


# Meander Valley Council

## 2021-22 Annual Report



Meander Valley Council  
Working Together





#### Disclaimer

The Meander Valley Council Annual Report 2021-22 has been prepared with all due care and diligence, using the best available information at the time of publication. Meander Valley Council holds no responsibility for any errors or omissions within the document. Any decisions made by other parties based on this report are the responsibility of those parties.

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# Welcome



## Message from Mayor Wayne Johnston

As the sun sets on the four-year term for our current crop of Meander Valley Councillors, now is a time for reflection, growth and renewal.

During my term as Mayor, the Meander Valley has been hit by fire, flood and an unprecedented global pandemic. The year 2021 has shown us these challenges are still ever-present in our lives.

In balance, against these ups and downs there has been an unwavering spirit and concern for each other. In times of uncertainty, what we see consistently across Meander Valley is an amazing depth of heart and resilience in our community.

Despite some headwinds, Council has continued to lead the way with a resolve to progress much needed solutions and initiatives to ensure Council retains an ability to provide services and meet expectations.

As a progressive Council, we have focused on many of the harder decisions including working to replace end of life waste management facilities, investing in contemporary information and computer systems to support improved service and information access, and an ambitious capital works program made all the more challenging by a shifting economy and labour market.

Despite the challenges, this year we spent \$7.2m on capital projects and focused on delivering a range of improved community facilities including playground upgrades, a new pump track, cemetery upgrades, road and kerbside upgrades, renewal and expansion of our kerbside collection contract and much more.

I am also pleased with Council's willingness and resolve to engage and work with the community on key social initiatives.

Council initiated community consultation leading to the delivery of a formal Indigenous recognition policy acknowledging the traditional peoples who once inhabited the lands of Meander Valley and also the role current Aboriginal people play in preserving and respecting that connection.

It was also rewarding to see the community working together with Council to find a solution for the former school at Meander; this work demonstrated that diversity of opinion is no barrier to achieving successful outcomes with the collaboration and leadership shown by those involved providing a model example of the community being involved in decision making.

Finally, it's important to acknowledge the incredible people who work tirelessly to make this amazing community what it is.

Thank you to the councillors for their collaboration and leadership, and our dedicated staff and volunteers for their passion and commitment to helping make our community the greatest place to live and work.

A handwritten signature in black ink that reads "W. Johnston". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

Wayne Johnston, Mayor





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## Message from General Manager

I am pleased to present the Annual Report as a snapshot of what was achieved in the 2021-22 financial year.

The year continued to be defined by a world and economy changed by COVID-19. Financially, Council continued to adjust for decisions made early in the pandemic to deliver a range of community support measures including the freezing of rates, fees and charges and anticipated reduced earnings. It is pleasing that Council reported a net surplus of \$5.6m, with an underlying surplus of \$368k after adjustment for non-operating items.

While this result is encouraging and shows Council generated sufficient revenue to fulfill its operating needs, it masks an increasingly complex delivery environment. Filling key roles in a challenging labour market, increasing costs in materials and contracted services, a sustained upswing in the demand for services (particularly in planning and development), increased depreciation and maintenance of community amenities all signal challenges for the future.

In a difficult year, our team has demonstrated a strong commitment to customer service, achieving 93% of service requests met within service standards. A strong result when matched to a 20% increase in the value of building applications and a steady demand for planning applications that is also 20% above the ten year average. Remarkably, this demand challenge has been met with a sustained effort and commitment to service that delivers an outcome on planning applications that is on average ten days less than the statutory time limit of 42 days.

Across the organisation, 59 of our annual plan actions have been achieved and a further 23 are in progress or near completion.

Our infrastructure and works teams completed 60 of 109 projects, with a further 5 projects in the final stages of construction. Given market conditions and long lead times for contractors and materials this is an impressive outcome that understates the level of effort and strong management needed to achieve it.

It is also pleasing to see our community programs coming back to life. The year resulted in an increasing number of community events targeting youth, seniors and volunteers, and the arts. Council also supported more than 36 organisations and individuals through the community grants program, and our Great Western Tiers Visitor Centre is seeing a return of visitors to the region.

All strong signs that the shadows of COVID-19 are fading. Importantly, the year also provided opportunity to achieve positive outcomes in the areas of Indigenous recognition, a community supported way forward for the former school at Meander, and the celebration of the many worthy volunteers in our community at the annual Australia Day Awards.

I am proud of the efforts of our team over the last twelve months and the substantial commitment they have shown to delivering the best possible outcomes for our community.

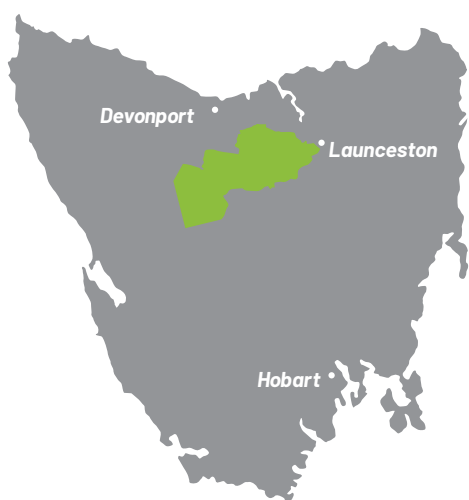
A handwritten signature in black ink, appearing to read 'John Jordan'.

John Jordan, General Manager



# Meander Valley: Tassie's Green Heart

## About the Meander Valley Region



<div><div>\$22,712,900</div><div>Operating Revenue</div></div>
<div><div>\$22,344,700</div><div>Operating Expenditure</div></div>
<div><div>\$7,195,476</div><div>Capital Expenditure</div></div>

Our municipality is an idyllic setting for residents and business alike to live, work, grow and thrive. We love to share our vibrant culture and scenic surrounds with visitors who choose to stay and play.

To the west, the Meander Valley boasts lush pastures framed against the rugged mountain peaks of our iconic, world heritage-listed Great Western Tiers. Small towns and rural areas offer visitor experiences like no other, including agritourism, world class fly fishing, scenic cycling routes and pristine short walks in our wilderness areas.

To the east, our urban and peri-urban communities offer their own unique character. Residents in these areas enjoy a peaceful lifestyle with great amenities.

Culinary experiences, historic villages, artistic and cultural activities and a vibrant sense of community spirit are all common threads across Meander Valley.

Our key industries include agriculture, forestry, fishing, pharmaceuticals, manufacturing, construction, transport and logistics. Our economy is strongly supported by our close proximity to major transport routes and the cities of Devonport and Launceston.

Meander Valley has a vibrant annual event calendar, hosting the largest Craft Fair in the southern hemisphere and Agfest, the largest agricultural tradeshow in Tasmania. A number of major music festivals and events are also held at Country Club Tasmania, Meander Valley's premier casino and golf course site.





9

Elected  
Members



6,700

Kerbside  
Collection  
Services



1,644

Local  
Businesses



828

Kilometres of  
Road Networks



41

Sporting  
Facilities

2

Municipal  
Swimming Pools

3

Municipal  
Waste Facilities

193

Bridges



21,153

Residents



3,327

Square  
Kilometres of  
Land Area



13

Public  
Halls



36

Playgrounds  
and Fitness  
Stations



58

Parks and  
Reserves



10,428

Rateable  
Assessments



8

Sporting  
Grounds



7

Bike and  
Skate Parks



# Our Representation

## Meander Valley's Councillors

Voters in the Meander Valley elect nine councillors to represent the community, including the mayor and deputy mayor.

The Council is now completing its four-year term, having been elected in 2018.

Our mayor and councillors are leaders and community advocates within Council, 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.

During the 2021-22 financial year, the Tasmanian Electoral Commissioner conducted two recounts of the 2018 election and declared the election of Councillor Deborah White and Councillor Michal Frydrych to fill two casual vacancies.



Mayor Wayne Johnston



Deputy Mayor Michael Kelly



Councillor Deborah White



Councillor Rodney Synfield



Councillor Stephanie Cameron



Councillor Michal Frydrych



Councillor John Temple



Councillor Andrew Sherriff



Councillor Tanya King



## Representation by Councillors on Committees and Community Organisations 2021-22

Committee or Organisation	Representative/s	
Audit Panel	Councillor John Temple Councillor Michal Frydrych	Councillor Frank Nott Councillor Susie Bower
MVC Emergency Management and Social Recovery Committee	Councillor Tanya King	Councillor Andrew Sherriff
TasWater	Mayor Wayne Johnston	Deputy Mayor Michael Kelly (Proxy)
Great Western Tiers Tourism Association	Councillor Deborah White	
Local Government Association of Tasmania	Mayor Wayne Johnston Deputy Mayor Michael Kelly (Proxy)	General Manager (Proxy)
Australia Day Awards Committee	Deputy Mayor Michael Kelly	Councillor Deborah White
Community Grants Committee	Councillor Tanya King	Councillor Stephanie Cameron
Northern Tasmania Development Corporation (NTDC) Board	Mayor Wayne Johnston	

# Organisational Structure

Meander Valley Council's senior management, 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.



John Jordan  
General Manager



Krista Palfreyman  
Director Development  
& Regulatory Services



Dino De Paoli  
Director Infrastructure  
Services



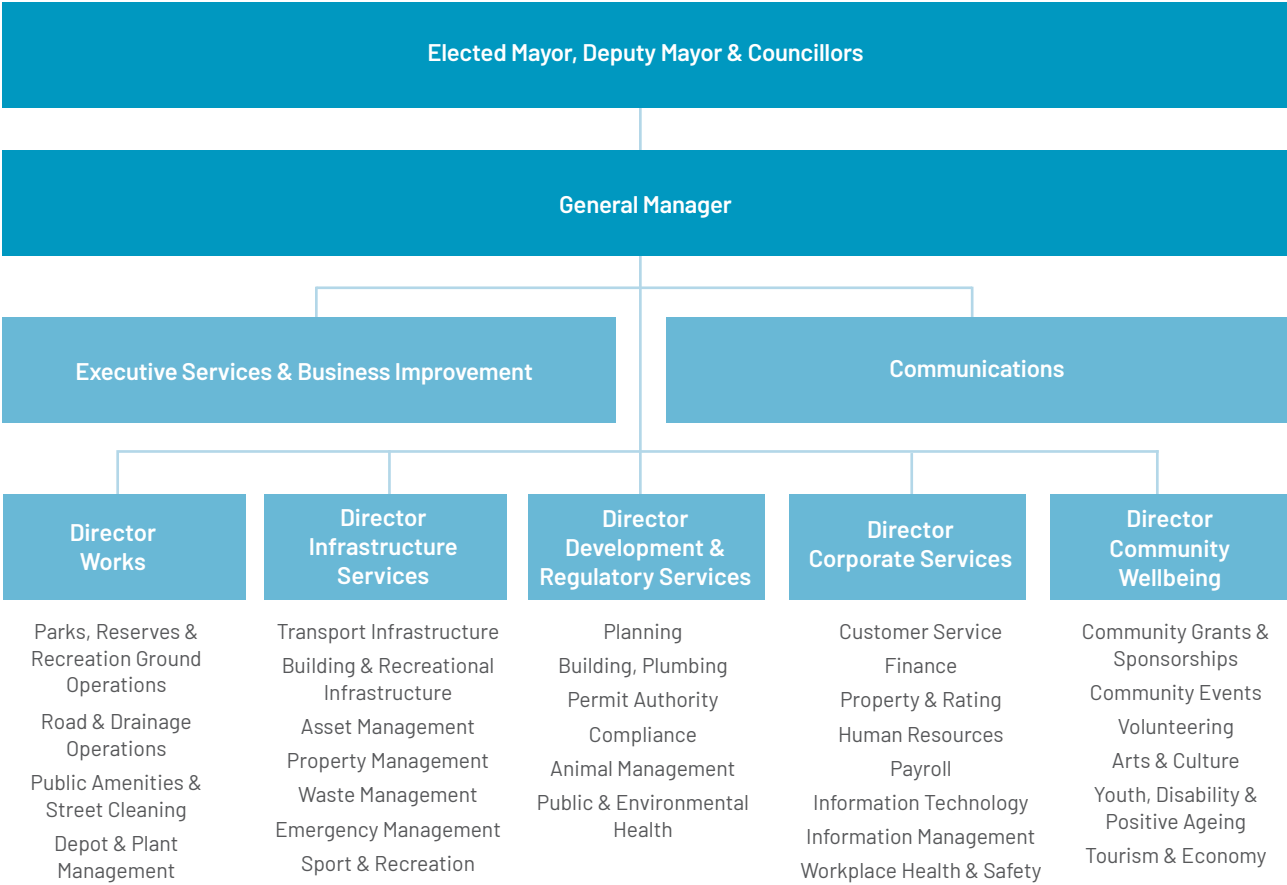
Matthew Millwood  
Director Works



Jonathan Harmey  
Director Corporate Services



Melissa Lewarn  
Director Community  
Wellbeing





# Key Measures of Performance 2021-22

## Strategy Implementation and 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

### Annual Plan Actions

**82** Achieved, in progress  
or near completion  
**5** Pending  
**1** Deferred



**\$94.4m**

Value of Building  
Applications Processed



**1,229** Service Requests  
Processed  
**20,000+** Inbound Calls  
Managed



**93%** Customer Service  
Response Rate  
within Service  
Standards



**\$7.2m**

Value of Capital  
Works Projects Delivered



**\$78,566**

Community Grants,  
Sponsorships





# 2021-22 Snapshots



✓ **Delivered**

Australia Day & Volunteer Awards event



✓ **Delivered**

Alveston Drive water refill station



✓ **Delivered**

550+ Residents received a hard waste collection service



✓ **Delivered**

Prospect Vale Park playing surface regeneration



✓ **Delivered**

Hadspen Recreation Ground new female change room facility

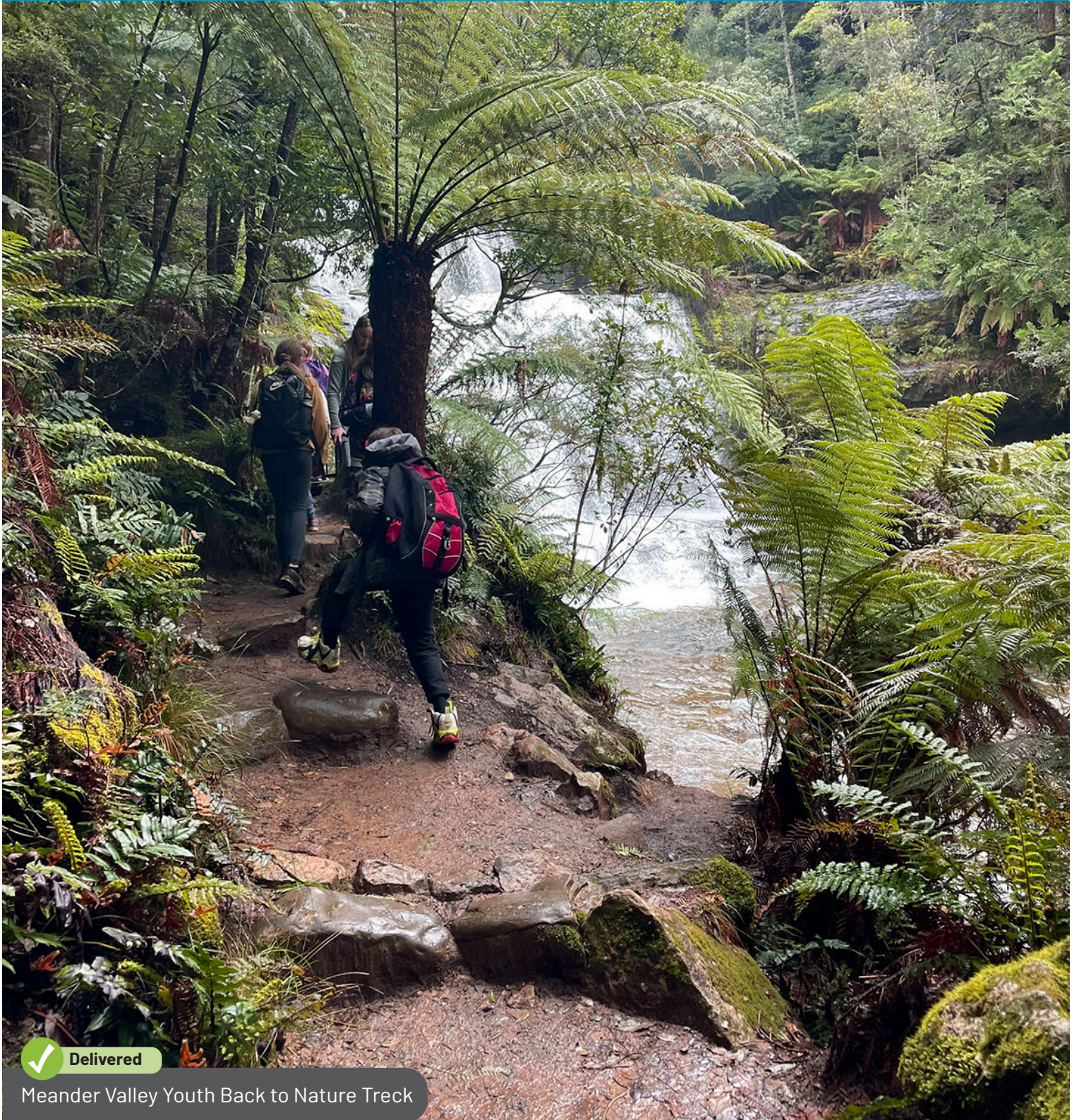


✓ **Delivered**

Cheshunt Road culvert development project



# Governance & Community Wellbeing



Delivered

Meander Valley Youth Back to Nature Treck



# Governance

The Governance department comprises the office of the Mayor and General Manager. The area delivers support and advisory services to the Mayor and elected representatives. Corporate and community communications are also key functions of the department.

In addition, Governance manages a range of functions including strategic planning and reporting, right to information requests, intergovernmental liaison, and issues management across the full range of Council services and functions.

# Community Wellbeing

The Community Wellbeing department focuses on ensuring the Meander Valley is a prosperous, vibrant, creative and inclusive community where people of all ages, backgrounds and abilities want to live, work and play.

With COVID receding, there was a return of many events. Quarterly citizenship ceremonies to celebrate our new citizens continued to highlight the value people place on being Australian and part of our community. Our Australia Day Awards evening, postponed until 29 March due to COVID, paid homage to the many volunteers who work for the good of others and help make our community a shining example of what it means to be Australian. Council also helped many community organised events including Winterfire and the Deloraine Craft Fair either through in-kind or financial support. Our municipality continues to attract larger regional events including the Launceston Show, the Launceston Christmas Carols, and Agfest finding a place in Meander Valley.

Our community also celebrated a range of international and nationally recognised dates which raised awareness of key groups in our community including youth, volunteers and seniors. Our ageing population and people with disabilities continued to be supported through Council's commitment to the Deloraine and Westbury Community Car services.

Council's Community Grants and Sponsorship Program was again a major contributor to the success and support of community organisations, events and individuals. The program saw \$84,615.78 allocated to

36 community organisations, five individual sporting sponsorships, nine reimbursements of fees to not-for-profit community organisations and three school grants. Council also provided sponsorship to the Deloraine Cup and donated day stalls from the former racetrack at Deloraine to the Deloraine Pony Club.

The Great Western Tiers Visitor Centre assisted visitors and supported tourism operators in the municipality through information, promotion and bookings. The Centre continues to support volunteers at the Deloraine and Districts Folk Museum with the creation of exhibitions of significant community value. These unique attractions, together with Yarns Artwork in Silk, were pivotal in drawing visitors back to the Centre after COVID-19. Compared to the previous financial year, visitor numbers were up by 13% and the Centre recorded a 26% increase in accommodation bookings.

Collaboration and working across the community was a highlight for the year. Council partnered with Visit Northern Tasmania on a project to develop the region's unique short walks. The \$500k Tasmanian Government funded project aims to promote the Meander Valley as the Short Walks Capital of Tasmania. Collaboration with the Meander community resulted in a resolution of a long standing tension over the use of the former primary school and a successful leasing of the site to Deloraine House. Council also moved to recognise Indigenous heritage in culture through a new policy that acknowledges both past and current Aboriginal peoples for their contribution and connection to the lands and waters of Meander Valley.



### Annual Plan Performance – Governance & Community Wellbeing

ACTIVITY	ACTION	RESULT
Lobby for increased and accelerated regional infrastructure investment to sustain growth.	Council continues to advocate for infrastructure to be expedited, this includes Tas Water and Tas Networks.	Achieved
	Federal election key projects promotional materials developed and presented to candidates.	Achieved
	Marketing material for renewal of Deloraine Racetrack precinct currently being developed ahead of the commencement of the community consultation launch in August.	Achieved
Deliver online and print versions of the Valley News.	Next digital edition in production, delayed to coincide with the Deloraine Racetrack consultation commencement.	Achieved
Implement measures to acknowledge Indigenous Australians.	Current subscribers 317.	Achieved
	An Indigenous Recognition Policy was adopted at the December 2021 Ordinary Meeting and is now implemented.	Achieved
Negotiate and renew Council's Enterprise Agreement.	Enterprise Agreement renewal process advanced with voting expected early in Q1(2022-23).	Progressing
Deliver Annual Plan, Annual Report and Annual General Meeting.	Annual Plan in production, expected delivery in Q1(2022-23).	Progressing
Renew the Customer Service Charter and a roadmap to refine systems, reporting and processes to enhance customer outcomes.	Review of Council's customer service standards to be progressed from Q4.	Progressing
	Software (sequel server) to enhance reporting from existing Merit system procured and implemented.	Progressing
Develop a digital transformation and modernisation of services roadmap.	Council's ERP project is progressing; this will identify a roadmap for key software components. A recommendation will be provided to Council in the December quarter 2022.	Progressing
Develop a communication strategy and implement measures to enhance community information and engagement.	Consultation with two consultants for the development of a Communications Strategy.	Progressing
	Council's Facebook reach was 67,267. Activity included 11,325 page visits and page followers increased to 3,355.	Progressing
	Council's Facebook audience comprises 69% female and 31% male.	Progressing
Refresh and promote "Good Governance" program for staff and Councillors.	All new employees were engaged in focus sessions addressing matters of integrity, fraud prevention and good ethics in decision-making. Work will commence in Q4 to prepare for induction of newly elected Councillors following the October election.	Achieved
Renew the risk management framework and review risks and mitigations.	The draft Risk Management Framework continues incremental development and is anticipated to be finalized in the December quarter 2022.	Progressing
Introduce contemporary software solutions to better support Council Meetings, record keeping and public information.	DocAssembler and Docs on Tap implemented in March 2022.	Achieved

## Annual Plan Performance – Governance & Community Wellbeing

ACTIVITY	ACTION	RESULT
<b>Joint Activity – Development &amp; Regulatory + Community</b> Participate in the Tamar Estuary and Esk Rivers Program (NRM North)	Participation in Tamar Estuary and Esk Rivers (TEER) Scientific and Technical Committee forums and meetings.	Achieved
<b>Joint Activity – Development &amp; Regulatory + Community</b> Collaborate through regional and state initiatives to understand and respond to the local impacts of climate change.	Progressed through participation in the Northern Climate Change Action Program.  Climate Change Youth Forum scheduled for Q1 22/23.	Achieved
Work with State Development to renew and release regional prospectus.	Draft prospectus submitted to the Department of State Development.	Achieved
Deliver a new economic development and business support strategy.	Subject to a review of Council's approach to economic development.	Deferred
Deliver business information forums covering key economic indicators and major issues.	Three business information forums are confirmed for at Westbury, Prospect and Deloraine. These will be delivered by Economy ID.	Progressing
Develop an incentives program to support business relocation and growth in Meander Valley.	Pending a review of the Council's approach to economic development.	Deferred
	Council continues to advocate for infrastructure to be expedited, this includes Tas Water and Tas Networks.	Achieved
Lobby for increased and accelerated regional infrastructure investment to sustain growth.	Federal election key projects promotional materials developed and presented to candidates.  Marketing material for renewal of Deloraine Racetrack precinct currently being developed ahead of the commencement of the community consultation launch in August.	Achieved  Achieved
Deliver year one milestones for the short walks project.	Infrastructure and facilities audit has been completed with work progressing on next stages of program.	Achieved
Develop and cost a branding and marketing strategy to support promotion of Meander Valley as a lifestyle, tourism and investment destination.	Branding and marketing to promote Meander Valley being progressed through Regional and Valley Central Prospectus, Short Walks Project, and regional collaboration via NTDC, City of Gastronomy. Communication Strategy is being procured with delivery in Q1 (22/23).	Progressing
Complete consultation and drafting of the Community Strategic Plan.	Deferred until after the October 2022 Local Government elections; Preliminary planning work commenced.	Progressing
Review and update Council's community program.	A full review of the community program will occur after the October 2022 Local Government elections.	Progressing



Annual Plan Performance – Governance & Community Wellbeing

ACTIVITY	ACTION	RESULT
Deliver the grants and sponsorship program to enable community initiatives.	The 2021-22 program saw \$84,615 in funding allocated for 50 successful community grant applications, a range of individual sporting sponsorships and reimbursements of fees to local not-for-profit community organisations.	Achieved
Deliver Council events program including the Australia Day awards and quarterly Citizenship Ceremonies.	Events program delivered including quarterly citizenship ceremonies, Australia Day and Volunteer Awards event and a range of targeted community events.	Achieved
Develop a volunteer framework to promote and support volunteering in the community.	Targeted consultation with key groups has occurred to identify the needs for volunteering in the community.	Progressing
<b>Governance</b> Implement measures to acknowledge Indigenous Australians.	An Indigenous Recognition Policy was adopted at the December 2021 Ordinary Meeting and is now implemented.	Achieved
Collaborate to support young people in the community.	Meander Valley Council collaborated with PCYC and Project You(th) to deliver a range of activities and experiences for young people including a school holiday program and a nature trek.	Achieved
Collaborate with not for profit and volunteer groups to support wellbeing and life-long learning across the community.	As part of National Volunteer Week, Council supported local organisations with their volunteer recognition and promotion events held in Deloraine and Westbury.	Achieved



**Delivered**

2021-22 Meander Valley Council Citizenship ceremonies



# 2021-22 Snapshots



**Delivered**

Deloraine Pump Track



**Delivered**

East Barrack Street footpath & pedestrian infrastructure



# Corporate Services





# Corporate Services

The Corporate Services department provides the financial, administrative, customer service, human resources, information technology and workplace health and safety functions of Council.

Council Officers delivered the administrative functions for legislative compliance including development of the budget estimates, long term financial plan and financial statements. Rates and charges were adopted in accordance with Council's rates and charges policy, based on property values

provided by the Tasmanian Office of the Valuer General. The Financial Management Strategy was also renewed and approved by Council during 2021-22.

We have continued to progress planning for renewal of our corporate software which includes the system used to manage service requests from community members. This project will continue into 2022-23 as we seek IT system development and improvements in service delivery.

## Annual Plan Performance – Corporate Services

ACTIVITY	ACTION	RESULT
Develop 2022-23 budgets including a review of long-term financial review and forward estimates to align with renewal of the Community Strategic Plan.	Council's Budget Estimates and updated Long Term Financial Plan were adopted on 14 June 2022.	Achieved
Complete a workplace culture "health check" and review measures to promote and maintain a healthy and positive workplace.	Council received a report on organisational culture from provider University of South Australia on 24 June 2022.	Achieved
Renew workplace health and safety systems and implement measures to monitor compliance and achieve a 'zero harm' culture.	The new WH&S framework has continued development and consultation with Council employees during the June quarter. It is anticipated to be finalized in the September quarter 2022.	Progressing
Progress planning and procurement to upgrade Council's Enterprise Resource Planning (ERP) Systems.	The ERP Steering Committee and key system users received demonstrations and presentations from four (4) potential vendors on their software in the June quarter. Further assessment is continuing to inform Council's decision on the preferred vendor for the replacement of corporate software.	Achieved
Plan and progressively upgrade operating systems to support contemporary software and service delivery solutions.	Council is planning the upgrade of Microsoft Office products due to occur in 2022-23. An upgrade to the Microsoft Exchange server was completed in preparation for this project.	Achieved
	Upgrades were completed to Council's disaster recovery software to ensure current data is regularly accessible.	Achieved
	Council's cyber security insurance was established for 2022-23.	Achieved

# Development & Regulatory Services



✓ Delivered

Dog microchipping audit and educational initiative



# Development & Regulatory Services

## Planning

Number of planning applications accepted this financial year

Discretionary	263
Permitted	68

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 267 planning applications per financial year. This year has maintained the trend and delivered a 20% increase on the previous 10 year average.

Average number of statutory days\* to determine applications

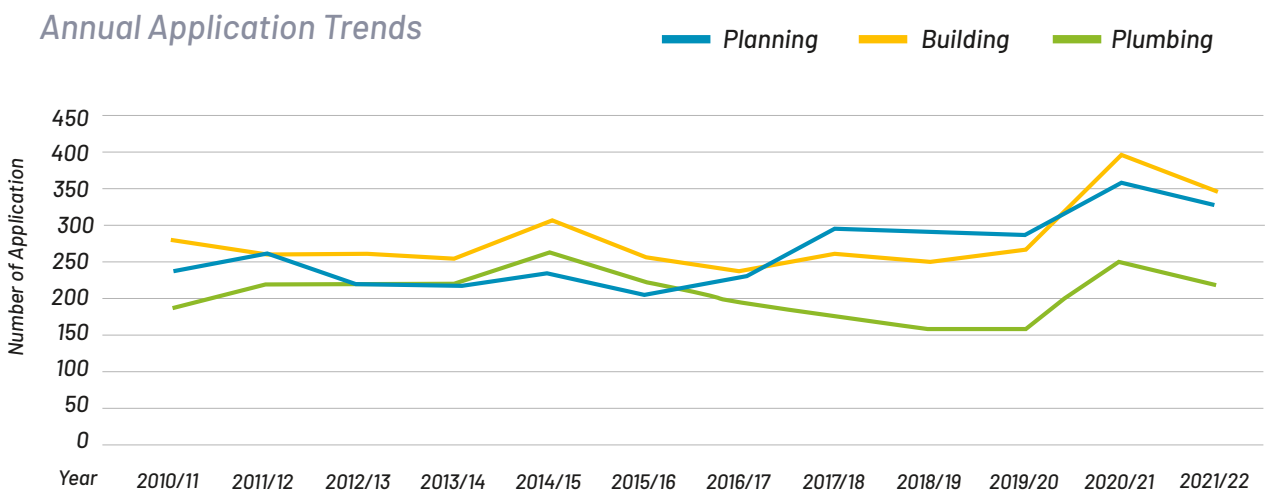
Discretionary	32
Permitted	14

This is 10 days shorter than the 42 day statutory period provided within the Land Use Planning and Approvals Act 1993. A total of 21 discretionary planning applications were presented to Council as the Planning Authority for determination. Four appeals were lodged with the Tasmanian Civil and Administrative Tribunal against the decision of the Planning Authority. Two appeals were resolved via consent agreement between parties and two appeals were withdrawn by the applicant.

\*"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'.

## Building and Plumbing

351 building applications and 220 plumbing applications were received by Council's Permit Authority in 2021-22. This slight decrease is in line with the planning applications and continues to be a 20% increase on the previous 10 year average. This development has however resulted in a 20% 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.



## Environmental Health Statement

### **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 \$356K was spent on environmental health projects and services during 2021-22, including the employment of 3.0 FTE Environmental Health Officers (Jul-Jan), and 2.6 FTE 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 2021-22:

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

- Nine Place of Assembly (Specific Events) Licences issued and two Place of Assembly (Specific Events) inspected;
- Four recreational water sites sampled on a weekly basis from December to the end of March, totaling 77 samples;
- Six public pools/spas were sampled on a monthly basis, totaling 84 samples;
- 23 private water suppliers registered and 29 private water supplier samples undertaken;
- Five 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;
- Four notifiable disease investigations completed;
- Immunisation sessions were held at Deloraine High School and Giant Steps Tasmania in November 2021 and March 2022. 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. 107 vaccines were administered at the school sessions during the year. Immunisations against seasonal influenza were also offered to all Meander Valley Council Staff.

Activities under *Food Act 2003*:

- 185 food premises and 31 statewide mobile businesses were registered and 74 food businesses notified under the *Food Act 2003*;
- 272 inspections were completed for premises registered or notified under the Food Act 2003;
- 44 temporary food stall applications were registered and 50 inspections of statewide mobile businesses or temporary food stalls were conducted, including 40 inspections at the Tasmanian Craft Fair;
- Four complaints relating to food premises investigated.

Other Activities:

- 72 environmental complaints investigated (e.g. noise, water quality and air pollution);
- 61 on-site wastewater management system assessments completed and 70 on-site wastewater management system installation inspections undertaken;
- 289 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.

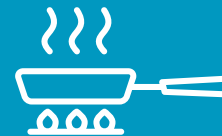
**Dog Management**

Approximately \$268K was spent on animal control services during 2021-22, including the employment of 2 EFT General Inspector Compliance officers and a contractor for urgent on-call after hours services.

- 3,262 dogs registered in the 2021-22 financial year.
- 39 dogs were impounded with all either returning home or being surrendered to the Dogs Home of Tasmania;
- 26 infringement notices issued;
- 268 complaints received and actioned;
- 45 active kennel licences;
- 6 registered declared dangerous dogs and 2 guard dogs.



Approximately  
**\$356K**  
was spent on  
environmental  
health projects



**185**  
food premises  
were registered



Approximately  
**\$268K**  
was spent on animal  
control services

**3,262**  
dogs were  
registered

Annual Plan Performance – Development & Regulatory Services

ACTIVITY	ACTION	RESULT
Implement the new Tasmanian Planning Scheme – State Planning Provisions and the Meander Valley Local Provisions Schedule.	All planning applications are now assessed under Tasmanian Planning Scheme – Meander Valley.	Achieved
Progress regional land use planning in conjunction with neighbouring Councils.	Meander Valley Council has provided input as required. REMPLAN is continuing to gather data for the Regional Demand and Supply Study. The draft report is due in Q2 of 2022/23.	Achieved
Support the review of the Prospect Vale – Blackstone Heights Structure Plan.	The recent approvals of the Harrison & Country Club amendments have guided the finalisation of the review.  Requires traffic reporting prior to draft plan progressing to consultation.	Progressing
Process planning applications in accordance with delegated authority and statutory timeframes.	100% of planning applications were determined in accordance with delegated authority and within statutory timeframes or within an agreed extension of time.	Achieved
Ensure environmental health monitoring is compliant and incidents effectively managed.	Recreational water sampling was completed in Q4 as required by the Guidelines.	Achieved
<b>Joint Activity – Development &amp; Regulatory + Community</b> Participate in the Tamar Estuary and Esk Rivers Program (NRM North)	Participation in Tamar Estuary and Esk Rivers (TEER) Scientific and Technical Committee forums and meetings.	Achieved
<b>Joint Activity – Development &amp; Regulatory + Community</b> Collaborate through regional and state initiatives to understand and respond to the local impacts of climate change.	Progressed through participation in the Northern Climate Change Action Program.  Climate Change Youth Forum scheduled for Q1 22/23.	Achieved
Manage public health risk through monitoring and sampling of recreational water.	Sampling & inspection of pools and spas, private water suppliers and water carter completed.	Achieved
Promote safe food practices; ensure inspection and registration of food premises in accordance with the <i>Food Act 2003</i> .	New food premises registered and existing food premises inspected as per schedule.	Achieved
Coordinate the school based immunisation as part of the National Immunisation Program.	Immunisations were administered in accordance with the National Immunisation Schedule.	Achieved
Complete a review of dog management policy and practice.	Initial community feedback received, policy to progress to the second round of consultation in Q1 & Policy adopted in Q2 (2022-23).	Progressing
Complete annual fire abatement inspections and investigate complaints.	Completed in Q3.	Achieved
Investigate incidents and complaints regarding animal control.	Reported incidents and complaints investigated and appropriate action initiated in accordance with the <i>Dog Control Act 2000</i> .	Achieved



# 2021-22 Snapshots



**Delivered**

Expansion of food organics, garden organics (FOGO) & rural waste collection services



**Delivered**

Alveston Drive footpath & pedestrian infrastructure



**Delivered**

Willow Lane playground development



**Delivered**

Hagley Recreation Ground new shelter



# Infrastructure Services



✓ Delivered

Strath Bridge deck reconstruction project



# Infrastructure Services

**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 Cluan 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 completed 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 Hadspen 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, stormwater 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 stormwater 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:

ASSET	CAPITAL INVESTMENT
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 network 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.



### Annual Plan Performance – Infrastructure Services

ACTIVITY	ACTION	RESULT
Progress the Meander Valley Council Waste Management Strategy.	Delivery milestones to implement new kerbside collection services, Food Organics and Garden Organics (FOGO) service and related communication plan delivered for 4 July 2022 start.	Achieved
	Design work and planning for the establishment of new waste transfer facilities at Deloraine.	Progressing
	Land acquisition assessment for Cluan and Deloraine sites progressed, including valuation and preliminary discussions with land owners.	Achieved
	Waste Strategy draft document submitted by consultant for review.	Progressing
Progress feasibility assessment and financial model to achieve bioenergy / biowaste facility in Meander Valley.	Work on feasibility assessment and financial model on hold as a commercial venture evaluates the development potential for bio-LNG facility at Valley Central.	Pending
Progress delivery of new community facilities including Bracknell Memorial Hall, Deloraine Squash Courts and Deloraine AFL lighting Upgrade.	Completion of documentation for Squash Courts project.	Achieved
	Construction of new Bracknell Hall has commenced with demolition works.	Achieved
	Installation of Deloraine AFL lighting upgrade to commence late Q2 2022-23.	Progressing
Deliver planned and reactive maintenance of community facilities to ensure safe, well used facilities.	Reactive maintenance undertaken.	Achieved
Review and test the municipal emergency management and social recovery functions of the Council in line with legislation.	Council officers attended Red Cross evacuation centre training.	Achieved
Support the operation of the Meander Valley SES unit through ongoing management of the Memorandum of Understanding (MoU).	Draft MOU from SES anticipated Q1 2022-23.	Progressing
Renew operating contract for the Deloraine Swimming Pool and enable continuing community management of the Caveside Pool.	The Deloraine Swimming Pool season ended in March. New season opens Q2 2022-23.	Achieved
	The Caveside swimming pool operated by the community from December to March.	Achieved
Review and update booking processes and user guides for indoor facilities.	Hire Agreement Forms completed.	Achieved
	Trial continues with regular users of the Deloraine Community Complex for online system to manage facility bookings.	Progressing
	Updates to facility user guides drafted and scheduled for completion 2022-23.	Progressing


### Annual Plan Performance – Infrastructure Services

ACTIVITY	ACTION	RESULT
Complete proactive inspections of footpaths, parks and recreation assets and rail interfaces.	Scheduled asset category inspections completed (15 of 15).	Achieved
Update asset information and road asset re-valuation data.	Road asset revaluation report completed. Under review by Tas Audit Office.	Achieved
	2021-22 capital project and subdivision capitalisation.	Achieved
Review Strategic Asset Management and Asset Management Plans.	Review completed for amendments to strategic and asset management plans to be completed in Q2 2022-23.	Progressing
<b>Joint Activity – Works + Infrastructure</b> Deliver capital work projects in line with the 2021-22 programs.	Delivered 60 projects to completion (55%), 5 projects under construction. 109 projects in total in the capital works program at end of financial year.	Progressing
<b>Joint Activity – Works + Infrastructure</b> Plan the 2022-23 Capital Works and Forward Works programs.	Capital Works Program for 2022-23 approved.	Achieved
Deliver the Hadspen Meander Valley Road intersection upgrades design and procurement documentation.	All design and documentation work for Bartley Street, Main Street and Saunders Road scheduled for completion 2022-23.	Progressing
Deliver the bridge inspection and maintenance program.	Required inspections and maintenance completed. Next round of bridge inspections due Q1 2022-23.	Achieved
Renew the kerbside collection contract for waste, recyclables and organics.	New 7 year collection contract approved by Council and commenced 4 July 2022. Contract includes new FOGO and rural area collections.	Achieved
Commission additional landfill cell capacity at Cluan.	The new cell at Cluan operational. Planning underway for design of additional cell area as part of 2022-23 capital program.	Achieved
Obtain environmental approvals and decommission the existing landfill cell at Deloraine.	Subject to construction of new waste transfer station facilities at Deloraine.	Pending
Progress land acquisition, EPA approvals and design for a new landfill cell at Deloraine.	Subject to construction of new waste transfer station facilities at Deloraine.	Pending
Design and construct new waste transfer station at Deloraine.	Geotechnical investigations and survey work completed to inform engineering design.	Achieved
	Council was awarded a \$86,632 grant from Department of Natural Resources and Environment Tasmanian towards development.	Achieved
	Preparation of procurement documentation for supply and installation of weighbridge.	Progressing



# 2021-22 Snapshots



 **Delivered** Westwood Road reconstruction




 **Delivered** Bimbimbi Reserve new outdoor gym



 **Delivered** Mace Street intersection improvements



 **Delivered** William Street stormwater improvements



# Works



Delivered

Deloraine Cemetery new shelter & wall of memory



# Works

## 2021-22 presented yet another challenging but rewarding year for the Works Department team.

With the small team regularly depleted by COVID-19 absences, a handful of resignations and retirements mixed with another La Nina and an extreme weather event in June, the team was consistently stretched to its limits over the course of the year.

The number of customer requests received by the department was consistent with 2020-21 and the team’s ability to respond in a timely and positive manner to the community was often recognised and commended by our customers.

In terms of work achieved, operationally all service level commitments were achieved and the budget was 103 percent expended. Services include maintenance of parks and reserves (including playgrounds), recreation grounds, cemeteries, on-street bin collection, public toilets, street cleaning, storm water and road network infrastructure.

In addition to the operational commitments, the team again completed greater than 90 percent of the Capital Work construction projects allocated to the department. These projects were delivered to a high standard, with a total value of approximately

\$3.0m. Notable projects included the reconstruction and widening of three sections of Westwood Road, road widening and kerb and channel construction in Franklin Street, Westbury, road widening to improve corner sight distances on Railton Road and Long Ridge Road and a new concrete footpath in Scott Street, Hadspen. All these projects provided a combination of improved amenity and road safety for our community.

In addition we completed the new landscaping and visitor shelter at the Deloraine Cemetery and the installation of the new Wall of Memory. Additional land to provide for future expansion of the cemetery has been acquired from the neighbouring landowner.

The department also delivered a sizeable gravel re-sheeting program and undertook road surface patching work to allow a resealing program of approximately 160,000 square metres to be completed.

Council continued to progress the consolidation of our depot operations with the concept design and development application processes completed for the proposed new depot at Valley Central Industrial Estate. Council will look to progress this project further in 2022-23 and complete construction by mid-late 2023-24.

## Annual Plan Performance – Works

ACTIVITY	ACTION	RESULT
Manage the Westbury Town Common in line with the Management Plan.	Routine maintenance work achieved in line with management plan	Achieved
<b>Joint Activity – Works + Infrastructure</b> Deliver capital work projects in line with the 2021-22 programs.	Delivered 60 projects to completion (55%), 5 projects under construction. 109 projects in total in the capital works program at end of financial year. The balance of projects are pending construction, tendering or design works.	Progressing
<b>Joint Activity – Works + Infrastructure</b> Plan the 2022-23 Capital Works and Forward Works programs.	Capital Works Program for 2022-23 approved.	Achieved

# Capital Works Program Summary

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

Administration	Amount
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

Roads & Streets	Amount
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
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

Bridges	Amount
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

Cemeteries	Amount
Deloraine Lawn Cemetery Land Purchase & Improvements	\$209,306
Deloraine Lawn Cemetery Landscaping, Access Road & Fencing	\$21,446

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

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

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

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

Recreation Grounds & Sports Facilities	Amount
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



# Capital Works Program Summary

Parks & Reserves	Amount
Las Vegas Drive Reserve, Prospect Vale - Playground 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

Plant	Amount
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

## Grants and Sponsorships

### Council Reimbursement Grant

RECIPIENT	AMOUNT
Prospect Hawks Junior Football Club. Electronic scoreboard.	\$515
Rotary Club of Westbury. BBQ shelter Village Green.	\$670
Westbury Agricultural Society. Storage shed (Animal Nursery).	\$395
Carrick Park Pacing Club. Demolition and construction of judges boxes.	\$425
Deloraine House Inc. Plumbing fees.	\$560
Westbury Men's Shed. Establishment.	\$250
Westbury Men's Shed. Development Application - change of use.	\$710
Westbury Preservation Association (Pearn's Steam World). Development Application - solar install.	\$270
AIC Tennis Club. Building & Planning Fees - Tennis court lighting.	\$980

### Grants and Sponsorships - Individuals

RECIPIENT	AMOUNT
Jessica Cowan. Pony Club Australia Nationals.	\$150
Hollie Bennett. Pony Club Australia Nationals	\$150
Russell Murray. Veterans Cricket Australian Championships Adelaide.	\$150
Rhys Barwick. Australian Little Athletics Championships - VIC.	\$150
Zach Milich. U/13 NTJSA - Karl Prosser Cup.	\$150

Grants and Sponsorships – Organisations

RECIPIENT	AMOUNT
Rural Youth Young Farmer of the Year Award.	\$4000
Birralee Hall. Equipment.	\$1860
Blackstone Heights Community News Association Inc. Establish community garden.	\$2237
Deloraine Agricultural and Pastoral Society. 2021 Deloraine Show – Entertainment.	\$3000
Deloraine Community Band/Arts Deloraine. Keyboard purchase.	\$3000
Folk Federation of Tasmania. Celtic folk workshops.	\$500
Northern Tasmanian Axemen's Association. 61st Tasmanian Government Thousands – Deloraine.	\$2800
Prospect Park Sports Club. Dishwasher purchase.	\$2275
Rotary Passport Club of Tasmania Inc. Carols by Candlelight (Prospect).	\$3000
Westbury Cricket Club. Wicket covers.	\$3000
Westbury Parents and Friends. School fair.	\$2125
Westbury Preservation Association Inc. Video display screens.	\$1794
Rural Alive and Well. Toolbox Talks (Round 3 20-21).	\$2500
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 – Chudleigh Show.	\$3000
Deloraine Pony Club. Kitchen upgrades.	\$3000
Mole Creek Progress Association. Community PA system.	\$1479
Mole Creek Caving Club. Cave rescue equipment.	\$3000
Australian Italian Club (Tennis Club). Tennis court lighting.	\$3000
Westbury Bowls Club. Representation at the Municipal Bowls Championships.	\$150
Australian Italian Club – TV display screens.	\$1773
Bracknell Cricket Club. New cricket pitch.	\$3000
Parkrun Australia Ltd. A Park Run for Westbury.	\$1949
Prospect Park Sports Club Inc. Purchase of fridges.	\$3000
Westbury Health Inc. Community garden re-vamp.	\$3000
Blackstone Heights Community News Association Inc. Easter egg hunt event.	\$350

RECIPIENT	AMOUNT
Australian Italian Club Tennis Club/AIC Auspice. BBQ and hot water installation.	\$2482.43
Central North Field Naturalists. Beneath the Surface. Presentation event.	\$1175
Deloraine House Inc. Community Garden – plumbing and electrical.	\$3000
Deloraine RSL Sub-Branch. Flagpole replacement.	\$2940
Diggers Cricket Club. Cricket pitch replacement.	\$3000
Lions Club of Deloraine Inc. Promotion pamphlet.	\$750
Westbury Ladies Probus Club. Modernising Probus.	\$2325.40
Westbury Volunteer Fire Brigade. Automated External Defibrillator (AED).	\$2545.95

Grants and Sponsorships – Schools

RECIPIENT	AMOUNT
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).

CONTRACTOR	VALUE	DETAILS
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 Qld 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.

1 : 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):

CONTRACTOR	VALUE (EXCL. GST)	DETAILS
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 Qld 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

2 : 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:

CONTRACTOR	VALUE (EXCL. GST)	DETAILS
MPH Builders Pty. Ltd. 65 Meander Valley Road, Prospect Vale Tasmania 7250	\$284,370	Deloraine Recreation Ground, Installation of AFL Sports Lighting

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:

CONTRACTOR	VALUE (EXCL. GST)	DETAILS
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 Tas 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 NSW 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
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
Tas 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	Stormwater upgrades, William Street, Westbury Contract period: 25/10/2021 – 2/05/2023
Midland Tractors 24-26 Wellington St, Longford, Tasmania 7301	\$147,603	Supply John Deere 6140 M tractor as per Vendor Panel quotation #475093.

3 : Completion date forecast only.



# 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 2021 – 22 financial year, Council held twelve Ordinary Meetings, twelve Closed Meetings and one Special Meetings. Nine elected members were in attendance at the Annual General Meeting.

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

ELECTED MEMBER	ATTENDANCE			
	Ordinary Meeting (Open Session)	Ordinary Meeting (Closed Session)	Special Meeting	Annual General Meeting
Mayor Wayne Johnston	12	12	1	1
Deputy Mayor Michael Kelly	11	11	1	1
Cr Stephanie Cameron	12	12	1	1
Cr Michal Frydrych*	9	9	1	1
Cr Tanya King	11	9	1	1
Cr Frank Nott^	2	2	0	0
Cr Andrew Sherriff	12	12	1	1
Cr Rodney Synfield	12	12	1	1
Cr John Temple	12	12	1	1
Cr Deborah White	12	12	1	1

^Cr Nott resigned from office on 27 August 2021.

\*Cr Frydrych was sworn into office on 14 September 2021 and commenced participation in Council Meetings from October 2021 onwards.

## 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

Section 72(1)(ba)-(bb) Local Government Act 1993

There have been two (2) code of conduct complaints received during the preceding financial year, under Division 3A of Part 3. One complaint was dismissed, a second was withdrawn. No costs associated with either complaint were met by the Council.

# Financial Performance





# Overview of Financial Performance

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

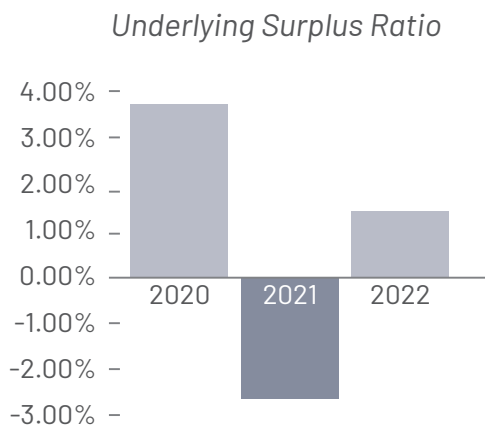
## Statement of Comprehensive Income

### Operating Result

Council reported a net surplus of \$5,619,521 in the 2022 financial year. However, after adjusting for non-operating items there was an Underlying Surplus of \$368,152. Notable items removed were Capital Grants totalling \$1,899,667 and Subdivision Assets taken over by Council totalling \$1,884,809. The effects of a number of income and expenditure items are further detailed in the itemised summaries.

### Underlying Surplus Ratio

The Underlying Surplus Ratio compares Council's Operating Income as a percentage of its Operating Expenses. This indicates that Council generated sufficient revenue to fulfill its operating requirements, including depreciation charges. Note the prepayment of the Financial Assistance Grants has been removed to recognise the grant in the correct 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 12% 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 an increase in interest rates on offer from financial institutions and also some loaned funds not being repaid to Council as anticipated.

### Reimbursements and Contributions Monetary Assets

Revenue is higher than budget by \$141,499 (51%). 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 significantly above budget (21%) primarily due to the high volume of development applications processed during the financial year.

### Operational Grants

Operational Grants revenue is significantly above budget, primarily due to the Commonwealth Government prepaying \$3,544,161 (approximately 70%) of the 2023 Financial Assistance Grants in advance with the amount being received as income in 2022.

### Investment Revenue from Water Corporation

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

### Capital Grants

Includes \$874,333 from the Commonwealth Government for the Roads to Recovery program, \$514,113 from the Local Roads and Community Infrastructure program, \$250,000 towards the Deloraine Pump Track project and a number of less substantial grants.

*Subdivision Assets Taken Over*

Includes road and stormwater infrastructure received from several separate subdivisions constructed, including significant subdivisions in Carrick, Hadspen and Prospect Vale.

*Capital Contributions Monetary Assets*

This consists of a third-party contribution received towards a recreation ground facility upgrade project and a contribution towards Council's waste transfer stations.

Expenses

*Employee Costs*

Employee Costs were slightly below budget by \$286,727 (-3%). 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 slightly above budget by \$177,337 (2%) due to a combination of variances across operational functions. Areas of note are as follows:

*Economic Services:* Expenses were under budget by \$400,401 (-80%) largely due to the Meander Valley Road redesign work at Hadspen not progressing as budgeted.

*Land Use Planning:* Expenses were above budget by \$69,522 (26%) primarily due to the expenditure on planning consultants required due to the high volume of development applications processed during the financial year.

*Public Halls:* Expenses were above budget by \$74,836 (78%), primarily due to significant maintenance expenditure at both Meander Memorial Hall and Dairy Plains Memorial Hall.

*Community Amenities:* Expenses were above budget by \$39,848 (29%), due to increased costs of maintaining public toilet facilities, particularly in Deloraine, Westbury and Prospect Vale.

*Roads & Streets:* Expenses were over budget by \$98,970 (9%), partly due to some additional Road maintenance work undertaken during the year as part of the Safer Rural Roads Program. A corresponding grant was received by Council for this work.

*Depreciation and Amortisation*

Depreciation & Amortisation overall was slightly above budget by \$223,660 (4%). Slight variances were recorded across a number of asset classes, with the most significant being Land Improvements (\$186,833 over budget) and Roads (\$63,852 over budget).

*Finance Costs*

Finance costs include interest charges of \$211,320 paid to Tascorp for loaned funds along with 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.

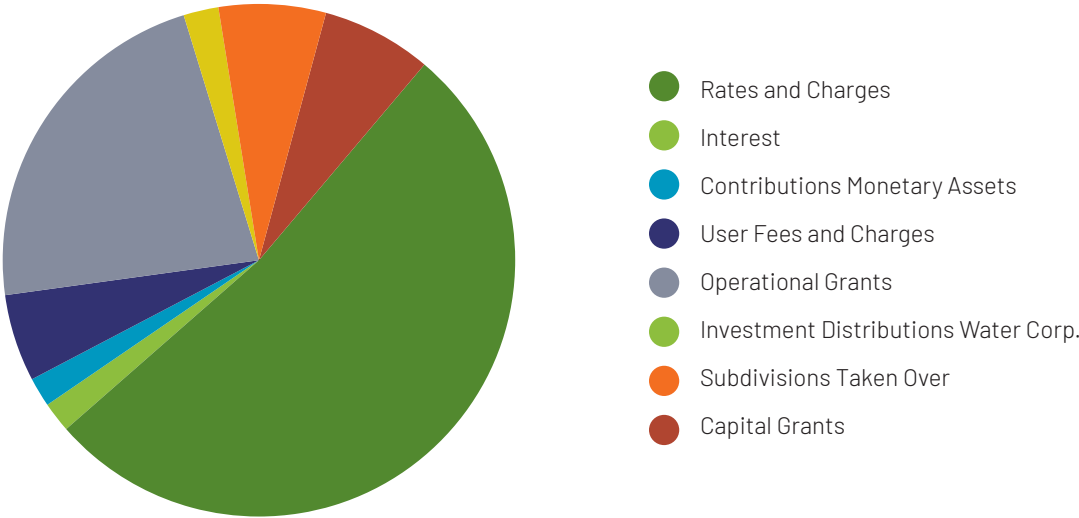
*Loss on Disposal of Assets*

Includes net profit on disposal of fleet vehicles and major plant items, less the expense recognition for the write off of the remaining book value of infrastructure assets replaced during the year in accordance with the capital works program.



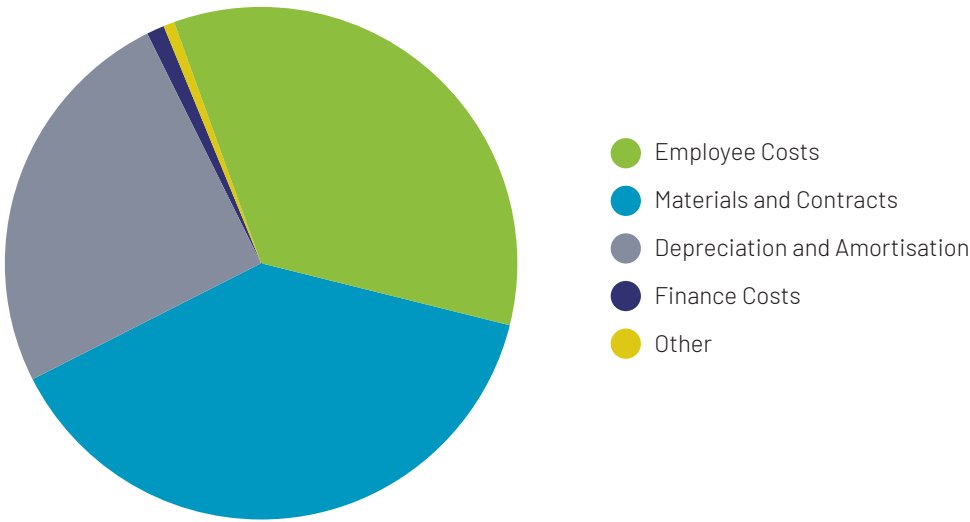
Sources of Income - Revenue Comparison

REVENUE COMPARISON	2019 %	2020 %	2021 %	2022 %	2022 \$
Rates & Charges	54.6	54.6	54.5	52.4	14,654,722
Interest	4.3	3.5	2.4	1.9	525,510
Contributions Monetary Assets	1.7	1.7	1.4	1.9	520,008
User Fees & Charges	5.8	5.4	5.8	5.5	1,550,523
Operational Grants	21.1	20.8	18.0	22.4	6,261,821
Investment Distributions Water Corp.	2.4	1.2	1.2	2.4	667,200
Subdivisions Taken Over	0.6	2.7	4.1	6.7	1,884,809
Capital Grants	7.9	8.8	11.8	6.8	1,899,667
Natural Disaster Relief Grants	1.1	N/A	N/A	N/A	-
Profit on Disposal of Land & Buildings	N/A	1.2	0.8	N/A	-



Application of Expenditure - Expense Comparison

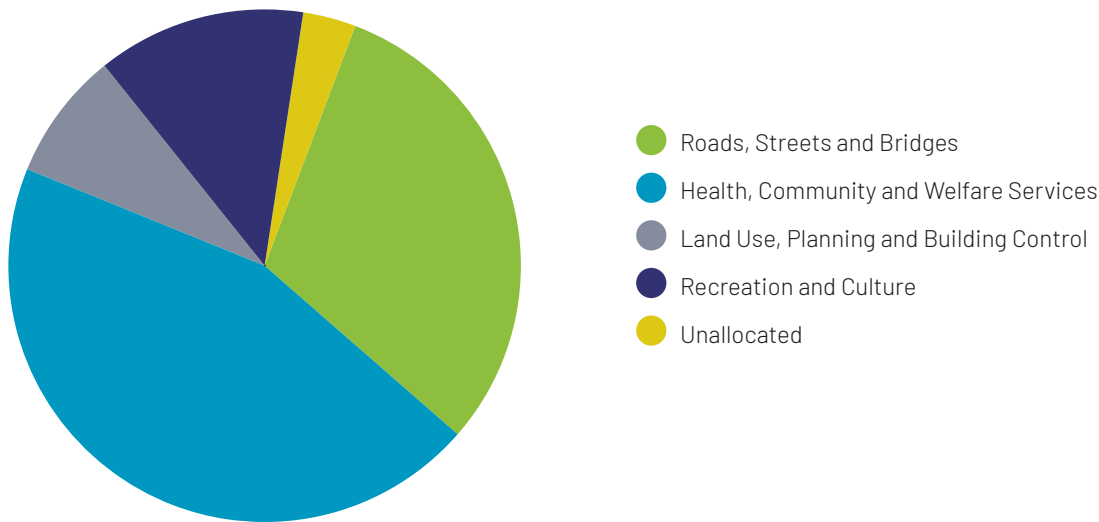
EXPENSE COMPARISON	2019 %	2020 %	2021 %	2022 %	2022 \$
Employee Costs	32.2	34.4	35.2	34.5	7,701,886
Materials & Contracts	41.1	38.3	38.3	38.6	8,618,824
Depreciation & Amortisation	24.4	25.4	24.7	25.1	5,624,060
Finance Costs	1.1	1.3	1.2	1.1	248,078
Other	1.2	0.6	0.6	0.7	151,891





Application of Expenditure - Expense Comparison by Function

EXPENSE COMPARISON BY FUNCTION <i>(refer note 2a in Financial Report)</i>		2022 %	2022 \$
Road, Streets and Bridges	Construction, maintenance and cleaning of roads, streets, footpaths, bridges & street lighting.	30.8	6,883,728
Health, Community and Welfare Services	Collection, handling, processing and disposal of all waste materials, operation and maintenance of preventive health, animal control, fire protection (including roadside slashing), tourism promotion, economic services, state emergency services, urban stormwater drainage, protection of the environment, cemeteries, community amenities, families and children, aged and disabled and community developments.	44.9	10,014,390
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.	8.0	1,798,711
Recreation and Culture	Administration and maintenance of public halls, swimming pools facilities, recreation grounds and other sporting facilities, library services, parks and reserves and sundry cultural activities.	13.3	2,967,684
Unallocated	General services & activities not identifiable with the functions above.	3.0	680,226



# Statement of Financial Position

## Current Assets

Cash and Investments increased from 2021 by \$3,149,283. It is noted that these assets are inflated by the inclusion of the Financial Assistance Grant prepayment of \$3,544,161 which relates to the 2023 financial year. Other Receivables increased from 2021 due to a \$3,600,000 loan transitioning from Non-Current to Current Assets.

## Current Liabilities

Current Liabilities overall increased from 2021 by \$4,506,114. Trade Payables, Employee Leave Provisions and Contract Liabilities all increased, but the overall increase was primarily due to a \$3,600,000 loan transitioning from Non-Current to Current Liabilities.

## Non-Current Assets

Non-Current Assets decreased by \$11,771,649 (-4%), largely due to the revaluation decrement of Roads (\$17,494,475) and the reclassification of the \$3,600,000 loan from Non-Current to Current Assets noted above. Some Non-Current Assets increased due to revaluations, most notably Land (\$2,543,154 increase) and Council's investment in TasWater (\$1,314,232).

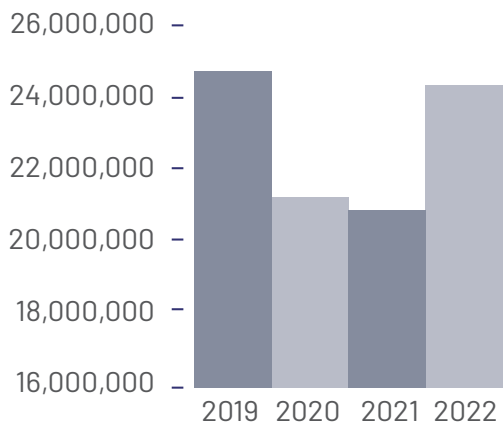
## Non-Current Liabilities

Non-Current Liabilities decreased by \$3,194,792, largely due to the reclassification of the \$3,600,000 loan from Non-Current to Current Liabilities noted above. The provision for rehabilitation of Council's tip sites increased by \$410,212 (7%).

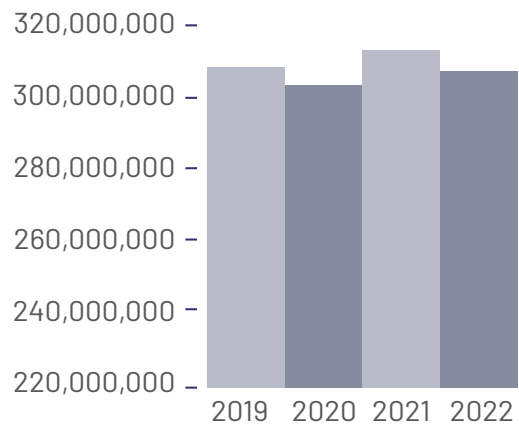
## Equity

An increase in Accumulated Surplus reflects the operating profit for the year (\$5,619,521). Reserves decreased by \$11,809,617 (-12%) overall, primarily due to the decrease in value of Council's Roads and Streets assets noted above. This was partially offset by the increase in the investment in TasWater (\$1,314,232), and the revaluation of Council's Land and Buildings assets by \$4,370,626 in total.

Cash and Investments



Net Assets



Financial Performance Ratios

FINANCIAL RATIO	2019	2020	2021	2022
Budget achievement - Revenue	103.5%	106.2%	95.3%	101.3%
Budget achievement - Expenses	101.2%	99.8%	93.7%	100.1%
Debt Servicing	0.9%	0.9%	0.9%	0.8%
Working Capital	851.5%	713.2%	635.0%	370.0%
Revenue Growth	-12.9%	1.8%	2.7%	16.2%
Expenditure Growth	3.2%	0.5%	3.3%	8.4%
Revenue per Capita	\$1,171	\$1,191	\$1,201	\$1,376
Total Rates per Capita	\$639	\$650	\$654	\$721
General Rate per Capita	\$577	\$586	\$590	\$657
Year End Rates Outstanding	5.1%	5.7%	6.2%	6.0%



# Financial Report

Year ended 30 June 2022

## **Certification of the Financial Report**

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



John Jordan  
**General Manager**

**Date:** 10 November 2022

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# Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Note	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$
<b>INCOME FROM CONTINUING OPERATIONS</b>				
<b>Recurrent Income</b>				
Rates and Charges		14,641,800	14,654,722	13,106,285
Interest	3	420,700	525,510	572,652
Reimbursements and Contributions Monetary Assets		277,600	419,099	333,067
User Fees and Charges		1,282,300	1,550,523	1,407,531
Operational Grants	4	4,387,300	6,261,821	4,342,048
Investment Revenue from Water Corporation		667,200	667,200	278,000
		<u>21,676,900</u>	<u>24,078,875</u>	<u>20,039,583</u>
<b>Capital &amp; Non-Recurrent Income</b>				
Capital Grants	4	5,344,800	1,899,667	2,844,466
Subdivision Assets Taken Over		567,300	1,884,809	981,647
Contributions Monetary Assets		10,000	100,909	11,623
Profit/(Loss) on Disposal of Land & Buildings	10	-	-	190,130
		<u>5,922,100</u>	<u>3,885,385</u>	<u>4,027,866</u>
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<u>27,599,000</u>	<u>27,964,260</u>	<u>24,067,449</u>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>				
<b>Recurrent Expenditure</b>				
Employee Costs	5	7,988,613	7,701,886	7,259,508
Materials and Contracts	6	8,441,487	8,618,824	7,897,896
Depreciation and Amortisation	7	5,400,400	5,624,060	5,082,762
Finance Costs	8	248,800	248,078	244,036
Other Expenses	9	142,800	121,959	108,097
(Profit)/Loss on Disposal of Assets	10	108,000	29,932	20,222
		<u>22,330,100</u>	<u>22,344,739</u>	<u>20,612,521</u>
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<u>22,330,100</u>	<u>22,344,739</u>	<u>20,612,521</u>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>	2(a)	<u>5,268,900</u>	<u>5,619,521</u>	<u>3,454,928</u>
<b>OPERATING RESULT FROM DISCONTINUED OPERATIONS</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>NET OPERATING RESULT FOR THE YEAR</b>		<u>5,268,900</u>	<u>5,619,521</u>	<u>3,454,928</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	-	1,314,232	3,452,529
Revaluation Increment/(Decrement) for Roads & Streets	35	-	(17,494,475)	-
Revaluation Increment/(Decrement) for Land	35	-	2,295,450	1,750,325
Revaluation Increment/(Decrement) for Buildings	35	-	2,075,176	(160,231)
Revaluation Increment/(Decrement) for Bridges	35	-	-	267,019
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>(11,809,617)</u>	<u>5,309,642</u>
<b>TOTAL COMPREHENSIVE RESULT</b>		<u>5,268,900</u>	<u>(6,190,096)</u>	<u>8,764,570</u>

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

## Statement of Financial Position

As at 30 June 2022

	Note	Actual 2022 \$	Actual 2021 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11	598,646	2,791,150
Trade and Other Receivables	12	5,802,615	2,091,250
Investments	13	23,724,396	18,382,609
Other	14	199,089	166,832
<b>Total Current Assets</b>	2(b)	<b>30,324,746</b>	<b>23,431,841</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Water Corporation	18	47,337,357	46,023,125
Loans and Other Receivables	19	162,000	3,762,000
Work in Progress	20	1,172,249	849,804
Land	21	13,385,905	10,842,751
Land Under Roads	22	29,106,910	29,031,368
Land Improvements	23	9,793,652	9,557,277
Buildings	24	23,728,233	21,820,321
Roads and Streets	25	109,476,214	125,230,206
Bridges	26	28,475,859	27,979,485
Stormwater	27	22,052,629	21,622,112
Plant and Equipment	28	3,374,165	3,080,836
Heritage	29	18,922	19,203
Computer Software	30	106,548	109,723
Valuations	31	102,150	136,231
<b>Total Non-Current Assets</b>	2(b)	<b>288,292,793</b>	<b>300,064,442</b>
<b>TOTAL ASSETS</b>		<b>318,617,539</b>	<b>323,496,283</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	15	1,808,345	1,434,975
Provisions	16	1,465,878	1,360,514
Contract Liabilities	17	1,322,107	894,697
Borrowings	33	3,600,000	-
<b>Total Current Liabilities</b>		<b>8,196,330</b>	<b>3,690,186</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	33	-	3,600,000
Provisions	34	6,311,145	5,905,937
<b>Total Non-Current Liabilities</b>		<b>6,311,145</b>	<b>9,505,937</b>
<b>TOTAL LIABILITIES</b>		<b>14,507,475</b>	<b>13,196,123</b>
<b>NET ASSETS</b>		<b>304,110,064</b>	<b>310,300,160</b>
<b>EQUITY</b>			
Accumulated Surplus		224,284,831	218,665,310
Reserves	35	79,825,233	91,634,850
<b>TOTAL EQUITY</b>		<b>304,110,064</b>	<b>310,300,160</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 2022

		<b>Total 2022</b>	<b>Accumulated Surplus</b>	<b>Asset Revaluation Reserves</b>	<b>Fair Value Reserve</b>
<b>2022</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</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>

		<b>Total 2021</b>	<b>Accumulated Surplus</b>	<b>Asset Revaluation Reserves</b>	<b>Fair Value Reserve</b>
<b>2021</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at beginning of the financial year</b>		301,535,590	215,210,382	95,441,688	(9,116,480)
Net Operating Result for the Year		3,454,928	3,454,928	-	-
Other Comprehensive Income:					
Fair Value adjustment to Investment in Water Corp.	18	3,452,529	-	-	3,452,529
Net asset revaluation increment/(decrement)	35	1,857,113	-	1,857,113	-
<b>Balance at end of the financial year</b>		<b>310,300,160</b>	<b>218,665,310</b>	<b>97,298,801</b>	<b>(5,663,951)</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 2022

	Note	Actual 2022 \$ Inflows (Outflows)	Actual 2021 \$ Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates and Charges		14,577,792	13,000,420
Interest Received		447,795	541,308
Reimbursements and Contributions		419,099	333,067
User Fees and Charges		1,697,910	1,403,712
Operational Grants		6,143,938	4,459,931
Distributions from Water Corporation		667,200	278,000
Refunds from Australian Tax Office		1,180,297	1,191,072
		<b>25,134,031</b>	<b>21,207,510</b>
<b>Payments</b>			
Employee Costs		(7,601,526)	(7,452,368)
Materials and Contracts		(9,562,113)	(9,552,293)
Interest Expense		(211,320)	(211,320)
Other Expenses		(121,959)	(108,097)
		<b>(17,496,918)</b>	<b>(17,324,078)</b>
<b>Net cash provided by Operating Activities</b>	39	<b>7,637,113</b>	<b>3,883,432</b>
<b>Cash Flows from Investing Activities</b>			
<b>Proceeds from</b>			
Sale of Property, Plant and Equipment		161,777	461,771
Loaned Funds Repaid		-	104,020
Capital Grants		2,357,865	3,621,280
Capital Contributions		188,004	11,623
Investments		-	87,259
		<b>2,707,646</b>	<b>4,285,953</b>
<b>Payments for</b>			
Property, Plant and Equipment		(7,195,476)	(8,492,914)
Investments		(5,341,787)	-
		<b>(12,537,263)</b>	<b>(8,492,914)</b>
<b>Net cash used in Investing Activities</b>		<b>(9,829,617)</b>	<b>(4,206,961)</b>
Net Increase/(Decrease) in cash held		(2,192,504)	(323,529)
Cash at the beginning of the year		2,791,150	3,114,679
<b>Cash and Cash Equivalents at end of the financial year</b>	11	<b>598,646</b>	<b>2,791,150</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 with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-monetary contributions below the thresholds are recorded as revenue.

*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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenues</b>												
Grants	4,580,928	4,181,099	205,349	32,784	-	-	535,163	935,204	2,840,048	2,037,426	8,161,488	7,186,513
Rates	-	-	3,870,385	2,963,761	-	-	-	-	10,784,337	10,142,524	14,654,722	13,106,285
Other	1,365,792	680,371	1,352,817	1,016,216	745,890	744,625	403,452	231,406	1,280,099	1,102,033	5,148,050	3,774,651
Total	\$ 5,946,720	\$ 4,861,470	\$ 5,428,551	\$ 4,012,761	\$ 745,890	\$ 744,625	\$ 938,615	\$ 1,166,610	\$ 14,904,484	\$ 13,281,983	\$ 27,964,260	\$ 24,067,449
<b>Expenses</b>												
	\$ 6,883,728	\$ 6,995,417	\$ 10,014,390	\$ 8,897,113	\$ 1,798,711	\$ 1,716,533	\$ 2,967,684	\$ 2,870,088	\$ 680,226	\$ 133,370	\$ 22,344,739	\$ 20,612,521
	30.81%	33.94%	44.82%	43.16%	8.05%	8.33%	13.28%	13.92%	3.04%	0.65%	100.00%	100.00%
<b>Net Surplus/(Deficit)</b>	\$ (937,008)	\$ (2,133,947)	\$ (4,585,839)	\$ (4,884,352)	\$ (1,052,821)	\$ (971,908)	\$ (2,029,069)	\$ (1,703,478)	\$ 14,224,258	\$ 13,148,613	\$ 5,619,521	\$ 3,454,928
<b>Assets Note 2(b)</b>	\$ 137,745,123	\$ 152,940,183	\$ 34,984,687	\$ 33,871,488	\$ 18,728	\$ 25,755	\$ 34,633,775	\$ 30,964,352	\$ 111,235,226	\$ 105,694,505	\$ 318,617,539	\$ 323,496,283

	Actual 2022 \$	Actual 2021 \$
<b>2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONT.)</b>		
(b) Total assets shown in Note 2(a) are reconciled with the amounts shown for assets in the Statement of Financial Position:		
Current Assets	30,324,746	23,431,841
Non-Current Assets	<u>288,292,793</u>	<u>300,064,442</u>
	<u>318,617,539</u>	<u>323,496,283</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.

	Actual 2022 \$	Actual 2021 \$
<b>3. INTEREST</b>		
Interest on Cash and Financial Assets	165,187	233,744
Interest on Rate Debtors	77,863	60,130
Other Interest on Loans/Receivables	282,460	278,778
	<u>525,510</u>	<u>572,652</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	2,799,006	1,987,980
Commonwealth Government Financial Assistance Grant: Roads & Bridges	3,043,890	2,224,504
Fuel Tax Funding	41,042	49,447
Safer Rural Roads Program	117,883	70,117
Meander Valley Short Walks Grant	200,000	-
Huntsman Lake Boat Ramp	60,000	-
Deloraine Football Ground Demountable Change Rooms	-	10,000
<b>Total Recurrent Grants</b>	<u>6,261,821</u>	<u>4,342,048</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	514,113	762,145
Deloraine Pump Track	250,000	-
Hadspen Memorial Centre Extension	109,796	-
Deloraine Recreation Ground – Ground and Lighting Upgrades	68,319	-
Vulnerable Road User Program	67,566	-
Deloraine Squash Courts	10,191	-
Deloraine Waste Transfer Station Upgrades	5,349	-
Prospect Vale Park Ground Upgrades	-	700,000
Hadspen Bull Run Reserve Upgrades	-	225,000
Osmaston Road, Exton Road and Bogan Road intersection	-	115,000
Black Spot funding, Country Club Avenue and Las Vegas Drive	-	70,000
Tower Hill Street, Deloraine	-	40,000
Meander Valley Road, Westbury - Bus Shelter	-	32,784
East Barrack Street, Deloraine	-	25,000
Minor Grants Received	-	204
<b>Total Capital Grants</b>	<u>1,899,667</u>	<u>2,844,466</u>

##### Total Government Grants

<u>8,161,488</u>	<u>7,186,514</u>
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##### 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	-	117,883
Less: Funds received in prior year but revenue recognised in current year	(117,883)	-
Balance of unspent funds at 30 June	<u>-</u>	<u>117,883</u>

##### Capital Grants

Balance of unspent funds at 1 July	776,814	-
Add: Funds received and not recognised as revenue in the current year	1,136,113	776,814
Less: Funds received in prior year but revenue recognised in current year	(677,915)	-
Balance of unspent funds at 30 June	<u>1,235,012</u>	<u>776,814</u>

##### Total Unspent Funds

<u>1,235,012</u>	<u>894,697</u>
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	Actual 2022 \$	Actual 2021 \$
Government funds received in relation to pensioner rates of \$778,783 (2020-21: \$725,986) 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 both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2021-22 by \$3,544,161 (2020-21: \$2,178,177). 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	6,012,886	5,849,307
Annual, Sick and Long Service Leave	990,350	835,163
Superannuation	839,094	760,315
State Government Payroll Tax	382,440	365,920
Total Employee Expenses	<u>8,224,770</u>	<u>7,810,705</u>
Less Capital & Non-Recurrent Expenditure		
Labour Capital Assets constructed by Council	(522,884)	(551,197)
	<u>(522,884)</u>	<u>(551,197)</u>
	<u>7,701,886</u>	<u>7,259,508</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	1,294,652	1,264,848
Councillor Allowances	199,479	193,444
Computer Licences and Support	181,538	187,602
Insurance	367,543	319,968
Street Lighting	203,349	198,913
Household Waste	1,900,479	1,484,012
Road Maintenance	1,236,970	1,218,556
Bridge Maintenance	53,589	131,686
Consultants	627,329	405,825
Electricity	95,894	100,185
Motor Vehicles	125,616	140,438
Publications and Subscriptions	168,859	169,992
Recreation Grounds, Parks and Reserves	665,829	637,597
Plant Expenses	601,946	525,678
Other	895,752	919,152
	<u>8,618,824</u>	<u>7,897,896</u>

	Actual 2022 \$	Actual 2021 \$
<b>7. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation was charged in respect of:		
Land Improvements	1,025,234	632,118
Buildings	428,692	424,650
Roads and Streets	2,643,852	2,532,136
Bridges	429,596	428,668
Stormwater	417,571	409,090
Plant and Equipment	599,941	581,102
Heritage	281	280
Computer Software	44,812	44,155
Valuations	34,081	30,563
	<u>5,624,060</u>	<u>5,082,762</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:

Asset	Method	Useful Life
Land	Not Depreciated	Unlimited Life
Land Under Roads	Not Depreciated	Unlimited Life
Land Improvements	Straight Line	3 - 100 years
Buildings	Straight Line	30 - 250 years
Road and Street Components	Straight Line	5 - 200 years
Bridges	Straight Line	14 - 133 years
Stormwater Drainage Reticulation	Straight Line	18 - 75 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

## 8. FINANCE COSTS

Unwinding of Tip Rehabilitation Provision	36,758	32,716
Interest Charges	211,320	211,320
	<u>248,078</u>	<u>244,036</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.

	Actual 2022 \$	Actual 2021 \$
<b>9. OTHER EXPENSES</b>		
Other Expenses includes:		
External Auditor's Remuneration	37,793	32,070
Community Grants	83,891	75,275
Donations and Other	275	752
	<u>121,959</u>	<u>108,097</u>

#### 10. DISPOSAL & DERECOGNITION OF ASSETS

##### Total

Proceeds from sales/disposal	(161,777)	(461,771)
Written down value of assets sold/disposed	191,709	291,863
(Profit)/Loss on Disposal of Assets	<u>29,932</u>	<u>(169,908)</u>
Recurrent write-off/disposal of infrastructure and plant & equipment	29,932	20,222
One-off disposals of Land & Buildings	-	(190,130)
	<u>29,932</u>	<u>(169,908)</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	597,196	2,789,700
Cash on Hand	1,450	1,450
	<u>598,646</u>	<u>2,791,150</u>

The above figures are reconciled to cash at end of the financial year as shown in the Statement of Cash Flows as follows:

Balance as above	598,646	2,791,150
Balance per Statement of Cash Flows	<u>598,646</u>	<u>2,791,150</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 a maturity of three months or less. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 42.

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

Rates Debtors	882,996	806,066
Other Debtors	373,393	403,363
Assessed Contributions - Westbury Industrial Development	946,226	881,821
Loan Receivable - Aged Care Deloraine	3,600,000	-
	<u>5,802,615</u>	<u>2,091,250</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.



	Actual 2022 \$	Actual 2021 \$
<b>13. CURRENT ASSETS - Investments</b>		
Term Deposits	<u>23,724,396</u>	<u>18,382,609</u>
Market value of investments as at the reporting date	<u>23,724,396</u>	<u>18,382,609</u>

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	108,038	82,252
Accrued Revenue	<u>91,051</u>	<u>84,580</u>
	<u>199,089</u>	<u>166,832</u>

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	177,188	135,290
Materials and Contracts	1,008,098	802,152
Other Creditors	275,299	177,449
Rates and Charges Received in Advance	<u>347,760</u>	<u>320,084</u>
	<u>1,808,345</u>	<u>1,434,975</u>

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	709,923	632,791
Provision for Long Service Leave	586,254	575,031
Employee Provisions oncosts	<u>169,701</u>	<u>152,692</u>
	<u>1,465,878</u>	<u>1,360,514</u>

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 2022 \$	Actual 2021 \$
<b>17. CURRENT LIABILITIES - Contract Liabilities</b>		
Grant Funds Received in Advance	1,235,012	894,697
Property Developer Infrastructure Contributions	87,095	-
	<u>1,322,107</u>	<u>894,697</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	46,023,125	42,570,596
Fair Value adjustments on equity investment assets	1,314,232	3,452,529
Carrying value of investment at end of year	<u>47,337,357</u>	<u>46,023,125</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 2022, Council holds a 2.86% (2020-21: 2.92%) 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**

Loan Receivable - Aged Care Deloraine	-	3,600,000
Vendor Finance - Aged Care Deloraine	162,000	162,000
	<u>162,000</u>	<u>3,762,000</u>

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

Work in Progress - at cost	<u>1,172,249</u>	<u>849,804</u>
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**21. NON-CURRENT ASSETS - Land**

Land at Fair Value	<u>13,385,905</u>	<u>10,842,751</u>
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**22. NON-CURRENT ASSETS - Land Under Roads**

Land Under Roads at Fair Vaue	<u>29,106,910</u>	<u>29,031,368</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	18,173,935	16,940,763
Less Accumulated Depreciation	(8,380,283)	(7,383,486)
	<u>9,793,652</u>	<u>9,557,277</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	24,937,582	22,488,605
Less Accumulated Depreciation	(1,209,349)	(668,284)
	<u>23,728,233</u>	<u>21,820,321</u>

	Actual 2022 \$	Actual 2021 \$
<b>25. NON-CURRENT ASSETS - Roads and Streets</b>		
Roads and Streets at Fair Value	161,562,946	178,316,534
Less Accumulated Depreciation	(52,086,732)	(53,086,328)
	<u>109,476,214</u>	<u>125,230,206</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	38,472,495	37,799,357
Less Accumulated Depreciation	(9,996,636)	(9,819,872)
	<u>28,475,859</u>	<u>27,979,485</u>
<b>27. NON-CURRENT ASSETS - Stormwater</b>		
Stormwater at Fair Value	31,829,582	30,981,494
Less Accumulated Depreciation	(9,776,953)	(9,359,382)
	<u>22,052,629</u>	<u>21,622,112</u>
<b>28. NON-CURRENT ASSETS - Plant and Equipment</b>		
Plant and Equipment at Cost	7,658,954	7,116,498
Less Accumulated Depreciation	(4,284,789)	(4,035,662)
	<u>3,374,165</u>	<u>3,080,836</u>
<b>29. NON-CURRENT ASSETS - Heritage</b>		
Heritage at Cost	139,854	139,854
Less Accumulated Depreciation	(120,932)	(120,651)
	<u>18,922</u>	<u>19,203</u>
<b>30. NON-CURRENT ASSETS - Computer Software</b>		
Computer Software at Cost	795,501	755,900
Less Accumulated Amortisation	(688,953)	(646,176)
	<u>106,548</u>	<u>109,723</u>
<b>31. NON-CURRENT ASSETS - Valuations</b>		
Valuations at Cost	193,642	193,642
Less Accumulated Depreciation	(91,492)	(57,411)
	<u>102,150</u>	<u>136,231</u>



32. PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

2022	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
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Works In Progress</i>								
	849,804	7,195,476	-	-	-	-	(6,873,031)	1,172,249
	849,804	7,195,476	-	-	-	-	(6,873,031)	1,172,249
<i>Property</i>								
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	71,251,717	448,996	4,370,626	(1,453,926)	-	-	1,397,287	76,014,700
<i>Infrastructure</i>								
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	174,831,803	1,809,265	(17,494,475)	(3,491,019)	(116,336)	-	4,465,464	160,004,702
<i>Plant &amp; Equipment</i>								
	3,080,836	-	-	(599,941)	(75,373)	-	968,643	3,374,165
<i>Heritage</i>								
	19,203	-	-	(281)	-	-	-	18,922
<i>Computer Software</i>								
	109,723	-	-	(44,812)	-	-	41,637	106,548
<i>Valuations</i>								
	136,231	-	-	(34,081)	-	-	-	102,150
Total	249,429,513	2,258,261	(13,123,849)	(5,624,060)	(191,709)	-	6,873,031	239,621,187

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

2021	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
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Works In Progress</i>								
<b>Total Works In Progress</b>	819,400	8,492,914	-	-	-	-	(8,462,510)	849,804
	819,400	8,492,914	-	-	-	-	(8,462,510)	849,804
<i>Property</i>								
Land	8,600,000	-	1,750,325	-	(14,125)	-	506,551	10,842,751
Land Under Roads	28,994,771	36,597	-	-	-	-	-	29,031,368
Land Improvements	7,500,247	1,544,343	-	(632,118)	-	-	1,144,805	9,557,277
Buildings	21,466,143	-	(160,231)	(424,650)	(78,642)	-	1,017,701	21,820,321
Total property	66,561,161	1,580,940	1,590,094	(1,056,768)	(92,767)	-	2,669,057	71,251,717
<i>Infrastructure</i>								
Roads & Streets	122,080,776	629,449	-	(2,532,136)	(111,101)	1,363,995	3,799,223	125,230,206
Bridges	28,746,622	-	267,019	(428,668)	-	(1,363,995)	758,507	27,979,485
Stormwater	21,290,349	315,600	-	(409,090)	-	-	425,253	21,622,112
Total infrastructure	172,117,747	945,049	267,019	(3,369,894)	(111,101)	-	4,982,983	174,831,803
<i>Plant &amp; Equipment</i>								
	2,958,462	-	-	(581,102)	(87,994)	-	791,470	3,080,836
<i>Heritage</i>								
	19,483	-	-	(280)	-	-	-	19,203
<i>Computer Software</i>								
	153,878	-	-	(44,155)	-	-	-	109,723
<i>Valuations</i>								
	147,794	-	-	(30,563)	-	-	19,000	136,231
<b>Total</b>	241,958,525	2,525,989	1,857,113	(5,082,762)	(291,862)	-	8,462,510	249,429,513

## 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

Borrowings - Secured

Actual 2022 \$	Actual 2021 \$
----------------------	----------------------

3,600,000	-
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#### Non-Current Liabilities

Borrowings - Secured

-	3,600,000
---	-----------

Not later than one year

3,600,000	-
-----------	---

Later than one year and not later than five years

-	3,600,000
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.

As part of the Government's response to the COVID-19 pandemic, the Treasurer has ensured that all councils have access to sufficient funding. On 15 June 2020 the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for any loans advanced to local government authorities under the Local Government Loans Program. As at 30 June 2022 no borrowings have been required by Council.

### 34. NON-CURRENT LIABILITIES - Provisions

Provision for Long Service Leave

136,296	140,898
---------	---------

Employee Provisions - oncosts

9,813	10,215
-------	--------

Provision for Tip Rehabilitation

6,165,036	5,754,824
-----------	-----------

6,311,145	5,905,937
-----------	-----------

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

5,754,824	4,177,766
-----------	-----------

Unwinding of Discount

36,758	32,716
--------	--------

Reassessment of Estimate

373,454	1,544,342
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Closing Balance

6,165,036	5,754,824
-----------	-----------

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 and the landfill site at Deloraine will begin restoration work in 2026-27. There is also a new fill site at Cluan commencing from 2021-22, which will be due for restoration work 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) 6.5% 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.

#### 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	<b>2022</b>	<b>2021</b>
Permanent FTE staff	86	82

### 35. RESERVES

<b>2022</b>	<b>Opening Balance</b>	<b>Increment / (decrement)</b>	<b>Closing Balance</b>
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
<b>2021</b>	<b>Opening Balance</b>	<b>Increment / (decrement)</b>	<b>Closing Balance</b>
Asset Revaluation Reserve			
Land	8,274,721	1,750,325	10,025,046
Buildings	9,135,205	(160,231)	8,974,974
Roads and Streets	49,515,292	-	49,515,292
Bridges	16,692,524	267,019	16,959,543
Stormwater	11,823,946	-	11,823,946
Total Asset Revaluation Reserve	95,441,688	1,857,113	97,298,801
Fair Value Reserve			
Investment in Water Corporation	(9,116,480)	3,452,529	(5,663,951)
Total Fair Value Reserve	(9,116,480)	3,452,529	(5,663,951)
	86,325,208	5,309,642	91,634,850

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:

2022	Receipts	Payments	Net Assets
Birrilee Memorial Hall	5,645	7,419	5,330
Bracknell Public Hall & Recreation Ground	40	40	10,557
Carrick Community Hall	7,355	4,695	5,397
Caveside Recreation Committee	2,533	1,770	16,352
Chudleigh Memorial Hall	6,384	5,201	20,234
Dairy Plains Memorial Hall	5,023	2,703	17,385
Deloraine Community Car	14,244	34,394	13,261
Meander Hall & Recreation Ground	22,382	41,171	18,396
Mole Creek Memorial Hall	5,489	4,298	19,140
Rosevale Memorial Hall & Recreation Ground	722	1,019	23,638
Selbourne Memorial Hall	492	880	40,383
Weegenah Hall	288	379	9,346
Westbury Community Car	5,550	5,094	8,978
Westbury Historical Society	1,089	1,677	15,807
Westbury Recreation Ground	-	-	1,472
Whitemore Recreation Ground	1,181	1,145	3,281
	<u>78,417</u>	<u>111,885</u>	<u>228,957</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 (all commitments due within 12 months):

	2022 \$	2021 \$
Capital Expenditure Commitments: Works In Progress		
Buildings	806,680	26,469
Roads	-	185,600
Land Improvements	342,952	40,990
	<u>1,149,632</u>	<u>253,059</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 (7 year contract from 1 July 2022)	4,751,555	-
	<u>4,751,555</u>	<u>-</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 2022 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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

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

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

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

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

- The 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, (2020-21: Nil) due to the contribution holiday as prescribed by Tasplan, and the amount paid to accumulation schemes was \$839,094 (2020-21: \$760,315).
- 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 \$985,200.
- 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.

	Actual 2022 \$	Actual 2021 \$
<b>39. RECONCILIATION OF SURPLUS/ (DEFICIT) FOR THE PERIOD TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus/(Deficit)	5,619,521	3,454,928
Items not involving Cash		
Subdivisions Taken Over	(1,884,809)	(981,647)
Interest Accrued on Receivables	(64,405)	(60,954)
Depreciation and Amortisation Expense	5,624,060	5,082,762
	<u>3,674,846</u>	<u>4,040,161</u>
Investing Activity		
(Profit)/Loss on Disposal of Assets	29,932	(169,908)
Proceeds from Capital Grants	(2,357,865)	(3,621,280)
Proceeds from Capital Contributions	(188,004)	(11,623)
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(46,959)	(250,690)
(Increase)/Decrease in Inventories	(25,786)	(14,813)
(Increase)/Decrease in Accrued Revenue	(6,471)	30,169
Increase/(Decrease) in Payables	373,370	(308,065)
Increase/(Decrease) in Provisions	137,119	(160,144)
Increase/(Decrease) in Contract Liabilities	427,410	894,697
	<u>858,683</u>	<u>191,154</u>
Net Cash Inflow from Operating Activities	<u>7,637,113</u>	<u>3,883,432</u>

#### 40. CREDIT STANDBY ARRANGEMENTS

Council has a Direct Debit Facility with the Commonwealth Bank with a \$50,000 limit (2020-21: \$50,000). Council has Business Cards with a limit of \$35,000 (2020-21: \$55,000). The balance is cleared monthly. There were no other credit standby arrangements or unused loan facilities at 30 June 2022.

#### 41. RELATED PARTY DISCLOSURES

##### (a) Councillor Remuneration

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>

2021

	Allowances \$	Vehicles <sup>2</sup> \$	Total Compensation AASB 124 \$	Expenses \$	Total allowances and expenses section 72 \$
Mayor	55,124	2,442	57,566	435	58,001
Deputy Mayor	30,712	-	30,712	1,518	32,230
Councillors	107,609	-	107,609	6,035	113,644
<b>Total</b>	<b>193,445</b>	<b>2,442</b>	<b>195,887</b>	<b>7,988</b>	<b>203,875</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.

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	2,452	10,932	-	3,389	94,939
\$180 001 - \$200 000	2	316,642	15,046	42,379	-	21,237	395,304
\$200 001 - \$220 000	2	326,661	16,362	43,786	-	24,344	411,153
\$240 001 - \$260 000	1	195,801	7,345	26,433	-	12,591	242,170
<b>Total</b>		<b>917,270</b>	<b>41,205</b>	<b>123,530</b>	<b>-</b>	<b>61,561</b>	<b>1,143,566</b>

2021

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	60,410	2,896	5,599	52,508	(32,813)	88,600
\$120 001 - \$140 000	1	97,467	3,008	12,821	-	15,208	128,504
\$180 001 - \$200 000	2	318,261	12,308	41,028	-	(684)	370,913
\$200 001 - \$220 000	1	156,640	5,629	20,285	-	18,846	201,400
\$220 001 - \$240 000	1	184,509	7,639	23,986	-	12,031	228,165
<b>Total</b>		<b>817,287</b>	<b>31,480</b>	<b>103,719</b>	<b>52,508</b>	<b>12,588</b>	<b>1,017,582</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 M Kelly	Deputy Mayor	No interest declared	-	
Cr S Cameron	Councillor	Business: CDR Plumbing Pty Ltd	-	Supplier of plumbing services under normal commercial terms and conditions.
Cr F Nott	Councillor	No interest declared	-	
Cr A Sherriff	Councillor	Business: Deloraine Signs	\$36,898	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	-	
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	-	
M Lewarn	Director	No interest declared	-	
K Palfreyman	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% (2020-21: 0%) and 0.95% (2020-21: 0.75%). The interest rate at balance date was 0.76%-0.95% (2020-21: 0%-0.20%).
<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% (2020-21: 0.42%), and 4.00% (2020-21: 2.00%) net of fees. Funds returned a weighted average interest rate of 1.04% (2020-21: 1.18%).
<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 7.87% (2020-21: 6.81%).
<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.	Loans are secured by way of mortgages over the property titles.  The fixed interest rates on loans receivable are between 5.87% and 7.07%.
<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.	Borrowings are secured by way of mortgages over the general rates of the Council.  The fixed interest rate on borrowings is 5.87%.

**(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:

**2022**

	Fixed Interest Maturing in:					Total
	Floating	Under	1-5	Over	Non-Interest	
	Interest Rate	1 Year	Years	5 Years	Bearing	
	\$	\$	\$	\$	\$	\$
<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>

**2021**

	Fixed Interest Maturing in:					Total
	Floating	Under	1-5	Over	Non-Interest	
	Interest Rate	1 Year	Years	5 Years	Bearing	
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and Cash Equivalents	2,789,700	-	-	-	1,450	2,791,150
Investments	-	18,382,609	-	-	-	18,382,609
Rates Receivable	-	806,066	-	-	-	806,066
Loans, Trade and Other Receivables	-	881,821	3,600,000	162,000	403,363	5,047,184
Accrued Revenue	-	-	-	-	84,580	84,580
Investment in Water Corporation	-	-	-	-	46,023,125	46,023,125
<b>Total Financial Assets</b>	<b>2,789,700</b>	<b>20,070,496</b>	<b>3,600,000</b>	<b>162,000</b>	<b>46,512,518</b>	<b>73,134,714</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	1,434,975	1,434,975
Borrowings	-	-	3,600,000	-	-	3,600,000
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,600,000</b>	<b>-</b>	<b>1,434,975</b>	<b>5,034,975</b>
<b>Net Financial Assets (Liabilities)</b>	<b>2,789,700</b>	<b>20,070,496</b>	<b>-</b>	<b>162,000</b>	<b>45,077,543</b>	<b>68,099,739</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 2022		30 June 2021	
Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
598,646	598,646	2,791,150	2,791,150
23,724,396	23,724,396	18,382,609	18,382,609
5,964,616	5,964,616	5,853,250	5,853,250
91,051	91,051	84,580	84,580
47,337,357	47,337,357	46,023,125	46,023,125
77,716,066	77,716,066	73,134,714	73,134,714
1,808,345	1,808,345	1,434,975	1,434,975
3,600,000	3,664,656	3,600,000	3,935,736
5,408,345	5,473,001	5,034,975	5,370,711
72,307,721	72,243,065	68,099,739	67,764,003

**(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:

	2022 \$	2021 \$
Current (not yet due)	4,111,962	5,023,194
Past due by up to 30 days	3,120	4,394
Past due between 31 and 180 days	955,912	8,714
Past due between 181 and 365 days	620	158
Past due by more than 1 year	10,006	10,724
Total Trade Receivables	5,081,620	5,047,184
Rates Receivable	882,996	806,066
Total Trade & Other Receivables	5,964,616	5,853,250

**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).

2022	Less than 1 year \$	1-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
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

2021	Less than 1 year \$	1-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	1,434,975	-	-	1,434,975	1,434,975
Borrowings	-	3,600,000	-	3,600,000	3,600,000
Total financial liabilities	1,434,975	3,600,000	-	5,034,975	5,034,975

**(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 1.04%.

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.

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

2021	Interest rate risk			
	+ 1 % + 100 basis points		- 1 % - 100 basis points	
	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets:</b>				
Cash and cash equivalents	2,789,700	27,897	(27,897)	(27,897)

#### 43. MANAGEMENT INDICATORS

	Benchmark	2022	2021	2020	2019
<b>(a) Underlying surplus or deficit</b>		\$	\$	\$	\$
Recurrent income*		22,712,891	20,079,299	20,394,700	20,661,823
Recurrent expenditure		(22,344,739)	(20,612,521)	(19,960,916)	(19,858,477)
Underlying surplus/(deficit)	0	368,152	(533,222)	433,784	803,346

\* Recurrent income excludes 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>		368,152	(533,222)	433,784	803,346
Recurrent income*		22,712,891	20,079,299	20,394,700	20,661,823
Underlying surplus ratio %	0%	2%	-3%	2%	4%

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		26,525,658	23,265,009	22,543,286	25,616,768
Total liabilities		14,507,475	13,196,123	11,225,292	11,018,160
Net financial liabilities	0	12,018,183	10,068,886	11,317,994	14,598,608

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>		12,018,183	10,068,886	11,317,994	14,598,608
Recurrent income*		22,712,891	20,079,299	20,394,700	20,661,823
Net financial liabilities ratio %	0% to -50%	53%	50%	55%	71%

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	2022	2021	2020	2019
<i>Bridges</i>		\$	\$	\$	\$
<u>Fair value (Carrying amount)</u>		28,475,859	27,979,485	28,746,622	27,910,212
Current replacement cost (Gross)		38,472,495	37,799,357	38,955,188	38,268,210
Asset consumption ratio %	At least 60%	74%	74%	74%	73%
<i>Stormwater</i>					
<u>Fair value (Carrying amount)</u>		22,052,629	21,622,112	21,290,349	19,876,162
Current replacement cost (Gross)		31,829,582	30,981,494	30,240,640	28,041,503
Asset consumption ratio %	At least 60%	69%	70%	70%	71%
<i>Roads and Streets</i>					
<u>Fair value (Carrying amount)</u>		109,476,214	125,230,206	122,080,776	118,199,041
Current replacement cost (Gross)		161,562,946	178,316,534	173,141,603	168,260,026
Asset consumption ratio %	At least 60%	68%	70%	71%	70%

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	2022	2021	2020	2019
(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>					
Projected capital funding outlays**		5,059,000	6,025,000	7,640,000	6,341,000
Projected capital expenditure funding***		5,059,000	6,025,000	7,640,000	6,341,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Buildings</i>					
Projected capital funding outlays**		11,013,000	7,211,000	10,565,000	5,649,000
Projected capital expenditure funding***		11,013,000	7,211,000	10,565,000	5,649,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Stormwater</i>					
Projected capital funding outlays**		6,529,000	4,784,000	4,667,000	4,996,000
Projected capital expenditure funding***		6,529,000	4,784,000	4,667,000	4,996,000
Asset renewal funding ratio %	90% to 100%	100%	100%	100%	100%
<i>Roads &amp; Streets</i>					
Projected capital funding outlays**		42,393,000	39,090,000	38,494,000	39,640,000
Projected capital expenditure funding***		42,393,000	39,090,000	38,494,000	39,640,000
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	2022	2021	2020	2019
(g) Asset sustainability ratio		\$	\$	\$	\$
Capex on replacement/renewal of existing assets		4,281,752	5,538,681	5,721,861	5,136,691
Annual depreciation expense		5,624,060	5,082,762	5,068,152	4,868,786
Asset sustainability ratio %	100%	76%	109%	113%	106%

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>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>

<b>2021</b>	Capital renewal expenditure	Capital new expenditure	Total capital expenditure
<b>Asset Class</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	405,241	101,310	506,551
Land Improvements	418,587	726,218	1,144,805
Buildings	682,548	335,153	1,017,701
Roads and Streets	2,467,705	1,331,518	3,799,223
Bridges	758,507	-	758,507
Stormwater	4,367	420,886	425,253
Plant and Equipment	782,726	8,744	791,470
Valuations	19,000	-	19,000
	<u>5,538,681</u>	<u>2,923,829</u>	<u>8,462,510</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 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

As at 30 June 2021	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Land	21	-	10,842,751	-	10,842,751
Land Under Roads	22	-	-	29,031,368	29,031,368
Buildings	24	-	-	21,820,321	21,820,321
Roads and Streets	25	-	-	125,230,206	125,230,206
Bridges	26	-	-	27,979,485	27,979,485
Stormwater	27	-	-	21,622,112	21,622,112
Investment in Water Corporation	18	-	-	46,023,125	46,023,125
		-	10,842,751	271,706,617	282,549,368

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 2022. 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 a qualified independent valuer Herron Todd White effective 22 November 2019. Since that date to ensure the current values represent fair value, Council have applied an index of 1.0% as at 30 June 2020, 5.5% as at 30 June 2021 and 4.9% as at 30 June 2022, using the Buildings Index/adjustment factor from Rawlinsons. The next full valuation is planned for 30 June 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. 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. 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 2019. 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	47,337,357	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. The fair value of borrowings disclosed in Note 42 is provided by Tascorp (level 2).

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

#### **45. EVENTS OCCURRING AFTER BALANCE DATE**

In October 2022, the municipality was impacted by a major flood event. At the date of signing the financial statements, the financial impact of the flood event had not yet been assessed.

#### **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**

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



## **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 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

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

### **Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 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</b> <i>Refer to notes 21 to 32 and 44</i>	
<p>At 30 June 2022, 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 \$226.22 million. The fair values of these assets are based on market values and current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>During 2021-22, Council undertook a full revaluation of land, road and street assets. Fair value of land was determined by the Office of the Valuer-General, and the fair value of Road and Street assets was determined by internal experts. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>In between valuations Council considers the application of indexation to ensure that carrying values reflect fair values. During the year indexation was applied to buildings.</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 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>Testing the accuracy of recording independent values in Council's asset register and general ledger.</li> <li>Evaluating management's fair value assessment of asset carrying values at balance date.</li> <li>Evaluating indexation applied to assets between formal valuations.</li> </ul>

	<ul style="list-style-type: none"> <li>Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>
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### 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

10 November 2022  
Hobart









Meander Valley Council  
Working Together