,200,230	(2,646,199)	(56,298)	-	3,096,109	123,689,297
Bridges	28,475,859	-	4,486,099	(432,934)	-	-	314,660	32,843,684
Stormwater	22,052,629	1,074,204	(1,486,698)	(415,627)	(1,028)	-	381,725	21,605,205
Total infrastructure	<u>160,004,702</u>	<u>2,693,445</u>	<u>15,199,631</u>	<u>(3,494,760)</u>	<u>(57,326)</u>	<u>-</u>	<u>3,792,494</u>	<u>178,138,186</u>
<b>Plant &amp; Equipment</b>	3,374,165	-	-	(656,171)	(22,158)	-	331,367	3,027,203
<b>Heritage</b>	18,922	-	-	(281)	-	-	-	18,641
<b>Computer Software</b>	106,548	-	-	(39,536)	-	-	75,288	142,300
<b>Valuations</b>	102,150	-	-	(34,081)	-	-	-	68,069
<b>Total</b>	<u>239,621,187</u>	<u>3,083,158</u>	<u>18,692,389</u>	<u>(5,856,458)</u>	<u>(264,573)</u>	<u>-</u>	<u>5,433,348</u>	<u>260,709,051</u>

## 32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONT.)

	Opening Balance	Recognition & Acquisition of Assets	Revaluation Increments / (Decrements) (Note 35)	Depreciation & Amortisation (Note 7)	Written Down Value of Disposals	Reclassification of Assets	Transfers	Year End Balance
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2022</b>								
<b>Works In Progress</b>								
	849,804	7,195,476	-	-	-	-	(6,873,031)	1,172,249
<b>Total Works In Progress</b>	<u>849,804</u>	<u>7,195,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,873,031)</u>	<u>1,172,249</u>
<b>Property</b>								
Land	10,842,751	-	2,295,450	-	-	-	247,704	13,385,905
Land Under Roads	29,031,368	75,542	-	-	-	-	-	29,106,910
Land Improvements	9,557,277	373,454	-	(1,025,234)	-	-	888,155	9,793,652
Buildings	21,820,321	-	2,075,176	(428,692)	-	-	261,428	23,728,233
Total property	<u>71,251,717</u>	<u>448,996</u>	<u>4,370,626</u>	<u>(1,453,926)</u>	<u>-</u>	<u>-</u>	<u>1,397,287</u>	<u>76,014,700</u>
<b>Infrastructure</b>								
Roads & Streets	125,230,206	1,314,870	(17,494,475)	(2,643,852)	(116,336)	-	3,185,801	109,476,214
Bridges	27,979,485	-	-	(429,596)	-	-	925,970	28,475,859
Stormwater	21,622,112	494,395	-	(417,571)	-	-	353,693	22,052,629
Total infrastructure	<u>174,831,803</u>	<u>1,809,265</u>	<u>(17,494,475)</u>	<u>(3,491,019)</u>	<u>(116,336)</u>	<u>-</u>	<u>4,465,464</u>	<u>160,004,702</u>
<b>Plant &amp; Equipment</b>	3,080,836	-	-	(599,941)	(75,373)	-	968,643	3,374,165
<b>Heritage</b>	19,203	-	-	(281)	-	-	-	18,922
<b>Computer Software</b>	109,723	-	-	(44,812)	-	-	41,637	106,548
<b>Valuations</b>	136,231	-	-	(34,081)	-	-	-	102,150
<b>Total</b>	<u>249,429,513</u>	<u>2,258,261</u>	<u>(13,123,849)</u>	<u>(5,624,060)</u>	<u>(191,709)</u>	<u>-</u>	<u>6,873,031</u>	<u>239,621,187</u>



## 32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONT.)

### Asset Capitalisation and Maintenance

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. Officers of the Council determine at the occurrence of an event whether to capitalise/expense expenditure. The following is provided as a guide for roads:

Road Component	Treatment
Reseals	Capitalised or Expensed
Road Shouldering	Expensed
Reconstruction/Construction	Capitalised
Gravel Resheeting	Capitalised
Seal Patching	Expensed
Road Drainage	Capitalised or Expensed
Road Drainage (Piped)	Capitalised or Expensed
Road Verge Works	Expensed

### Recognition and Measurement of Assets

The cost method of accounting is used for the initial recognition of all asset acquisitions. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition including architects' fees and engineering design fees and all other costs incurred in getting the assets ready for use.

In determining the cost of Non-Current Assets constructed by Council, "Cost" includes all materials used in construction, direct labour used on the project and an appropriate proportion of overheads. The cost of all materials includes all consulting fees.

Non-monetary assets 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.

The following thresholds apply in recognising the acquisition of new assets. Assets valued at less than the specified amounts are charged to the Statement of Comprehensive Income in the year of purchase. When group values have been determined, the threshold applies to the group, not individual assets within that group.

Asset Class	Threshold (\$)
Land	Nil
Land Under Roads	Nil
Land Improvements	5,000
Buildings	5,000
Roads and Streets	5,000
Bridges	5,000
Stormwater	5,000
Plant and Equipment	2,000
Heritage Assets	2,000
Computer Software	2,000

## Revaluation of Non-Current Assets

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

Asset Class	Valuation Basis
Land	Fair Value
Land Under Roads	Fair Value
Land Improvements	Cost
Buildings	Fair Value
Plant and Equipment	Cost
Roads and Streets	Fair Value
Stormwater	Fair Value
Heritage Assets	Cost
Bridges	Fair Value
Computer Software	Cost

Subsequent to the initial recognition of assets, non-current physical assets, other than Land Improvements, Plant and Equipment, Heritage and Intangibles, 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 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 asset classes, measured on the fair value basis on a three-year rolling cycle. The valuation is performed either by experienced Council officers or independent experts. The cost of acquisitions and capital works during the year is considered to represent their fair value.

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. Further details regarding the fair value hierarchy are disclosed at Note 44 Fair Value Measurement.

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

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 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, Stormwater, Buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

### 33. BORROWINGS

#### Current Liabilities

	Actual 2023 \$	Actual 2022 \$
Borrowings - Secured	-	3,600,000
Not later than one year	-	3,600,000
	-	3,600,000

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.

### 34. NON-CURRENT LIABILITIES - Provisions

Provision for Long Service Leave	274,586	136,296
Employee Provisions - oncosts	19,935	9,813
Provision for Tip Rehabilitation	6,490,626	6,165,036
Provision for Tip Aftercare	2,422,507	-
	9,207,654	6,311,145

Provision for long service leave representing less than 10 years of continuous service measured at present value.

#### Reconciliation of Provision for Tip Rehabilitation

Opening Balance	6,165,036	5,754,824
Unwinding of Discount	51,633	36,758
Reassessment of Estimate	273,957	373,454
Closing Balance	6,490,626	6,165,036

Council is obligated to restore landfill sites to a particular standard. Current engineering projections indicate that the landfill site at Cluan will begin restoration work in 2024-25, the landfill site at Deloraine in 2026-27 and the new fill site at Cluan in 2028-29. The forecast life of the landfill sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works have been inflated by the Consumer Price Index (Hobart) 5.5% and discounted by the Indicative Mid Rates of Selected Australian Government Securities. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council recognises a provision for aftercare in respect of the landfill sites, in order to capture the costs required to maintain the sites during the aftercare period. This is a period of 30 years from the closure of the respective sites. The provision for aftercare has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost has been estimated based on current understanding of work required to maintain the sites following closure and rehabilitation. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

#### Employee Benefits

AASB 119 Employee Benefits has been applied when calculating and reporting employee entitlements. The bases of measurement of liabilities for each type of employee benefit are as follows:



(i) 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.

(ii) 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.

(iii) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan which provides benefits to its employees. Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable. Details of those arrangements are set out in Note 38.

(iv) Number of employees

	2023	2022
Permanent FTE staff	83	86

### 35. RESERVES

2023	Opening Balance	Increment / (decrement)	Closing Balance
Asset Revaluation Reserve			
Land	12,320,496	(591,600)	11,728,896
Buildings	11,050,150	4,084,358	15,134,508
Roads and Streets	32,020,817	12,200,230	44,221,047
Bridges	16,959,543	4,486,099	21,445,642
Stormwater	11,823,946	(1,486,698)	10,337,248
Total Asset Revaluation Reserve	84,174,952	18,692,389	102,867,341
Fair Value Reserve			
Investment in Water Corporation	(4,349,719)	1,545,392	(2,804,327)
Total Fair Value Reserve	(4,349,719)	1,545,392	(2,804,327)
	79,825,233	20,237,781	100,063,014
2022	Opening Balance	Increment / (decrement)	Closing Balance
Asset Revaluation Reserve			
Land	10,025,046	2,295,450	12,320,496
Buildings	8,974,974	2,075,176	11,050,150
Roads and Streets	49,515,292	(17,494,475)	32,020,817
Bridges	16,959,543	-	16,959,543
Stormwater	11,823,946	-	11,823,946
Total Asset Revaluation Reserve	97,298,801	(13,123,849)	84,174,952
Fair Value Reserve			
Investment in Water Corporation	(5,663,951)	1,314,232	(4,349,719)
Total Fair Value Reserve	(5,663,951)	1,314,232	(4,349,719)
	91,634,850	(11,809,617)	79,825,233

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

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.

### 36. SPECIAL COMMITTEES

The statements include transactions for the following Special Committees:

2023	Receipts	Payments	Net Assets
Birrallee Memorial Hall	3,462	2,751	6,041
Bracknell Public Hall & Recreation Ground	1,252	91	11,718
Carrick Community Hall	6,783	4,209	7,971
Caveside Recreation Committee	2,197	563	17,986
Chudleigh Memorial Hall	25,320	22,213	23,341
Dairy Plains Memorial Hall	11,195	7,344	21,236
Deloraine Community Car	17,139	15,083	15,318
Meander Hall & Recreation Ground	23,132	12,917	28,609
Mole Creek Memorial Hall	6,418	6,690	18,867
Rosevale Memorial Hall & Recreation Ground	992	1,216	23,415
Selbourne Memorial Hall	597	453	40,527
Weegenah Hall	2,545	1,640	10,251
Westbury Community Car	6,065	5,788	9,256
Westbury Historical Society	5,950	1,746	20,011
Westbury Recreation Ground	-	-	1,472
Whitemore Recreation Ground	1,469	1,450	3,300
	<u>114,516</u>	<u>84,154</u>	<u>259,319</u>

The balance of net assets forms part of the Cash at Bank balance.

### 37. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments contracted for as at the reporting date and which have not been recognised as liabilities in the Statement of Financial Position are as follows:

	2023 \$	2022 \$
Capital Expenditure Commitments: Works In Progress		
Buildings	3,572,969	887,348
Land Improvements	672,177	377,247
	<u>4,245,146</u>	<u>1,264,595</u>

Operating expenditure commitments contracted for as at the reporting date and which have not been recognised as liabilities in the Statement of Financial Position are as follows:

Kerbside Waste Collection Contract	<u>4,072,761</u>	<u>4,751,555</u>
	<u>4,072,761</u>	<u>4,751,555</u>

### 38. SUPERANNUATION

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

For the year ended 30 June 2023 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

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

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

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes. During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

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

- The 2020 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017. Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators). The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.



- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was Nil, (2021-22: Nil) due to the contribution holiday as prescribed by Tasplan, and the amount paid to accumulation schemes was \$925,591 (2021-22: \$839,094).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is Nil, due to the contribution holiday as prescribed by Tasplan. The amount to be paid to accumulation schemes is \$1,197,800.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2021, showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2021 the Fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

	<b>Actual 2023 \$</b>	<b>Actual 2022 \$</b>
<b>39. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)</b>		
Net Surplus/(Deficit)	3,251,929	5,619,521
Items not involving Cash		
Subdivisions Taken Over	(2,809,200)	(1,884,809)
Interest Accrued on Receivables	(2,566)	(64,405)
Depreciation and Amortisation Expense	5,856,458	5,624,060
	<u>3,044,692</u>	<u>3,674,846</u>
Investing Activity		
(Profit)/Loss on Disposal of Assets	5,614	29,932
Proceeds from Capital Grants	(2,912,953)	(2,357,865)
Proceeds from Capital Contributions	(12,850)	(188,004)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(240,083)	(46,959)
(Increase)/Decrease in Inventories	2,150	(25,786)
(Increase)/Decrease in Accrued Revenue	(354,516)	(6,471)
Increase/(Decrease) in Payables	(120,555)	373,370
Increase/(Decrease) in Provisions	2,621,470	137,119
Increase/(Decrease) in Contract Liabilities	778,740	427,410
	<u>2,687,206</u>	<u>858,683</u>
Net Cash Inflow from Operating Activities	<u>6,063,638</u>	<u>7,637,113</u>
<b>RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES</b>		
Opening Balance	3,600,000	3,600,000
Changes from financing cash flows:		
Cash repayments	(3,600,000)	-
Closing Balance	<u>-</u>	<u>3,600,000</u>

#### 40. CREDIT STANDBY ARRANGEMENTS

Council has a Direct Debit Facility with the Commonwealth Bank with a \$50,000 limit (2021-22: \$50,000). Council has Business Cards with a limit of \$35,000 (2021-22: \$35,000). The balance is cleared monthly. There were no other credit standby arrangements or unused loan facilities at 30 June 2023.

## 41. RELATED PARTY DISCLOSURES

### (a) Councillor Remuneration

2023

	Allowances \$	Vehicles <sup>2</sup> \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	57,887	4,609	62,496	807	63,303
Deputy Mayor	32,250	-	32,250	2,402	34,652
Councillors	114,752	-	114,752	8,543	123,295
<b>Total</b>	<b>204,889</b>	<b>4,609</b>	<b>209,498</b>	<b>11,752</b>	<b>221,250</b>

2022

	Allowances \$	Vehicles <sup>2</sup> \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	56,382	3,579	59,961	5	59,966
Deputy Mayor	31,413	-	31,413	989	32,402
Councillors	111,684	-	111,684	9,145	120,829
<b>Total</b>	<b>199,479</b>	<b>3,579</b>	<b>203,058</b>	<b>10,139</b>	<b>213,197</b>

### (b) Key Management Personnel Remuneration

Section 72(1)(cd) of the Local Government Act 1993 requires Council to report the total annual remuneration paid to employees of the Council who hold positions designated by the Council as being senior positions. The Council has determined that Senior Positions comprise Director and General Manager positions.

2023

Remuneration band	Number of employees <sup>6</sup>	Short term employee benefits		Post employment benefits		Non- monetary Benefits <sup>5</sup> \$	Total \$
		Salary <sup>1</sup> \$	Vehicles <sup>2</sup> \$	Super- annuation <sup>3</sup> \$	Termination Benefits <sup>4</sup> \$		
\$60 001 - \$80 000	1	56,235	2,036	7,606	-	(5,553)	60,324
\$200 001 - \$220 000	4	677,277	35,410	94,143	-	30,438	837,268
\$280 001 - \$300 000	1	212,189	12,613	29,551	-	31,762	286,115
<b>Total</b>		<b>945,701</b>	<b>50,059</b>	<b>131,300</b>	<b>-</b>	<b>56,647</b>	<b>1,183,707</b>

2022

Remuneration band	Number of employees <sup>6</sup>	Short term employee benefits		Post employment benefits		Non- monetary Benefits <sup>5</sup> \$	Total \$
		Salary <sup>1</sup> \$	Vehicles <sup>2</sup> \$	Super- annuation <sup>3</sup> \$	Termination Benefits <sup>4</sup> \$		
\$80 001 - \$100 000	1	78,166	2,475	10,932	-	3,389	94,962
\$180 001 - \$200 000	1	155,231	9,668	20,756	-	11,581	197,236
\$200 001 - \$220 000	3	488,072	24,003	65,409	-	34,000	611,484
\$240 001 - \$260 000	1	195,801	5,940	26,433	-	12,591	240,765
<b>Total</b>		<b>917,270</b>	<b>42,086</b>	<b>123,530</b>	<b>-</b>	<b>61,561</b>	<b>1,144,447</b>

<sup>1</sup> Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice

<sup>2</sup> 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).

<sup>3</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>4</sup> Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

<sup>5</sup> Non-monetary benefits include annual and long service leave movements.

<sup>6</sup> Number of employees includes total number of employees that held a Key Management Personnel position during the financial year.

**(c) Transactions With Related Parties**

The Council has dealings from time to time with its Key Management Personnel (KMP) in both their private and business capacities. Transactions between Council and its related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Key Management Personnel	Position	Interest Declared	Total Transactions	Nature of Relevant Dealings with Council
Cr W Johnston	Mayor	No interest declared	-	
Cr S Cameron	Deputy Mayor	Business: CDR Plumbing Pty Ltd	\$4,161	Supplier of plumbing services under normal commercial terms and conditions.
Cr M Kelly	Councillor	No interest declared	-	
Cr A Sherriff	Councillor	Business: Deloraine Signs	\$12,738	Supplier of signwriting and signage making services under normal commercial terms and conditions.
Cr T King	Councillor	No interest declared	-	
Cr R Synfield	Councillor	No interest declared	-	
Cr J Temple	Councillor	Business: Archer Temple Pty Ltd	-	Supplier of general printing, book binding, picture framing and signage making services under normal commercial terms and conditions.
Cr D White	Councillor	No interest declared	-	
Cr M Frydrych	Councillor	No interest declared	-	
Cr A Loader	Councillor	No interest declared	-	
Cr B Dudman	Councillor	No interest declared	-	
Cr L Dornauf	Councillor	No interest declared	-	
Cr K House	Councillor	No interest declared	-	
Cr B Lee	Councillor	No interest declared	-	
J Jordan	General Manager	No interest declared	-	
D De Paoli	Director	No interest declared	-	
M Millwood	Director	No interest declared	-	
J Harmey	Director	No interest declared	-	
K Palfreyman	Director	No interest declared	-	
M Lewarn	Director	No interest declared	-	

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

**(d) Transactions with related parties that have not been disclosed**

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

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

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.



## 42. FINANCIAL INSTRUMENTS

### (a) Accounting Policy, terms and conditions

Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
	11	Cash on hand and at bank and in cash management accounts are valued at face value.  Interest is recognised as it accrues.	On call deposits returned floating interest rates between 0.95% (2021-22: 0%) and 4.15% (2021-22: 0.95%). The interest rate at balance date was 4.01%-4.15% (2021-22: 0.76%-0.95%).
<b>Term Deposits</b>			
	13	Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash.  Interest revenues are recognised as they accrue. Investments are held to maximise interest returns of surplus cash.	Term Deposits returned fixed interest rates of between 0.40% (2021-22: 0.40%), and 5.70% (2021-22: 4.00%) net of fees. Funds returned a weighted average interest rate of 3.20% (2021-22: 1.04%).
<b>Receivables - Rate Debtors</b>			
	12	An impairment loss is not recognised on rates receivable.	Unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. Arrears attract interest of 8.13% (2021-22: 7.87%).
<b>Receivables - Other Debtors</b>			
	12	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears do not attract interest. Debtors are required to settle within 14 days of issue of the account.
<b>Receivables - Loans</b>			
	19	Loans are carried at their principal amounts, which represent the present value of future associated cash flows. Interest is accrued over the period it becomes due and recognised as part of receivables.	There are no Receivable loans as at 30 June 2023.
<b>Financial Liabilities</b>			
<b>Trade and Other Payables</b>			
	15	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
<b>Interest-Bearing Loans and Borrowings</b>			
	33	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	There are no Borrowings as at 30 June 2023.

**(b) Interest Rate Risk**

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

**2023****Fixed Interest Maturing in:**

	<b>Floating Interest Rate</b>	<b>Under 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>						
Cash and Cash Equivalents	2,449,239	-	-	-	1,450	2,450,689
Investments	-	26,081,732	-	-	-	26,081,732
Rates Receivable	-	1,071,574	-	-	-	1,071,574
Loans, Trade and Other Receivables	-	-	-	-	424,900	424,900
Accrued Revenue	-	-	-	-	445,566	445,566
Investment in Water Corporation	-	-	-	-	48,882,749	48,882,749
<b>Total Financial Assets</b>	<b>2,449,239</b>	<b>27,153,306</b>	<b>-</b>	<b>-</b>	<b>49,754,665</b>	<b>79,357,210</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	1,687,790	1,687,790
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,687,790</b>	<b>1,687,790</b>
<b>Net Financial Assets (Liabilities)</b>	<b>2,449,239</b>	<b>27,153,306</b>	<b>-</b>	<b>-</b>	<b>48,066,875</b>	<b>77,669,420</b>

**2022****Fixed Interest Maturing in:**

	<b>Floating Interest Rate</b>	<b>Under 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>						
Cash and Cash Equivalents	597,196	-	-	-	1,450	598,646
Investments	-	23,724,396	-	-	-	23,724,396
Rates Receivable	-	882,996	-	-	-	882,996
Loans, Trade and Other Receivables	-	4,546,226	162,000	-	373,394	5,081,620
Accrued Revenue	-	-	-	-	91,051	91,051
Investment in Water Corporation	-	-	-	-	47,337,357	47,337,357
<b>Total Financial Assets</b>	<b>597,196</b>	<b>29,153,618</b>	<b>162,000</b>	<b>-</b>	<b>47,803,252</b>	<b>77,716,066</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	1,808,345	1,808,345
Borrowings	-	3,600,000	-	-	-	3,600,000
<b>Total Financial Liabilities</b>	<b>-</b>	<b>3,600,000</b>	<b>-</b>	<b>-</b>	<b>1,808,345</b>	<b>5,408,345</b>
<b>Net Financial Assets (Liabilities)</b>	<b>597,196</b>	<b>25,553,618</b>	<b>162,000</b>	<b>-</b>	<b>45,994,907</b>	<b>72,307,721</b>

**(c) Net Fair Values**

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

**Financial Instruments***Financial Assets*

Cash and Cash Equivalents  
Term Deposits: Maturity > 3 months  
Trade and Other receivables  
Accrued Revenue  
Investment in Water Corporation

*Total Financial Assets**Financial Liabilities*

Trade and Other payables  
Borrowings

*Total Financial Liabilities*

Net Financial Assets

30 June 2023		30 June 2022	
Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
2,450,689	2,450,689	598,646	598,646
26,081,732	26,081,732	23,724,396	23,724,396
1,496,474	1,496,474	5,964,616	5,964,616
445,566	445,566	91,051	91,051
48,882,749	48,882,749	47,337,357	47,337,357
79,357,210	79,357,210	77,716,066	77,716,066
1,687,790	1,687,790	1,808,345	1,808,345
-	-	3,600,000	3,664,656
1,687,790	1,687,790	5,408,345	5,473,001
77,669,420	77,669,420	72,307,721	72,243,065

**(d) 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.

**(e) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

Our loan borrowings are sourced from Tascorp. 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.

**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 per 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 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.

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party.

**Ageing of Trade and Other Receivables**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current (not yet due)	407,562	4,111,962
Past due by up to 30 days	1,725	3,120
Past due between 31 and 180 days	4,617	955,912
Past due between 181 and 365 days	452	620
Past due by more than 1 year	10,544	10,006
Total Trade Receivables	424,900	5,081,620
Rates Receivable	1,071,574	882,996
Total Trade & Other Receivables	1,496,474	5,964,616

**Ageing of individually impaired Trade and Other Receivables**

At balance date no debtors were impaired. Some of the 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 readily accessible standby facilities and other funding arrangements in place; and
- monitor budget to actual performance on a regular basis.

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



The table below lists the contractual maturities for Financial Liabilities. These amounts represent the discounted cash flow payments (i.e. principal only).

<b>2023</b>	<b>Less than 1 year \$</b>	<b>1-5 years \$</b>	<b>&gt;5 years \$</b>	<b>Contracted Cash Flow \$</b>	<b>Carrying Amount \$</b>
Trade and other payables	1,687,790	-	-	1,687,790	1,687,790
Borrowings	-	-	-	-	-
Total financial liabilities	1,687,790	-	-	1,687,790	1,687,790

<b>2022</b>	<b>Less than 1 year \$</b>	<b>1-5 years \$</b>	<b>&gt;5 years \$</b>	<b>Contracted Cash Flow \$</b>	<b>Carrying Amount \$</b>
Trade and other payables	1,808,345	-	-	1,808,345	1,808,345
Borrowings	3,600,000	-	-	3,600,000	3,600,000
Total financial liabilities	5,408,345	-	-	5,408,345	5,408,345

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of + 1% and - 1% in market interest rates (AUD) from year-end rates of 1.02%.

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.

<b>2023</b>	<b>Interest rate risk</b>			
	<b>+1 % + 100 basis points Profit      Equity \$            \$</b>		<b>-1 % - 100 basis points Profit      Equity \$            \$</b>	
<b>Financial assets:</b>				
Cash and cash equivalents	2,449,239	24,492      24,492	(24,492)      (24,492)	

<b>2022</b>	<b>Interest rate risk</b>			
	<b>+1 % + 100 basis points Profit      Equity \$            \$</b>		<b>-1 % - 100 basis points Profit      Equity \$            \$</b>	
<b>Financial assets:</b>				
Cash and cash equivalents	597,196	5,972      5,972	(5,972)      (5,972)	

### 43. MANAGEMENT INDICATORS

	Benchmark	2023	2022	2021	2020
(a) Underlying surplus or deficit		\$	\$	\$	\$
Recurrent income		26,895,406	24,078,875	20,039,583	20,431,704
Grants received in advance - current year*		(5,426,415)	(3,544,161)	(2,178,177)	(2,217,893)
Grants received in advance - prior year*		3,544,161	2,178,177	2,217,893	2,180,889
		<u>25,013,152</u>	<u>22,712,891</u>	<u>20,079,299</u>	<u>20,394,700</u>
Recurrent expenditure		(26,228,375)	(22,344,739)	(20,612,521)	(19,960,916)
Underlying surplus/(deficit)	0	<u>(1,215,223)</u>	<u>368,152</u>	<u>(533,222)</u>	<u>433,784</u>

\*Prepaid financial assistance grants from the Commonwealth Government.

Consistent underlying surpluses reflect Councils stable financial performance.

#### (b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>		(1,215,223)	368,152	(533,222)	433,784
Recurrent income*		25,013,152	22,712,891	20,079,299	20,394,700
Underlying surplus ratio %	0%	-5%	2%	-3%	2%

This ratio serves as an overall measure of financial operating effectiveness. Council budgets for and has reported modest underlying surpluses which ensures its operations are sustainable.

#### (c) Net financial liabilities

Liquid assets less borrowing		30,028,895	26,525,658	23,265,009	22,543,286
Total liabilities		14,461,088	14,507,475	13,196,123	11,225,292
Net financial liabilities	0	<u>15,567,807</u>	<u>12,018,183</u>	<u>10,068,886</u>	<u>11,317,994</u>

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. Council is pleased to report that it manages its finances to ensure all liabilities are fully funded.

#### (d) Net financial liabilities ratio

<u>Net financial liabilities</u>		15,567,807	12,018,183	10,068,886	11,317,994
Recurrent income*		25,013,152	22,712,891	20,079,299	20,394,700
Net financial liabilities ratio %	0% to -50%	62%	53%	50%	55%

This ratio indicates the net financial obligations of Council compared to its recurrent income. Councils is currently operating in a low debt environment which assists in achieving a positive ratio.

#### (e) Asset consumption ratio

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

	Benchmark	2023	2022	2021	2020
		\$	\$	\$	\$
<i>Bridges</i>					
<u>Fair value (Carrying amount)</u>		32,843,684	28,475,859	27,979,485	28,746,622
Current replacement cost (Gross)		44,818,733	38,472,495	37,799,357	38,955,188
Asset consumption ratio %	At least 60%	73%	74%	74%	74%
<i>Stormwater</i>					
<u>Fair value (Carrying amount)</u>		21,605,205	22,052,629	21,622,112	21,290,349
Current replacement cost (Gross)		31,044,548	31,829,582	30,981,494	30,240,640
Asset consumption ratio %	At least 60%	70%	69%	70%	70%
<i>Roads and Streets</i>					
<u>Fair value (Carrying amount)</u>		123,689,297	109,476,214	125,230,206	122,080,776
Current replacement cost (Gross)		183,293,665	161,562,946	178,316,534	173,141,603
Asset consumption ratio %	At least 60%	67%	68%	70%	71%

The building asset class is not included in the asset consumption ratio analysis. As the building assets are valued based on market value the ratio is not comparable to Bridges, Stormwater, Roads and Streets.

This ratio indicates the level of service potential available in Council's existing asset base. Council has a proactive asset renewal program. Asset revaluations occur regularly to ensure asset information is current.

	Benchmark	2023	2022	2021	2020
(f) Asset renewal funding ratio		\$	\$	\$	\$
An asset renewal funding ratio has been calculated in relation to each significant asset class included in the long-term strategic asset management plan of Council.					
<i>Bridges</i>					
<u>Projected capital funding outlays**</u>		4,765,000	5,059,000	6,025,000	7,640,000
Projected capital expenditure funding***		4,765,000	5,059,000	6,025,000	7,640,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Buildings</i>					
<u>Projected capital funding outlays**</u>		12,653,000	11,013,000	7,211,000	10,565,000
Projected capital expenditure funding***		12,653,000	11,013,000	7,211,000	10,565,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Stormwater</i>					
<u>Projected capital funding outlays**</u>		8,673,000	6,529,000	4,784,000	4,667,000
Projected capital expenditure funding***		8,673,000	6,529,000	4,784,000	4,667,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Roads &amp; Streets</i>					
<u>Projected capital funding outlays**</u>		49,447,000	42,393,000	39,090,000	38,494,000
Projected capital expenditure funding***		49,447,000	42,393,000	39,090,000	38,494,000
Asset renewal funding ratio %	90% to 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. Council is focussed on fully funding the capital asset expenditure as established in the asset management plans.

	Benchmark	2023	2022	2021	2020
(g) Asset sustainability ratio		\$	\$	\$	\$
<u>Capex on replacement/renewal of existing assets</u>		3,629,563	4,281,752	5,538,681	5,721,861
Annual depreciation expense		5,856,458	5,624,060	5,082,762	5,068,152
Asset sustainability ratio %	100%	62%	76%	109%	113%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. Council manages its capex on replacement/renewal of existing assets in line with the requirements of the asset management plans. Due to the long useful lives of Councils infrastructure this ratio must be viewed in conjunction with a long term view.

**(g) Asset sustainability ratio (Cont.)**

<b>2023</b>	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
<b>Asset Class</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	-	12,820	12,820
Land Improvements	236,365	902,491	1,138,856
Buildings	-	82,523	82,523
Roads and Streets	2,727,306	368,803	3,096,109
Bridges	314,660	-	314,660
Stormwater	-	381,725	381,725
Plant and Equipment	275,944	55,423	331,367
Computer Software	75,288	-	75,288
	<u>3,629,563</u>	<u>1,803,785</u>	<u>5,433,348</u>

<b>2022</b>	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
<b>Asset Class</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	-	247,704	247,704
Land Improvements	374,573	513,581	888,154
Buildings	33,835	227,593	261,428
Roads and Streets	2,266,354	919,447	3,185,801
Bridges	892,709	33,262	925,971
Stormwater	-	353,693	353,693
Plant and Equipment	680,604	288,039	968,643
Computer Software	33,677	7,960	41,637
	<u>4,281,752</u>	<u>2,591,279</u>	<u>6,873,031</u>



#### 44. FAIR VALUE MEASUREMENT

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

- Land
- Land Under Roads
- Buildings
- Roads and Streets
- Bridges
- Stormwater
- Investment in Water Corporation

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

##### (a) Fair Value Hierarchy

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

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

The 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 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Land	21	-	12,634,325	-	12,634,325
Land Under Roads	22	-	-	29,222,665	29,222,665
Buildings	24	-	-	27,414,062	27,414,062
Roads and Streets	25	-	-	123,689,297	123,689,297
Bridges	26	-	-	32,843,684	32,843,684
Stormwater	27	-	-	21,605,205	21,605,205
Investment in Water Corporation	18	-	-	48,882,749	48,882,749
		-	12,634,325	283,657,662	296,291,987

As at 30 June 2022	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Land	21	-	13,385,905	-	13,385,905
Land Under Roads	22	-	-	29,106,910	29,106,910
Buildings	24	-	-	23,728,233	23,728,233
Roads and Streets	25	-	-	109,476,214	109,476,214
Bridges	26	-	-	28,475,859	28,475,859
Stormwater	27	-	-	22,052,629	22,052,629
Investment in Water Corporation	18	-	-	47,337,357	47,337,357
		-	13,385,905	260,177,202	273,563,107

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

##### (b) Highest and best use

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use". Council considers that all assets valued at fair value in this note are being used for their highest and best use.

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

#### **Land (Level 2)**

Land fair values were determined by the Tasmanian Valuer General on 28 February 2023. 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 Under Roads (Level 3)**

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

#### **Buildings (Level 3)**

The fair value of buildings were determined by qualified independent valuer Herron Todd White effective 1 May 2023. 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.

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

#### **Infrastructure Assets**

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

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Brownfield" assumption meaning that the CRC was determined as the full cost of replacing an asset in its current form 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 are disclosed in Note 7.

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 and Streets (Level 3)**

The fair value of Roads and Streets were determined by Dino De Paoli, Director of Councils Infrastructure Services effective 31 December 2021. Since that date to ensure the current values represent fair value, Council have applied an index of 5.7% as at 30 June 2022 and 6.1% as at 30 June 2023, using the Road and bridge construction Australia index from the ABS. The next full valuation is planned for 30 June 2025. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are componentised into formation, pavement, and seal. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

### **Bridges (Level 3)**

The fair value of bridges assets were determined by a valuation undertaken by independent valuers TasSpan effective 29 July 2020. Since that date to ensure the current values represent fair value, Council have applied an index of 2.4% as at 30 June 2021, 8.5% as at 30 June 2022 and 6.1% as at 30 June 2023, using the Road and bridge construction Australia index from the ABS. The next full valuation is planned for 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.

### **Stormwater (Level 3)**

The fair value of Stormwater Infrastructure were determined by Dino De Paoli, Director of Councils Infrastructure Services effective 31 December 2022. The indexation adjustment from 31 December 2022 to 30 June 2023 was immaterial. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components.

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

### **(d) Unobservable inputs and sensitivities**

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	48,882,749	Refer to Note 18 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 assets with recurring fair value measurements are detailed in Note 32 (Reconciliation of movements in non-current assets). 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 Land, Buildings, Roads and Streets and Stormwater (recurring fair value measurements) is set out in Note 32 and Note 35.

### **(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 Note 42.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. There are no borrowings as at 30 June 2023.

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

#### 45. EVENTS OCCURRING AFTER BALANCE DATE

There were no significant events occurring after balance date.

#### 46. OTHER SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

##### (a) 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.

##### (b) Taxation

Council is exempt from income tax however is required to pay for other forms of taxation including Land Tax, Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

##### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item. Receivables and payables are stated as the GST inclusive amount.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from the investing and financing activities, which are recovered from or paid to the ATO, are classified as operating cash flows.

##### (c) Comparative and Budget Information

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where necessary by accounting standards, comparative information has been adjusted to conform with changes in presentation for the current year. The Budget revenue and expenses allocated in the Statement of Comprehensive Income are taken from Council's annual budget and have not been audited.

##### (d) Adoption of New and Amended Accounting Standards

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

##### (e) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

##### (i) AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows. This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value. The Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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



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

**Opinion**

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

In my opinion, the accompanying financial report:

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

**Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report, nor the asset renewal funding ratio disclosed in note 43(f) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

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

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

## Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<b>Valuation of Property and infrastructure assets</b> <i>Refer to notes 21 to 32 and 44</i>	
<p>At 30 June 2023, Council's assets included land, land under roads, buildings, and infrastructure assets, such as roads and streets, bridges and stormwaters assets valued at fair value totalling \$247.41 million. The fair values of these assets are based on market values and current replacement cost.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations Council considers the application of indexation to ensure that carrying values reflect fair values.</p> <p>During the year, Council undertook a revaluation of land, buildings and stormwater assets. The fair value of buildings assets was determined by external experts and stormwater assets was determined by internal experts. Indexation was applied to roads and bridges.</p> <p>The calculation of fair values is judgemental and highly dependent upon a range of assumptions and estimates.</p>	<ul style="list-style-type: none"> <li>Assessing the scope, expertise and independence of experts engaged to assist in the valuations.</li> <li>Evaluating the appropriateness of the valuation methodologies applied to determine the fair values.</li> <li>Evaluating management's oversight of valuation processes and assessment of results.</li> <li>Critically assessing assumptions and other key inputs in the valuation models.</li> <li>Testing, on a sample basis, the mathematical accuracy of valuation model calculations.</li> <li>Reviewing the accuracy of recording independent values in Council's asset register and general ledger.</li> <li>Evaluating indexation applied to assets between formal valuations.</li> <li>Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>

## 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





Meander Valley Council  
Working Together

