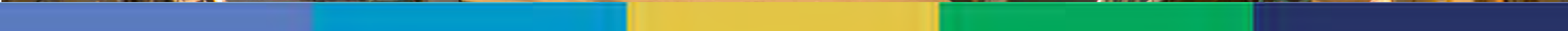


Annual Report 2022-2023



Cover image : Courtesy of Tourism Tasmania.

This report has been prepared in accordance with the requirements of the Local Government Act 1993. The report relates to Council's Annual Plan and Strategic Plan for the year ending 30 June 2023 and provides an overview of Council's operations and achievements during this period.

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Fast Facts



Municipal area

- 3809 square kilometres



Population

- 6770 (ABS 2021 data) permanent residents to more than 15,000 in the summer months
- Rated properties: 5975



Natural Attractions

- Bay of Fires
- Peron Dunes
- Mt Victoria
- Blue Tier
- Evercreech White Gum reserve
- Mt William National Park
- Eddystone Point
- St Columba Falls
- Halls Falls
- St Patricks Head
- Scamander Beach



Major Industries

- Tourism
- Retail Trade
- Health Care and Social Assistance

Industries of growth

- Tourism
- Fishing and Aquaculture
- Agriculture
- Forestry
- Mining



Adventure

- St Helens Mountain Bike Trails, including the Bay of Fires Trail.
- Fishing – Game fishing including tuna, marlin, swordfish, shark, deep sea and reef fishing for a variety of species as well as Bay River and estuary fishing.
- Surfing
- Bush walking – there are a range of trails on offer in our municipality for all fitness levels
- Camping - there are a number of free camping grounds in our municipality

Connect with us:

**Location: 32-34 Georges Bay Esplanade,
St Helens, Tasmania, 7216**
Phone: (03) 6376 7900
Email: admin@bodc.tas.gov.au

Office Hours:

Monday - Friday 9:30am - 4pm
(Excluding public holidays)
After Hours Emergency: 6398 2281



Website: www.bodc.tas.gov.au



www.facebook.com/BODCTas/

Region Snapshot



The Break O'Day municipality extends along the East Coast of Tasmania from Eddystone Point (Irapuna) in the north to Denison River in the south and west through the Fingal Valley. Our region includes a diverse range of scenery and townships from the arty and creative hub of St Marys, historic townships like Fingal, Mathinna and Weldborough, the mining town of Cornwall, rich farming towns like Pyengana and Goulds Country as well as coastal

towns such as Seymour, Four Mile Creek, Falmouth, Ansons Bay, Scamander, Beaumaris, Binalong Bay and St Helens - the Game Fishing capital of Tasmania.

St Helens is the major town of the Break O'Day area and the East Coast. It features a hospital, numerous accommodation options, a District High School that offers Kindergarten to grade 12, Trade Training Centre, Neighbourhood House, Business Enterprise Centre, Regional Jobs Hub, Residential Aged Care, numerous restaurants and cafés, retail outlets and more.

In November 2019 the St Helens Mountain Bike (MTB) Network officially opened and has seen a range of MTB related businesses developed to support the MTB Network.

St Marys is the main hub of the Fingal Valley and features a District School offering Kindergarten to grade 12, a Community Health Centre, a range of unique local businesses, coffee shops and regular artisan markets.

While our region has won international acclaim for the coastal beauty of the Bay of Fires, which is synonymous with pristine white sand, turquoise water and orange lichen covered rocks, we also have a range of national parks, conservation areas and reserves on our doorstep.

Mt William National Park, located in the northern reaches of the municipality blends beachscapes with the forest.

There are some beautiful waterfalls in the area from the striking St Columba Falls, one of Tasmania's highest, multi-

tiered falls to beautiful Halls Falls. The Fingal Valley is home to a number of waterfalls including the picturesque Mathinna Falls.

The beauty of the Blue Tier is now gaining international recognition thanks to two mountain bike trails, the Blue Tier Descent, as well as the 42km Bay of Fires descent Trail. Both trails take riders from the top of the Tier all the way to Swimcart beach in the Bay of Fires. The Blue Tier also offers 4WD and bush walking opportunities. It is an area of diverse cultural and historic significance that starts with the region's first nations people through to the early days of tin mining which brought a large Chinese population to the area.

The Fingal Valley is predominantly an agricultural area but also features many forest walks and recreation areas. Head to the forest reserve of Evercreech which features some of the tallest gums in the world and visit Mathinna Falls while you are there. If you are adventurous you could climb St Patricks Head in St Marys and get a 360 degree view of the coast and the valley; a trek well worth the effort.

From the mountains to the sea, the Break O'Day region is abundant in natural attractions, activities and development opportunity.

About Us

Our Vision

A naturally beautiful environment that speaks to our heart. A diverse and thriving community; a place of opportunity. A place where everyone feels safe, welcome and connected.

Our Values

Working as a TEAM with OPEN & HONEST COMMUNICATION; we act with INTEGRITY whilst showing RESPECT and being POSITIVE and proactive in our actions.

Our commitment to our community

Leadership/ Ownership:

- We will be visionary and accountable leaders who advocate and represent the views of our community in a transparent way.
- We will make decisions for the greater good of Break O'Day by being accessible and listening to our community.

Great Communication:

- We will listen, consult and engage with the community and individuals.
- We will be open, honest and proactive in our communication. We will keep people informed about the things that matter to them.

Infrastructure and services:

- We will plan, deliver and maintain quality infrastructure and services.
- We will strive to deliver excellent customer service and promote Break O'Day as a desired destination.

Working together:

- We will build, and maintain strong relationships and partnerships through consultation, engagement and collaboration.
- We will support and facilitate our community.

Stewardship/ Custodian:

- We will be responsible in planning and management of the Break O'Day area.
- We will make good decisions about our environment and resources.
- We will balance competing needs and demands while keeping a sustainable future in mind.

Fiscal Responsibility:

- We will work within a culture of financial sustainability focusing on securing outside funding, spending wisely and being fair to all.
- We will recognise the limitations of resources and the community's capacity to pay.
- By ensuring that all we do fits within the above mentioned ideals, we will be able to successfully, and positively influence our customer's perception of us and therefore our brand.

Mayor's Message



Welcome to the 2022-2023 Annual Report.

As always, it has been a busy year for staff and Councillors and we have been working hard for our community to deliver services and infrastructure important to them.

In October 2022, an election was held that saw four new Councillors elected to Council. We welcomed Clrs Ian Carter, Liz Johnstone, Gary Barnes and Vaughan Oldham into their new roles with Clr Kristi Chapple elected Deputy Mayor. Along with some new faces, unfortunately, it was time to say goodbye to some members of Council who decided not to re-stand this election. It was a pleasure to work with Deputy Mayor John McGiveron, Margaret Osbourne, Lesa Whitaker and Glenn McGuinness, thank you for your time and dedication as Council members.

To support our new Councillors, the Tasmanian Government has introduced the Local Government Learning and Development Framework to improve the learning and development opportunities for Councillors in Local Government. This aims to increase the knowledge and skills of Councillors. It is important that good training is available for the continual development and up-skilling of people in roles that advocate for community, this training is something that benefits everyone.

I was fortunate enough to be elected Mayor for the third consecutive term in our recent election. Over the last decade, I have had the honour and pleasure of serving and working alongside our community to achieve shared successes that have shaped our area and I will continue to do my best to be a strong voice for our municipality.

In June, with the support of my Councillors, I was nominated and successfully elected as President of the Local Government Association of Tasmania (LGAT). Thank you to the community, my fellow colleagues, the staff at Break O'Day Council and my family. I am grateful for the ongoing support I receive which gives me opportunities to be able to continue advocating for Break O'Day and all Councils in Tasmania.

Community engagement is an important part of a Councillor's role. I commend our Councillors for making themselves accessible and promoting community consultation. We also had the opportunity to gain feedback from the community in regards to the Future of Local Government Review (FOLGR) and Council amalgamations. The information we received from Break O'Day helped us develop our submission to the FOLGR Board. We actively continue to seek updates on the progress of the review to ensure the best possible outcome for our municipality.

We have had the opportunity to work alongside Centrecare Evolve to create new homes in our community. Access to affordable housing is much needed in our area and because of its importance to our community, it is one of Council's main priorities.

Break O'Day Council continues to advocate for an alternative route to St Marys Pass which will not bypass the St Marys Township. St Marys Pass has needed consistent maintenance for decades and by today's standards and considering the use of this main access route to the coast, it is not-fit-for purpose. We have the full support of the State Government who has allocated funding within the state budget to conduct a feasibility study. Brian Mitchell MP has also confirmed Labor is supportive of our efforts.

This year marked the 50th anniversary of the end of Australia's involvement in the Vietnam War. I was honoured to be asked by the St Helens Vietnam Veterans Association Sub Branch to be the guest speaker on this day. It was a great privilege to celebrate a day that reflects on the bravery, teamwork and endurance Australians displayed throughout the war. Paying homage to our Australian soldiers past and present is something very close to my heart and it is important to give the deserved recognition to those who serve our Country, the place we call home.

Another financial year is concluded and it is nice to be able to reflect on all the hard work, positive outcomes and successes we have had moving forward as we continue to thrive as a community. Thank you to council staff, managers, inside/outside work crew and our volunteers for the great work they do to keep the operations of Break O'Day running effortlessly. They are the foundation of Break O'Day Council.

“I am grateful for the ongoing support I receive which gives me opportunities to be able to continue advocating for Break O’Day and all Councils in Tasmania.”

Mayor Mick Tucker

2023 Australian Day Award Winners: Dana Smith, Leanne Harman (representing Lionel Knight) Diane Harris, Cynthia Musafili Wright (Australia Day Ambassador) Mayor Mick Tucker, Dylan Coker-Williams and Paul Frater :



Councillor Attendance 2022-2023

Mayor and Councillors

The Council is comprised of nine Councillors (including the Mayor and Deputy Mayor) elected by the community; each serve for a term of four years.

All Councillors must comply with Council's Code of Conduct. The Code covers issues such as the requirement to act in good faith, duty of care and diligence, conflict and pecuniary interest, issues of improper use of power and information, independence, confidentiality and the obligation to uphold the law. You can find a copy of the Code of Conduct on our website under My Council/ Policies.

The Council meet monthly for workshops, scheduled Council meetings and as required when Special Council Meetings are called.

Member expenses are made up of printing and stationery, telephone charges, internet, travel and food and drink and delegate expenses (conferences, committee meetings, strategic planning sessions and workshops to name a few).

An election was held in October 2022 where there were four new Councillors elected, Clrs Gary Barnes, Vaughn Oldham, Liz Johnstone and Ian Carter. Deputy Mayor John McGiveron, Glenn McGuinness, Margaret Osbourne and Lisa Whitaker did not restand. Clr Kristi Chapple was elected Deputy Mayor.

Councillor	Ordinary Meetings Attended	Council Workshops Attended	Special Workshops Attended	AGM Attended	Total Meetings Attended
Mayor Mick Tucker	12 / 12	9 / 11	1 / 1	1 / 1	23 / 25
Deputy Mayor John McGiveron (Did not restand)	4 / 4	4 / 4	-	-	8 / 8
Clr Kristi Chapple Elected Deputy Mayor October 2022	12 / 12	10 / 11	0 / 1	1 / 1	23 / 25
Clr Janet Drummond	9 / 12	9 / 11	0 / 1	1 / 1	19 / 25
Clr Barry LeFevre	10 / 12	9 / 11	1 / 1	1 / 1	21 / 25
Clr Glenn McGuinness (Did not restand)	4 / 4	3 / 4	-	-	7 / 8
Clr Margaret Osbourne OAM (Did not restand)	3 / 4	4 / 4	-	-	7 / 8
Clr Lesa Whittaker (Did not restand)	3 / 4	3 / 4	-	-	6 / 8
Clr Kylie Wright	8 / 12	5 / 11	0 / 1	0 / 1	13 / 25
Gary Barnes (Elected October 2022)	7 / 8	4 / 7	1 / 1	0 / 1	11 / 17
Vaughan Oldham (Elected October 2022)	8 / 8	7 / 7	1 / 1	1 / 1	17 / 17
Liz Johnstone (Elected October 2022)	6 / 8	5 / 7	1 / 1	0 / 1	12 / 17
Ian Carter (Elected October 2022)	8 / 8	6 / 7	1 / 1	1 / 1	16 / 17

Organisational Structure



General Manager's Report



It is very challenging to try and summarise what we have achieved or what has happened over the last year in a few pages.

Every four years the Council elections roll around and during the latter part of 2022 the community chose its representatives for the next term. This time around we experienced a significant change with a shift to compulsory voting which was suddenly announced by the State Government and caught a lot of people by surprise. In previous elections our turnout had been quite high at over 70% with the 2022 election returning 86.49% so it wasn't a massive increase for us.

These elections saw a significant change in our councillors as our three longest serving Councillors, Marg Osborne, John McGiveron and Glenn McGuinness decided it was time to call it quits, and Lesa Whittaker, one of our newest Councillors decided not to restand. A very big thank you to them for their contribution to Council and the Break O'Day community which was celebrated with a civic reception on 22 November.

Naturally this meant that four new Councillors joined us and we welcomed Liz Johnstone, Gary Barnes, Ian Carter and Vaughan Oldham to the Council table. No doubt their heads were spinning for a while as they settled in and went through a fairly intense induction

process. They have all settled in well and are actively participating in developing the future of Break O'Day. Mayor Mick Tucker was elected to continue as Mayor and Kristi Chapple became our new Deputy Mayor.

Last year when I wrote this message, what our area might look like in the future was quite unclear. The Future of Local Government Review process was grinding on and we hoped that by the end of June we might have had a clearer picture, unfortunately this is not the case.

During the year we continued to very actively argue what we thought the future of local government could look like through the submissions we made. A lot of internal resources are diverted from the day-to-day tasks for this process and we were one of very few Councils who have made a submission at every opportunity which, actually surprised me given the importance of this review.

Following a lot of discussion, the Council reached a position of supporting an investigation into the creation of an East Coast Council. The exact boundaries of this new council area were not identified because we felt that it was vital the homework be done so that an informed decision could be reached.

We are now waiting to see what the Local Government Board recommends and then, what the State Government

will do. Given the fact we have a minority government they may just sit on it. If this ends up being the case and whoever is in power after the next State election decides to ignore the report it will be incredibly frustrating and a massive waste of resources all for nothing. Let us hope this is not the case.

The weather gods had their eye on us in the later part of 2022 and wanted to make sure we didn't dry out. Things came to a head in October 2022 when we had a lot of rainfall on already very soggy ground and lo-and-behold the St Marys Pass had a major failure. The Elephant Pass wasn't much better but at least we could still use it.

Finally after two months of frustrating disruption the Pass reopened just before Christmas. During this time we mounted a strong argument to the State Government that they needed to look for an alternative, and they agreed that an investigation should occur. Previous investigations had been fruitless as the alternatives were not seen as feasible, so perhaps the State Government thought it would all die down. Council officers weren't satisfied that they had looked hard enough and we put our minds to the task and were able to identify an alternative which is feasible. This was presented to the State Government and we are now pushing them to get on with the investigation.

There have been many other projects that we have focused on during the year that are important to the future of our community including:

- Local Provisions Schedules for the Planning Scheme
- New Police Station at St Helens
- Affordable housing for our residents who need a roof to live under
- Recreational Trails Strategy
- Georges Bay Activation Strategy
- St Marys Indoor Recreation and Community Building
- Fingal Community Shed

Late in the year, Mayor Tucker was elected as President of the Local Government Association of Tasmania, our peak body. Having served as Vice-President for the last two years, Mick is well versed in the challenge he faces advocating for the sector, we all know how passionate he can be when arguing for a cause. Congratulations to the Mayor on this achievement.

In closing once again I want to acknowledge all of the hard work of the BODC team, Councillors, employees and volunteers over the last 12 months. Another productive year with many achievements for the betterment of the wonderful place in which we are fortunate enough to live. We don't do this alone, there are also many members of our community either individually or through the various

community groups we have that contribute invaluable to where we live.

“Another productive year with many achievements for the betterment of the wonderful place in which we are fortunate enough to live.”

***General Manager
John Brown***

Annual Report Overview

On this page and the following, you will find a quick snapshot of Break O'Day Council's Annual Plan and how we have gone towards achieving this plan during the 2022- 2023 Financial Year.

Every year Council endorses an Annual Plan which guides Council's activities for the financial year.

The Annual Plan is based on the 10 Year Strategic Plan which was developed in 2017 with a large amount of community input.

This Strategic Plan was reviewed in 2022 and a revised Plan is available on our website.

Our Annual Plan has five main Goals with each containing; Strategies, Key Focus Areas and Activities.

Every year Council staff report directly on each of these sections down to action level.

This report represents an executive summary of this work. You can find more detail on our Annual Plans and quarterly reports found on our website under My Council.

Annual Report Completion

90%

Strategies - 18

Key Focus Areas - 21

Activities - 152



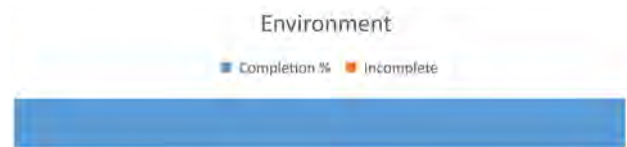
Community - 99%
Strategies – 4
Key Focus Areas – 5
Activities - 19



Infrastructure – 73.25%
Strategies – 3
Key Focus Areas – 5
Activities - 26



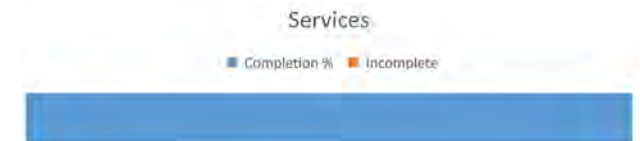
Environment – 98%
Strategies – 4
Key Focus Areas – 3
Activities – 19



Economy – 73.25%
Strategies – 4
Key Focus Areas – 4
Activities - 21



Services – 100%
Strategies – 3
Key Focus Areas – 4
Activities - 10



1. Community - 90% complete

To strengthen our sense of community and lifestyle through opportunities for people to connect and feel valued.

Strategies

1. Create an informed and involved community by developing channels of communication.

2. Build community capacity by creating opportunities for involvement or enjoyment that enable people to share their skills and knowledge.

3. Foster and support leadership within the community to share the responsibility for securing the future we desire.

4. Foster a range of community facilities and programs which strengthen the capacity, wellbeing and cultural identity of our community.

Communication

Improve and develop communication processes that lead to the community feeling more informed and involved.

Completion of the Community Engagement Strategy marked a significant step in Council’s approach and processes for engaging with the community into the future. It ensures consistency in our approach to when and how our community have their say.

Since the implementation of the Strategy it has since guided community engagement efforts and now there is access to community engagement activities on our website.

The Council has prioritised diverse communication methods, ensuring both hard copy and online information is available. Communication platforms include Council’s newsletters, local publications and radio, Facebook, the website and email databases (EDMs). EDMs facilitate direct community communication, a cost-effective alternative to mail and calls. The Council encourages community members to sign-up to these databases regularly if they want to stay informed of Council activities.

This financial year, the Council focused on website relevance and accessibility, with plans for a comprehensive redevelopment in 2024. Updates include a ‘Business Development’ tab, linking to business resources and

external support agencies. A Planning Enquiries tab offers property search details, and a Customer Feedback page streamlines contact. FAQs were developed with the Development Services team

Events and Activities

Creates a culture of volunteering and support to enable vibrant and sustainable events, activities and community groups.

Council’s focus on events this year has yielded positive outcomes. Despite challenges from COVID, there has been a resurgence in events organised by local community groups and volunteers. The Festival of Wellbeing and the Dragon Trail MTB event have both grown in significance, drawing larger crowds, indicating increased community engagement. While there hasn’t been a significant increase in new events during this period. Council is actively working with community groups to explore new event opportunities for the future.

Council has taken steps to raise environmental awareness and management skills through various initiatives, including education campaigns, waste management efforts, and biodiversity conservation programs. Council’s support for events like Luca Brasi’s concert and the Festival Called George demonstrates our commitment to community engagement and cultural enrichment. The

Dragon Trail MTB event, now held bi-annually, showcases Break O'Day's natural beauty and fosters international connections.

Volunteering

Build community sustainability and inclusion through a culture of volunteering and support within our community

Volunteers play a vital role in our community, enriching various organisations and community life. A Volunteer Strategy, co-designed with community input and supported by Volunteering Tasmania, was launched in September 2022, providing a solid foundation for advancing and fortifying community volunteering.

Council collaborated with Red Cross Emergency Services to train community members in operating Evacuation Centres during emergencies, leading some to join Red Cross and undergo further training for community assistance. Additionally, Council worked with the Access and Inclusion Committee to develop an emergency plan for individuals who rely on assistance.

Various initiatives, including a networking volunteering event being held on the St Helens Foreshore, were successfully completed and well attended.

The Council continues to actively promote opportunities for volunteers and promotion of volunteer groups via a dedicated volunteering page on our website. This page also connects groups and potential volunteers to each other and useful resources.

Inspirational stories of volunteer organisations, like the St Helens Tip Shop, continue to be showcased on our website and social media, celebrating the invaluable contributions of local volunteers to our community.

Community and Council Collaboration

Work within a community engagement framework which defines the relationship between community and Council in decision making and project delivery

During the year, Break O'Day Council successfully reviewed developed and adopted nine Township Plans including a reporting template to keep communities informed of Council's progress on their township's plan.

Engaging the community in the Arts and Cultural Strategy review has posed some challenges. However, a working group comprising interested community members has been established and is set to review the Arts and Cultural Strategy.

Grant funding of \$20,000 has been secured to develop a plan for the Hub4Health facility which, was taken over by Council in 2021. The plan will focus on preventative health measures and coordination of services.

To streamline communication, a Customer Feedback webpage and postcard with a QR code linking to the page were created.

Wellbeing

Support and enhance community wellbeing through shared understandings, and opportunities for people to get involved, connect, build on strengths, and feel a sense of belonging in Break O'Day.

The Wellbeing Pilot Project, shaped by participant feedback and UTas evaluation, has evolved into an eight-week program slated for early 2023-24.

The program aims to bring increasing benefits through participant-driven Wellbeing Actions and the expanding Festival of Wellbeing.

In 2022, 13 individuals, predominantly from Break O'Day, completed a 15-week Certificate in Creating Wellbeing, culminating in the initiation of various impactful projects like the Gratitude Tree and Wellness Directory.

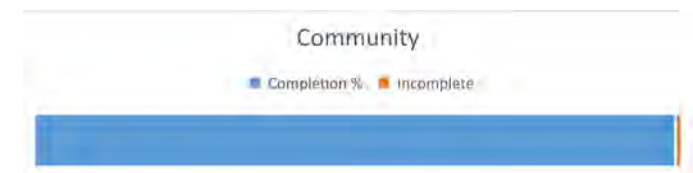
Additionally, 85 participants engaged in 12 Community Conversations about wellbeing with a detailed report published in December 2022.

Enrolments for the 2023 program are already at full capacity. Based on feedback and evaluation, Council is in discussions for a project extension until June 2025.

Community Impact Projects formed during the Wellbeing Certificate such as the Wellness Directory and women’s surfing group, continue to catalyze positive change in our community.

The Wellbeing website, a 2021 project, now serves as a platform for sharing local wellbeing initiatives and celebrating Break O’Day’s unique attributes with a wider audience.

Community - 99%
Strategies – 4
Key Focus Areas – 5
Activities - 19



Celebrating Community Volunteers: A Vital Force in Break O'Day

In recent times, the heart of St Helens has been pulsating with a renewed sense of community spirit, as local groups and dedicated volunteers come together to create meaningful events. These volunteers are the backbone of our community, breathing life into various organisations and activities that enrich our lives.

This financial year saw Council and community members collaborate with Volunteering Tasmania to develop and launch a Break O'Day Volunteer Strategy, a volunteering roadmap designed by and for community.

The strategy provides a solid foundation for volunteering in to the future and aims to fortify volunteering in our community and includes resources to empower community groups in recruiting and retaining volunteers. At the September 2022 Council meeting the Strategy was formally endorsed by Council which was followed by an official launch event held on September 27, 2022. Copies of the strategy as well as the accompanying resources are available on Council's website. During Volunteer Week in May, Council staff honoured our local volunteers by sharing their photographs and heartfelt quotes on why they volunteer, showcasing their selfless contributions to our community. In addition to these efforts, Council's website also proudly showcases a host of volunteer organisations, spotlighting their uplifting stories. One shining example are the Tip Shops, a labour of love led by dedicated volunteers and auxiliary members. The proceeds generated from this venture go on to support the St. Helens Hospital in a myriad of meaningful ways.



2. Economy - 73.25% Complete *To foster innovation and develop vibrant and growing local economies which offer opportunities for employment and development of businesses across a range of industry sectors.*

Strategies

- 1. Develop and highlight opportunities which exist and can be realised in a manner that respects the natural environment and lifestyle of the BOD area.**
- 2. Provision of relevant training and skills development programs to create a workforce for the future that meets the changing needs of business.**
- 3. Create a positive brand which draws on the attractiveness of the area and lifestyle to entice people and businesses' to live and work in BOD.**
- 4. Support and encourage innovation and growth in the economy through local leadership; infrastructure provision; support services and customer focussed service delivery.**

Opportunities

Identify and realise opportunities that develop and support the Break O'Day economy in a sustainable manner.

In this period, Break O'Day Council made progress in various key areas. However, some activities were contingent on external support or government actions, such as the Visitor Information review and Tourism Strategy Review.

The Bay of Fires Master Plan faced a funding setback, necessitating a review in the upcoming year. We are collaborating on this project with East Coast Tasmania Tourism with hopes we can secure additional funding for this important piece of work.

The Break O'Day Prospectus was updated with 2021 Census data and shared with relevant organisations including the Office of the Coordinator General.

A review of the Economic Development Strategy was completed during the year with the outcome being to prepare a new Economic Development Strategy during the 2023-2024 Financial Year.

Efforts to explore opportunities for an ageing population, tourism, and industrial land are ongoing and a detailed review of industrial areas has been conducted, with a report forthcoming.

Support for the Break O'Day Employment Connect project is in full swing, expanding the service delivery into Dorset and Bicheno/Coles Bay areas during the year.

Brand

Understand and communicate the unique characteristics and differences of our communities and the Break O'Day area to foster a sense of pride and authenticity.

Activity in this area was closely tied to the Township Plan process, which extended to late in the year which affected the intended timeline. Completion is now expected in the first half of 2023-2024.

Township Plans were reviewed with community input to formulate vision and legacy statements, pinpointing each community's unique brand. These statements were tested during the Draft Township Plans' community feedback phase. The finalised plans, including these statements, are now publicly accessible on our website.

The Economic Development Officer aims to further develop these brand identities, possibly with assistance from Brand Tasmania in the next financial year. Additionally, East Coast Tasmania Tourism is set to initiate a 'place' strategy, involving community consultation for town brand development, aligning with East Coast's overarching 'place' brand.

Population

Monitor changes in an ageing population in order to understand and address challenges and opportunities this creates.

Progress in the Population and Demographics analysis Key Focus Area (KFA) faced initial delays due to information flow from the Australian Bureau of Statistics. Dr. Lisa Denny provided insights into population changes, but resource allocation shifted towards priorities like the Future of Local Government Review.

While updated initial population information was received, detailed reporting was postponed due to data set release delays.

The development of a Population Strategy is a forthcoming endeavor demanding substantial internal and possibly external resources. This activity is carried over into the 2023-24 year.

Housing

Develop an understanding of housing needs; advocate for and facilitate the construction of a range of housing solutions.

Progress in the area of housing has been challenging but there's headway on several fronts. The State Government's involvement and strategic nature of this work contributed

to longer timelines.

Our focus has been on participating in the State Housing Strategy and advocating for a Local Housing Needs analysis. A request for this will be included in the 2023-24 State Budget submission.

Council developed a submission in response to the State Government's Tasmanian Housing Strategy discussion paper released in October 2022. Council officers will attend an 'Action Plan' workshop in July 2023 to develop key activities.

Council has supported a partnership with Centacare Evolve Housing for social and affordable housing projects in Fingal. Discussions with Centacare Evolve and the Department of Communities Tasmania continue for public and emergency housing opportunities. At this time our focus is on the affordable housing project in Fingal.

The old St Helens Hospital site was explored as an option for emergency housing was explored but the site was deemed unsuitable by the State Government.

St Helens History Room

The St Helens History Room located at 61 Cecilia Street, showcases the rich history of the Break O'Day area.

The History room has enjoyed an increase in visitation since borders reopened and COVID restrictions eased.

The History Room has displayed a range of exhibitions and events detailed below.

- Remarkable Australians and their boats
- Friends of Eddystone Lighthouse Display
- Break O'Day Stitchers Exhibition
- The Chinese Experience
- Tasmanian Shell Collection
- ANZAC Display
- Historic School Days
- Phone Communications'
- NAIDOC display
- Ships of St Helens
- luni mapali
- Domestic Duties
- Family Histories

1,418 visitors came into the St Helens History Room during this reporting period.

Entry fees totalled \$4,261.20

Visitor Information Centre

The St Helens Visitor Information Centre (VIC) is staffed by a core of three permanent part time employees.

The VIC is open every day of the week from 9.00am to 4.00pm Monday-Friday and 9.00am-3.30pm Saturday-Sunday (Except Good Friday, Christmas Day and ANZAC Day morning.)

The VIC plays an integral role in tourism in our area. Not only do staff help visitors to our area find accommodation they also help them plan a range of activities to do and places to see. Working with local providers they ensure that our local businesses are represented in the centre.

Despite a changing visitor audience who tend to use their devices and apps to source information, the VIC still services thousands of visitors a year.

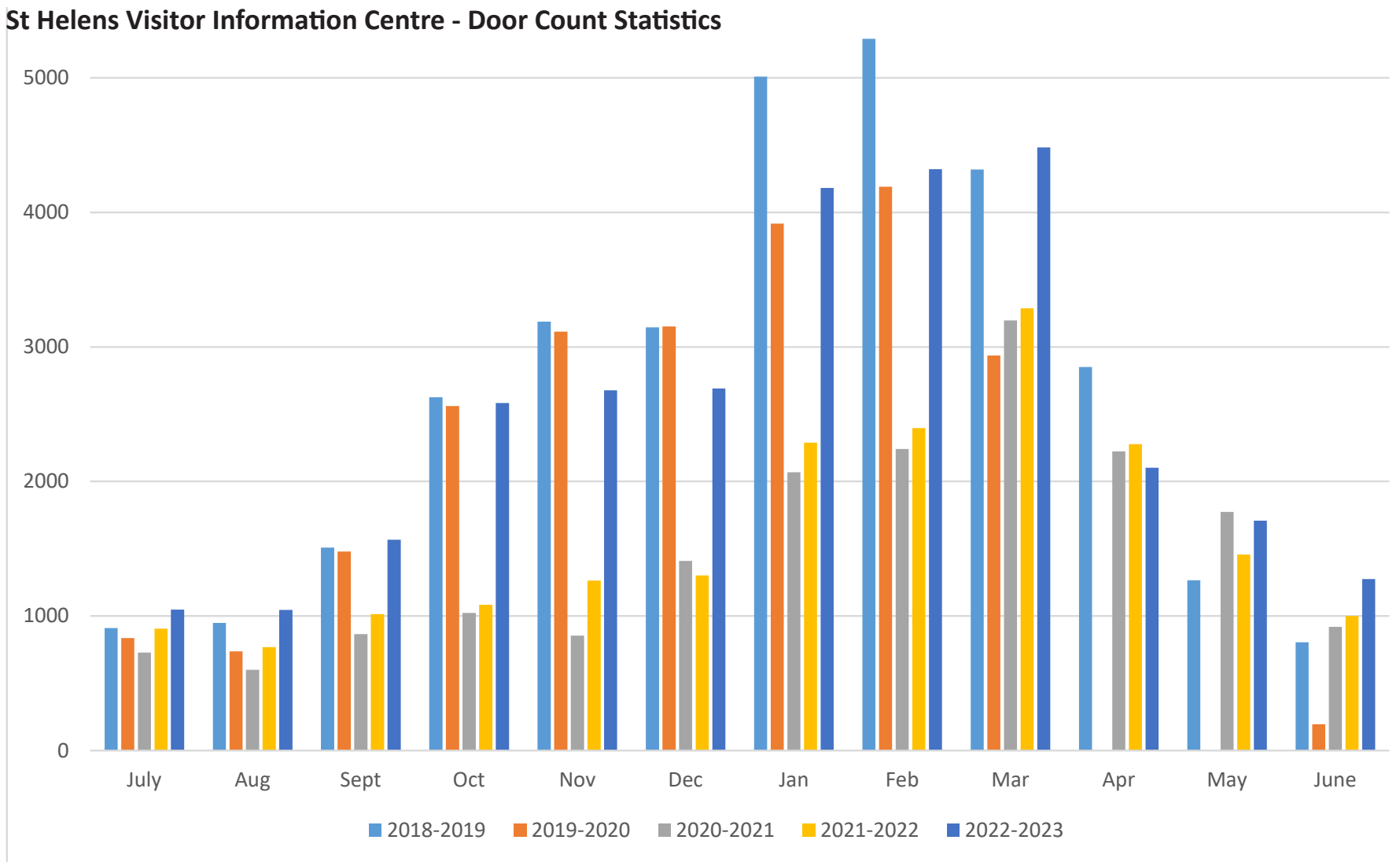
The change in visitor information seeking habits are reflected in the State Government’s reinvention of their tourism strategy which will guide the future of VICs.

Total visitors to the VIC for the 2022- 2023 FY: 29,689
– up 10,000 visitors from last year.

Economy – 73.25%
Strategies – 4
Key Focus Areas – 4
Activities - 21



St Helens Visitor Information Centre - Door Count Statistics



The Stitch in Time Exhibition that was on at the Visitor Information Centre



Empowering Communities: Break O'Day Employment Connect Project Makes Strides

The Break O'Day Employment Connect (BODEC) project receives valuable support from our General Manager and Human Resource Coordinator, who participate on the BODEC Board. Staff work in collaboration with the Fingal Valley Neighbourhood House who are the host organisation to ensure the project is well-governed and in line with community needs.

BODEC is funded by the State Government through Jobs Tasmania and actively works with job seekers and employers to achieve lasting and quality employment. Over 80% of the client base are not registered with Centrelink and therefore BODEC provides a much needed pathway for others in our community to secure employment.

In the first quarter, BODEC celebrated a major milestone by organising a successful Jobs Fair held at the Bendigo Community Stadium. This event highlighted the robust service delivery within the Break O'Day area.

Council staff and the BODEC Board are actively engaged in discussions around barriers to employment at a State level through the Regional Jobs Hub network. This means we are providing local knowledge that contributes to the development of policies.

The success of BODEC is clearly evidenced by the fact that it has expanded to encompass the Bicheno/Coles Bay area.

The model was also replicated in Dorset. To do this BODEC undertook a consultancy process to gain an understanding of the Dorset Labour market and needs. The official launch of this expansion took place in Scottsdale on 28 November.

Not one organisation can address all the challenges of employment in our area and BODEC has been actively collaborating with other service providers.

BODEC already celebrating employment successes through this collaborative effort. Together, we're building bridges to employment opportunities and addressing critical needs within our community.

Special thanks to Jobs Tasmanian and the State Government for this funding.



3. Environment - 98% Complete

To balance our use of the natural environment to ensure that it is available for future generations to enjoy as we do.

Strategies

- 1. Ensure the necessary regulations and information is in place to enable appropriate use and address inappropriate actions.**
- 2. Increase the community’s awareness of the natural environment; the pressures it faces; and actions we can take to sustain it and what it provides.**
- 3. Undertake and support activities which restore, protect and access the natural environment which enables us to care for, celebrate and enjoy it.**
- 4. Recognise and alleviate the issues and risks to the environment from our use, and the risk to us from a changing environment. (For example flood and fire.)**

Appropriate Development

Encourage sensible and sustainable development through sound land use planning, building and design.

This Key Focus Area (KFA) demanded substantial Council resources for activities related to strategic land use in the Break O’Day area. This encompassed tasks concerning the Local Provisions Schedule (LPS), Strategic Land Use Review, Regional Land Use Strategy, and Tasmanian Planning Policies.

Our Flood modeling projects continue to progress and this year saw development proponents receive flood data for risk management.

The Tasmanian Planning Office reviewed submissions for the Break O’Day LPS, and a public hearing was held by the Tasmanian Planning Commission (TPC) to address the submissions. We expect a directions letter from the TPC will be sent to Council towards the end of July 2023. The directions are expected to include some amendments whilst we move to the Tasmanian Planning Scheme.

The Strategic Land Use Review was completed in January 2023 and is going to form the basis of a work program to update a range of strategic land use documents over the

next few years.

The Northern Tasmania Regional Planning Group (NTRPG) developed a response to the State’s Planning Policy on behalf of all Northern Tasmania Councils. Our Development Services team participated in the development of this response.

Land and Water Management:

Develop and implement strategies and activities that prevent land degradation and improve water quality within our rivers, estuaries and coastal areas.

The completion of the St Marys Flood Risk Management Plan marked a significant step forward for this KFA.

Efforts to address the Lower George Flood risk situation are progressing, though not as swiftly as hoped.

Various grant-funded projects were undertaken in this area, including the Queen’s Jubilee Trees, eradication of Serrated Tussock, and a coastal hazards and flooding project at Scamander.

Weeds control along roads and in townships has been actively pursued, with notable achievements evident at various sites.

Efforts were made to enhance responsible cat ownership and manage cat populations through our communication channels.

The Natural Resource Management Committee also addressed a wide range of environmental issues and conducted site visits for investigation and evaluation.

Climate Change:

Understand, address and evaluate the challenges of climate change in Break O'Day and develop and implement mitigation strategies

We have made solid progress in this new Key Focus Area (KFA) related to climate change. Significant effort was put into collaborating with other Northern Region Councils to develop and implement climate change mitigation and adaptation strategies.

Initial steps towards establishing this partnership approach were successfully completed, laying a strong foundation for the upcoming year.

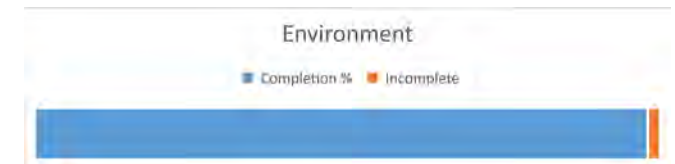
A Climate Action Plan was drafted and adopted after comprehensive workshops with staff across various roles and functions from northern Councils. The plan addresses priorities such as governance, legal liability, risk management, asset management, natural hazards

planning, and more. A three-year partnership investment with regional councils for these climate change initiatives has been secured

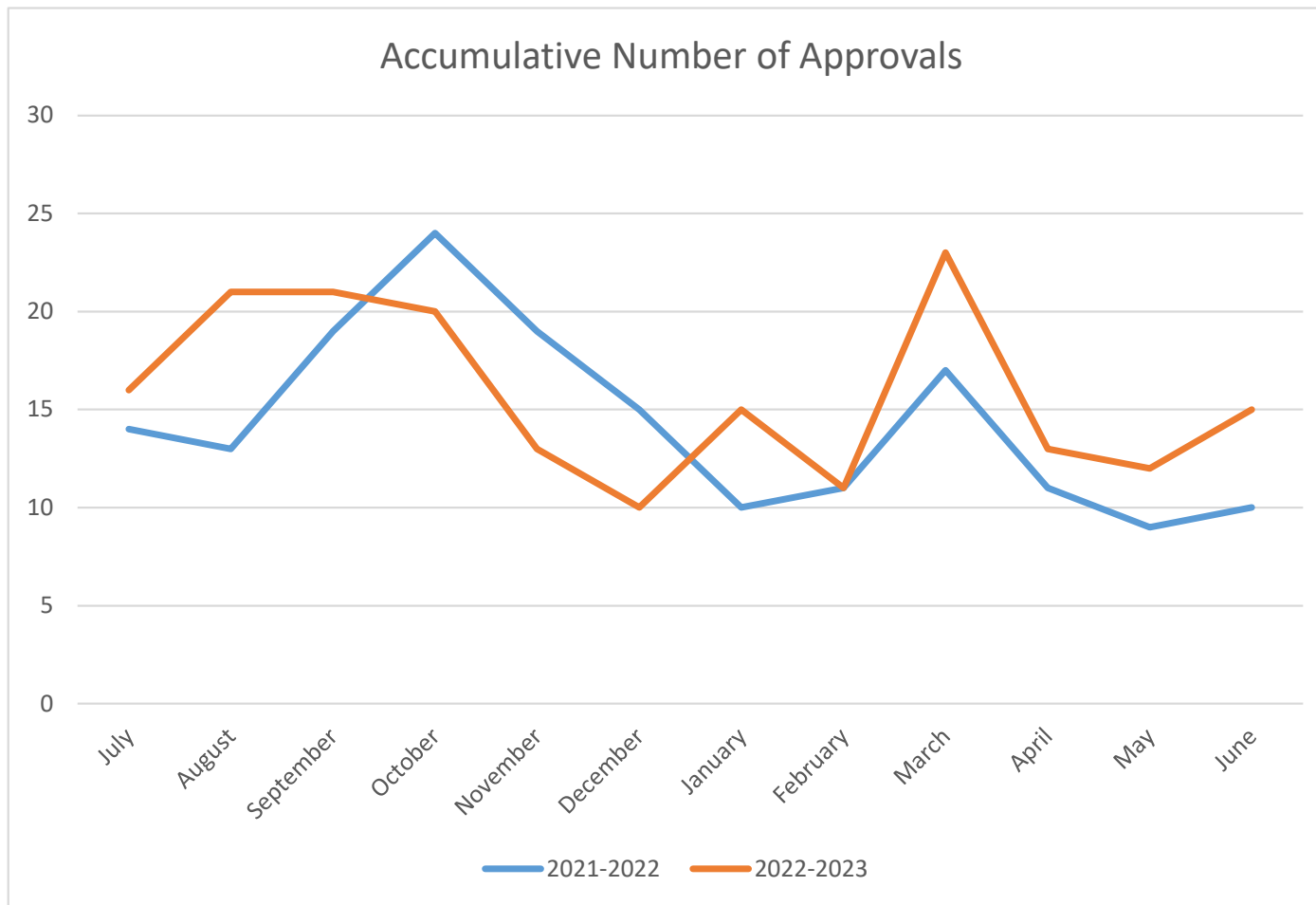
Implementation of the plan will be supported by the Regional Climate Change Action Program in 2023/2024. The Council is also in the process of gathering data for emissions reporting and analysis as an organisation.

A funding agreement for the Scamander River Coastal Hazards Risk Mitigation and Pathways Planning project is pending approval.

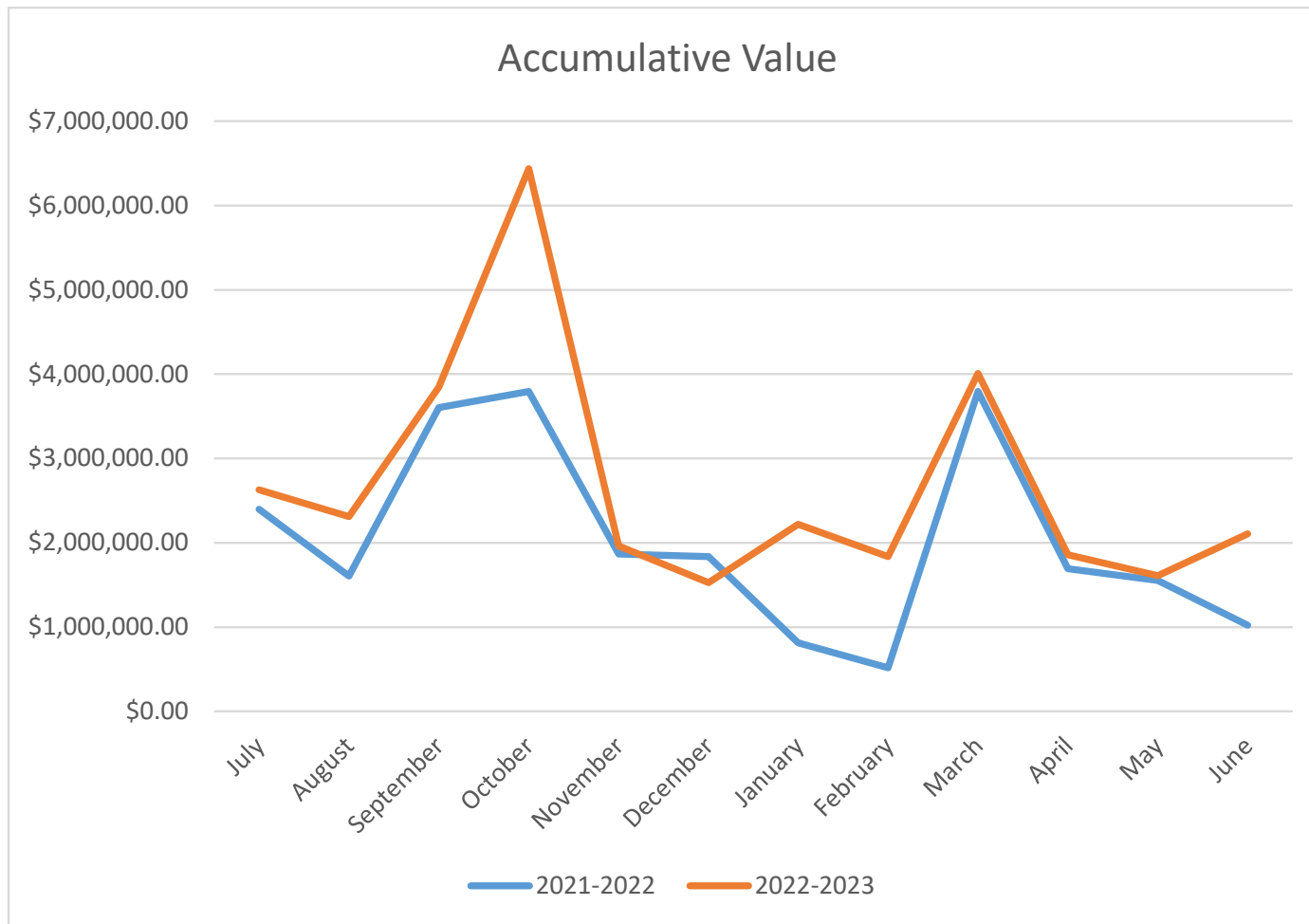
Environment – 98%
Strategies – 4
Key Focus Areas – 3
Activities – 19



The Below graph shows the number of Building Approvals Council has processed over the financial Year.



The Below graph shows the value of Building Approvals Council has processed over the financial Year.



Council's Proactive Measures Toward Climate Change and Sustainability

In an era defined by environmental challenges, local councils play a pivotal role in their communities, ensuring they are on the journey to a more sustainable future. We have a leadership role in this space and have taken significant steps as an organisation this financial year to address climate change and embrace sustainability.

One of the Council's initiatives has been the implementation of renewable energy sources. Solar panels now adorn some of our municipal buildings, harnessing the power of the sun to generate clean electricity. This not only reduces our carbon footprint but also sets an encouraging precedent for residents and local businesses.

Furthermore, the Council has started replacing our work vehicles, where possible with more efficient and eco-friendly models, like the Toyota RAV hybrid.

Our Council takes pride in our recycling programs and the cleaning and sorting residents do for them. By providing convenient and accessible recycling facilities, we aim to divert as much waste away from landfills as possible. This initiative not only minimizes our environmental impact but also contributes to a circular economy, where resources can be repurposed rather than discarded. We continue to share educational information with our community on reducing household waste in an effort to see recycling efficiency increase and waste going to landfill reduce more.

In times of crisis, the Council has demonstrated its commitment to climate resilience. We already have leading flood risk data and mitigation strategies and projects underway. Council has embarked, along with the Northern Tasmanian Alliance of Resilient Councils partnership, on a plan of climate change actions, so our community is equipped to face the challenges posed by a changing climate. We are committed to safeguard the well-being of our residents and climate resilience of the municipality.

The challenges of climate change and future sustainability are big, complicated and urgent - we are taking a steady and multifaceted approach in a forward-thinking commitment to our community and the planet. Through less non-renewable energy consumption, transforming transportation, climate adaptation planning, educational programs, reduce/reuse/recycling efforts, business engagement, and fostering climate resilience, we are proud to lead the way towards a greener future.



Fonzie the Serrated Tussock, weed detection dog in action in BOD with his handler.

4. Infrastructure - 73.25% Complete

To provide quality infrastructure which enhances the liveability and viability of our communities for residents and visitors.

Strategies

1. Be proactive infrastructure managers by anticipating and responding to the growing and changing needs of the community and the area.

2. Work with stakeholders to ensure the community can access the infrastructure necessary to maintain their lifestyle.

3. Develop and maintain infrastructure assets in line with affordable long-term strategies.

Community Facilities

Provide community facilities that encourage participation and supports the lifestyle of residents and growing visitor numbers

Progress in this Key Focus Area (KFA) has been notable, particularly with the development and adoption of the Georges Bay Activation Strategy. This framework is crucial for future infrastructure around the Bay. It also serves as a starting point for a comprehensive examination of the St Helens Foreshore area, which will continue next year.

The St Helens Sports Complex Draft Master Plan Community Feedback document was completed and adopted, leading to a clear path for future development.

Community engagement for projects in St Marys and Fingal's community shed was completed, with planning approval received. Construction and tender documentation are in progress, and the Fingal playground project location is under review for further community consultation.

Towns

Create townships that are vibrant and welcoming through improvements to infrastructure such as streetscapes, parking, safety and signage.

Construction in this Key Focus Area (KFA) proceeded as planned. However, the completion of Car Parking Strategies for St Marys and St Helens faced delays due to resource limitations. To address this, external assistance will be sought next financial year.

The Cecilia Streetscape project, funded by the Local Roads and Community Infrastructure Program, is nearing completion. The project involved various civil works for street improvements, with some final touches scheduled for July 2023.

Plans for further Cecilia Street upgrades and stormwater system are under consideration, with community engagement and design finalisation for the next financial year.

Recreational Facilities

Support an outdoor, active and healthy lifestyle for residents and visitors through a range of recreational facilities including walking trails, bike trails and other identified infrastructure.

Significant progress was made in this Key Focus Area (KFA), notably the completion and adoption of the Recreational Trails Strategy. However, the St Helens to Binalong Bay link project requires further attention and will be prioritised in

the 2023-2024 year. The project aims to construct a pathway between Binalong Bay and the existing footpath near Bayview, connecting to St Helens. Current cost estimates are being updated for the shovel-ready stage in 2023-2024.

The Aquatic Centre investigation commenced towards the end of the year and is set to play a prominent role in the upcoming year. Council has laid out a project methodology and established a community working group for the investigation of an Aquatic Facility.

Community working groups were established for pumptrack development in St Helens and at the Flagstaff MTB Trailhead. Surveys and briefs are in progress for these projects, with construction expected by late 2023.

Roads and Streets

Develop a well maintained road network that recognises the changing demands and requirements of residents and visitors.

The year saw a significant focus on finding an alternative route to St Marys Pass and progress was made in collaboration with the State Government.

The October 2022 floods disrupted the municipality, leading to the closure of St Marys Pass for several weeks.

This resulted in increased traffic on alternative routes, impacting travel times. Council proactively communicated with the Department of State Growth regarding remediation efforts.

Council received funding for upgrading the junction of Medea and Circassian Street, St Helens, including a roundabout and pedestrian facilities. Design work is in progress, and construction is anticipated in early 2024.

Two road safety projects were submitted to the State for funding but were not successful; discussions with State Growth aim to enhance future submissions.

Limited progress was made in certain areas due to resource allocation to flood recovery efforts. Council will seek additional resources to advance pending actions.

Waste Management

Provide access to affordable services and facilities that foster a circular economy approach to Waste Management.

In the past year, Break O'Day Municipality focused on waste management, notably with the approval of a new Inert Landfill at Scamander.

Efforts were made to educate the community on reducing household waste through initiatives like embedding the Recycle Coach App on the website, promoting it with QR codes, and implementing a Plastic Free Policy.

The St Helens Inert Landfill Plan received approval from the EPA, and measures to minimize landfilling of inert waste were successful. The Council also collects various recyclables and explored options for handling materials like plasterboard sheeting and clean fill.

The upcoming container refund scheme, set to launch in 2023, is anticipated to boost recycling efforts.

Adjustments were made to the Single Use Plastics Policy to enhance event planning.

Infrastructure – 73.25%

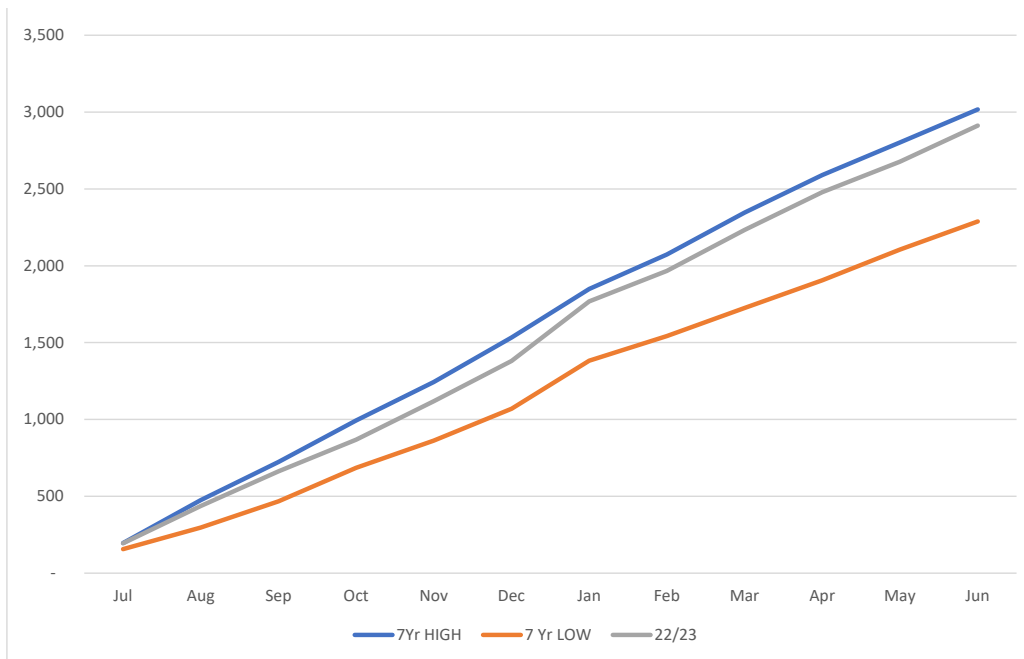
Strategies – 3

Key Focus Areas – 5

Activities - 26



General Waste to Landfill

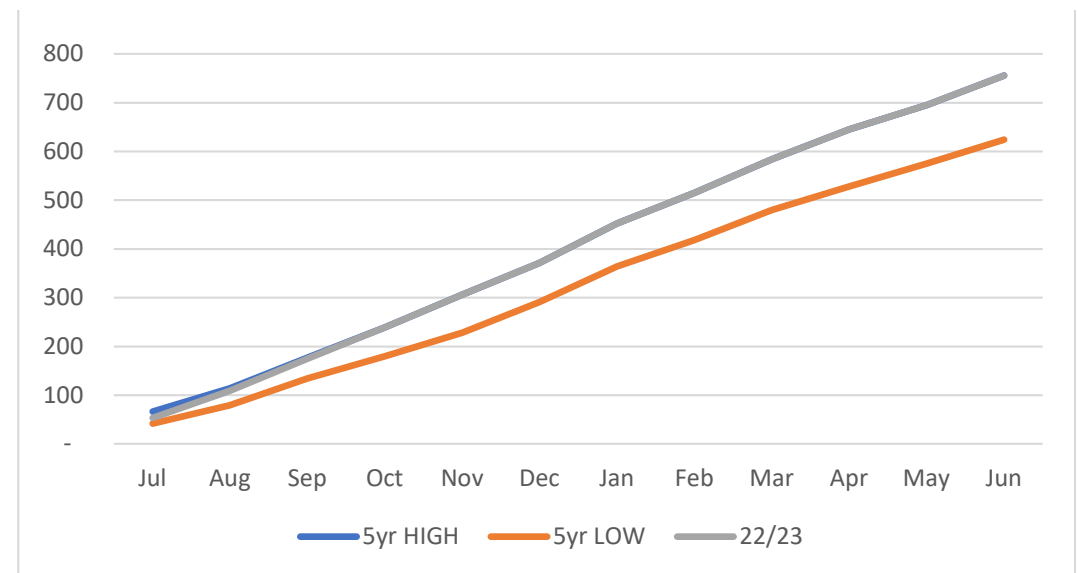


Kerbside Co-mingled Recyclables

Break O'Day's municipal recycling collection has now reached the five year high.

The quantity of kerbside co-mingled recyclables is increasing year on year. This is good news and expected given:

- Our ongoing education campaign, increased community awareness
- Increased demand for the service as a result of new subdivision housing developments



Georges Bay Activation Strategy - Planning for the future

This financial year we completed the Georges Bay Activation Strategy. The Strategy aims to create an accessible, diverse, and flexible network of public foreshore spaces for all to enjoy.

Our vision for the strategy is: 'We envisage a network of public foreshore spaces connected by the Georges Bay Trail that are accessible to all, are well provisioned with diverse recreation facilities and are flexible in supporting new opportunities and responding to challenges.'

The guiding principles of the strategy are:

1. Accessible- Our foreshore is connected, easy to navigate, safe, and welcoming for everyone;
2. Diverse - Our foreshore supports diverse use for an active, vibrant, and connected community; and
3. Flexible - Our foreshore is flexible, supporting new opportunities and responding to challenges.

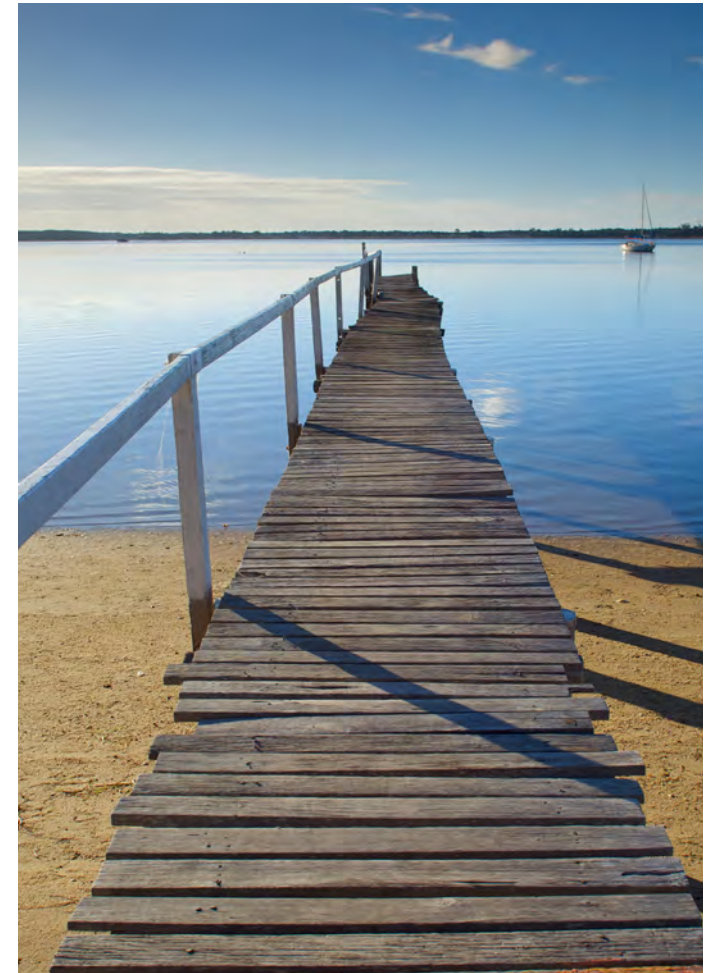
The strategy covers eight public spaces including Moulting Bay, the Bird Viewing Platform, St Helens Foreshore, Beauty Bay, Kirwan's Beach, Lions Park, O'Connor's Beach, and Stieglitz Foreshore. One of the first steps in developing the strategy was to undertake community consultation so we could understand how users use the various recreation areas as well as what their vision for these spaces are. We received 161 responses to our online and hardcopy survey and this feedback was pivotal to developing the strategy.

Based on the community's feedback on how these spaces are used, a three level, hierarchy was developed that broke the foreshore sites in to either a Destination, District or Local Area. We then looked at what infrastructure was already in place and what further infrastructure would support the primary and secondary uses of the space.

By understanding the hierarchy and what it was or is primarily used for by the community, we then developed a Strategic Action list for each location and determined whether the activity was High, Medium or Low priority.

The Georges Bay Activation Strategy was officially endorsed at the March 2023 Council meeting and you can find a copy on our website under Council Strategies/Plans and Documents.

Georges Bay is an iconic feature of St Helens



5. Services - 100% Complete *To have access to quality services that are responsive to the changing needs of the community and lead to improved health, education and employment outcomes.*

Strategies

- 1. Improve accessibility to a range of quality services and programs by advocating and pursuing for local delivery.**
- 2. Work collaboratively to ensure services and service providers are coordinated and meeting the actual and changing needs of the community.**
- 3. Ensure Council services support the betterment of the community while balancing statutory requirements with community and customer needs.**

Youth

Understand the needs of Break O'Day young people to better support and advocate for them.

The development of a Youth Strategy has been a focal point this year, with a co-design process initiated and a roadmap established for its further development.

Youth activities have progressed as planned, with Council officers collaborating with local groups to facilitate meetings and events. Quarterly Youth Network Meetings were co-hosted, and the Council engaged in the Live4Life partnership to support youth peer support programs.

A \$1000 grant from the Tasmanian Government for a Youth Week event, Scooter Jam in St Marys, was received and rescheduled to 13 August 2023.

The THRIVE committee, while not presently meeting, has subcommittees in operation, such as the mentoring program led by the school and the community garden overseen by the St Helens Neighbourhood House. Despite formal meetings ceasing, the connections and knowledge gained continue to be shared informally.

Health and Mental Health

Improve health and mental health outcomes by ensuring programs reflect community needs and are accessible and inclusive.

Council's activities in this Key Focus Area (KFA) have progressed as planned, particularly in collaboration with other organisations.

In the latter part of the year, Council became directly involved in addressing challenges faced by Dr. Cyril Latt in St Marys and the provision of health services in the area. The situation with Dr. Cyril Latt has been a significant community and Council concern, leading to engagements with various stakeholders for a sustainable resolution.

Council staff engaged with the Royal Flying Doctors Service (RFDS) to ensure service delivery aligned with community need.

Council actively participates in Mental Health Networks, including the Suicide Prevention Trial and Mental Health Professionals Network meetings. They host a quarterly Health and Social Services Network, reaching 80 subscribers through an e-newsletter.

Education & Skills Training

Improve employment pathways and outcomes and greater personal development through delivery of programs locally which meet the needs of Industry and the community.

Council’s focus on employment-related activities, particularly through Break O’Day Employment Connect, has progressed as planned.

In the early part of the fiscal year, efforts were directed towards delivering hospitality training along the East Coast to meet industry demands.

The Break O’Day Employment Connect team collaborated with the Break O’Day Trade Training Centre to develop an industry survey, gathering insights on existing workforce needs and future employee requirements. This data will aid in advocating for locally delivered training programs.

From April 2023, Break O’Day saw successful delivery of 13 training courses, encompassing various fields from Hospitality to Employment Services, Forklift, first aid, life skills, Leadership and Management, and Mental Health First Aid.

While progress has been made through the Trade Training Centre, there are ongoing challenges in ensuring effective on-ground delivery.

Access and Inclusion

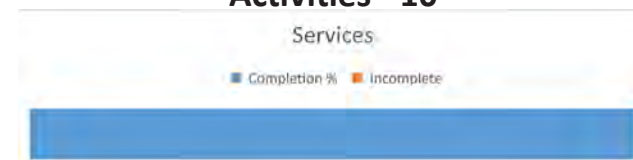
Foster a culture of inclusion within our community by facilitating equitable access to opportunities, information and services

Council’s efforts in access and inclusion have progressed according to plan. Community Services staff ensure that access and inclusion considerations are integrated into all activities and events hosted by Council. This covers aspects like promotional design, facilities selection, and risk management.

To be more inclusive, the Disability Access Committee has been renamed the Access and Inclusion Advisory Committee, ensuring that all members of the community, especially those facing disadvantages, have equal opportunities.

The network of Health and Social Services has been revitalised, holding quarterly meetings with guest speakers and an expanding membership, and an e-news is circulated to 80 subscribers to share insights and opportunities.

Services – 100%
Strategies – 3
Key Focus Areas – 4
Activities - 10



Wellbeing Project Update

The Break O'Day Community Wellbeing Project funded by the Tasmanian Community Fund is building on the strengths of the first two years of the program. The project timeline has been extended until June 2025 and the Grant Deed with the Tasmanian Community Fund renegotiated to meet the new project deadline. This opens up more opportunities to continue to build on what is working well and working closely with our community to create and deliver wellbeing outcomes.

Council designed, created and launched a wellbeing website www.wellbeingaction.org. The wellbeing website provides a platform for hosting information about wellbeing training component and the local actions that are being created by local people. The website is also a place to share wellbeing wisdom with more people in our community.

13 people completed the Wellbeing Certificate (training component) delivered by local and visiting wellbeing trainers from July – October 2022. Local projects designed include a women's surfing group, a set of playful cards encouraging people to explore their community, a wellness directory, workshops to help people develop resilience skills, a gratitude tree for collecting and sharing community gratitude messages, and more. These projects are at varied stages of implementation.

After the 2022 round of training the Wellbeing Certificate was redesigned to a face-to-face 8 week program with simplified, locally informed training modules.

The Festival of Wellbeing on 6 October 2022 was a highly successful community event that saw 60 contributors involved in creating a Wellbeing Day in Break O'Day together. Approximately 450 people took part in the day. The Festival was a finalist in the 2023 Super Spirit Business Excellence Awards in the category of Exceptional Event.



Have you seen the boomerang bags in the local supermarkets? these are some of the lovely volunteers who make them



Grant Funding

The below table shows grant funding per project for the 2022-2023 FY.

Project	Grant funding	Funding body
Learner Driver Mentor Program - Get in2 Gear	\$ 21,212	Learner Driver Mentor Program 2022-2023
Festival of Wellbeing - Mental Health Week 2022	\$ 1,800	Mental Health Council - Mental Health Week 2022
Scamander River Coastal Hazards Risk Mitigation and Pathways Planning Project - CERMP	\$165,000	Coastal & Estuarine Risk Mitigation Prog (CERMP)
Circassian Street / Medea Street, St Helens - Install a Roundabout	\$200,000	2022-2023 Black Spot Programm)
Cup of Kindness - Neighbours Every Day Community Grants	\$ 2,000	Neighbours Every Day Community Grants 2023
Health and Wellbeing Community Centre Plan - Healthy Tasmania Fund Lift Local Grant	\$ 22,000	Healthy Tasmania Fund Lift Local Grant

Grant Funding Acknowledgments

We would like to formally acknowledge and thank the grant funding bodies that have supported our projects this financial year – without this funding, many Council projects just simply would not happen.

To receive this funding, there is a lot of work that goes on behind the scenes with staff preparing, researching and drafting comprehensive grant documentation.

This financial year we would like to thank the following for their financial assistance:

- Learner Driver Mentor Program 2022-2023
- Mental Health Council - Mental Health Week 2022
- Coastal & Estuarine Risk Mitigation Prog (CERMP)
- 2022-2023 Black Spot Programme
- Neighbours Every Day Community Grants 2023
- Healthy Tasmania Fund Lift Local Grant

Financial Assistance Grants to Local Government

Break O'Day Council received approximately \$34 million in Financial Assistance Grants (FAG's) this financial year from the Federal Government. We would like to express our appreciation for this funding.

This funding is of vital importance to Council and our community because:

- It is a significant source of funds; and
- Unlike many other grants and subsidies, it is "untied", that is, Council has complete flexibility to use these funds to achieve identified priority outcomes.

Council utilises these funds in many ways to protect and maintain assets and infrastructure within the community:

- Capital and major maintenance works on Council owned/managed built facilities, eg halls, toilet blocks, BBQ facilities, etc.
- Undertake road and street upgrades, streetscape works, footpaths, etc in townships.
- Bridge replacement programs.

Federal Funding Opportunities

In addition to the Federal Financial Assistance Grants we also received Federal funding through the Local Roads and Community Infrastructure Program and the Roads to Recovery funding stream.

Projects completed with this funding include:

Local Roads and Community Infrastructure Program:

- North Ansons Bay Road, Ansons Bay, Tasmania.
- Cecilia Street, St Helens, Tasmania:
- Medeas Cove Esplanade, St Helens, Tasmania:
- Mount Paris Dam Road and William Street, Weldborough, Tasmania:
- Young Street Footpath
- Grant Street Pathway, Falmouth

Roads to Recovery

- Nth Ansons Bay Road
- Upper Scamander Road
- Mathinna Plains Road
- Cecilia Street Intersection
- St Columba Falls Road

Thank you

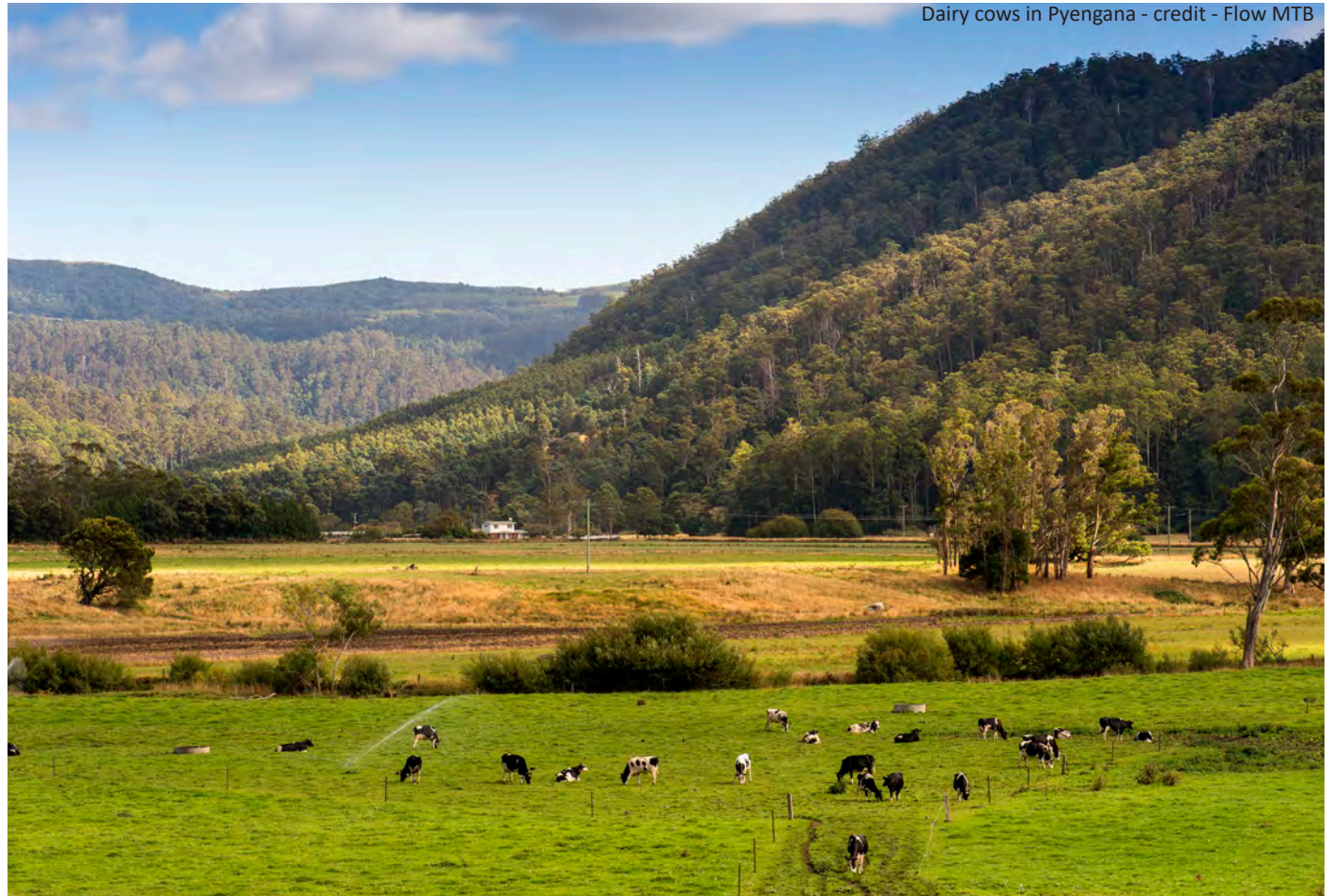
Break O'Day Council's Land Use Planning Schemes: Fostering Sustainable Growth

This financial year, a substantial amount of work and resourcing went towards the development of the Break O'Day Local Provisions Schedule (LPS). This work ensures land use planning within our municipal area can effectively transition to the state wide, Tasmanian Planning Scheme. These schemes are instrumental in guiding the growth and development for our area specifically and ensures that future development aligns with the community's long-term vision while preserving our natural and cultural heritage.

The development of our LPS was a meticulous process that saw stakeholders, including community providing their input for our municipality's future. This collaborative approach ensures the LPS reflects the aspirations and needs of our community.

One goal of the LPS was to strike a balance between urban development and the preservation of natural landscapes. The council identified key areas suitable for growth while safeguarding ecologically sensitive zones and heritage sites. By delineating specific zones for residential, commercial, and recreational purposes, the LPS will provide clear guidelines for land use and development in to the future.

The Draft LPS also includes identifying areas suitable for commercial and industrial activities. This aims to future proof our commercial sector as well as attract businesses and investment, to stimulate economic growth.



Dairy cows in Pyengana - credit - Flow MTB

Legislated Requirements

Contributions and Requirements

Organisation / Group	Project	Amount received
St Helens Game Fishing Club event	Annual Support	\$2,000
St Marys Community Car & Bike Show	Annual Support	\$2,000
Suicide Prevention	Annual Support	\$1,000
Park Run	Council Support	\$2,000
Break O'Day Business Enterprise Centre - Directory	Annual Support	\$2,000
Break O'Day Business Enterprise Centre	Annual Support	\$25,454
The Portland Endurance Club	Annual Support	\$500
Department of Police, Fire and Emergency Services – Break O'Day SES Units	Annual Contribution	\$17,000
East Coast Masters Tournament	Council Support	\$2,500
St Helens District High School	Presentation Day	\$500
St Marys District School	Presentation Day	\$500
Melythina Tiakana Warrana	Mannalargenna Day	\$2,500

St Helens Athletics Club	Annual Support	\$2,500
North Eastern Axemens Association	Annual Support	\$5,000
Bay of Fires Arts Association	Annual Support	\$14,000
St Helens Marine Rescue	Annual Support	\$3,000
St Helens Surf Angling Club	Annual Support	\$1,000
Suncoast Pony and Riding Club	Endurance Ride Event	\$500
St Helens Online Centre	Council Support	\$3,000
St Helens Croquet Club Inc	Council Support	\$1,900
StemForGirls	Council Support	\$4,000
Georges Bay Dragon Boat Club Inc	Council Support	\$8,000
St Helens Surf Angling Club	Annual Support	\$1,000
Cornwall Community Development Group Inc	Council Support	\$495
North East Bioregional Network (NEBN)	Council Support	\$5,400

Rates and Charges

- Rate remissions/donations provided by Council: \$69,239.39 (inc. commercial relief)
- Pensioner Rebates funded by State Government: \$461,372.49

Donation of Land Statement

Section 72(1)(da) of the Local Government Act 1993 requires Council to report on details of any land donated by Council during the year.

NIL. No donations were made during the 2022-2023 Financial Year.

Enterprise Power Statement

Under Section 72 (1)(ca) of the Local Government Act 1993 the council is required to report on exercising of enterprise powers relating to the formation and operation of corporations, trusts, partnerships or other bodies (Section 21).

The Council is an initial member and shareholder of Northern Tasmanian Development Corporation Ltd (NTDC). NTDC is a not-for-profit public company limited by guarantee. The primary objectives of the NTDC are to:

- provide pro-active, engaged and strategic regional economic leadership;
- consolidate an agreed vision for the development, sustainability and prosperity of the geographic region that the Organisation's Members encompass;
- and implement a strategic economic action plan based on the Northern Regional Futures Plan framework or similar; and.
- to provide effective representation and advocacy to State and Federal Government and other stakeholders.

The organisation will effect direct and material economic, employment, and investment outcomes, and contribute indirectly to social and community benefits as a consequence of NTDC achieving the objectives that it has been set up to achieve.

Council's shareholding is based on annual funding contributions calculated using a formula based on municipal population. Council's annual membership fee for 2022-2023 was \$28,648.74.

Code of Conduct Complaints

During the 2022-2023 Financial Year there were **NIL** Code of Conduct complaints received or referred to the Local Government Division, hence there being no financial cost incurred by Council.

Right to Information

Council received **ONE** request for information under the Right to Information Act 2009.

Public Interest Disclosure Statements

Current public interest disclosure procedures are available in Council's Policy LG30 – Public Interest Disclosure which can be viewed or downloaded from Council's website, under My Council, Policies.

Disclosures during 2022-2023

The number and types of disclosures made to Break O'Day Council during the year and the number of those disclosures that the Council determined to be public interest disclosures – **NIL**.

The number of disclosures determined by Break O'Day Council to be public interest disclosures that it investigated during the year - **NIL**

The number and types of disclosed matters referred to Break O'Day Council during the year by the Ombudsman - **NIL**

The number and types of disclosed matters referred during the year by Break O'Day Council to the Ombudsman to investigate - **NIL**

The number and types of investigations of disclosed matters taken over by the Ombudsman from Break O'Day

Council during the year - **NIL**

The number and types of disclosed matters that Break O'Day Council has decided not to investigate during the year – **NIL**

The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation - **NIL**

Any recommendations of the Ombudsman under this Act that relate to Break O'Day Council – **NIL**

Remuneration Statement

The following table provides the remuneration for those positions designated by Council as senior positions as required under the Local Government Act 1993. The positions of General Manager, Corporate Services Coordinator, Business Services, Manager Infrastructure and Development Services, Manager Community Services and Building Services Coordinator, Works Operations Manager have all been defined as senior positions by Break O'Day Council.

The Remuneration Band Positions	Number
\$10,000 - 30,000 (Fixed term)	1
\$110,001 - \$130,000	2
\$130,001 - \$150,000	2
\$150 001 - \$170 000	2
\$250 001 – \$270 000	1

Contracts and Tenders

The following contracts/tenders were awarded during 2022 - 2023 with a value greater than \$50,000.

Description	Period of Contract	Value Ex GST	Name	Address
Contract 030\001\137 2022/2023 - Bituminous Surfacing Program	December 2022 - March 2023	Road Sealing - \$307,694.96 New Sealing - \$187,554.05	Crossroads Civil Contracting Pty Ltd	Rocherlea, Tas
Contract 030/001/140 Bridge 1605 Replacement – Design & Construct	February 2023 – June 2023	\$212,790	Tasmarine Construction	Howden, Tas
Contract 030\001\139\ Bulk Waste Transport Services	July 2023 - June 2028	\$249,480 + Fuel adjustment (Monthly rise and fall factor.)	QUBE Ports Pty Ltd	Sydney, NSW

Public Health, Environmental Monitoring and Reporting

Public Health Statement

Responsibility for carrying out the legislative requirements of the Public Health Act 1997 and the Food Act 2003 and the Environmental Management and Pollution Control Act 1994 lies with the Development Services Department. Council officers principally dealing with Public Health Matters includes Councils Environmental Health Officer (0.4FTE) and Councils Natural Resources Management Officer (0.6FTE).

Functions carried out under the Public Health Act 1997

Recreational Water Quality

The Public Health Act 1997, Recreational Water Quality Guidelines require Councils to monitor popular recreational swimming waters from December 2022 to March 2023.

Type of sampling conducted: Bacteriological – indicator organisms Enterococci/100ml .

The Guidelines are concerned with the public health and safety of recreational water from a health point of view and are intended to protect public health. Analyses results for all sites indicate good water quality that is safe for public swimming.

* Enterococci /100ml # Recreational Water Quality class (from Tasmanian. Guidelines)

Recreational Water	5 Dec. 2022		20 Dec. 2022		10 Jan. 2023		6 Feb. 2023		14 Mar. 2023	
	Ente*	Rec. WQ#	Ente*	Rec. WQ#	Ente*	Rec. WQ#	Ente*	Rec. WQ#	Ente*	Rec. WQ#
Grants Lagoon mouth A	<10	Good	31	N/A	N/A		N/A		N/A	
Grants Lagoon mouth B	N/A		N/A	Good	60	Good	<10	Good	10	Good
Grants Lagoon footbridge	20	Good	10	Good	<10	Good	<10	Good	<10	Good
Grants Lagoon (camp ground)	10	Good	<10	Good	<10	Good	<10	Good	<10	Good
Beauty Bay	10	Good	10	Good	10	Good	30	Good	<10	Good
Yarmouth Creek	110	Good	10	Good	130	Good	<10	Good	20	Good
Wrinklers Lagoon	40	Good	20	Good	<10	Good	10	Good	60	Good
Scamander River mouth	<10	Good	<10	Good	80	Good	30	Good	10	Good
Henderson Lagoon	70	Good	<10	Good	30	Good	50	Good	30	Good
Denison Rivulet	10	Good	<10	Good	<10	Good	10	Good	20	Good

Immunisations

Programs were conducted for children in Grade 7 and 10, in addition to any catch-up required by the Department of Health and Human Services.

In 2022-2023 a total of **114** children were vaccinated and a total of **118** vaccines administered.

Public Health Risk Activities

Registration of premises in which a public health risk activity is conducted – **4**

Licences issued to persons to undertake a public health risk activity - **4**

Place of Assembly Licences

Licences issued - **1**

Private burial

Approvals issued - **NIL**

Sharps Exchange

Council has a Sharps Collection bin at the Council Office located at 32-34 Georges Bay Esplanade, St Helens.

For the 2022-2023 period a total of 79 containers were exchanged within the community

Functions Carried out under the Food Act 2003

Councils are required to assign a Priority risk-category to each food business. There are five categories, ranging from the highest risk P1, through P2 and P3, to the lowest risk categories of P3-N and P4. Council registered the following number of food businesses:

- P1 registered 34
- P2 registered 72
- P3 registered 16
- P3 N. Low risk only require notification, not registration. 14
- A total of 136 food businesses are registered, 30 of which are Mobile food businesses.

Food business complaints:

No written complaints received. Council has received the occasional verbal complaint which were investigated and actioned appropriately.

Food premises plans assessments and occupancy Reports

- Environmental Health Officer Report (Form 49) = **2**
- Environmental Health Officer Occupancy Report form (Form 50) = **2**

Nuisance (Smoke & Noise)

All complaints relating to smoke, noise and waste management were investigated and managed in accordance with the requirements of the Local Government Act 1993 and the Environmental Management and Pollution Control Act 1994, and relevant regulations there under.

Caravan Licences

253 licences were issued.

Onsite Wastewater Compliance

All residential and commercial developments that require on-site wastewater management systems were assessed for compliance with the Australian/New Zealand Standard AS 1547:2012 and the Building Act 2016 Director's Guidelines for On-site Wastewater Management Systems.

Consent to install all approved designs was provided. Also provided planning advice to comply with the code requirements of the Break O'Day Planning Scheme 2013.

Any instances of on-site wastewater system failures were investigated and resolved through compliance requirements.

Break O'Day Council's Saving Measures

In this time of economic uncertainty and rising costs, local governments across Australia are continually seeking innovative ways to maximise financial efficiencies while still providing essential services to their communities. Recognising the need for fiscal responsibility, we implemented a series of strategic measures that have not only safeguarded our financial stability but has also enhanced our ability to invest in critical community projects.

One of our key strategies was a rigorous review of expenditure across all departments. Through careful scrutiny of budgets and expenses, we were able to identify areas where cost efficiencies could be achieved without compromising service quality. This exercise led to the streamlining of operations, resulting in significant savings of more than \$40,000.

Some of the cost saving activities include:

- Reviewing our banking activities to look for day-to-day banking savings as well as better returns on our investments
- Moving to Tas. Petroleum who offer better value fuel
- Moving from hard copies to soft where possible to save printing costs
- Examining our procurement practices

By consolidating purchasing processes and negotiating contracts with suppliers, we were able to leverage our buying power, securing better deals for essential goods and services. This approach not only reduced costs but also fostered stronger relationships with local businesses, stimulating economic growth within the community.

In addition to these measures, we actively sought opportunities for collaboration with neighboring councils and other government and non-government agencies. By pooling resources and expertise, we were able to jointly deliver services and infrastructure projects, ultimately reducing the financial burden on all parties involved.

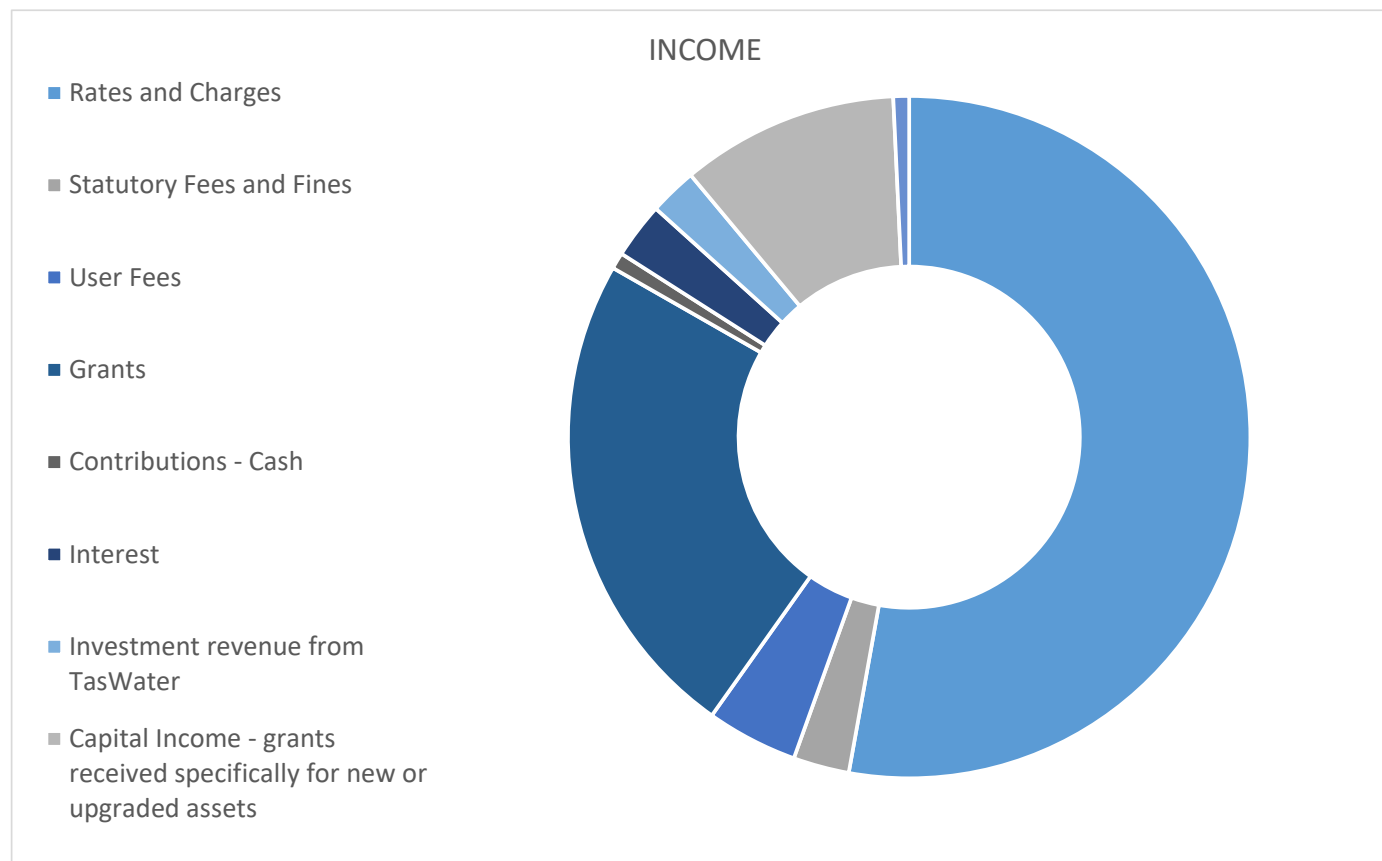
Families enjoying the nature based playground at Lions Park, St Helesn



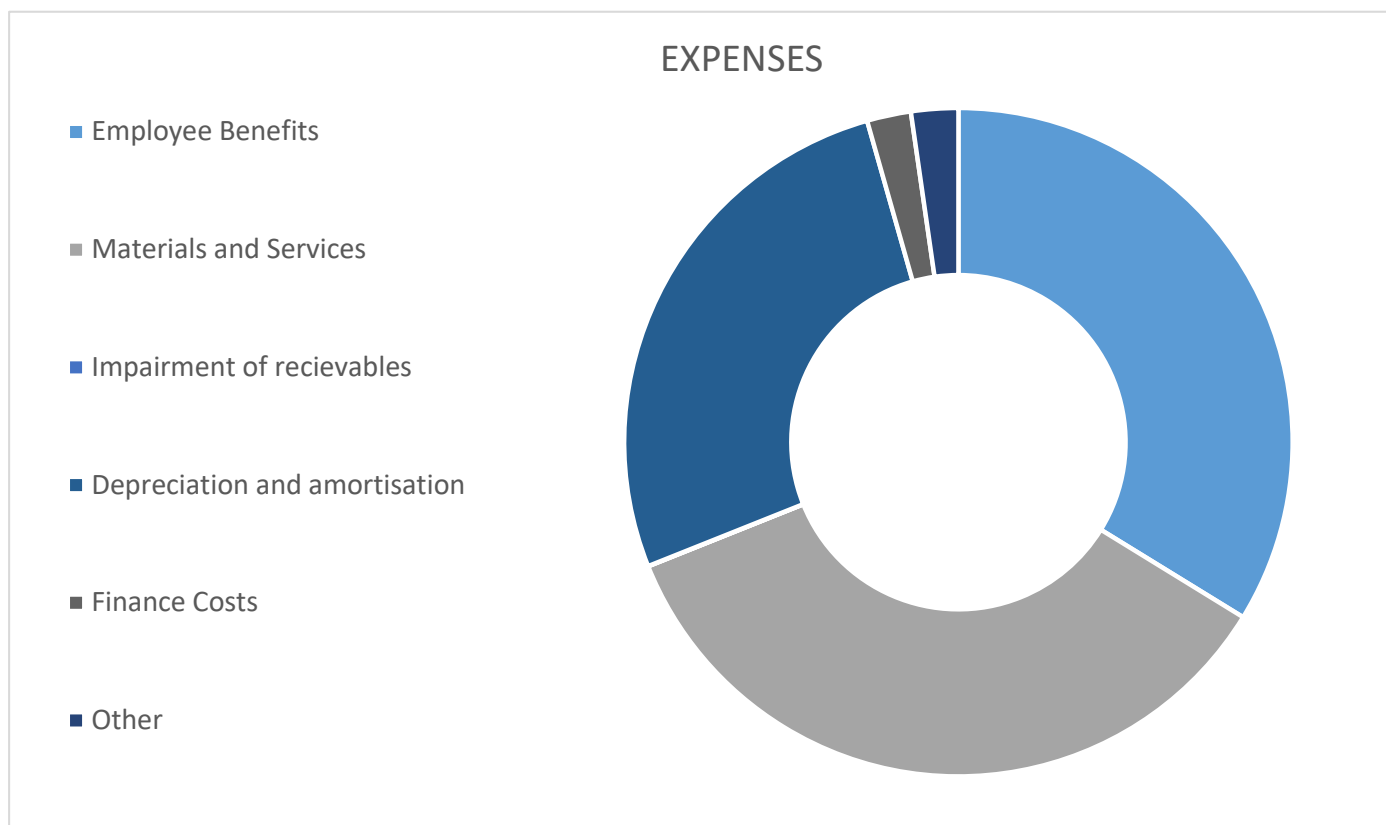
Financial Snapshots

The following financial snap-shots have been taken directly from the financial statements following.

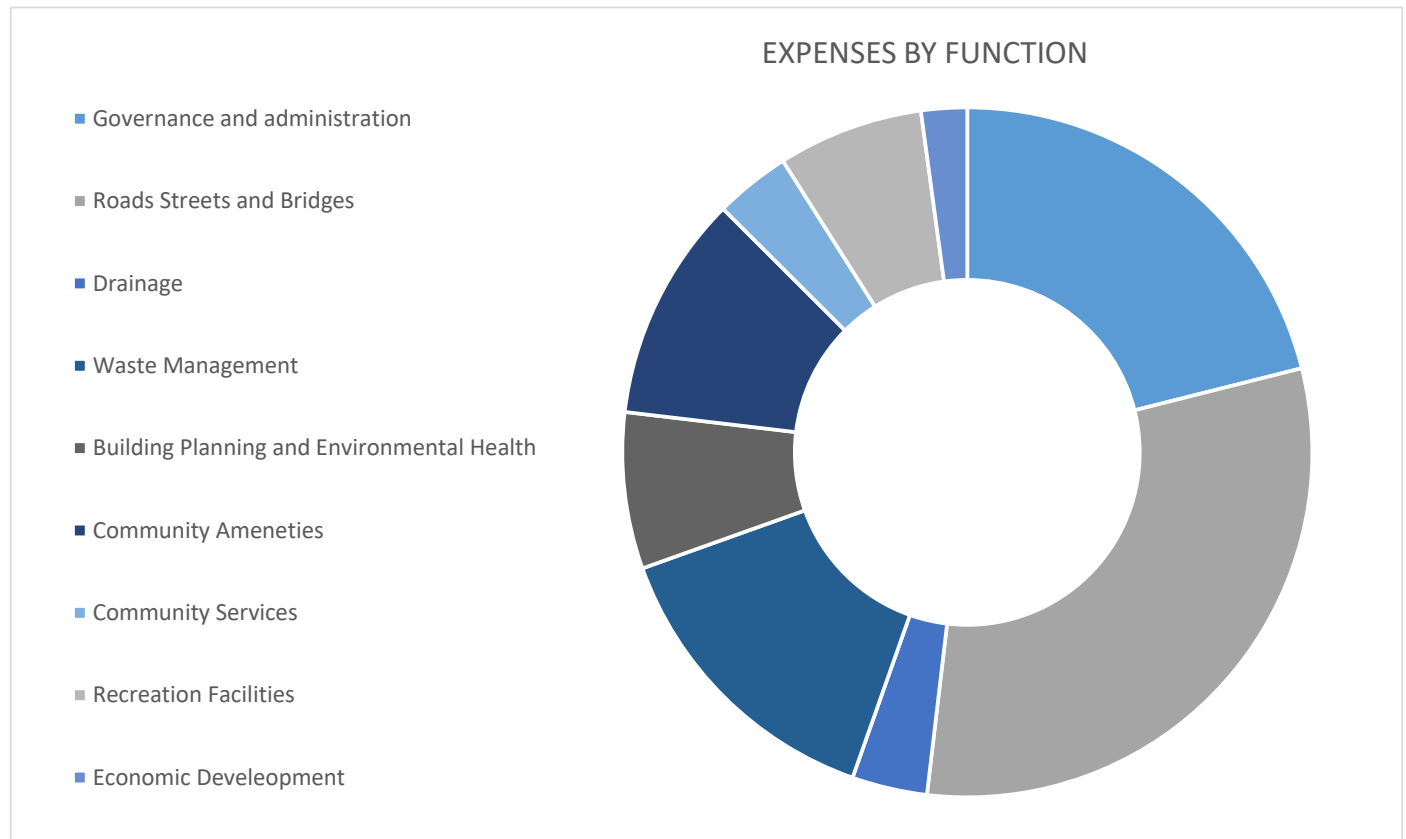
Income \$	
Rates and Charges	10,902,000
Statutory Fees and Fines	547,000
User Fees	893,000
Grants	4,837,000
Contributions - Cash	160,000
Interest	546,000
Investment revenue from TasWater	466,000
Capital Income -grants received specifically for new or upgraded assets	2,128,000
Other	154,000



Expenses \$	
Employee Benefits	5,810,000
Materials and Services	6,050,000
Impairment of receivables	2,000
Depreciation and amortisation	4,583,000
Finance Costs	366,000
Other expenses	392,000



Expenses by function \$	
Government Administration	3,626,000
Roads, Streets and bridges	5,297,000
Drainage	607,000
Waste Management	2,433,000
Environmental Health and Management, Building and Planning	1,261,000
Community Amenities	1,825,000
Community Services	610,000
Recreation facilities	1,174,000
Economic Development	370,000



Independent Auditor's Report
To the Councillors of Break O'Day Council
Break O'Day Council
Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, nor the asset renewal funding ratio disclosed in note 10.4 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.

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.

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

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

19 September 2023
Hobart

Break O'Day Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2023

**Break O'Day Council
Financial Report
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**Statement of Comprehensive Income
For the Year Ended 30 June 2023**

	Note	Budget 2023 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	10,840	10,902	10,279
Statutory fees and fines	2.2	631	547	649
User fees	2.3	769	893	729
Grants	2.4	2,423	4,837	4,237
Contributions - cash	2.5	20	160	48
Interest	2.6	98	546	118
Other income	2.7	32	154	106
Investment revenue from Water Corporation	2.9, 5.1	465	466	466
		15,278	18,505	16,632
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	4,141	2,128	2,587
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	120	(681)	(4,128)
		4,261	1,447	(1,541)
Total income from continuing operations		19,539	19,952	15,091
Expenses from continuing operations				
Employee benefits	3.1	(5,839)	(5,810)	(5,417)
Materials and services	3.2	(6,128)	(6,050)	(6,523)
Impairment of receivables	3.3	-	(2)	40
Depreciation and amortisation	3.4	(3,919)	(4,583)	(4,115)
Finance costs	3.5	(271)	(366)	(303)
Other expenses	3.6	(246)	(392)	(217)
Total expenses from continuing operations		(16,403)	(17,203)	(16,535)
Result from continuing operations		3,136	2,749	(1,444)
Net result for the year		3,136	2,749	(1,444)
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1	-	1,022	942
Net asset revaluation increment/(decrement)	9.1	-	11,966	23,438
Total Other Comprehensive Income		-	12,988	24,380
Total Comprehensive result		3,136	15,737	22,936

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

**Statement of Financial Position
As at 30 June 2023**

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	6,819	11,813
Trade and other receivables	4.2	1,056	639
Investments	4.3	7,616	-
Inventories	4.4	242	325
Other assets	6.4	3	4
Total current assets		15,736	12,781
Non-current assets			
Trade and other receivables	4.2	14	14
Investment in water corporation	5.1	33,960	32,938
Property, infrastructure, plant and equipment	6.1	193,140	181,797
Intangible assets	6.2	46	71
Right-of-use assets	6.3	792	18
Other assets	6.4	30	30
Total non-current assets		227,982	214,868
Total assets		243,718	227,649
Liabilities			
Current liabilities			
Trade and other payables	7.1	903	1,040
Trust funds and deposits	7.2	742	676
Provisions	7.3	947	874
Lease liabilities	7.4	61	12
Contract liabilities	7.5	1,022	1,290
Interest-bearing loans and borrowings	8.1	408	389
Total current liabilities		4,083	4,281
Non-current liabilities			
Provisions	7.3	766	552
Lease liabilities	7.4	742	18
Interest-bearing loans and borrowings	8.1	5,459	5,867
Total non-current liabilities		6,967	6,437
Total liabilities		11,050	10,718
Net Assets		232,668	216,931
Equity			
Accumulated surplus		43,665	41,046
Reserves	9.1	189,003	175,885
Total Equity		232,668	216,931

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

**Statement of Cash Flows
For the Year Ended 30 June 2023**

	Note	2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		10,669	10,203
User charges and other fines (inclusive of GST)		905	1,352
Grants (inclusive of GST)		4,771	4,316
Contributions (inclusive of GST)	2.5	160	97
Interest received		424	118
Investment revenue from water corporation	2.9	466	466
Other receipts (inclusive of GST)		701	266
Net GST refund/(payment)		518	464
Payments to suppliers (inclusive of GST)		(7,098)	(7,471)
Payments to employees (including redundancies)		(5,619)	(5,354)
Finance costs paid		(270)	(303)
Net cash provided by (used in) operating activities	9.2	5,627	4,154
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(4,691)	(4,737)
Proceeds from sale of property, infrastructure, plant and equipment		86	217
Capital grants (inclusive of GST)		1,935	3,500
Transfers to financial assets.		(7,616)	-
Net cash provided by (used in) investing activities		(10,286)	(1,020)
Cash flows from financing activities			
Proceeds from trust funds and deposits		66	24
Repayment of lease liabilities (principal repayments)		(12)	(11)
Repayment of interest bearing loans and borrowings	9.3	(389)	(1,882)
Net cash provided by (used in) financing activities		(335)	(1,869)
Net increase (decrease) in cash and cash equivalents		(4,994)	1,265
Cash and cash equivalents at the beginning of the financial year		11,813	10,548
Cash and cash equivalents at the end of the financial year	9.4	6,819	11,813
Restrictions on cash assets	4.1		
Financing arrangements	9.5		

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

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

2023	Note	Accumulated Surplus 2023 \$'000	Asset Revaluation Reserve 2023 \$'000	Fair Value Reserve 2023 \$'000	Other Reserves 2023 \$'000	Total Equity 2023 \$'000
Balance at beginning of the financial year		41,046	178,451	(3,145)	579	216,931
Net result for the year		2,749	-	-	-	2,749
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1.9.1	-	-	1,022	-	1,022
Net asset revaluation increment/(decrement)	9.1	-	11,966	-	-	11,966
Total comprehensive income		43,795	190,417	(2,123)	579	232,668
Transfers between reserves		(130)	-	-	130	-
Balance at end of the financial year		43,665	190,417	(2,123)	709	232,668

2022		Accumulated Surplus 2022 \$'000	Asset Revaluation Reserve 2022 \$'000	Fair Value Reserve 2022 \$'000	Other Reserves 2022 \$'000	Total Equity 2022 \$'000
Balance at beginning of the financial year		42,509	155,013	(4,087)	560	193,995
Net result for the year		(1,444)	-	-	-	(1,444)
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1.9.1	-	-	942	-	942
Net asset revaluation increment/(decrement)	9.1	-	23,438	-	-	23,438
Total comprehensive income		41,065	178,451	(3,145)	560	216,931
Transfers between reserves		(19)	-	-	19	-
Balance at end of the financial year		41,046	178,451	(3,145)	579	216,931

The above statement should be read with the accompanying notes.

Note 1 Overview

1.1 Reporting entity

- (a) The Break O'Day Council was established in 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at St Helens, Tasmania
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes, 5.1, 6.1, 7.3, 8.1 and 10.3(d) .

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1.

Landfill and Quarry Rehabilitation

Assumptions and judgements are utilised in determining the projected rehabilitation cost of Council's landfill cells and quarry site, these are discussed in note 7.3.

1.4 Material Budget Variations

Council's original budget was adopted by the Council on 27 June 2022. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

Revenues

1 Statutory fees and fines

Revenue was down \$84,000 (13%) on budget due mainly to a lower than expected level of income from property certificates.

2 User fees

Revenue was up \$124,000 (16%) on budget due mainly to a higher than forecast income from building surveying services and higher than forecast sales from the Visitor Information Centre and History Room.

3 Grants

Operating grants were up \$2,414,000 (100%) on budget due to the early receipt of Commonwealth funding. The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. This year the government decided to pay 100% of 2023-24 Financial Assistance Grants in advance, rather than the usual 50%. The effects of the early receipt of instalments Financial Assistance Grants revenue being above that originally budgeted in 2022-23 by \$3,558,000. With fewer instalments due to be received next year, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

4 Contributions

Revenue income from contributions up \$140,000 on budget due to Council's change in rates for public open space contributions required of developers.

5 Interest

Revenue income from interest up \$448,000 on budget due to higher interest rates.

6 Other income

Revenue from other income up \$122,000 on budget due to reimbursements and other income not included in the budget estimates.

Expenses

1 Depreciation

Depreciation is up \$664,000 (17%) on budget YTD due to indexation of assets resulting in higher depreciation.

2 Finance costs

Finance costs are up \$95,000 on budget primarily due to the unwinding of rehabilitation provisions and accrual of loan interest.

3 Other expenses

Other expenses are up \$146,000 (59%) on budget primarily due to election costs and the cost of the Mangana Cell Tower covered by a grant, auspiced by Council, but not a Council asset.

1.5 Functions/Activities of the Council

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

	Grants 000's	Other 000's	Total Revenue 000's	Total Expenditure 000's	Surplus/ (Deficit) 000's	Assets 000's
Government and administration						
2022 - 2023	2,124	9,606	11,730	3,626	8,104	16,700
2021 - 2022	2,648	4,744	7,392	3,953	3,439	308
Roads, streets and bridges						
2022 - 2023	4,259	(508)	3,751	5,297	(1,546)	133,629
2021 - 2022	3,110	27	3,137	5,476	(2,339)	123,524
Drainage						
2022 - 2023	-	-	-	607	(607)	22,111
2021 - 2022	-	-	-	477	(477)	20,654
Waste management						
2022 - 2023	-	2,774	2,774	2,433	341	1,067
2021 - 2022	-	2,436	2,436	2,408	28	1,153
Building, planning & environmental health						
2022 - 2023	7	871	878	1,261	(383)	50
2021 - 2022	26	864	890	1,631	(741)	26
Community amenities						
2022 - 2023	85	109	194	1,825	(1,631)	6,974
2021 - 2022	8	70	78	851	(773)	3,380
Community services						
2022 - 2023	116	79	195	610	(415)	682
2021 - 2022	89	11	100	458	(358)	626
Recreation facilities						
2022 - 2023	374	(49)	325	1,174	(849)	16,019
2021 - 2022	935	61	996	999	(3)	11,156
Economic development						
2022 - 2023	-	105	105	370	(265)	2,072
2021 - 2022	8	54	62	282	(220)	555
Other - not attributable						
2022 - 2023	-	-	-	-	-	44,414
2021 - 2022	-	-	-	-	-	66,267
Total						
2022 - 2023	6,965	12,987	19,952	17,203	2,749	243,718
2021 - 2022	6,824	8,267	15,091	16,535	(1,444)	227,649

1.5 Functions/Activities of the Council (Continued)

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

	2023 000's	2022 000's
Current assets	15,736	12,781
Non-current assets	227,982	214,868
	<u>243,718</u>	<u>227,649</u>

(c) Governance and administration

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

Roads, streets and bridges

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

Drainage

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

Waste Management

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

Building, planning & environmental health

Environmental health includes disease control, food surveillance, public-use building standards, health education and promotion and water quality. Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

Planning includes the administration of the town planning scheme, subdivisions and urban and rural renewal programs. Building control includes the development and maintenance of building constructions standards and building surveying services.

Community amenities

Operation and maintenance of buildings and facilities and town maintenance services.

Community services

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

Recreation facilities

Operation and maintenance of sporting facilities (includes active and passive recreation and recreation centres), parks, gardens, reserves and cemeteries.

Economic development

Maintenance and marketing of tourist facilities, private works, operation and maintenance of the aerodrome and operation of visitor information centre.

Other - not attributable

Other not attributed elsewhere.

	2023 \$'000	2022 \$'000
Note 2 Revenue		
Note 2.1 Rates and charges		
Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is its estimated gross annual rental value.		
The valuation base used to calculate general rates for 2022-23 was \$114.8 million (2021-22, \$81.85 million). The 2022-23 rate in the AAV dollar was \$0.06352 (2021-22, \$0.08343).		
General Rate	8,043	7,707
Fire Levy	384	375
Waste Management Charge	1,499	1,320
Waste Collection Charges	976	877
Total rates and charges	10,902	10,279

The date of the latest general revaluation of land for rating purposes within the municipality was 29 March 2019, and the valuation was first applied in the rating year commencing 1 July 2019.

Accounting policy

Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Note 2.2 Statutory fees and fines		
Infringements and costs	3	7
Town Planning Fees	250	254
Land information certificates	93	139
Permits	201	249
Total statutory fees and fines	547	649

Accounting policy

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

Note 2.3 User fees		
Waste and garbage	264	239
Health food licences/fees	28	25
Dog registrations and associated revenue	42	41
Building surveying fees	157	45
Commission received	19	19
Facility leases and hall hire	155	132
Private works	21	77
Sale of goods	111	60
Other environmental fees	75	70
Other fees and charges	21	21
Total user fees	893	729

Accounting policy

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

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

Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	6,354	5,883
State funded grants	611	941
Total	6,965	6,824
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants (Untied) - general	519	694
Commonwealth Government Financial Assistance Grants (Untied) - roads & bridges	530	846
Commonwealth Government Financial Assistance Grants (Untied) - in advance	3,558	2,374
Learner Driver	21	21
Wellbeing	92	39
Heavy Vehicle Motor Tax	49	49
Mangana Cell Tower	59	-
Other	9	214
Total recurrent grants	4,837	4,237

	2023 \$'000	2022 \$'000
Note 2.4 Grants (Continued)		
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	697	895
Drought Communities	-	100
Georges Bay Foreshore Multi-User Track	375	-
Local Roads and Community Infrastructure	967	762
Black Summer Bushfire Grants	25	14
State - road safety	65	-
Airport Infrastructure	-	160
Other	(1)	656
Total capital grants	2,128	2,587
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	142	41
Add: Funds received and not recognised as revenue in the current year	23	142
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(92)	(41)
Balance of unspent funds at 30 June	<u>73</u>	<u>142</u>
Capital		
Balance of unspent funds at 1 July	1,148	208
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the current year	214	1,148
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(413)	(208)
Balance of unspent funds at 30 June	<u>949</u>	<u>1,148</u>
Total unspent funds	1,022	1,290

Accounting policy

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

The performance obligations are varied based on the agreement, but include completion of construction milestones and delivery of programs, events and studies.

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

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

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

In both years the Commonwealth has made early payment of the first two quarterly instalments of untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2022-23 by \$3,557,734 (2021-22, \$2,373,988). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

	2023 \$'000	2022 \$'000
Note 2.5 Contributions - cash		
Cash		
Parks, open space, streetscapes and other	160	48
Total	<u>160</u>	<u>48</u>

Accounting policy

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

Note 2.6 Interest		
Interest on financial assets	425	23
Interest on rates	121	95
Total	<u>546</u>	<u>118</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 2.7 Other income		
S137 Unclaimed funds	43	-
Reimbursements	42	14
Fuel credits	20	25
Insurance recoveries	11	56
Other	38	11
Total other income	<u>154</u>	<u>106</u>

Accounting policy

Other income

Other income is recognised as revenue when the payment is due or the payment is received, which ever occurs first.

Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale	86	217
Write down value of assets disposed	(767)	(4,345)
Total	<u>(681)</u>	<u>(4,128)</u>

Accounting policy

Gains and losses on asset disposals

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

Note 2.9 Investment revenue from water corporation		
Dividend revenue received	391	391
Tax equivalent received	75	75
Total investment revenue from water corporation	<u>466</u>	<u>466</u>

Accounting policy

Investment revenue

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

	2023 \$'000	2022 \$'000
Note 3 Expenses		
Note 3.1 Employee benefits		
Wages and salaries	3,916	4,007
Workers compensation	102	106
Leave taken	1,131	744
Superannuation	609	556
Fringe benefits tax	32	34
Staff training, recruitment and conferences	56	66
Uniforms and protective clothing	34	33
Payroll tax	263	242
Other	13	32
	6,156	5,820
Less amounts capitalised	(346)	(403)
Total employee benefits	5,810	5,417

Accounting policy

Employee benefits

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

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

Note 3.2 Materials and services		
Materials and services	913	1,175
Contractor & consultant payments	2,907	3,472
Insurance	200	163
Utilities, telephone & internet	304	278
Leases & licenses	101	128
Land tax	74	62
IT expenses	268	241
Rates discount for early payment	107	105
Rates remissions	69	73
Fire levy	382	373
Plant and equipment maintenance and hire	649	368
Legal fees	76	85
Total materials and services	6,050	6,523

Accounting policy

Materials and services expense

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

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

Note 3.3 Impairment of receivables		
Other debtors	2	7
Recoveries of previous bad debts	-	(47)
Total impairment of receivables	2	(40)

Accounting policy

Impairment expense

Expenses are recognised when Council has determined there to be an increase in the credit risk of a financial asset since initial recognition. Council's policy and events giving rise to impairment losses are disclosed in note 4.2.

	2023 \$'000	2022 \$'000
Note 3.4 Depreciation and amortisation		
<i>Property</i>		
Land improvements	58	272
Buildings		
Buildings	457	449
<i>Plant and Equipment</i>		
Plant, machinery and equipment	446	446
Fixtures, fittings and furniture	129	143
<i>Infrastructure</i>		
Roads	2,089	1,957
Footpaths	206	-
Bridges	480	436
Drainage	448	379
Coastal assets	28	-
Parks and Recreation	178	-
Waste	28	-
<i>Intangible assets</i>		
Intangible assets	25	22
<i>Right-of-use of assets</i>		
Right-of-use of assets	11	11
Total	4,583	4,115

Accounting policy

Depreciation and amortisation expense

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

Land improvements, buildings, Infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets.

Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation rates and methods are reviewed annually.

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

Land, heritage and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

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

Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless stated:

	Period
<i>Property</i>	
Land improvements	10-100 years
Parks and Recreation	6-100years
Coastal Assets	20-50 years
Buildings	
Buildings	25-220 years
<i>Plant and Equipment</i>	
Plant, machinery and equipment	3-20 years
Fixtures, fittings and furniture	5-75 years
<i>Infrastructure</i>	
Roads	
Road pavements and seals	5-85 years
Road substructure	100 years
Road formation and earthworks	100 years
Road kerb, channel and minor culverts	85 years

	2023 \$'000	2022 \$'000
Bridges		
Bridges deck		20-80 years
Bridges substructure		20-80 years
Other Infrastructure		
Footpaths and cycleways		60 years
Drainage		60-80 years
Waste		25 years
Intangible assets		
Intangible assets		6 years
Right-of-use of assets		
Right-of-use of assets		5 years

	2023 \$'000	2022 \$'000
Note 3.5 Finance costs		
Interest - borrowings	295	288
Interest - unwinding of rehabilitation provisions	71	15
Total finance costs	366	303

Accounting policy	
Finance expense	
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period.	
Finance costs include interest on any bank overdrafts and borrowings.	

Note 3.6 Other expenses		
External auditors' remuneration	54	32
Councillors' allowances, reimbursements & training	218	185
Election Costs	61	-
Other Expenses - Managana Cell Tower	59	-
Total	392	217

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

Note 4 Current Assets		
Note 4.1 Cash and cash equivalents		
Cash on hand	2	3
Cash at bank	905	1,233
Cash on deposit	5,811	10,492
Committee accounts	101	85
Total cash and cash equivalents	6,819	11,813

	2023 \$'000	2022 \$'000
Note 4.1 Cash and cash equivalents (continued)		
Council's cash and cash equivalents are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:		
Restricted funds		
i) Trust funds and deposits (note 7.2)	742	676
ii) Unspent grant funds with conditions (note 2.4)	1,290	1,290
	2,032	1,966
Internal committed funds		
iii) Reserve funds (note 9.1)	710	580
iv) Employee provisions (note 7.3)	1,350	1,159
iv) Other provisions (note 7.3)	363	266
Committed funds	4,455	3,971
Total uncommitted cash and cash equivalents	2,364	7,842
Total Investments	7,616	-
Total uncommitted funds	9,980	7,842

Accounting policy

Cash and cash equivalents

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

Restricted and internally committed funds include:

- i) Refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii) Funds set aside for Council to meet rehabilitation obligations.
- iv) Monies set aside to meet employee provision obligations

Note 4.2 Trade and other receivables

Current

Rates debtors	696	471
Other debtors	75	171
Provision for expected credit loss - other debtors	(5)	(3)
Accrued revenue	122	-
Net GST receivable	168	-
Total	1,056	639

Non-current

Loans and advances to community organisations	14	14
Total	14	14

Total trade and other receivables

1,070	653
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Reconciliation of movement in expected credit loss

Carrying amount at 1 July	3	50
Increase / (decrease) in provision recognised in profit or loss	2	(47)
Carrying amount at 30 June	5	3

For ageing analysis of the financial assets, refer to note 9.10(d)

	2023	2022
	\$'000	\$'000

Accounting policy

Trade and other receivables

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

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

Note 4.3 Investments

Current

Term deposits - more than 3 months

	7,616	-
	7,616	-

Accounting policy

Investments

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Note 4.4 Inventories

Inventories held for distribution

Total inventories

	242	325
	242	325

Accounting policy

Inventories

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

Note 5.1 Investment in water corporation

Opening balance

Fair Value adjustments on equity investment assets

Total investment in water corporation

	32,938	31,996
	1,022	942
	33,960	32,938

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 1.94% (2021/22: 1.99%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets		
Note 6.1 Property, infrastructure, plant and equipment	2023	2022
	\$'000	\$'000
Summary		
at cost	22,432	22,325
Less accumulated depreciation	<u>(6,093)</u>	<u>(7,922)</u>
	16,339	14,403
at fair value as at 30 June	250,629	233,623
Less accumulated depreciation	<u>(73,828)</u>	<u>(66,229)</u>
	176,801	167,394
Total	193,140	181,797
Property		
Land		
at fair value as at 30 June	<u>10,454</u>	<u>8,708</u>
	10,454	8,708
Land under roads		
at fair value at 30 June	<u>2,581</u>	<u>2,581</u>
	2,581	2,581
Land improvements		
at cost	1,462	13,920
Less accumulated depreciation	<u>(334)</u>	<u>(3,074)</u>
	1,128	10,846
Total Land	14,163	22,135
Buildings		
at fair value as at 30 June	25,902	24,175
Less accumulated depreciation	<u>(10,293)</u>	<u>(9,181)</u>
	15,609	14,994
Heritage improvements		
at cost as at 30 June	17	17
Less accumulated depreciation	<u>(2)</u>	<u>(2)</u>
	15	15
Total Buildings	15,624	15,009
Total Property	29,787	37,144
Plant and Equipment		
Plant, machinery and equipment		
at cost	5,635	5,208
Less accumulated depreciation	<u>(3,400)</u>	<u>(3,090)</u>
	2,235	2,118
Fixtures, fittings and furniture		
at cost	1,175	2,304
Less accumulated depreciation	<u>(623)</u>	<u>(1,756)</u>
	552	548
Total Plant and Equipment	2,787	2,666

Note 6.1 Property, infrastructure, plant and equipment (continued)	2023	2022
	\$'000	\$'000
Infrastructure		
Roads		
at fair value as at 30 June	130,678	132,516
Less accumulated depreciation	(45,375)	(44,055)
	85,303	88,461
Footpaths		
at fair value as at 30 June	10,855	-
Less accumulated depreciation	(3,293)	-
	7,562	-
Bridges		
at fair value as at 30 June	34,172	31,996
Less accumulated depreciation	(513)	-
	33,659	31,996
Drainage		
at fair value as at 30 June	35,987	33,647
Less accumulated depreciation	(14,354)	(12,993)
	21,633	20,654
Parks and Recreation		
at cost	9,947	-
Less accumulated depreciation	(1,238)	-
	8,709	-
Coastal Assets		
at cost	763	-
Less accumulated depreciation	(162)	-
	601	-
Waste		
at cost as at 30 June	913	-
Less accumulated depreciation	(334)	-
	579	-
Total Infrastructure	158,046	141,111
Works in progress		
Buildings	269	70
Roads	1,229	480
Footpaths	610	-
Land improvements	-	310
Parks & recreation	99	-
Waste	23	-
Drainage	64	10
Bridges	226	6
Total Works in progress	2,520	876
Total property, infrastructure, plant and equipment	193,140	181,797

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

Reconciliation of property, infrastructure, plant and equipment

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	(note 9.1) \$'000	(note 3.4) \$'000	\$'000	\$'000	\$'000	\$'000
2023								
Property								
Land	8,708	-	1,746	-	-	-	-	10,454
Land under roads	2,581	-	-	-	-	-	-	2,581
Land improvements	10,846	-	-	(58)	(144)	(1)	(9,515)	1,128
Total land	22,135	-	1,746	(264)	(144)	(1)	(9,515)	14,163
Buildings	14,994	-	968	(457)	-	-	104	15,609
Heritage improvements	15	-	-	-	-	-	-	15
Total buildings	15,009	-	968	(457)	-	-	104	15,624
Total property	37,144	-	2,714	(721)	(144)	(1)	(9,411)	29,787
Plant and Equipment								
Plant, machinery and equipment	2,118	-	-	(446)	(70)	-	633	2,235
Fixtures, fittings and furniture	548	-	-	(129)	-	-	133	552
Total plant and equipment	2,666	-	-	(575)	(70)	-	766	2,787
Infrastructure								
Roads	88,461	-	5,353	(2,089)	(543)	-	(5,879)	85,303
Footpaths	-	-	471	(206)	(10)	-	7,307	7,562
Bridges	31,996	-	2,143	(480)	-	-	-	33,659
Drainage	20,654	-	1,285	(448)	-	-	142	21,633
Parks & Recreation	-	-	-	(178)	-	-	8,887	8,709
Coastal Assets	-	-	-	(28)	-	-	629	601
Waste	-	-	-	(28)	-	-	607	579
Total infrastructure	141,111	-	9,252	(3,457)	(553)	-	11,693	158,046
Works in progress								
Buildings	70	294	-	-	-	(5)	(90)	269
Roads	480	2,829	-	-	-	(346)	(1,734)	1,229
Footpaths	-	327	-	-	-	-	283	610
Land Improvements	310	69	-	-	-	(69)	(310)	-
Coastal	-	1	-	-	-	(1)	-	-
Parks & Recreation	-	454	-	-	-	(45)	(310)	99
Plant, machinery and equipment	-	637	-	-	-	(4)	(633)	-
Fixtures, fittings and furniture	-	133	-	-	-	-	(133)	-
Waste	-	2	-	-	-	-	21	23
Drainage	10	196	-	-	-	-	(142)	64
Bridges	6	270	-	-	-	(50)	-	226
Total works in progress	876	5,212	-	-	-	(520)	(3,048)	2,520
Total property, infrastructure, plant and equipment	181,797	5,212	11,966	(4,547)	(767)	(521)	-	193,140

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

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

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	5,752	-	2,956	-	-	-	-	8,708
Land under roads	2,581	-	-	-	-	-	-	2,581
Land improvements	10,159	-	-	(272)	-	-	959	10,846
Total land	18,492	-	2,956	(272)	-	-	959	22,135
Buildings	15,137	-	-	(449)	-	-	306	14,994
Heritage improvements	15	-	-	-	-	-	-	15
Total buildings	15,152	-	-	(449)	-	-	306	15,009
Total property	33,644	-	2,956	(721)	-	-	1,265	37,144
Plant and Equipment								
Plant, machinery and equipment	2,156	452	-	(446)	(44)	-	-	2,118
Fixtures, fittings and furniture	609	82	-	(143)	-	-	-	548
Total plant and equipment	2,765	534	-	(589)	(44)	-	-	2,666
Infrastructure								
Roads	82,042	-	7,155	(1,957)	(1,647)	-	2,868	88,461
Bridges	23,223	-	11,622	(436)	(2,516)	-	103	31,996
Drainage	19,368	-	1,705	(379)	(138)	-	98	20,654
Total infrastructure	124,633	-	20,482	(2,772)	(4,301)	-	3,069	141,111
Works in progress								
Buildings	153	223	-	-	-	-	(306)	70
Roads	339	3,026	-	-	-	-	(2,885)	480
Land Improvements	392	864	-	-	-	-	(946)	310
Drainage	72	31	-	-	-	-	(93)	10
Bridges	51	59	-	-	-	-	(104)	6
Total works in progress	1,007	4,203	-	-	-	-	(4,334)	876
Total property, infrastructure, plant and equipment	162,049	4,737	23,438	(4,082)	(4,345)	-	-	181,797

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

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold \$'000
Land	
Land	5
Land under roads	5
Land improvements	5
Buildings	
Buildings	5
Heritage improvements	5
Plant and Equipment	
Plant, machinery and equipment	1
Fixtures, fittings and furniture	1
Infrastructure	1
Roads	
Road pavements and seals	5
Road substructure	5
Road formation and earthworks	5
Road kerb, channel and minor culverts	5
Footpaths	5
Coastal assets	5
Parks and recreation	5
Waste	5
Bridges	
Bridges deck	5
Bridges substructure	5
Drainage	5
Municipal Revaluations	5

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

Accounting policy (Cont.)

Revaluation

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

Land	fair value
Land under roads	fair value
Land improvements	cost
Buildings	fair value
Plant and machinery	cost
Fixtures, fittings and furniture	cost
Drainage	fair value
Roads	fair value
Footpaths	fair value
Coastal assets	cost
Parks and recreation	cost
Waste	cost
Bridges	fair value
Heritage	cost
Investment in water corporation	fair value

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

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

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

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

Impairment of assets

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

	2023 \$'000	2022 \$'000
Note 6.2 Intangible assets		
Municipal revaluation	46	71
Total intangible assets	46	71
Reconciliation of intangible assets		
	Municipal Revaluation	Total
	\$'000	\$'000
Gross carrying amount		
Balance at 1 July 2021	151	151
Additions	-	-
Balance at 30 June 2022	151	151
Additions	-	-
Balance at 30 June 2023	151	151
Accumulated amortisation and impairment		
Balance at 1 July 2021	58	36
Amortisation expense	22	22
Balance at 30 June 2022	80	58
Amortisation expense	25	22
Balance at 30 June 2023	105	80
Net book value at 30 June 2022	71	93
Net book value at 30 June 2023	46	71

Accounting policy

Intangible assets

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

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$1,500 and consistent with the prior year.

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

Municipal Revaluation 6 years

Note 6.3 Right-of-use assets

Right-of-use assets

	Property \$'000	Total \$'000
2023		
Opening Balance at 1 July 2022	18	18
Additions	785	-
Depreciation expense	(11)	(11)
Balance at 30 June 2023	792	7
2022		
Opening Balance at 1 July 2021	29	29
Depreciation expense	(11)	(11)
Balance at 30 June 2022	18	18

Accounting policy

Leases - Council as Lessee

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

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

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

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

	2023 \$'000	2022 \$'000
Note 6.4 Other assets		
Current		
Bonds paid	3	4
Total	<u>3</u>	<u>4</u>
Non-current		
Shares in Bendigo Bank	30	30
Total	<u>30</u>	<u>30</u>

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	476	359
Rates and charges in advance	272	280
Accrued expenses	155	401
Total trade and other payables	<u>903</u>	<u>1,040</u>

Accounting policy

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

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

For ageing analysis of trade and other payables, refer to note 9.11

Note 7.2 Trust funds and deposits

Refundable building deposits	186	83
Section 137 seizures	365	408
Refundable civic facilities deposits	6	6
Retention amounts	174	168
Other refundable deposits	11	11
Total trust funds and deposits	<u>742</u>	<u>676</u>

Accounting policy

Section 137 Seizures

Amounts received for section 137 seizures relate to residual funds received from properties sold for unpaid rates. These funds are held in trust until claimed by the property owner, if they become known within 3 years of the sale. After 3 years, unclaimed funds may transfer to Council.

Retention Amounts & Building Deposits

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

	Annual leave & TOIL/RDO's \$ '000	Long service leave \$ '000	Landfill & Quarry restoration \$ '000	Other \$ '000	Total \$ '000
Note 7.3 Provisions					
2023					
Balance at beginning of the financial year	374	540	266	245	1,425
Additional provisions	462	195	-	156	813
Amounts used	(408)	(110)	-	(109)	(627)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	5	97	-	102
Balance at the end of the financial year	<u>428</u>	<u>630</u>	<u>363</u>	<u>292</u>	<u>1,713</u>
Current	428	349	-	170	947
Non-current	-	281	363	122	766
Total	<u>428</u>	<u>630</u>	<u>363</u>	<u>292</u>	<u>1,713</u>

Note 7.3 Provisions (Continued)	Annual leave & TOIL/RDO's	Long service leave	Landfill & Quarry restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2022					
Balance at beginning of the financial year	453	569	258	76	1,356
Additional provisions	227	31	-	298	556
Amounts used	(306)	(65)	-	(129)	(500)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	-	(67)	8	-	(59)
Balance at the end of the financial year	374	540	266	245	1,425
Current	374	355	-	145	874
Non-current	-	186	266	100	552
Total	374	541	266	245	1,426
(a) Employee benefits				2023	2022
The following assumptions were adopted in measuring the present value of employee benefits:				\$'000	\$'000
Weighted average increase in employee costs				5.75%	4.20%
Weighted average discount rates				3.50%	3.20%
Weighted average settlement period (days)				10	10
Employee Numbers (FTE)				59	65

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

iii) Sick leave

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

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

Note 7.3 Provisions (Continued)
(b) Land fill restoration

Accounting policy

Land fill restoration

Under the *Environmental Management and Pollution Control Act 1994* and Council's Environmental Protection Notice issued by the Environmental Protection Authority, Council is obligated to restore the landfill site to a particular standard. Current projections indicate that the landfill site will cease operation in 2027 and restoration work is expected to commence shortly thereafter. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. Council does not expect to receive reimbursement from a third party.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate 3.81%
- index rate 6.10%

(c) Quarry rehabilitation

Accounting policy

Quarry restoration

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

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate 3.81%
- index rate 6.10%

	2023	2022
	\$'000	\$'000
Note 7.4 Lease liabilities		
Lease liabilities	803	30
	803	30
Current	61	12
Non-Current	742	18

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

	Minimum lease payments due						
	Within 1	1-2	2-3	3-4	4-5	After 5	
	Year	Years	Years	Years	Years	Years	
As at 30 June 2023	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Lease payments	61	56	56	55	57	518	803
Net present value	61	56	56	55	57	518	803
As at 30 June 2022							
Lease payments	12	11	4	3	-	-	30
Net present value	12	11	4	3	-	-	30

Accounting policy

Leases - Council as Lessee

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

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

Short-term leases and leases of low-value assets

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

	2023 \$'000	2022 \$'000
Note 7.5 Contract Liabilities		
Current		
Funds received to acquire on construct an asset controlled by Council	1,022	1,290
	<u>1,022</u>	<u>1,290</u>

Accounting policy

Council recognised the following contractual liabilities:

i) Grant funds received in advance includes the construction of community roads and infrastructure. The funds received are under an enforceable contract which requires Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.

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

Funds received prior to performance obligation being satisfied (upfront payments) – AASB 15	505	249
	<u>505</u>	<u>1,290</u>

Note 8 Non-current
Note 8.1 Interest-bearing loans and borrowings

Current		
Borrowings - secured	408	389
	<u>408</u>	<u>389</u>
Non-current		
Borrowings - secured	5,459	5,867
	<u>5,459</u>	<u>5,867</u>
Total	<u>5,867</u>	<u>6,256</u>

Borrowings

Borrowings are secured over Council's rate revenue

The maturity profile for Council's borrowings is:

Not later than one year	408	389
Later than one year and not later than five years	1,821	1,740
Later than five years	3,638	4,127
Total	<u>5,867</u>	<u>6,256</u>

Accounting policy

Interest bearing liabilities

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

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

Note	Other financial information	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
Note 9.1	Reserves	\$'000	\$'000	\$'000	\$'000
	(a) Asset revaluation reserve				
	2023 Property				
	Land	3,826	1,746	-	5,572
	Land under roads	(47)	-	-	(47)
	Land improvements	16	-	-	16
	Buildings	4,470	968	-	5,438
		8,265	2,714	-	10,979
	Infrastructure				
	Roads	139,895	5,353	-	145,248
	Footpaths	-	471	-	471
	Bridges	15,020	2,143	-	17,163
	Drainage	15,271	1,285	-	16,556
		170,186	9,252	-	179,437
	Total asset revaluation reserve	178,451	11,966	-	190,416
	2022 Property				
	Land	870	2,956	-	3,826
	Land under roads	(47)	-	-	(47)
	Land improvements	16	-	-	16
	Buildings	4,470	-	-	4,470
		5,309	2,956	-	8,265
	Infrastructure				
	Roads and footpaths	132,740	7,155	-	139,895
	Bridges	3,398	11,622	-	15,020
	Drainage	13,566	1,705	-	15,271
		149,704	20,482	-	170,186
	Total asset revaluation reserve	155,013	23,438	-	178,451

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

(b) Fair value reserve

	2023 Equity Investment assets				
	Investment in water corporation	(3,146)	1,022	-	(2,124)
	Total fair value reserve	(3,146)	1,022	-	(2,124)
	2022 Equity Investment assets				
	Investment in water corporation	(4,088)	942	-	(3,146)
	Total fair value reserve	(4,088)	942	-	(3,146)

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.

(c) Other reserves

	2023 Facilities and properties				
	Other Reserves	151	88	-	239
		429	42	-	471
	Total Other reserves	580	130	-	710
	2022 Facilities and properties				
	Other Reserves	126	25	-	151
		435	-	(6)	429
	Total Other reserves	561	25	(6)	580

Facilities and properties reserve recognises those funds that are being retained for future contributions to capital works on Council properties, buildings and recreational facilities. It includes contributions from developers towards establishment of public open space areas.

Other reserves are amounts set aside for specific purposes. These largely include funds received for various community development and cultural projects.

		2023	2022
		\$'000	\$'000
Total Reserves		189,003	175,885

	2023	2022
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)	\$'000	\$'000
Result from continuing operations	2,749	(1,444)
Depreciation/amortisation	4,572	4,104
Depreciation of right-of-use assets	11	11
(Profit)/loss on disposal of property, infrastructure, plant and equipment	681	4,128
Capital grants received specifically for new or upgraded assets	(1,935)	(3,500)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(417)	52
Decrease/(increase) in other assets	1	20
Decrease/(increase) in inventories	83	(267)
Increase/(decrease) in trade and other payables	(137)	(61)
Increase/(decrease) in provisions	287	70
Increase/(decrease) in other liabilities	(268)	1,041
Net cash provided by/(used in) operating activities	5,627	4,154
Note 9.3 Reconciliation of liabilities arising from financing activities		
Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.		
	Interest-bearing loans and borrowings	Lease liabilities
	\$'000	\$'000
Balance as at 1 July 2022	6,256	29
Changes from financing cash flows:		
Cash repayments	(389)	(11)
Balance as at 30 June 2023	5,867	18
Balance as at 1 July 2021	8,138	41
Changes from financing cash flows:		
Cash repayments	(1,882)	(12)
Balance as at 30 June 2022	6,256	29
Note 9.4 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	6,819	11,813
Total reconciliation of cash and cash equivalents	6,819	11,813
Note 9.5 Financing arrangements		
Credit cards	43	30
Used facilities	(16)	(5)
Security Deposit Guarantee	150	150
Used Facility	(126)	(109)
Unused facilities	24	66

Note 9.6 Superannuation

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

For the year ended 30 June 2023 the Council contributed 12.5% (2022 12.5%) 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

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

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

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

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

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

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

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

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

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

- The Fund is a defined benefit Fund.
- The Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB 119 defined benefit reporting.

Note 9.6 Superannuation (Continued)

- During the reporting period the amount of superannuation contributions paid to defined benefits schemes was \$34,006 (2021-22 \$, \$14,847), and the amount paid to accumulation schemes was \$664,064 (2021-22, \$598,975).
- During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is \$34,000 , and the amount to be paid to accumulation schemes is \$560,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2022, showed that the Fund had assets of \$49.53 million and members' Vested Benefits were \$40.79 million. These amounts represented 0.20% and 0.17% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2022 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2022 were \$780,908 and \$229,521 respectively.

Fund	2023 \$'000	2022 \$'000
Defined benefits fund		
Employer contributions to Spirit Super	34	15
Employer contributions payable to Spirit Super at reporting date	-	-
Accumulation funds		
Employer contributions to other super funds	630	541
Employer contributions payable to other super funds at reporting date	-	-

Note 9.7 Commitments

Contractual commitments

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

Waste transfer stations and collections	3,269	1,789
Cleaning contracts for council buildings	563	342
Total contractual commitments	3,832	2,131

Note 9.8 Operating leases as lessor

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

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

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

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

	2023 \$'000	2022 \$'000
Maturity analysis of operating lease payments to be received		
Year 1	104	12
Year 2	105	10
Year 3	98	4
Year 4	97	3
Year 5	73	-
Later than 5 years	-	-
Total	<u>477</u>	<u>29</u>

The following table presents the amounts reported in profit or loss:

Lease income on operating leases	87	52
Therein lease income relating to variable lease payments that do not depend on an index or rate	87	52

Note 9.9 Contingent Liabilities and contingent assets

Contingent liabilities

Security deposit guarantees	126	109
	<u>126</u>	<u>109</u>

Contingent assets

Security deposit guarantees	-	177
	<u>-</u>	<u>177</u>

Note 9.10 Financial Instruments

(a) Interest Rate Risk

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

2023

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	4.51%	1,006	5,811	-	-	2	6,819
Trade and other receivables	8.13%	696	-	-	-	360	1,056
Investment in water corporation		-	-	-	-	33,960	33,960
Total financial assets		1,702	5,811	-	-	34,322	41,835
Financial liabilities							
Trade and other payables		-	-	-	-	903	903
Trust funds and deposits		-	-	-	-	742	742
Interest-bearing loans and borrowings	3.70%	-	408	1,820	3,639	-	5,867
Total financial liabilities		-	408	1,820	3,639	1,645	7,512
Net financial assets (liabilities)		1,702	5,403	(1,820)	(3,639)	32,677	34,323

2022

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	1.55%	1,318	10,492	-	-	3	11,813
Trade and other receivables	7.87%	471	-	-	-	168	639
Investment in water corporation		-	-	-	-	32,938	32,938
Total financial assets		1,789	10,492	-	-	33,109	45,390
Financial liabilities							
Trade and other payables		-	-	-	-	1,040	1,040
Trust funds and deposits		-	-	-	-	676	676
Interest-bearing loans and borrowings	4.43%	-	389	1,743	4,124	-	6,256
Total financial liabilities		-	389	1,743	4,124	1,716	7,972
Net financial assets (liabilities)		1,789	10,103	1,743	4,124	31,393	37,418

Note 9.10 Financial Instruments (Continued)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	6,819	11,813	6,819	11,813
Trade and other receivables	1,070	653	1,070	653
Investment in water corporation	33,960	32,938	33,960	32,938
Total financial assets	41,849	45,404	41,849	45,404
<i>Financial liabilities</i>				
Trade and other payables	903	1,040	903	1,040
Trust funds and deposits	742	676	742	676
Interest-bearing loans and borrowings	5,867	6,256	5,867	6,256
Total financial liabilities	7,512	7,972	7,512	7,972

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

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.

Note 9.10 Financial Instruments (Continued)
(d) Risks and mitigation (Continued)

Credit risk

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

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

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

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

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

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

	Financial Institutions (AAA credit rating)	Other (min BBB credit rating)	Total
2023			
Cash and cash equivalents	6,819	-	6,819
Trade and other receivables	-	1,070	1,070
Total contractual financial assets	6,819	1,070	7,889
2022			
Cash and cash equivalents	11,813	-	11,813
Trade and other receivables	-	653	653
Total contractual financial assets	11,813	653	12,466

Movement in Provisions for Impairment of Trade and Other Receivables

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	3	50
New Provisions recognised during the year	2	-
Amounts already provided for and written off as uncollectible	-	(7)
Amounts provided for but recovered during the year	-	(40)
Balance at end of year	5	3

Ageing of Trade and Other Receivables

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

	2023 \$'000	2022 \$'000
Current (not yet due)	344	135
Past due by up to 30 days	1	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	14	114
Past due by more than 1 year	697	404
Total Trade & Other Receivables	1,056	653

Note 9.10 Financial Instruments (Continued)

(d) Risks and mitigation (Continued)

Credit risk (Continued)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$3,389 (2021-22: \$3,476) were impaired. The amount of the provision raised against these debtors was \$3,389 (2021-22: \$3,476). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	2023	2022
	\$'000	\$'000
Past due between 181 and 365 days	2	-
Past due by more than 1 year	3	3
Total Trade & Other Receivables	5	3

Liquidity risk

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

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

To help reduce these risks we:

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

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

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

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

2023	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years		
	\$'000	\$'000	\$'000	\$'000	\$'000	Cash Flow	Amount
Trade and other payables	903	-	-	-	-	903	903
Trust funds and deposits	742	-	-	-	-	742	742
Interest-bearing loans and borrowings	202	206	425	1,395	3,639	5,867	5,867
Total financial liabilities	1,847	206	425	1,395	3,639	7,512	7,512

2022	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years		
	\$'000	\$'000	\$'000	\$'000	\$'000	Cash Flow	Amount
Trade and other payables	1,040	-	-	-	-	1,040	1,040
Trust funds and deposits	676	-	-	-	-	676	676
Interest-bearing loans and borrowings	192	197	407	1,333	4,127	6,256	6,256
Total financial liabilities	1,908	197	407	1,333	4,127	7,972	7,972

Note 9.10 Financial Instruments (Continued)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, 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 + 2% and -2% in market interest rates (AUD) from year-end rates.

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

		Interest rate risk			
		-2 %		+2%	
		-200 basis points		+200 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2023	\$'000				
Financial assets:					
Cash and cash equivalents	6,819	(136)	(136)	136	136
Trade and other receivables	1,070	(11)	(11)	11	11
Financial liabilities:					
Interest-bearing loans and borrowings	5,867	(117)	(117)	117	117

		Interest rate risk			
		-2 %		+2%	
		-200 basis points		+200 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2022	\$'000				
Financial assets:					
Cash and cash equivalents	11,813	(236)	(236)	236	236
Trade and other receivables	653	(7)	(7)	7	7
Financial liabilities:					
Interest-bearing loans and borrowings	6,256	(125)	(125)	125	125

Note 9.11 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land
 - Land under roads
 - Buildings
 - Roads
 - Footpaths
 - Bridges
 - Drainage

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

(a) Fair Value Hierarchy

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

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

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

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

As at 30 June 2023

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	33,960	33,960
Land	6.1	-	-	10,454	10,454
Land under roads	6.1	-	-	2,581	2,581
Buildings	6.1	-	-	15,624	15,624
Roads	6.1	-	-	85,303	85,303
Footpaths	6.1	-	-	7,562	7,562
Bridges	6.1	-	-	33,659	33,659
Drainage	6.1	-	-	21,633	21,633
		-	-	210,776	210,776

As at 30 June 2022

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	32,938	32,938
Land	6.1	-	-	8,708	8,708
Land under roads	6.1	-	-	2,581	2,581
Buildings	6.1	-	-	15,009	15,009
Roads and footpaths	6.1	-	-	88,461	88,461
Bridges	6.1	-	-	31,996	31,996
Drainage	6.1	-	-	20,654	20,654
		-	-	200,347	200,347

Transfers between levels of the hierarchy

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

(b) Highest and best use

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

Note 9.11 Fair Value Measurements (Continued)

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

Investment in water corporation

Refer to Note 5.1 for details of valuation techniques used to derive fair values.

Land

Land fair values were determined by the Valuer General, effective 30 June 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 was indexed at 30 June 2023 based on the land value adjustment factors issued by the Office of the Valuer General in March 2023, which varies based on use and location of the land.

Land under roads

Council recognised the value of land under roads it controls at fair value. Land under roads were revalued at 30 June 2019 using average square meter rates provided by the Valuer General.

Buildings

The fair value of buildings were determined by a Gavin Boyd, Council's contract Asset Engineer effective 30 June 2021. Fair value has been derived based on current replacement cost determined for the location by Rawlinsons Construction Costs 2020. The most significant input into this valuation approach was price per square metre. Buildings were indexed at 30 June 2023 at 6.8% based on CPI.

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

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

Infrastructure assets

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in note 3.4.

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

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

Roads, including footpaths

A full valuation of roads and footpaths was undertaken by independent valuers, Maloneys Asset Management Systems and Asset Management Engineer Gavin Boyd, effective 30 June 2020 on depreciated replacement cost basis. Indexation of 6.8% was applied at 30 June 2023, based on CPI.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments of 100-250m, while rural roads are managed in 1km segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

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

Bridges

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 30 June 2022. 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. Bridges were indexed at 30 June 2023 at 6.8% based on CPI.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's officers with rates supplied by AJL Consulting Engineers, effective 30 June 2019. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. Indexation of 6.8% was applied at 30 June 2023 based on CPI.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value) \$'000	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	85,303	Unit replacement cost per square metre.	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost the higher the fair value.
		Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Footpaths	7,562	Unit replacement cost per square metre.	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost the higher the fair value.
		Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Bridges	33,659	Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Drainage	21,633	Unit replacement cost per metre.	from \$79/m upto \$1,649/m, depending on pipe diameter	The higher the unit cost the higher the fair value.
		Useful life	Refer note 3.4	The longer the useful life, the higher the fair value.
Investment in Water Corporation	33,960	Refer to note for a description of the valuation basis.		

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

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

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

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 8.1 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

Note 9.12 Events occurring after balance date

(a) Nil

Note 10 Other matters
Note 10.1 Related party transactions
(i) Councillor Remuneration 2023

Name	Position	Period	Short term employee benefits		Expenses ¹	Total allowances and expenses section 72
			Allowances	Total Compensation		
			\$	AASB 124	\$	\$
Mr M Tucker	Mayor	Full Year	48,384	48,384	1,802	50,186
Mr J McGiveron	Deputy Mayor	Jul - Nov	8,848	8,848	-	8,848
Ms K Chapple	Deputy Mayor	Full Year	22,728	22,728	1,200	23,928
Mrs M Osborne	Councillor	Jul - Nov	4,521	4,521	400	4,921
Ms L Wittaker	Councillor	Jul - Nov	4,521	4,521	400	4,921
Ms K Wright	Councillor	Full Year	13,823	13,823	1,200	15,023
Mr G Barnes	Councillor	Nov - June	9,303	9,303	800	10,103
Ms E Johnstone	Councillor	Nov - June	9,303	9,303	2,026	11,329
Mr I Carter	Councillor	Nov - June	9,303	9,303	800	10,103
Mr V Oldham	Councillor	Nov - June	9,304	9,304	1,860	11,164
Mr B LeFevre	Councillor	Full Year	13,823	13,823	2,861	16,684
Ms J Drummond	Councillor	Full Year	13,823	13,823	4,158	17,981
Mr G McGuinness	Councillor	Jul - Nov	4,521	4,521	400	4,921
Total			172,205	172,205	17,907	190,112
Councillor Remuneration 2022						
Mr M Tucker	Mayor	Full Year	47,126	47,126	1,768	48,894
Mr J McGiveron	Deputy Mayor	Full Year	26,351	26,351	-	26,351
Mrs M Osborne	Councillor	Full Year	13,464	13,464	1,199	14,663
Ms L Wittaker	Councillor	Full Year	13,464	13,464	1,199	14,663
Ms K Chapple	Councillor	Full Year	13,464	13,464	1,199	14,663
Ms K Wright	Councillor	Full Year	13,464	13,464	1,199	14,663
Mr B LeFevre	Councillor	Full Year	13,464	13,464	2,919	16,383
Ms J Drummond	Councillor	Full Year	13,464	13,464	3,570	17,034
Mr G McGuinness	Councillor	Full Year	13,464	13,464	1,199	14,663
Total			167,725	167,725	14,252	181,977

¹ Section 72(1)(b) of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors. (Describe main expenses types)

Note 10.1 Related party transactions (continued)

(ii) Key Management Personnel Remuneration 2023	Remuneration band	Short term employee benefits			Post employment benefits		Non-monetary Benefits ⁷	Total
		Salary ¹	Other Allowances & Benefits ⁴	Vehicles ³	Super-annuation ⁵	Termination Benefits ⁶		
		\$	\$	\$	\$	\$		
Number of Staff per Band								
1	\$250 001 - \$270 000	202,208	-	7,678	33,710	-	9,465	253,061
2	\$150 001 - \$170 000	257,977	-	21,450	31,848	-	17,142	328,417
2	\$130 001 - \$150 000	202,289	4,000	25,819	25,078	-	22,285	279,471
2	\$110 001 - \$130 000	221,152	-	6,229	27,209	-	(4,887)	249,703
1	\$10 001 - \$30 000	4,230	-	3,563	449	45,317	(42,556)	11,003
Total		887,856	4,000	64,739	118,294	45,317	1,449	1,121,655
Key Management Personnel Remuneration 2022								
1	\$220 001 - \$240 000	201,363	-	7,907	25,170	-	12,744	247,184
2	\$140 001 - \$160 000	232,047	-	23,192	29,006	-	11,576	295,821
3	\$120 001 - \$140 000	303,958	4,000	34,501	38,146	-	(2,307)	378,298
Total		737,368	4,000	65,600	92,322	-	22,013	921,303

(ii) Key Management Personnel Remuneration (Continued)

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

³ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are

⁴ Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁵ Superannuation means the contribution to the superannuation fund of the individual.

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

⁷ Non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc)

(iii) Remuneration Principles

Councillors

Elected member remuneration is determined independently of Council.

Executives

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

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

Acting Arrangements

When members of key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

- In the current year, Mr Raoul Harper was appointed to the position of Acting General Manager, whilst Mr John Brown was on leave.

Note 10 Other matters

Note 10.1 Related party transactions (Continued)

(iv) Transactions with related parties

During the period Council entered into the following transactions with related parties.

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provision for doubtful debts related to outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from related parties</i>
St Helens Newsagency/ Bay of Fires Florist (owned by Mayor Mick Tucker)	\$2,790	Nil	30-day terms on invoices	-	-
St Helens Auto Electrics - repairs (owned by General Manager's Brother in-law)	\$14,936	Nil	30-day terms on invoices	-	-
St Helens Online Access Centre - grant (Business Services Manager's Father is the Centre Vice President)	\$3,000	Nil	30-day terms on invoices	-	-
Grange Fishing Trust - cartage of materials. (Corporate Service Coordinator's partner Director of Trust)	\$121,000	Nil	30-day terms on invoices	-	-
Fingal Valley Neighbourhood House - venue hire (Clr Gary Barnes is Chairman of Board)	\$600	Nil	30-day terms on invoices	-	-

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.

(v) 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

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

Note 10.2 Special committees and other activities

	Opening Balance	Movement	Closing Balance
Pyengana Ground and Hall Committee	\$85,158	\$15,513	\$100,671

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

(f) Budget

The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent original budget amounts / revised budget estimates (date) and are not audited.

(g) Adoption of new and amended accounting standards

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

(h) Pending Accounting Standards

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

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

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

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

Note	10.4 Management indicators	Benchmark	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(a)	Underlying surplus or deficit					
	Net result for the year		2,749	(1,444)	3,855	5,525
	Less non-operating income					
	Capital contributions - and recognition of assets		(160)	-	-	-
	Covid-19 and National disaster relief grants		-	(120)	-	(105)
	Grants specifically for new or upgraded assets		(464)	(1,692)	(4,427)	(4,097)
	Grants for renewal of assets		(1,664)	(895)	(1,146)	(1,296)
	Grants received in advance - current year		(3,558)	(2,374)	(1,521)	(1,487)
	Grants received in advance - prior year		2,374	1,521	1,487	1,496
	Add non-operational expenses					
	Disaster relief and recovery expenditure		187	162	200	106
	Unscheduled one-off loss on disposal of non-financial assets		697	4,128	988	-
	Non Council works/assets funded by capital grant.		59	-	181	-
	Underlying surplus/deficit	0	<u>220</u>	<u>(714)</u>	<u>(383)</u>	<u>143</u>

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

Council's result of \$220,000 underlying surplus for 2022/23 is above the benchmark of 0, and an improvement from (\$714,000) in 2021/22.

(b)	Underlying surplus ratio					
	<u>Underlying surplus or deficit</u>		<u>220</u>	<u>(714)</u>	<u>(383)</u>	<u>143</u>
	Recurrent income*		18,505	16,518	14,868	14,715
	Underlying surplus ratio %	0%	1%	-4%	-3%	1%

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

Council's underlying surplus ratio of 1% in 2022/23 is above the benchmark of 0%.

(c)	Net financial liabilities					
	Liquid assets less total liabilities		15,494	12,781	11,321	11,350
	Net financial liabilities	0	<u>4,444</u>	<u>2,063</u>	<u>(216)</u>	<u>(619)</u>

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

Council has liquid assets in surplus of total liabilities by \$4,686,000 in 2022/23 and is above the benchmark of 0.

(d)	Net financial liabilities ratio					
	<u>Net financial liabilities</u>		<u>4,444</u>	<u>2,063</u>	<u>(216)</u>	<u>(619)</u>
	Recurrent income*		18,505	16,518	14,868	14,715
	Net financial liabilities ratio %	0% - (50%)	24%	12%	-1%	-4%

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

Council's net financial liabilities ratio of 25% for 2022/23 is within the benchmark range of 0-50%.

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

<i>Buildings</i>						
	<u>Fair value (Carrying amount)</u>		<u>15,624</u>	<u>15,009</u>	<u>15,137</u>	<u>10,296</u>
	Current replacement cost (Gross)		25,919	24,192	23,868	11,052
	Asset consumption ratio %		60%	62%	63%	93%
<i>Transport Infrastructure</i>						
	<u>Fair value (Carrying amount)</u>		<u>118,962</u>	<u>120,457</u>	<u>105,265</u>	<u>102,599</u>
	Current replacement cost (Gross)		164,850	164,512	154,027	149,871
	Asset consumption ratio %		72%	73%	68%	68%
<i>Drainage</i>						
	<u>Fair value (Carrying amount)</u>		<u>21,633</u>	<u>20,654</u>	<u>19,368</u>	<u>19,391</u>
	Current replacement cost (Gross)		35,987	33,647	31,018	30,665
	Asset consumption ratio %		60%	61%	62%	63%

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

Note	10.4 Management indicators (cont.)	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
(f)	Asset renewal funding ratio				
	An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
	<i>Buildings</i>				
	Projected capital funding outlays**	131	290	223	753
	Projected capital expenditure funding***	131	360	898	150
	Asset renewal funding ratio %	90-100% 100%	81%	25%	502%
	<i>Transport Infrastructure</i>				
	Projected capital funding outlays**	480	1,173	3,085	3,404
	Projected capital expenditure funding***	480	1,173	5,102	1,340
	Asset renewal funding ratio %	90-100% 100%	100%	60%	254%
	<i>Drainage</i>				
	Projected capital funding outlays**	300	50	31	76
	Projected capital expenditure funding***	300	50	250	50
	Asset renewal funding ratio %	90-100% 100%	100%	12%	152%

** 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.

(g)	Asset sustainability ratio				
	Capex on replacement/renewal of existing assets	3,077	2,698	2,698	4,062
	Annual depreciation expense	4,547	4,082	3,700	3,733
	Asset sustainability ratio %	100% 68%	66%	73%	109%

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

2023	# Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Parks & recreation	291	118	409
Buildings	131	158	289
Plant, machinery and equipment	545	88	633
Fixtures, fittings and furniture	100	33	133
Roads	1,896	587	2,483
Bridges	-	220	220
Footpaths	58	269	327
Drainage	56	140	196
Waste management	-	2	2
Total	3,077	1,615	4,692

2022	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Land improvements	426	438	864
Buildings	1	222	223
Plant, machinery and equipment	452	-	452
Fixtures, fittings and furniture	82	-	82
Roads	1,658	1,368	3,026
Bridges	59	-	59
Drainage	20	11	31
Total	2,698	2,039	4,737

Certification of the Financial Report

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



John Brown
General Manager

Date : 19/09/2023

Management Certification of the Financial Report

The accompanying financial statements of the Break O'Day Council are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
- the *Local Government Act 1993*

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of Council's financial position as at 30 June 2023 and the results of its operations and cash flows for the year then ended.

At the date of signing this certification, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

The completed Financial Statements Preparation and Submission Checklist is enclosed.


Marissa Walters

Contract Accountant

Date:

19/09/2023