



dorset
COUNCIL

Annual Report 2021/22

Table of Contents

Our Vision, Mission & Values.....	4	Mayors Discretionary Fund.....	25
Details in Brief.....	5	Barry Jarvis Education Scholarships.....	26
Locations.....	6	School Bursaries.....	26
Organisational Structure.....	7	Sporting and Cultural Representatives.....	26
Message from the Mayor.....	8	Remuneration Statement.....	27
Elected Members.....	10	Enterprise Powers Statement.....	27
Committee Representation.....	11	GST Dispute Statement.....	27
Acting General Manager's Overview.....	12	Donation of Land Statement.....	27
Working Groups.....	14	Grants and Benefits.....	27
Annual Plan 2021/22 Quarterly Assessment.....	18	Local Government (General) Regulations 2015	
Looking Forward 2022/23.....	19	Tenders and Contracts.....	28
Year in Review.....	20	Grants Paid to Council.....	29
Environmental Health.....	21	Overview of Financial Performance.....	30
Waste Management.....	22	Audit Opinion.....	32
Community Grants.....	23	Financial Statements for Period Ended 30 June 2022.....	34
Legislative Reporting Requirements			
Public Interest Disclosures Act 2002.....	24		
Right to Information Act 2009.....	24		
Local Government Act 1993.....	24		
Code of Conduct Complaints Received.....	24		
Statement of Councillor Allowances and Expenses.....	24		
Customer Service Requests/Complaints.....	25		

Front Cover Image: Sunset over Carey's Road, Scottsdale
Photo Credit: Ella Saunders

The Annual Report provides a comprehensive overview of Dorset Council’s activities during 2021/22, including an account of our performance to the community.

The Annual Report meets legislative requirements incorporating the results of Council’s performance in respect of goals and objectives set in the 2021/22 Annual Plan and details of our financial performance.



Drive future prosperity of Dorset by facilitating and promoting investment and population growth to strengthen our economic and social diversity.



An efficient Council that provides value to ratepayers, is responsive to community challenges and is proactive in implementing practical initiatives in response to these challenges, be they social or economic. Our philosophy is to keep rates and fees and charges amongst the lowest in regional Australia, support business investment and make Council facilities available free of charge to the community.



Leadership: we lead by example through our behaviours and approach to work. We are a proactive advocate for the community, and engage with the community in determining and driving a vision for Dorset

Creative Thinking: we create a solution-based environment that challenges the status quo and encourages innovation in response to the challenges of a constantly changing environment

Customer Service: we meet our service standards in a professional and responsive manner

Engagement: we communicate openly and encourage the active participation of the community

Respect: we engage in open dialogue, whilst accepting there will be differences of opinion

Financially Responsible: we deliver services to the community in a sustainable and strategic cost effective way

Details in Brief

Elected Members **9**

Employees **70.2 FTEs (30 June 2022)**

Capital Expenditure **\$11,542,000**

Total Operating Revenue **\$15,547,000**

Total Operating Expenditure **\$14,264,000**

Loan Debt **\$4,363,000 (30 June 2022)**

Adjusted Capital Value of Properties **\$1,998,026,700 (30 June 2022)**

Adjusted Assessed Annual Value of Properties **\$84,623,651 (30 June 2022)**

General Rate in \$ Assessed Annual Value **0.07591 cents in \$ (1 July 2021)**



Land Area **3,231km²**



Population **6,829 (2021 Census)**



Property Assessments **5,754 (30 June 2022)**



Sealed Roads **243km**



Unsealed Roads **443km**



Bridges **96 (7,718m² deck area)**



Major Culverts **13**



Sports Grounds **6**



Community Halls **18**



Caravan Parks/Camping Grounds **6**



Waste Transfer Stations **3**



Swimming Pools **2**

Locations



Council Chambers and Office
3 Ellenor Street SCOTTSDALE



Scottsdale Works Depot
54 Ringarooma Road SCOTTSDALE

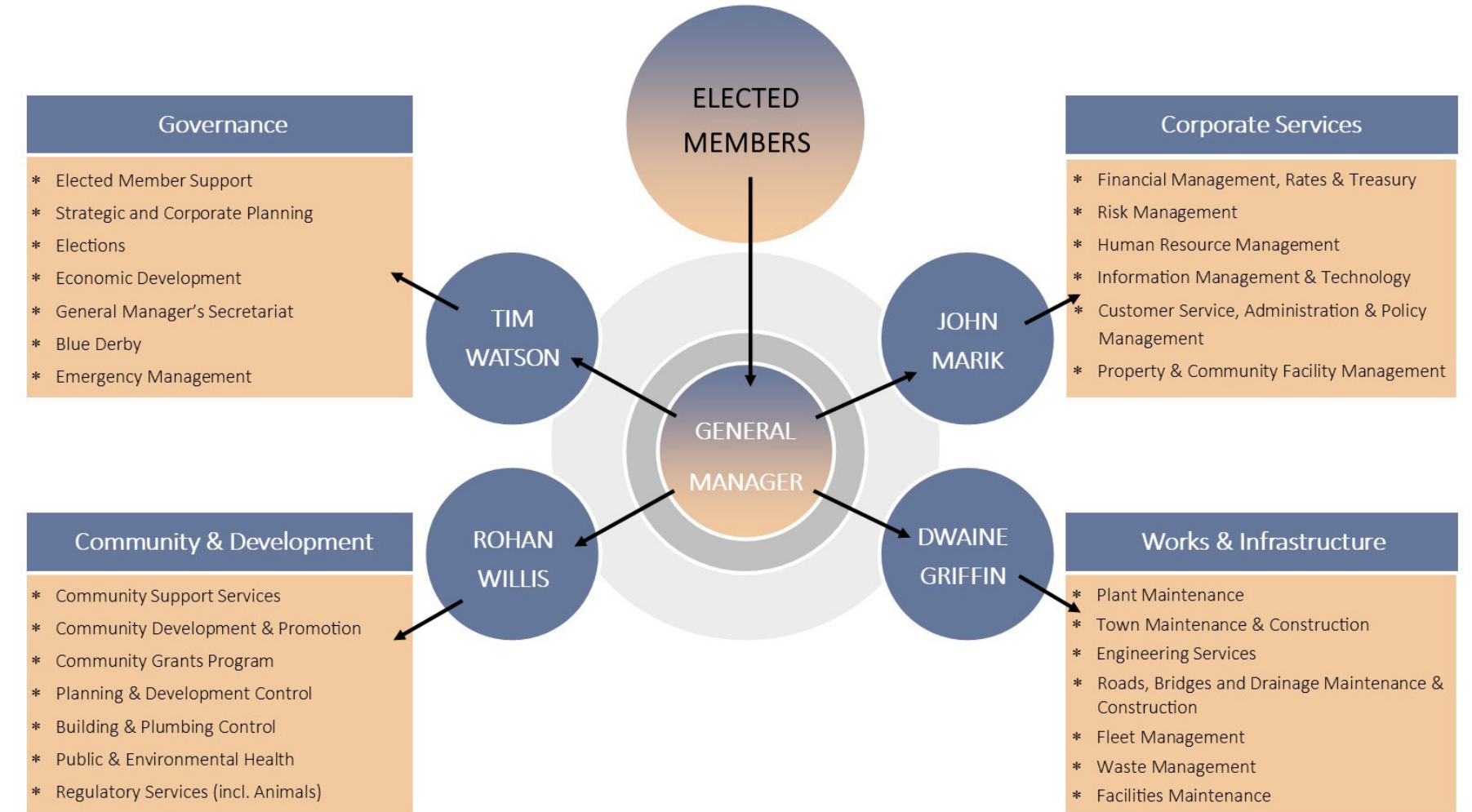


Derby Works Depot
31834 Tasman Highway DERBY



Bridport Works Depot
Maxwell Street BRIDPORT

Organisational Structure



Message from the Mayor



While we have battled through another year of the pandemic there are promising signs that the disease may be on the wane. Fingers crossed.

Tourism and hospitality has returned to some sense of normality with bookings for the coming tourist season as good as we have seen for some time.

Our main industries agriculture and forestry have again been strong giving the municipality security against downturns, with the only drawback being the lack of staff to fill all of the vacancies. Hospitality is also suffering from staff shortages.

We have some challenges going forward based around rising inflation and a shortage of housing stock to accommodate those workers who are required to fill vacancies across the municipality. Some of the housing stock shortage has been the result of the proliferation of Airbnb properties and also because of an increase in production in both agriculture and forestry where both industries require more staff.

At a time when many councils were recording significant losses, Dorset has delivered a minor underlying deficit of \$42,000 in a difficult year. More importantly Council recorded \$5.7 million in operating cash flow, up from \$4.8 million in the prior year. Councils need to generate adequate cash flow each year in order to fund asset renewals, asset upgrades and new infrastructure projects. Our ten year financial plan now shows all known future infrastructure projects are fully funded, something few councils could claim.

It is extremely pleasing to see the Sideling upgrade finally commencing with \$120 million of Federal and State funding fully committed. Council has been the driver of this project and the benefits will be multi-generational. When completed residents should see significant freight savings, a rise in land values and a much safer and quicker trip to Launceston.

Sport returned to regular rosters with participation up in most sports. Unfortunately Bridport failed to field a football team but plans are well underway for their resurrection for season 2023.

On the positive side Scottsdale U14 Boys team won their grand final against Launceston in a convincing manner to complete three years in a row of junior teams being successful. Surely bodes well for the future.

Volunteer groups also enjoyed a revival with most groups being very active, something that all communities desperately need. A huge thank you goes out to all volunteers whose efforts help to make Dorset such a great place to live and gives us that resilience that is often lacking in some city areas.

Thank you to the Winnaleah District School for hosting an amazing outdoor Australia Day Awards Ceremony on Australia Day eve. A magnificent setting and very enjoyable country style catering.

Congratulations to this year's Australia Day Award recipients:

Citizen of the Year: Rodney Martin

Young Citizen of the Year: Ruby Hall

Volunteer of the Year: Joanne Kerr

Sports Award: Taia Lette

Community Event of the Year: North East Tasmania Arts and Crafts Festival 2021

Certificates of Appreciation were awarded to the Dorset Suicide Prevention Network, Tara Lette, Scottsdale U17 Girls Football Team, Mary Brown, Karen Pinnington, Libby Richardson, Zoe Bennett and the Dorset Ambulance Volunteers.

In closing I would like to thank all of our Councillors and Staff for their continued contributions to the community. I would also like to thank the community for your contributions, that have in no small way made Dorset the envy of many other municipalities and the very best place one could ever hope to live in.

Greg Howard



2022 Dorset Citizen of the Year: Rodney Martin

Elected Members

Councillor attendance at Ordinary, Special Council Meetings and Briefing Workshops is listed below.

In 2021/22, Council Meetings were held at the Scottsdale Library due to COVID-19 density limitations along with the Council Chambers, where the January, February and March Council Meetings were closed to the public due to COVID-19 transmission risk. Council also held Community Council Meetings at Branxholm and Bridport.

1 July 2021 to 30 June 2022

	Ordinary & Special Meetings	Briefing Workshops
Greg Howard	12	13
Dale Jessup	12	13
Mervyn Chilcott	11	13
Edwina Powell	13	13
Jan Hughes	11	12
Murray Lade	11	8
Wendy McLennan	11	11
Jerrod Nichols	13	12
Leonie Stein	12	13
Number of Ordinary Council Meetings <i>(includes the Annual General Meeting)</i>		13
Number of Special Council Meetings		-
Number of Council Briefing Workshops		13



Rear | Cr Jerrod Nichols, Cr Jan Hughes, Cr Murray Lade, Cr Leonie Stein, Cr Mervyn Chilcott
Front | Cr Edwina Powell, Deputy Mayor Dale Jessup, Mayor Greg Howard, Cr Wendy McLennan

Elected Member Committee Representation

Dorset Councillors represented the Council on the following Committees during 2021/22:

Australia Day Awards Selection Panel

Mayor Greg Howard | Cr Leonie Stein | Cr Jerrod Nichols

Community Grants Selection Panel

Cr Mervyn Chilcott | Cr Murray Lade | Cr Wendy McLennan

Education Scholarship Selection Panel

Cr Edwina Powell | Cr Jan Hughes | Cr Wendy McLennan

Audit Panel

Deputy Mayor Dale Jessup | Cr Leonie Stein | Cr Jerrod Nichols *(alternate member)*

Local Government Association of Tasmania

Mayor Greg Howard | Deputy Mayor Dale Jessup *(proxy)*

TasWater Owner Representative

Mayor Greg Howard | Deputy Mayor Dale Jessup *(proxy)*

Bridport Seaside Caravan Park Special Committee of Council

Mayor Greg Howard | Cr Leonie Stein | Cr Jerrod Nichols *(alternate member)*



2022 Barry Jarvis Education Scholarship Recipients with Mayor Howard
(some recipients are absent)

Acting General Manager's Overview



While the current high inflation environment is challenging, the local area is well positioned with low unemployment driving economic activity across the Dorset municipality. Council also enters this challenging environment from a position of financial strength. At 30 June 2022 Council's borrowings were \$4.4 million while total assets held were \$232 million (borrowings as a percentage of total assets being 1.9%). Council delivered an \$11.5 million capital program during the year, while operational cash flows generated (the figure I feel is most important for any organisation to reflect its true operating position) was \$5.7 million compared to \$4.8 million in the prior year.

Council employees have delivered record infrastructure budgets over the last 5 years. Positively this has ensured that Council does not have a capital renewal gap in regards to funding future capital renewals across the forward estimates as per Council's Long Term Financial Plan 2022 - 2032.

Council's employees deserve recognition for their very high level of customer service and productivity. Capital spend on roads in particular has been at record levels with Council's unsealed roads utilising low dust materials which has substantially lifted user experience. Council's road construction crew have constructed roads to the highest of standards and the feedback from industry experts has been overwhelmingly positive.

I have received feedback from much of the community that the towns have never looked better and Council's maintenance and cleansing crews deserve recognition. Council's Derby mountain bike trail crew work extremely hard to maintain the trails to a world class standard which keeps riders and event organisers returning to the area. A few years' back kerbside waste collections, waste cartage from the waste transfer stations to landfill and management of the Scottsdale Waste Transfer Station were brought back in-house creating jobs in the municipality. The customer service from this crew is outstanding. The community and development team

have experienced record planning and building applications over the last few years and this department works closely with applicants to make the process as easy as possible. In the background the corporate services team deliver very high customer service standards to internal and external customers at the front desk, finance, administration, records management, rates, IT, human resources and swimming pool operations.

Outside of normal day-to-day operations Council has delivered on many key projects over 2021/22, highlights include:

- Tasman Highway 'Sideling' upgrade commencement
- Initiated and Advertised Draft Local Provisions Schedule
- Planning Approval for Rail Trail (Wyena to Scottsdale)
- Delivering the new Scottsdale Aquatic Centre, along with a new in-house operating model where Council employ the Pool Manager, pool attendants and lifeguards
- The delivery and successful opening of the new Bridport skate park
- Achieving and delivering on the capital road renewal program and budget
- Delivery of the upgrade of Carisbrook Lane
- Derby Car Park commencement
- Major Upgrade of Council's Enterprise IT software
- Delivery of Council's Asset Management Strategy, Stormwater Asset Management Plan and the Building Asset Management Plan

I would also like to express my gratitude to contractors that have worked with Council to deliver a myriad of projects. I look forward to working with Councillors, contractors, staff and the community in 2022/23.

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

JOHN MARIK



Official Opening of Bridport Skate Park | Bridget Archer MP and Mayor Greg Howard
Photo Credit: NB Media

Working Groups



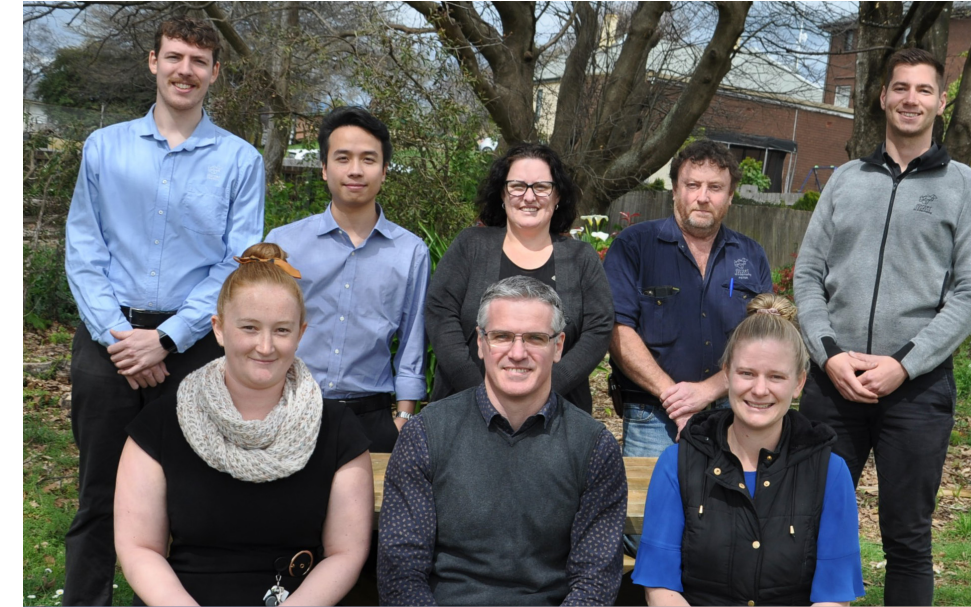
Management Team
Tim Watson, Rohan Willis, Dwaine Griffin, John Marik



Works and Infrastructure Services
Peter Carey, Lou Barrett, Craig Wheeler, Susan Woolley,
Bernard Johnson, Wayne Williams
Absent | Andrew Holmes



Corporate Services and Governance
Rear | Marcus Darko, Coralee Freeman, Stephanie Hill, Malcolm Beattie, Lauren Tolputt, Andrew Beggs
Front | Allison Saunders, Tracey Brown, John Marik (Director), Sarah Forsyth, Angela Lowe
Absent | Elizabeth Hadley, Chloe Carey, Chelsea Marshall, Caleb Buster, Bridget Waterhouse, Lauren Steel



Community & Development
Rear | Robert Masterman, Kien Tran, Elizabeth Hadley, Peter Carey, Thomas Wagenknecht
Front | Madison Loosmore, Rohan Willis (Director), Carly Hall
Absent | Tiah Stagoll, Barry Magnus



Scottsdale Town Maintenance and Cleansing Team
Alex Stevens, Craig Bennett, Bruce Van Asch, Paul Chirichiello, Paul Williams,
Nick Arnold
Absent | Helen Pola, Peta Ooms, Kellie Webb

Amenities Cleaners/Hall Caretakers (all absent)
Tanya Barker, Sue Naylor, Coral Petrie, Cindy Walsh, Shirley Jessup, Emma Burnie



Bridport Town Maintenance
Gavin Porter, Crystal Bowerman



Waste Crew
Theresa Kettle, John Powe, Shane Roach, Kelvin Simmons
Absent | Scott Hall, David Anderson, Michael Donnelly



Derby Town Maintenance
Mark Cornish, Samuel Chapple, Trevor Styles
Absent | Garrie Way



Blue Derby Trail Maintenance Crew
Scott White, Peter Coleborn, Brad Riggall (Trainee), Lachlan Cassidy (Trainee),
Angus McLarty, Xavier Smyrk (Trainee)



Construction Crew
Robert Worker, Graeme Betts, Bernard Johnson, Sam Hadley, Daniel Smythe, Kye Hall (Trainee), Stuart Worker, Chance Shadwick, John Petterwood,
Gregory Coker-Williams
Absent | Michael Taylor, Luke Hadley, Colin Stagoll, Neville Stevens, Duncan James

2021/22 Annual Plan - Quarterly Assessment

- Achieved
- Not Achieved
- In Progress
- Deferred
- Not Applicable

Dorset Strategic Plan

- Annual Review

Financial Management Strategy and Long Term

Financial Plan

- Review Strategy & Long Term Financial Plan

Asset Management

- Review and update Building Asset Management Plan
- Review and update Stormwater Asset Management Plan
- Review and update Asset Management Strategy & Policy

Carisbrook Lane from McDougalls Road to Main Street

- Commence reconstruction of road

Redevelopment of the Scottsdale Swimming Pool

- Commissioning of Pool complete

Statewide Planning Scheme

- Complete draft LPS ready for submission

Tasman Highway 'Sideling' Upgrade

- Progress report to Council

Aminya/May Shaw

- Progress report to Council
- Progress report to Council

Work Health & Safety Policy (No.51)

- Review Policy

Rail Trail - Wyena to Lilydale

- Development application submitted to City of Launceston

Major Upgrade of Council's Enterprise System

- Commence upgrade of Council's internal software
- Upgrade complete

Risk Management Policy (No.9)

- Review Policy

Bridport Cemetery

- Final Report on Cemetery drainage
- Review Bridport Cemetery Policy (No.10)

Dog Management Policy (No.37)

- Review Policy

Road Policy (No.40) and Road Plan

- Review Policy
- Review Plan

Cat Management Policy (No.45)

- Review Policy

Community Grants Policy (No.47)

- Review Policy

Emergency Relief Policy (No.53)

- Review Policy

Looking Forward 2022/23

- Commence process to adopt a new 10-year Strategic Plan with the newly elected Council
- Commence planning for the State Government Container Refund Scheme
- Review and update the Bridge Asset Management Plan
- Hold the inaugural DerbyFEST Mountain Bike Festival
- Integration and upgrade of Council's internal software systems
- Finalise the Local Provisions Schedule (LPS) and commence operation of the Tasmanian Planning Scheme
- Prepare for the 2022 Local Government Elections including preparation and updating of Council's General Manager's Roll and induction of new Elected Members
- Complete an Urban Residential Growth Strategy for Scottsdale and initiate scheme amendments as required
- Prepare a master plan and stage 1 subdivision plan for the proposed Austins Road, Scottsdale development
- Complete an Urban Residential Growth Strategy for Derby
- Review of the following policies:
 - Municipal Logo
 - Payment of Councillors Expenses and Provision of Facilities
 - Corporate Credit Card
 - Customer Service Charter
 - Public Liability Insurance for Community Groups
 - Disability Access
 - Personal Information Protection
 - New Business and Investment Assistance
 - Gifts and Benefits + Guidelines
 - Related Party Disclosures



'Air-Ya-Garn' Mountain Bike Trail featuring Miles Smith
Photo Credit: FLOW MTB

Year in Review



Ferny Hill Road, Golconda | Safety Improvements



Community Council Meeting at Bridport



New Bridport Skate Park



New BBQ at the Bridport Playground



New River Road, Ringarooma | Safety Improvements



Citizenship Ceremony for Catherine Irving

Environmental Health

Dorset Council undertakes environmental health activities with the aim to reduce the incidence of disease in the community and promote a healthy environment.

Council currently employs an Environmental Health Officer (EHO) on a full-time basis to undertake these activities.

The following is an overview of Dorset Council's environmental health activities for 2021/22.

FOOD

Dorset Council regulate the sale of food in the municipality to ensure it is safe and fit for human consumption. Council undertake registration of food businesses, inspection of food business premises to ensure they are compliant with the relevant legislation and codes, and investigate complaints relating to the sale of food.

Structural upgrading of food businesses is necessary from time to time, and works programs are often required as a condition of registration. Food handling standards are monitored, and training is provided as required.

Council encouraged food handlers to participate in food safety training, helping to facilitate this through access to free food safety training, and providing advice during routine inspections.

Number of food businesses as at 30 June 2022:

Registered Food Businesses	100
Registered Statewide Mobile Food Businesses	25
Registration of Temporary Food Businesses	13

PUBLIC HEALTH

Drinking Water

Council maintains a register of private water suppliers and commercial water carriers:

Private Water Suppliers	2
Commercial Water Carriers	1

Recreational Water

Water sampling was undertaken at Old Pier Beach, Bridport and public swimming pools in the municipality during the swimming season. Results of analysis were assessed using the Recreational Water Quality Guidelines and included in an annual report to the Director of Public Health.

Immunisations

Council administers the School Based Immunisation Program at Scottsdale High School and Winnaleah District High School. Vaccines were provided against Human papillomavirus (HPV), Diphtheria-tetanus-acellular pertussis (dTpa) and Meningococcal ACWY (Men ACWY).

Notifiable diseases

Council investigated all cases of notifiable diseases referred by the Department of Health and Human Services. Number and type investigated:

No. cases Salmonellosis reported	3
----------------------------------	---

Public health related premises and activities

Council regulates a number of public health related premises and activities:

Public Health Risk Activity Premises registered	1
Place of Assembly (Specific Events) licenced	4
Regulated Systems registered	1
Applications for Burial on Private Land	Nil

Onsite Wastewater Management Systems (OWMS)

Dorset Council approved approximately 30 applications for Onsite Wastewater Management Systems for developments in areas where sewerage reticulation is not available.

ENVIRONMENTAL MANAGEMENT AND POLLUTION CONTROL

Environmental Pollution Incidents

Council investigated reports of environmental pollution incidents and took appropriate action on a case by case basis. Examples of issues include:

- Illegal backyard burning
- Noise
- Odour
- Waste and rubbish dumping pollution
- Farming practices complaints (noise, burning, odour)

Infringement Notices

No. infringement notices issued under Environmental Management and Pollution Control Act 1994	Nil
No. infringement notices issued under Litter Act 2007	Nil
No. infringement notices issued under Public Health Act 1997	Nil

Waste Management

Dorset Council operates 3 Waste Transfer Stations (WTS) located in Scottsdale, Branxholm and Gladstone.

The sites have a comprehensive range of free recycling facilities including:

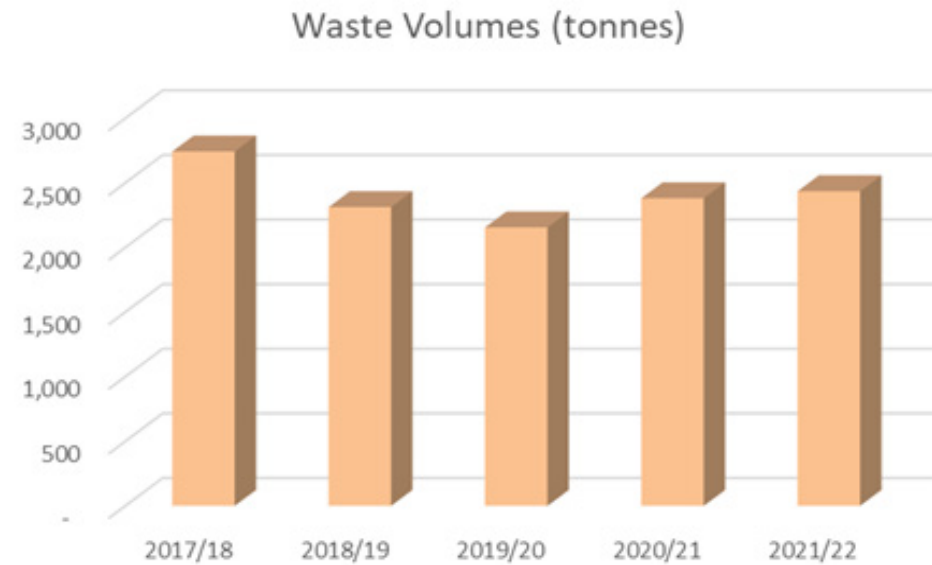
- drumMUSTER (collection of empty agricultural chemical containers)
- Polystyrene (Scottsdale WTS only)
- E-waste (Branxholm and Scottsdale WTS)
- Batteries (Branxholm and Scottsdale WTS)
- Paint and light globes (Scottsdale WTS)
- End of life marine flares (Scottsdale WTS)

The management of the Scottsdale Waste Transfer Station is undertaken in house with all proceeds from the Last Chance Resale Shop (the tip shop) held in trust and provided to local community organisations as part of the annual grants process. As at 30 June 2022, \$20,389 had been raised for the financial year.

Kerbside Waste and Recycling Collection Service was taken in house from July 2019 with service areas now covering every Dorset town and almost every locality. Our waste collection trucks are equipped with an extensive array of cameras allowing us to monitor and record individual bin collections. This is utilised in our monthly bin blitz which focuses on households presenting contaminated recycling and overfilled bins and enables us to target communications directly to the household with the intention to reduce or eliminate presentation issues. Key ongoing trends and behaviours are also tracked and the information collected utilised to inform educational messaging via social and print media throughout the year.

For the past financial year, Council has focused on reducing waste volumes through better recycling practices in order to decrease waste management costs and improve community and environmental outcomes. Reducing waste volumes going to landfill will continue to be an important focus for Council with the Statewide Waste Levy commencing on 1 July 2022.

Waste Volumes for the 2021/22 financial year were 2,435 tonnes. This saw a slight increase from the 2020/21 figures of 2,381 tonnes. This result is pleasing with the Bridport Seaside Caravan Park record patronage and high visitation numbers throughout the municipality in 2021/22.



Community Grants

Small Grants

(Allocation of \$10,000 with additional required funds from Discretionary stream and tip shop funds)

Organisation	Grant Amount	Grant Details
Bridport Surf Life Saving Club	\$2,000	Motor for inflatable rescue boat
Dorset Tasmania History Society	\$659	Ellesmere Cemetery unmarked graves identification project - phase 1
Jetsonville Playgroup	\$1,819	Hot water installation at Jetsonville Hall
Legerwood Catering Group	\$1,471	Bain marie purchase
North East Hockey Association	\$963	Gazebos, seats and table
Winnaleah Community Swimming Pool	\$1,961	Defibrillator kits for Winnaleah Swimming Pool
North Eastern Netball Association	\$1,000	Winnaleah Market set up costs
Winnaleah Community Swimming Pool	\$940	Storage shed
Bridport RSL Sub Branch	\$1,841	World War II Plaque
North Eastern Pony Club	\$1,000	Picnic tables
Ringarooma Golf Club	\$2,000	Excavator, dozer and maintenance improvements to Golf Course
Scottsdale Bowls Club	\$2,000	Refurbishment of cushion rubber on grass bowling green
Ringarooma Community Cultural Heritage Association	\$2,000	CCTV to protect historical data and artefacts at Ringarooma
Lions Club of Bridport	\$1,926	Sound equipment
Dorset Tasmania History Society	\$1,473	Ellesmere Cemetery unmarked graves identification project - phase 2
TOTAL	\$23,053	

Community Matching Funds Grants

(Allocation of \$30,000 with additional required funds from Discretionary stream and tip shop funds)

Nabowla Community Association	\$3,746	Window replacement at Nabowla Memorial Hall
Northbourne Park Association	\$13,580	Northbourne Community Centre building extension
Scottsdale Football Club	\$6,885	Goal post netting at Scottsdale Recreation Ground
Bridport Ex-Services and Community Club	\$10,000	Ramp upgrade at Bridport Ex Services, Bowls and Community Club
TOTAL	\$34,211	

Councillors Discretionary Grants

(Allocation of \$15,000 with excess funds going towards small and matching grants)

Ringarooma Netball Club	\$3,510	Ringarooma Netball Court lighting upgrade
Ringarooma Community Hub	\$5,018	Dining chairs for the Ringarooma Hub building at the Ringarooma Recreation Ground
Scottsdale Squash Club	\$3,370	Toilet replacement at Scottsdale Squash Centre
TOTAL	\$11,898	

Legislative Reporting Requirements

Public Interest Disclosures Act 2002

Section 86 of the Act requires Dorset Council to provide statistics on disclosures that were made to Council during the 2021/22 year.

Disclosures made to Dorset Council | Nil

The current procedures established by the Dorset Council under the Act are available from the Council Offices, or via our website dorset.tas.gov.au/policies (No. 32).

Right to Information Act 2009

Council received and accepted 4 applications for assessed disclosure of information during 2021/22. All applications were accepted for decision with the details of those decisions listed below.

Applications Decided	Reason
Information provided in full	1 -
No information provided (refused)	3 Information requested was or is to be disclosed by other means; or, providing the information requested would substantially and unreasonably divert resources

Local Government Act 1993

Code of Conduct Complaints

There was 1 code of conduct complaint received during the 2021/22 financial year. This complaint was still under investigation as at 30 June 2022, with no final determination outcome known.

The total costs associated with the complaint received during 2021/22 was unknown at the time of printing. Costs associated with Code of Conduct complaints are payable by Council.

Statement of Councillor Allowances and Expenses

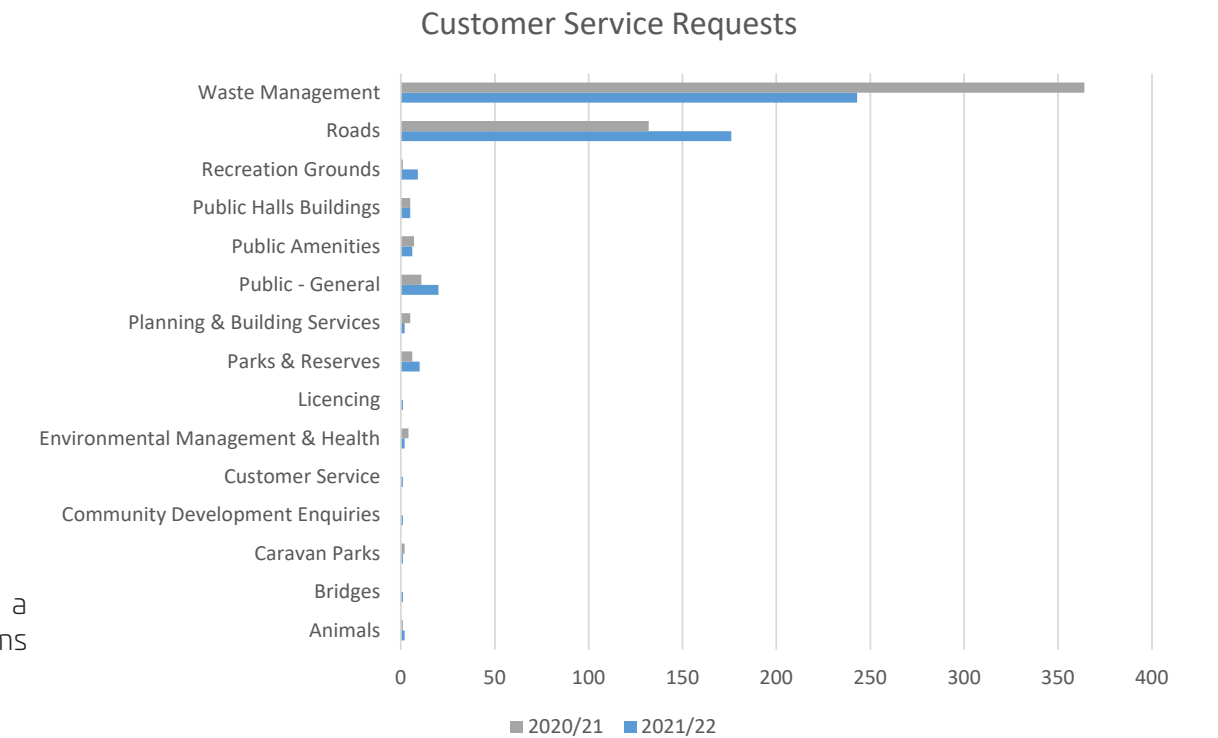
Section 72 (1) (cb) of the Local Government Act 1993 requires that a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors be included within the Annual Report.

During the 2021/22 period, Council paid allowances and reimbursements totaling \$207,000.

Customer Service Requests/Complaints

In accordance with Section 339F(5) of the *Local Government Act 1993*, the General Manager is to provide the Council with a report at least once a year on the number and nature of complaints/requests received.

The graph depicts the number of all customer requests/complaints received during 2021/22, being a total of 480 (2020/21: 538).



Mayor's Discretionary Fund

During 2021/22, Council received requests for assistance from a variety of organisations that fell outside of other funding streams provided by Council.

The following donations were made from the Mayor's Discretionary Fund:

Recipient	\$
Lions Club Magic Show - 4 x donated tickets	220
James Scott Decorative Arts Society Inc. - Gold Sponsorship of North East Tasmania Arts and Craft Festival	3,000
Royal Flying Doctor Service - donation for Community Walk, Run, Ride and Wellness Expo	200
North East Tasmania Chamber of Commerce - Christmas decorations	10,000
Launceston Legacy Inc. - purchase of badge	50
Scottsdale Junior Football Club - trophies	300
Seniors Week 2022 - mystery bus tour	2,000
North Eastern Netball Association - trophies and medals	300
Rotary Club of Scottsdale - donation for fence at May Shaw Aged Care Facility	500
Immune Deficiencies Foundation Australia - 4 x tickets Razzamatazz childrens event	220
Ringarooma School and District Show Committee - 2021 Show additional funding	1,500
Scottsdale Art and Framing - New Residents morning tea	280
Girl Guides Association of Tasmania - Quambatook Event contribution	3,000



Volunteer Week Morning Tea at the Scottsdale Visitor Information Centre

Barry Jarvis Education Scholarships

Council provided the following recipients with education scholarships in 2021/22:

Recipient	\$
Chloe Singline	500
Emily Hanslow	500
Ryan Burr	500
Liam Saunders	1,000
Nikayla Smith	500
Alysha Carins	1,250
Jordan Harper	1,500
Liam Jensen-Cooley	500
Tsegayinesh Midson	3,000
Grace Chatwin	3,000
Louis Burr	1,500

School Bursaries

Council provided bursaries to the following Schools in 2021/22:

Recipient	\$
Scottsdale Primary School 2021 Bursary	200
Scottsdale High School 2021 Bursary	500
Winnaleah District High School 2021 Bursary	500
Bridport Primary School 2021 Bursary	200

Sporting and Cultural Representatives

(Council Policy No. 4)

In accordance with Council Policy No. 4 - Sponsorship of Sporting and Cultural Representatives, Council was able to assist the following recipients represent Tasmania during 2021/22:

Recipient	\$
Ava Blundstone - Swimming	500
Zeke Richardson - Swimming	500
Taia Lette - Athletics	500
Bethany McGregor - Equestrian Tetrathon	500



Ava Blundstone and Zeke Richardson representing Tasmania in 2022
Photo Courtesy of Rebecca Blundstone

Remuneration Statement

Section 72

Council is to include within its Annual Report a statement relating to the total annual remuneration paid to employees of the Council who are key management personnel. Total annual remuneration includes the salary paid, contributions to superannuation, value of use of any motor vehicle and any other allowances or benefits paid.

Annual Remuneration

\$140,001 - \$160,000	-
\$160,001 - \$180,000	1
\$180,001 - \$200,000	2
\$200,001 - \$220,000	
\$220,001 - \$240,000	1

Enterprise Powers Statement

Under Section 72(1)(ca), 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).

TasWater

The Water and Sewerage Corporation Act 2012 (Tas) requires the Council to form, or participate in the formation of a proprietary company limited by shares and incorporated under the Corporations Act 2001. This corporation is TasWater.

Dorset Council is represented on TasWater's Owners' Representatives' Group (ORG), the activities of which are detailed at taswater.com.au

Detailed performance information is also available in TasWater's Annual Report.

GST Dispute Statement

Section 72A

Council reports no disputes with the Australian Taxation Office during the financial year relating to compliance with GST law.

Donation of Land Statement

Section 72(1)(da)

Council resolved to donate/transfer the following parcels of land during 2021/22 in accordance with Section 177:

Address	Title	Recipient	Valuation	Reason for Disposal
'Ezzy Park' Emily Street BRIDPORT	159544/1	The Crown	Nil	Development of an emergency services hub
Approx. 5,000sqm - 14 Hawkes Place SCOTTSDALE	182233/1	Centacare Evolve Housing	\$100,000	Social housing residential dwelling construction

Grants & Benefits

Section 77(2)

Type of Grant/Benefit	Amount	
Council Rate Remission	Conservation Covenants	\$3,745
Council Rate Remission	As per Council Policy	\$5,936
Council Rate Remission	Discretionary Rates	\$4,638
Council Rate Remission	Derby Waste Management	\$18,266
		\$32,585

Local Government (General) Regulations 2015

Tendering & Contracting - Part 3, Division 1 - Tenders for goods and services

Council is to report within its Annual Report details of any contract for the supply or provisions of goods and services valued at or over \$100,000 excluding GST, entered into or extended in the financial year.

Contractor / Supplier	Address	Description	Contract Period	Value
Water Features By Design	67 Waterford Avenue WATERFORD WA 6152	Scottsdale Pool Redevelopment - Design and Construct Wet Play Area	24.03.2019 to 01.11.2021	\$745,460
Sea to Shore - B & L Cooksley	443 Sandy Points Road BRIDPORT TAS 7262	Bridport Seaside Caravan Park	01.11.2020 to 31.10.2021	\$206,399
Fairbrother Pty Ltd	55 Gleadow Street LAUNCESTON TAS 7250	Scottsdale Pool Redevelopment	01.07.2020 to 30.11.2021	\$5,627,826
Fulton Hogan Pty Ltd	11 Calvary Road MOWBRAY TAS 7248	Bituminous Sealing of Roads	18.09.2021 to 30.06.2022	Various Rates
Cains Civil Contracting	9 Henry Street BRIDPORT TAS 7262	Stoke Street Branxholm Stormwater Improvements - Stage 1	21.12.2021 to 30.06.2022	\$112,840
Flatrock Formwork & Concrete Pty Ltd	49 Brook Street PETCHEYS BAY TAS 7109	New Bridport Skate Park	21.09.2021 to 30.06.2022	\$386,000
Mr Chris Riggall, Beaumontcote Pty Ltd	101 George Street SCOTTSDALE TAS 7260	Public Waste Collection Services	01.09.2021 to 01.09.2026	\$165,800 per annum
William Adams	PO Box 164 CLAYTON VIC 3168	Grader Replacement	17.08.2021 to 30.06.2022	\$527,420
Cains Civil Contracting	9 Henry Street BRIDPORT TAS 7262	Albert Street, Bridport - Kerb Replacement	09.02.2022 to 30.06.2022	\$136,540
Cains Civil Contracting	9 Henry Street BRIDPORT TAS 7262	Victoria Street, Scottsdale - Reconstruction	27.04.2022 to ongoing	\$1,142,121
Webster Trucks - Isuzu	4 Connector Park Road KINGS MEADOWS TAS 7249	Fogo Garbage Truck 24m ³	23.05.2022 to ongoing	\$463,994
Aurora Energy	GPO Box 191 HOBART TAS 7001	Small Electricity Connections	01.06.2020 to 30.06.2023	\$362,000
Waldent Enterprises	4 Westbury Road SOUTH LAUNCESTON TAS 7250	Bridport Seaside Caravan Park Management	01.11.2021 to 30.06.2025	\$806,540

Grants Paid to Council

Annual Financial Assistance Grants (FA Grants) are a critical revenue source for Council, representing 23% (\$3.5 million – adjusted for FA Grants paid in advance) of Council's total recurrent operating revenue. FA Grants provide annual funding for Council roads and other essential services that can never be adequately funded by rural Councils.

Summary of grants	\$'000
Federally funded grants	6,426
State funded grants	2,548
Total grants	8,974
Grants - Recurrent	\$'000
Commonwealth Government Financial Assistance Grants - General Purpose (untied)	2,020
Commonwealth Government Financial Assistance Grants - Roads (untied)	2,665
Commonwealth Government - other	140
State Grants	146
Total recurrent grants	4,971
Capital grants received specifically for new or upgraded assets	\$'000
Commonwealth Government - Roads to Recovery	751
Commonwealth Government - Carisbrook Lane Stage 2	185
Commonwealth Government - Bridport Skate Park	314
Commonwealth Government - Victoria Street Redevelopment	23
Commonwealth Government - Cascade Dam Road	37
Commonwealth Government - Derby Trail Head redevelopment	291
State Government - Derby Trail Head redevelopment	93
State Government - Scottsdale Aquatic Centre	345
State Government - Victoria Street Redevelopment	21
State Government - Bridge 1502 Banks Road	141
State Government - Golconda Road Stage 3	678
State Government - Golconda Road Stage 4	543
State Government - New River Road	186
State Government - Bridport Back Road	185
State Government - Ferny Hill Road Upgrade	96
State Government - Green Flow MTB Trail	92
State Government - Online Accommodation Booking Platform	6
State Grants - Levelling the Playing Field	16
Total capital grants	4,003



Carisbrook Lane, Legerwood | Stage 2 Reconstruction
Photo Credit: NB Media

Overview of Financial Performance

The following information is to assist the reader in understanding Council’s 2021/22 financial statements.

Financial Result

Dorset Council recorded a surplus before other comprehensive income of \$5.5 million for the 2021/22 financial year, compared to a surplus before other comprehensive income of \$4.3 million for 2020/21. Council’s recurrent income increased by \$1.7 million, capital income increased by \$0.2 million and expenses increased by \$0.8 million.

After adjusting for capital income and one-off events for the 2021/22 financial year, Council recorded an underlying deficit of \$42,000, compared to an underlying surplus of \$417,000 in 2020/21. A number of factors contributed to the decrease in Council’s underlying surplus, however, greater depreciation expense and an increase in employee costs had the most significant impact on results. Despite this, Council continues to be in a strong financial position as evidenced by the increase of \$871,000 in cash generated from operating activities during 2021/22

Significant movements in income, expenses, assets and liabilities from those recognised in the prior year are explained in further details below.

Statement of Comprehensive Income:

Recurrent Income

- Council’s income from continuing operations increased by \$1,680,000 for the 2021/22 financial year. The material movements that contributed to this increase are as follows:
- Rates and charges increased by \$613,000 as a result of increasing the general rate and kerbside collection charges by 4.9%, and applying fewer remissions throughout the year. In 2020/21, as per Council’s COVID 19 Business and Community Support Package, there was a 0% increase in rates and waste charges as well as a remission applied for eligible organisations and businesses equal to six months of rates and waste charges. These COVID-19 relief measures resulted in Council forgoing approximately \$360,000 in income during the 2020/21 financial year.
- User fees increased by \$129,000 due to additional income received from camping fees at the Bridport Seaside Caravan Park and sponsorships for the Blue Derby Mountain Bike Trails.
- Recurrent grants increased by \$759,000 as a result of an increase in

the prepayment received from the Financial Assistance Grant program. In April 2022, the Federal Government provided a prepayment equal to 75% of the grant allocation for the 2023 financial year, whereas previously the prepayment received has equalled 50% of the following year’s allocation.

- Other income increased by \$111,000 due to an increase in income received from private works, insurance reimbursements, as well as kiosk sales at the newly opened Scottsdale Aquatic Centre.
- Investment income from water corporation increased by \$136,000 as a result of the receipt of ordinary and special dividends from TasWater.

Capital Income

Capital grants decreased by \$347,000 as a result of the timing of works completed on capital projects during the year. Grant funding of \$2.0 million for projects still in progress has been carried forward into the 2022/23 year.

Capital grants utilised during the 2021/22 financial year included: Golconda Road (Stage 3 & 4) funding of \$1,221,000, Roads to Recovery funding of \$751,000, Derby Trail Head Redevelopment funding of \$384,000, Scottsdale Aquatic Centre funding of \$345,000, Bridport Skate Park funding of \$314,000, New River Road funding of \$186,000, Carisbrook Lane (Stage 2) funding of \$185,000, Bridport Back Road funding of \$185,000, Banks Road Bridge funding of \$141,000, Ferny Hill Road funding of \$96,000, Green Flow Mountain Bike Trail funding of \$92,000, Victoria Street Redevelopment funding of \$44,000, Cascade Dam Road funding of \$37,000, Amenities upgrade at the Bridport Football Clubrooms of \$16,000 and funding of \$6,000 for the Derby Online Accommodation Booking Platform.

Expenses

Council’s expenses from continuing operations increased by \$792,000 in the 2021/22 financial year. The material movements that contributed to this increase are as follows:

- Employee benefits increased by \$453,000 due to a combination of the increase to wages as per Council’s Enterprise Bargaining Agreement and the recruitment of essential personnel, including a building surveyor and apprentice plumber, to assist Council manage increasing service demand. Also impacting employee costs was the legislated 0.5% increase to the Superannuation Guarantee Contribution and the inclusion of employee costs for the running of the Scottsdale Aquatic Centre, which prior to its redevelopment, was operated under a contractor model.

- Materials and services increased by \$387,000 due to an increase in contractor costs for road and building maintenance as well as an increase in utilities costs for the Scottsdale Aquatic Centre, which was closed for redevelopment during the 2020/21 financial year.
- Depreciation and amortisation increased by \$417,000 due to the addition of new and upgraded assets from Council’s annual capital expenditure program and the indexing of infrastructure and building assets at levels greater than CPI.
- Other expenses decreased by \$433,000 as a result of a decrease in Aminya redevelopment costs. These costs relate to transferring the final instalment of grant funding received from the Tasmanian State Government to May Shaw for completion of the project (net cost to Council in 2021/22 was nil – see note 2.4). This decrease was slightly offset by an increase in state levies and taxes, insurance and IT maintenance costs during the year.

Current Assets

Current assets have decreased by \$4.1 million for the 2021/22 financial year. The material movements that contributed to this decrease are as follows:

- Cash and cash equivalents decreased by \$4.9 million as a result of Council repaying the \$3.2 million loan received in 2016/17 under the Tasmanian Economic Stimulus Scheme Accelerated Local Government Capital Program and an increase in capital purchases during the year.
- Assets held for sale increased by \$1.4 million as a result of Council’s decision to sell several parcels of land and the building at 2 Alfred Street, Scottsdale (known as the Scots Centre), which were subsequently transferred out of property, infrastructure, plant & equipment into assets held for sale. During 2021/22, Council also finalised the commitment made in 2015 to purchase 642ML of water rights from Tasmanian Irrigation, at a cost of \$0.8million, to enable the construction of the Scottsdale Irrigation Scheme (SIS) to commence. The SIS was commissioned in August 2021 and these water rights are now available for sale to the community via Tasmanian Irrigation.

Non-current Assets

Non-current assets have increased by \$21.6 million for the 2021/22 financial year. The material movements that contributed to this increase are as follows:

- Property, infrastructure, plant and equipment increased by \$21.5 million as a result of the addition of new and upgraded assets from Council annual expenditure program and the indexing of infrastructure and building assets at levels greater than CPI following an internal review of construction cost data. The indexation percentages applied for buildings and each infrastructure asset class are as follows:
 - o Roads – 7.11%
 - o Bridges – 8.46%
 - o Stormwater – 9.06%
 - o Buildings – 10.9%

Current liabilities

Current liabilities have decreased by \$2.8 million for the 2021/22 financial year. The material movements that contributed to this increase are as follows:

- Contract liabilities increased by \$466,000 as a result of an increase in grant funding received in advance for capital projects that Council expect to complete during the 2023 financial year.
- Interest-bearing loans and borrowings decreased by \$3,191,000 as a result of the repayment of the \$3.2 million loan, as mentioned above.

Non-current liabilities

Non-current liabilities have decreased by \$853,000 for the 2021/22 financial year. The material movements that contributed to this decrease are as follows:

- Contract liabilities decreased by \$351,000 as a result of reclassifying capital grant funding received for the Derby Trail Head Redevelopment as current due to the expectation that this project will be completed within the next twelve months.

Independent Auditor's Report

To the Councillors of Dorset Council

Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 10.6 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 are 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.



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

21 October 2022
Hobart



Financial Statements

Year Ended 30 June 2022

Table of Contents

Statement of Comprehensive Income.....	36	5.6 Contract assets.....	54
Statement of Financial Position.....	38	5.7 Other assets.....	55
Statement of Cash Flows.....	40	6.1 Property, infrastructure, plant and equipment.....	56
Statement of Changes in Equity.....	42	6.2 Pine plantations.....	60
Notes		6.3 Intangible assets.....	61
1.1 Reporting entity.....	43	7.1 Trade and other payables.....	61
1.2 Basis of accounting.....	43	7.2 Deposits.....	61
1.3 Use of judgments and estimates.....	43	7.3 Provisions.....	62
1.4 Impact of COVID-19 on Financial Reporting for 2021/22.....	43	7.4 Contract liabilities.....	64
1.5 Material budget variations.....	44	8.1 Interest-bearing loans and borrowings.....	65
1.6 Functions/Activities of the Council.....	45	9.1 Reserves.....	66
2.1 Rates and charges.....	46	9.2 Reconciliation of cash flows from operating activities to surplus (deficit).....	67
2.2 Statutory fees and fines.....	46	9.3 Reconciliation of liabilities arising from financing activities.....	68
2.3 User fees.....	46	9.4 Reconciliation of cash and cash equivalents.....	68
2.4 Grants.....	47	9.5 Financing arrangements.....	68
2.5 Contributions.....	48	9.6 Superannuation.....	68
2.6 Interest.....	49	9.7 Commitments.....	70
2.7 Other income.....	49	9.8 Operating leases as lessor.....	70
2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.....	49	9.9 Contingent liabilities and contingent assets.....	71
2.9 Investment income from water corporation.....	49	9.10 Financial instruments.....	72
3.1 Employee benefits.....	50	9.11 Fair value measurements.....	77
3.2 Materials and services.....	50	9.12 Events occurring after balance date.....	80
3.3 Depreciation and amortisation.....	50	10.1 Related party transactions.....	80
3.4 Finance costs.....	51	10.2 Special committees.....	81
3.5 Other expenses.....	52	10.3 Significant business activities.....	81
4.1 Investment in water corporation.....	52	10.4 Aminga Aged Care Facility.....	81
5.1 Cash and cash equivalents.....	52	10.5 Other significant accounting policies and pending accounting standards.....	81
5.2 Trade and other receivables.....	53	10.6 Management indicators.....	82
5.3 Financial investments.....	54	Certification of the Financial Report.....	87
5.4 Inventories.....	54		
5.5 Assets held for sale.....	54		

Financial Statements Image: Mt Victoria, Ringarooma
Photo Credit: Ella Saunders

Statement of Comprehensive Income

For Year Ended 30 June 2022

	Note	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Income from continuing operations				
Recurrent Income				
Rates and charges	2.1	8,208	8,226	7,613
Statutory fees and fines	2.2	186	178	202
User fees	2.3	1,131	1,262	1,133
Grants	2.4	3,614	4,971	4,212
Contributions - cash	2.5	25	31	60
Interest	2.6	50	73	88
Other income	2.7	342	573	462
Investment income from water corporation	2.9, 4.1	180	233	97
		13,736	15,547	13,867
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	4,479	4,003	4,350
Capital contributions - cash	2.5	40	44	-
Capital contributions - Non-monetary assets	2.5	-	521	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	20	(393)	(399)
		4,539	4,175	3,951
Total income from continuing operations		18,275	19,722	17,818

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

	Note	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Expenses from continuing operations				
Employee benefits	3.1	4,527	4,576	4,123
Materials and services	3.2	3,037	3,021	2,634
Depreciation and amortisation	3.3	4,324	4,677	4,260
Finance costs	3.4	168	168	200
Other expenses	3.5	1,620	1,822	2,255
Total expenses from continuing operations		13,676	14,264	13,472
Net result for the year		4,599	5,458	4,346
Other comprehensive income				
Items that will not be reclassified to net result				
Fair value adjustment on equity investments assets	9.1	-	318	1,226
Net asset revaluation increment/(decrement)	9.1	-	15,423	10,090
		-	15,741	11,316
Total Other Comprehensive Income		-	15,741	11,316
Total Comprehensive result		4,599	21,199	15,662

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

Statement of Comprehensive Income cont.

For Year Ended 30 June 2022

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	6,932	11,855
Trade and other receivables	5.2	815	941
Financial investments	5.3	2,500	3,000
Inventories	5.4	103	66
Assets held for sale	5.5	1,426	-
Contract assets	5.6	106	59
Other assets	5.7	146	240
Total current assets		12,028	16,161
Non-current assets			
Trade and other receivables	5.2	1,900	2,088
Investment in water corporation	4.1	16,552	16,234
Property, infrastructure, plant and equipment	6.1	201,775	180,265
Pine plantations	6.2	40	40
Other assets	5.7	35	35
Intangible assets	6.3	42	44
Total non-current assets		220,344	198,706
Total assets		232,372	214,867

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

	Note	2022 \$'000	2021 \$'000
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,466	1,744
Deposits	7.2	26	37
Provisions	7.3	1,157	984
Contract liabilities	7.4	2,262	1,796
Interest-bearing loans and borrowings	8.1	493	3,684
Total current liabilities		5,404	8,245
Non-current liabilities			
Provisions	7.3	260	269
Contract liabilities	7.4	40	391
Interest-bearing loans and borrowings	8.1	3,870	4,363
Total non-current liabilities		4,170	5,023
Total liabilities		9,574	13,268
Net Assets		222,798	201,599
Equity			
Accumulated surplus		129,524	124,066
Reserves	9.1	93,274	77,533
Total Equity		222,798	201,599

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

Statement of Financial Position cont.

As at 30 June 2022

Statement of Cash Flows

For Year Ended 30 June 2022

	Note	2022 Inflows/(Outflows) \$'000	2021 Inflows/(Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,199	7,626
Statutory fees and fines, user fees, contributions, reimbursements and other income (inclusive of GST)		2,625	2,392
Grants and contributions (inclusive of GST)		5,016	4,272
Interest received		76	94
Finance costs		(196)	(178)
Payments to suppliers (inclusive of GST)		(6,563)	(5,827)
Payments to employees (including redundancies)		(4,393)	(4,177)
GST refunds received		958	649
Net cash provided by (used in) operating activities	9.2	5,722	4,851
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(12,290)	(9,154)
Proceeds from sale of property, infrastructure, plant and equipment		382	318
Receipts from investments		500	1,000
Dividends from water corporation	2.9	233	97
Capital grants (inclusive of GST)		4,028	5,405
Net cash provided by (used in) investing activities		(7,147)	(2,334)

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

	Note	2022 Inflows/(Outflows) \$'000	2021 Inflows/(Outflows) \$'000
Cash flows from financing activities			
Proceeds from interest bearing loans and borrowings	9.3	-	2,700
Repayments of interest bearing loans and borrowings	9.3	(3,684)	(353)
Loan provided to third party (May Shaw)	8.1	-	(2,000)
Repayments received from loan to third party (May Shaw)	8.1	186	91
Net cash provided by (used in) financing activities		(3,498)	438
Net increase (decrease) in cash and cash equivalents			
		(4,923)	2,955
Cash and cash equivalents at the beginning of the financial year		11,855	8,900
Cash and cash equivalents at the end of the financial year	9.4	6,932	11,855
Restrictions on cash assets			
	5.1		
Financing arrangements			
	9.5		

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

Statement of Cash Flows cont.

For Year Ended 30 June 2022

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Landfill Rehabilitation Reserve	Fair Value Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Balance at beginning of the financial year		201,599	124,066	78,313	1,029	(1,809)
Restated opening balance		201,599	124,066	78,313	1,029	(1,809)
Net result for the year		5,458	5,458	-	-	-
Other Comprehensive Income:						
- Fair Value adjustment on equity investments	4.1, 9.1	318	-	-	-	318
- Net asset revaluation increment/(decrement)	9.1	15,423	-	15,423	-	-
Total comprehensive income		222,798	129,524	93,736	1,029	(1,491)
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		222,798	129,524	93,736	1,029	(1,491)
2021						
Balance at beginning of the financial year		186,377	120,160	68,223	1,029	(3,035)
<i>Effect of retrospective restatement of balances</i>						
Correction of prior period error		(440)	(440)	-	-	-
Restated opening balance		185,937	119,720	68,223	1,029	(3,035)
Net result for the year		4,346	4,346	-	-	-
Other Comprehensive Income:						
- Fair Value adjustment on equity investments	4.1, 9.1	1,226	-	-	-	1,226
- Net asset revaluation increment/(decrement)	9.1	10,090	-	10,090	-	-
Total comprehensive income		201,599	124,066	78,313	1,029	(1,809)
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		201,599	124,066	78,313	1,029	(1,809)

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

Note 1 | Overview

1.1 Reporting entity

The Dorset Council was established on 1 April 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 3 Ellenor Street, Scottsdale, Tasmania.

The purpose of the Council, as per Section 20 of the Local Government Act (1993), is to:

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

As per Council's Strategic Plan, Dorset Council's specific objectives are to:

- Stimulate economic growth by looking for enabling and visionary projects, with a view to increasing prosperity, population and investment;
- Operate as a custodian of public money and run as effectively and efficiently as possible to improve service delivery via infrastructure, customer service, etc.;
- Reduce the environmental footprint of the municipality; and
- Improve the liveability of the community and respond to community challenges without impacting existing services.

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 (LGA 1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in Notes 4.1, 5.3, 5.5, 6.1, 6.2, 7.3, 8.1 and 10.5(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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

1.3 Use of judgments and estimates

Judgments and Assumptions

In the application of Australian Accounting Standards, Council is required to make judgments, 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 judgments. 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. Judgments 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

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, plant & equipment

Assumptions and judgments are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in 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 4.1.

1.4 Impact of COVID-19 on Financial Reporting for 2021/22

The COVID-19 pandemic has impacted the 2020/21 amounts in this financial report, which may be reflected in the comparability of some line items and amounts reported in the statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic, or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and Tasmanian Government.

1.5 Material Budget Variations

Council's original budget was adopted by Council on 28 June 2021. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, change in economic activity and decisions made by Council.

Material budget variations are explained below:

Income - Recurrent

User fees

User fees were \$131,000 (12%) above budget due to an increase in income received from caravan and camping fees, sponsorships and building services.

Grants

Recurrent grant income was \$1,357,000 (38%) above budget due to a higher than expected prepayment received from the Commonwealth Government for the 2022/23 Financial Assistance Grant program and additional funding received from the Tasmanian Government in relation to the Aminya Aged Care Facility redevelopment (see note 10.4 for further information). This was the final grant instalment to be received for the project and the funds were passed on in full to May Shaw.

Interest

Interest was \$23,000 (46%) above budget due to higher than expected returns received on investments during the year.

Other Income

Other income was \$231,000 (68%) above budget due to receiving additional income from insurance reimbursements, trainee incentive payments and kiosk sales from the newly opened Scottsdale Aquatic Centre that were not budgeted for.

Investment Income from Water Corporation

Investment income from water corporation was \$53,000 (29%) above budget as a result of receiving additional dividends from TasWater.

Income - Capital

Grants

Capital grant income was \$476,000 (10%) under budget as a result of the timing of work completed on capital projects subject to external funding.

Contributions - Non-monetary assets

Income related to non-monetary contributions was \$521,000 (100%) above budget as a result of the completion of property subdivision within the municipality. The road and stormwater assets constructed by the developer were vested to the Council upon completion of the works.

Expenses

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

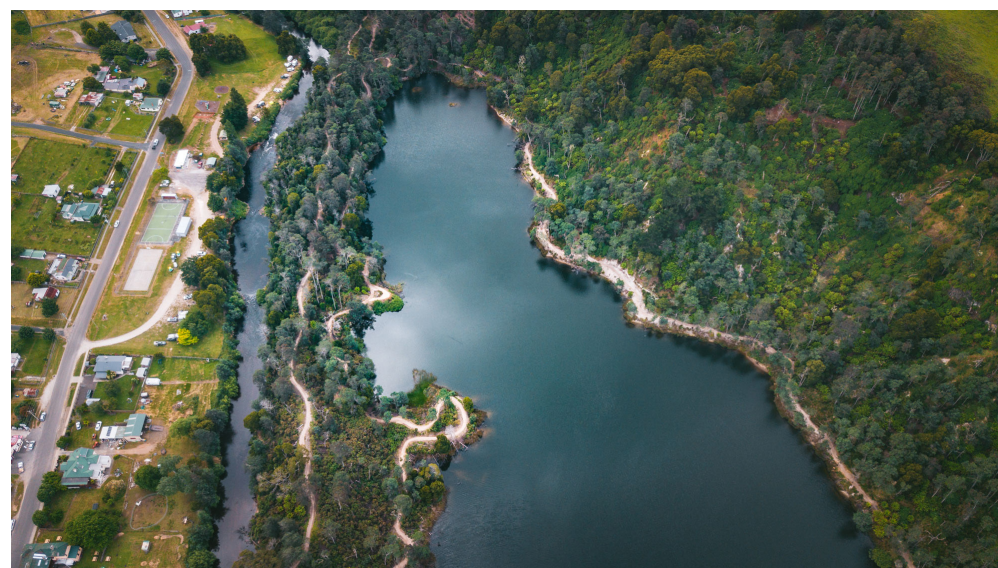
Loss on disposal of property, infrastructure, plant and equipment is \$413,000 above budget due to Council accelerating some capital projects as a result of receiving additional grant funding from Federal and State Government COVID-19 stimulus programs such as the Local Roads and Community Infrastructure (LRCI) Program.

Depreciation and Amortisation

Depreciation and amortisation was \$353,000 (8%) above budget as a result of the asset revaluation program completed last financial year, which occurred after budget estimates had been finalised.

Other Expenses

Other expenses were \$142,000 (9%) above budget as Council did not include the gross cost of the contribution towards the redevelopment of the Aminya Aged Care Facility in budget estimates for the 2021/22 financial year. This is not considered a part of Council's core operations and the costs should be offset against the income included under operating grants (see above). The overall net impact to Council's operating surplus for the 2021/22 financial year was nil.



Briseis Mine Hole, Derby
Photo Credit: FLOW MTB

1.6 Functions/Activities of the Council

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

	Grants and Contributions \$'000	Other \$'000	Total Income \$'000	Total Expenditure \$'000	Surplus/(Deficit) \$'000	Assets \$'000
Governance						
2021 - 2022	-	-	-	895	(895)	42
2020 - 2021	-	-	-	716	(716)	45

Corporate Services

2021 - 2022	2,171	7,370	9,541	707	8,834	31,913
2020 - 2021	2,151	6,737	8,888	1,381	7,507	36,320

Development and Environmental Services

2021 - 2022	-	264	264	1,096	(832)	2,983
2020 - 2021	21	284	305	1,031	(726)	2,667

Infrastructure

2021 - 2022	7,399	2,518	9,917	11,566	(1,649)	197,434
2020 - 2021	6,450	2,176	8,625	10,344	(1,719)	175,835

Total

2021 - 2022	9,570	10,152	19,722	14,264	5,458	232,372
2020 - 2021	8,622	9,197	17,818	13,472	4,346	214,867

(b) Reconciliation of assets from Note 1.4(a) with the Statement of Financial Position at 30 June:

	2022 \$'000	2021 \$'000
Current assets	12,028	16,161
Non-current assets	220,344	198,706
	232,372	214,867

1.4 Functions/Activities of the Council (cont.)

(c)

Governance

Elected members and governance administration.

Corporate Services

Corporate services administration, finance, human resource management, projects, facility coordination (community halls and centres, Bridport Seaside Caravan Park and Scottsdale Aquatic Centre), fire prevention and emergency services, information technology, municipal offices and rates.

Development and Environmental Services

Business and economic development, community services administration, rural primary health services, tourism, youth services, building, planning, animal control and environmental health.

Infrastructure

Cemeteries, caravan parks, halls and community centres, parks and reserves, pine plantations, plant operations, private works, roads, bridges and footpaths, sport and recreation facilities (including mountain bike trails), stormwater, street lighting, swimming pools, waste management and infrastructure administration.

Note 2 | Income

2.1 Rates and charges

Council uses assessed annual value as the basis of valuation of all properties within the municipality. The assessed annual value of a property is the estimated yearly rental value of the property, as determined by the Valuer-General.

The valuation base used to calculate general rates for 2021/22 was \$84.396 million (2020/21: \$81.200 million). The 2021/22 rate in the assessed annual value dollar was \$0.0759 (2020/21: \$0.0724).

	2022 \$'000	2021 \$'000
Rates and charges		
General rate	6,387	5,903
Waste charge	1,492	1,376
Fire Levy	347	334
Total rates and charges	8,226	7,613

Accounting policy

Council recognises income 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 (see Note 7.1).

2.2 Statutory fees and fines

	2022 \$'000	2021 \$'000
Statutory fees and fines		
Town planning fees	72	79
Land information certificates	86	95
Animal control	20	28
Total statutory fees and fines	178	202

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.

2.3 User fees

	2022 \$'000	2021 \$'000
User fees		
Caravan and camping fees	879	801
Rental and lease income	47	43
Building services	124	120
Cemetery fees	35	37
Waste transfer station	43	38
Other fees and charges	134	94
Total user fees	1,262	1,133

Ageing analysis of contractual receivables

Please refer to Note 9.10(d) for the ageing analysis of contractual receivables.

Accounting policy

Council recognises income 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.

2.4 Grants

Grants were received in respect of the following:

Summary of grants	2022 \$'000	2021 \$'000
Federally funded grants	6,426	5,157
State funded grants	2,548	3,384
Others	-	21
Total grants	8,974	8,562

Grants - Recurrent	2022 \$'000	2021 \$'000
Commonwealth Government Financial Assistance Grants - General Purpose (untied)	2,020	1,398
Commonwealth Government Financial Assistance Grants - Roads (untied)	2,665	1,900
Commonwealth Government - other	140	140
State Grants	146	753
Other	-	21
Total recurrent grants	4,971	4,212



Carisbrook Lane Stage 2 Reconstruction
Photo Credit: NB Media

Capital grants received specifically for new or upgraded assets	2022 \$'000	2021 \$'000
Commonwealth Government - Roads to Recovery	751	751
Commonwealth Government - Ringarooma Road	-	290
Commonwealth Government - Carisbrook Lane Stage 1	-	676
Commonwealth Government - Carisbrook Lane Stage 2	185	-
Commonwealth Government - Bridport Skate Park	314	-
Commonwealth Government - Victoria Street Redevelopment	23	-
Commonwealth Government - Cascade Dam Road	37	-
Commonwealth Government - Derby Trail Head redevelopment	291	2
State Government - Derby Trail Head redevelopment	93	2
State Government - Scottsdale Aquatic Centre	345	2,367
State Government - Bridport Lighting Project	-	150
State Government - Victoria Street Redevelopment	21	-
State Government - Bridge 1600 Nook Road	-	94
State Government - Bridge 1502 Banks Road	141	-
State Government - Golconda Road Stage 3	678	-
State Government - Golconda Road Stage 4	543	15
State Government - New River Road	186	-
State Government - Bridport Back Road	185	3
State Government - Ferny Hill Road Upgrade	96	-
State Government - Green Flow MTB Trail	92	-
State Government - Online Accommodation Booking Platform	6	-
State Grants - Levelling the Playing Field	16	-
Total capital grants	4,003	4,350

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:

2.4 Grants (cont.)

	2022 \$'000	2021 \$'000
Operating		
Balance of unspent funds at 1 July	45	45
<i>Add:</i> Funds recognised as income in the reporting year but not yet spent in accordance with the conditions	-	-
<i>Add:</i> Funds received and not recognised as income in the current year	45	-
<i>Less:</i> Funds recognised as income in previous years that have been spent during the reporting year	-	-
<i>Less:</i> Funds received in prior years but income recognised and funds spent in current year	-	-
Balance of unspent funds at 30 June	90	45

	2022 \$'000	2021 \$'000
Capital		
Balance of unspent funds at 1 July	1,942	862
<i>Add:</i> Funds recognised as income in the reporting year but not yet spent in accordance with the conditions	-	-
<i>Add:</i> Funds received and not recognised as income in the current year	1,550	1,942
<i>Less:</i> Funds recognised as income in previous years that have been spent during the reporting year	-	-
<i>Less:</i> Funds received in prior years but income recognised and funds spent in current year	(1,517)	(862)
Balance of unspent funds at 30 June	1,975	1,942

Accounting policy

Council recognises untied grant income and those without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, income is recognised as or when control of each performance obligation 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 project milestones such as design, construction progress and project completion.

Each performance obligation is considered to ensure that the income 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 income 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, income is recognised when the asset is acquired and controlled by the Council.

Commonwealth Government Financial Assistance Grants

In both 2020/21 and 2021/22 financial years, the Commonwealth Government has made advance payment of a portion of the untied Financial Assistance Grants for the following year. The early receipt of these instalments has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2021/22 by \$1.26 million (2021/21, under budget by \$0.35 million). The receipt of these payments has also impacted the Statement of Comprehensive Income resulting in the net result for the year being higher by \$1.1 million (see Note 10.6(a)).

2.5 Contributions

(a) Cash	2022 \$'000	2021 \$'000
<i>Operating</i>		
North East Mountain Bike Trails	31	28
Scottsdale Aquatic Centre	-	32
	31	60
<i>Capital</i>		
Seating - Bridport Foreshore	4	-
Winnaleah Irrigation Shed capital contribution	40	-
	44	-
(b) Non-monetary assets		
Roads	463	-
Stormwater	58	-
	521	-
Total Contributions	596	60

Accounting policy

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

2.6 Interest

Interest	2022 \$'000	2021 \$'000
Interest on financial assets	14	27
Interest on rates	21	17
Interest on cash and cash equivalents	38	44
Total Interest	73	88

Accounting policy

Interest is recognised progressively as it is earned.

2.7 Other income

Other Income	2022 \$'000	2021 \$'000
Tourism income	22	17
Aquatic Centre income	71	-
Private works	33	6
Reimbursements	383	285
Other income	64	154
Total other income	573	462

Accounting policy

Tourism, aquatic centre income and other income

Tourism and other income is recognised as income when the payment is due or the payment is received, whichever first occurs.

Private works and reimbursements

Reimbursements are recognised as income when the payment is due or the payment is received, whichever first occurs.

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

	2022 \$'000	2021 \$'000
Proceeds of sale	382	255
<i>Written down value of assets disposed:</i>		
Plant, machinery and equipment	(317)	(252)
Building and infrastructure assets		
Scheduled	(243)	(115)
Unscheduled	(215)	(287)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(393)	(399)

Accounting policy

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

2.9 Investment income from water corporation

Investment income from water corporation	2022 \$'000	2021 \$'000
Dividend income received	233	97
Total investment income from water corporation	233	97

Accounting policy

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

Note 3 | Expenses

3.1 Employee benefits

Employee Benefits	2022 \$'000	2021 \$'000
Wages and salaries	4,630	4,252
Superannuation (Refer to Note 9.6)	550	452
Annual leave	410	356
Payroll tax	269	231
Long service leave	129	51
Workers Compensation	138	88
Fringe benefits tax	32	28
	6,158	5,458
Less amounts capitalised	(1,582)	(1,335)
Total employee benefits	4,576	4,123

Accounting policy

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.

3.2 Materials and Services

Materials and Services	2022 \$'000	2021 \$'000
Materials	362	329
Utilities	481	449
Plant, machinery and equipment maintenance	353	347
Office administration	56	54
Contracts	1,382	1,033
Professional services	159	235
Management contracts	228	187
Total materials and services	3,021	2,634

Accounting policy

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.

3.3 Depreciation and amortisation

	2022 \$'000	2021 \$'000
Property		
Land improvements	411	274
Buildings	361	267
Plant and Equipment		
Plant, machinery and equipment	647	587
Fixtures, fittings and furniture	11	9
Computers and telecommunications	126	147
Infrastructure		
Roads	2,412	2,275
Bridges	506	455
Stormwater	201	234
Intangible assets		
Intangible assets	2	12
Total depreciation and amortisation	4,677	4,260

Accounting policy

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. 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.

3.3 Depreciation and amortisation (cont.)

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.

Road and trail earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Land (including land under roads) is not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year. Estimates of remaining useful lives and residual value are made on a regular basis.

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

	Period
Property	
Land improvements.....	5 to 100 years
Buildings.....	15 to 160 years
Plant and Equipment	
Plant, machinery and equipment.....	2 to 50 years
Fixtures, fittings and furniture.....	10 to 40 years
Computers and telecommunications.....	4 to 15 years
Infrastructure	
Road wear surface	
seal.....	15 to 30 years
unsealed.....	8 to 15 years
Road pavements.....	50 to 200 years
Road sub base.....	50 to 200 years
Road kerb, channel and minor culverts.....	60 years
Road drainage.....	50 to 54 years
Footpaths.....	30 to 50 years
Bridge substructure.....	20 to 129 years
Bridge superstructure.....	13 to 80 years
Stormwater points, drains and pipes.....	80 years
Intangible Assets.....	25 years

3.4 Finance costs

Finance Costs	2022 \$'000	2021 \$'000
Interest - borrowings	168	200
Total finance costs	168	200

Accounting policy

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 are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts and interest on borrowings.



New Public Bus Shelter, Bridport

3.5 Other expenses

Other Expenses	2022 \$'000	2021 \$'000
State levies, licences and taxes	457	418
Insurance	159	106
Councillors' allowances	168	164
Commissions	15	1
IT maintenance	133	95
Communications	78	73
Subscriptions and memberships	66	63
Professional development	25	30
Cost of goods sold	22	4
Aminya redevelopment costs	145	766
Community grants and donations	109	143
Bad and doubtful debts	4	6
Advertising	55	36
External audit fees	36	27
Election expenditure	3	-
Marketing	9	15
Bank fees and charges	35	32
Postage	18	18
Lease payments	19	24
Other expenses	266	234
Total other expenses	1,822	2,255

Accounting policy

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.

The external audit fee for 2021/22 is \$27,270 (2020/21 \$25,970).

Note 4 | Investment in water corporation

4.1 Investment in water corporation

	2022 \$'000	2021 \$'000
Opening Balance	16,234	15,008
Fair value adjustments on equity investment assets	318	1,226
Total investment in water corporation	16,552	16,234

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

Accounting policy

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9 Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income.

Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer to 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. At 30 June 2022, Council holds a 10% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 5 | Current Assets

5.1 Cash and cash equivalents

Cash and Cash Equivalents	2022 \$'000	2021 \$'000
Cash on hand	2	2
Cash at bank	6,917	11,840
Special committees (Note 10.2)	13	13
Total cash and cash equivalents	6,932	11,855

5.1 Cash and cash equivalents (cont.)

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

	2022 \$'000	2021 \$'000
Internal restrictions		
(i) Leave provisions (Note 7.3)	1,417	1,253
(ii) Landfill rehabilitation reserve (Note 9.1)	1,029	1,029
External restrictions		
(iii) Deposits (Note 7.2)	26	37
(iv) Income received in advance (Note 7.4)	2,302	2,187
Restricted funds	4,774	4,506
Total unrestricted cash and cash equivalents	2,158	7,349

Council has additional funds invested in term deposits to cover periods where there is insufficient funds in cash and cash equivalents (Note 5.3).

Accounting policy

For the purpose 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 funds:

(i) includes both short and long term leave entitlement payable to employees in the future.

(ii) represents the potential obligation to provide for future rehabilitation liabilities where Council resolves to establish a new landfill site in the Dorset Municipality.

(iii) includes refundable deposits held by Council.

(iv) represents income received in advance until specific performance obligations required under funding arrangements are completed.

5.2 Trade and other receivables

Current	2022 \$'000	2021 \$'000
Rates debtors	360	337
Other debtors	89	158
Payroll debtors	3	1
Loans and advances (Note 10.4)	188	185
Net GST receivable	186	271
less provision for impairment - other debtors	(11)	(11)
Total current	815	941
Non-current		
Loans and advances (Note 10.4)	1,900	2,088
Total non-current	1,900	2,088
Total trade and other receivables	2,715	3,029

Reconciliation of movement in expected credit loss

	2022 \$'000	2021 \$'000
Carrying amount at 1 July	11	5
Amounts written off during the year	-	-
Amounts recovered during the year	(4)	-
Increase/(decrease) in provision recognised in the profit or loss	4	6
Carrying amount at 30 June	11	11

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

Accounting policy

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.

5.3 Financial Investments

	2022 \$'000	2021 \$'000
Financial investments		
Term deposits	2,500	3,000
Total financial investments	2,500	3,000

Accounting policy

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.

Term deposits represent short term deposits invested with Australian deposit taking institutions for a fixed period of less than 12 months with interest paid at maturity.

5.4 Inventories

	2022 \$'000	2021 \$'000
Inventories		
Inventories held for distribution	90	52
Inventories held for sale	13	14
Total inventories	103	66

Accounting policy

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

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

5.5 Assets held for sale

	2022 \$'000	2021 \$'000
Assets held for sale		
Water Irrigation Rights - Scottsdale Irrigation Scheme	899	-
Internal transfer from Land	399	-
Internal transfer from Buildings	128	-
Total inventories	1,426	-

Water Irrigation Rights - Scottsdale Irrigation Scheme

In 2015, Council committed to purchase a minimum of 1,250ML in unsold water rights to enable the construction of the Scottsdale Irrigation Scheme (SIS) to commence. The SIS was commissioned in August 2021 at which time 642ML were purchased by Council and these water rights are now available for sale to the community via Tasmanian Irrigation.

At 30 June 2022, 642ML of unsold water rights remain for sale.

Internal transfer from Land and Land under roads

Council has decided to sell several parcels of land over the next 12 months. The land has been deemed surplus to Council's needs and has therefore been made available for sale. The land parcels are located at 54 Ringarooma Road, Scottsdale, 14 Hawkes Place, Scottsdale, 2 Alfred Street, Scottsdale and Anderson Street Road Reserve, Bridport. The land is valued at the lower of the carrying value and the fair value less costs to sell.

Internal transfer from Buildings

Council has entered into a contract for the sale of the land and building at 2 Alfred Street, Scottsdale (known as the Scott Centre). Settlement is expected to take place in the next 12 months. The building is valued at the lower of the carrying value and the fair value less costs to sell.

Accounting policy

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

5.6 Contract assets

	2022 \$'000	2021 \$'000
Current		
Accrued income	106	59
Total contract assets	106	59

Accounting policy

Council recognises a contractual asset for work in progress where a performance obligation is satisfied by transferring a promised good or service to the customer, before the customer pays consideration or the payment is due. Contractual assets are transferred to receivables when the right to receive payment becomes unconditional.

Council reviews contractual assets for impairment and concluded that there was no impairment required for the 2021/22 year.

Council's contract assets with customers predominantly includes reimbursements from the State Government under the Local Government Accelerated Capital Program and the Local Government Loan Program.

5.7 Other Assets

	2022 \$'000	2021 \$'000
Current		
Accrued interest income	17	20
Prepayments	129	220
Total current	146	240
Non-current		
Deposits	35	35
Total non-current	35	35
Total other assets	181	275



'Sunrise on the 40' Talawa
Photo Credit: Montana Gilroy

Note 6 | Non-current assets

6.1 Property, infrastructure, plant and equipment

Summary	2022 \$'000	2021 \$'000
at cost	31,235	27,615
Less accumulated depreciation	(7,037)	(6,985)
	24,198	20,630
at fair value as at 30 June	268,590	241,628
Less accumulated depreciation	(91,013)	(81,993)
	177,577	159,635
Total	201,775	180,265
Property		
Land		
at fair value as at 30 June	8,222	4,861
	8,222	4,861
Land improvements		
at cost	19,396	11,073
Less accumulated depreciation	(2,922)	(2,597)
	16,474	8,476
Land Under Roads		
at fair value as at 30 June	3,953	3,954
	3,953	3,954
Total Land	28,649	17,291
Buildings		
at fair value as at 30 June	11,020	9,828
Less accumulated depreciation	(400)	-
	10,620	9,828
Total Buildings	10,620	9,828
Total Property	39,269	27,119

Plant and Equipment	2022 \$'000	2021 \$'000
Plant, machinery and equipment		
at cost	7,599	7,745
Less accumulated depreciation	(2,608)	(3,019)
	4,991	4,726
Fixtures, fittings and furniture		
at cost	121	115
Less accumulated depreciation	(60)	(48)
	61	67
Computers and telecommunications		
at cost	1,723	1,629
Less accumulated depreciation	(1,447)	(1,321)
	276	308
Total Plant and Equipment	5,328	5,101
Infrastructure		
Roads		
at fair value as at 30 June	194,236	176,455
Less accumulated depreciation	(73,008)	(66,299)
	121,228	110,156
Bridges		
at fair value as at 30 June	33,140	30,436
Less accumulated depreciation	(10,916)	(9,760)
	22,224	20,676

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

Stormwater	2022 \$'000	2021 \$'000
at fair value as at 30 June	18,019	16,094
Less accumulated depreciation	(6,689)	(5,934)
	11,330	10,160
Total Infrastructure	154,782	140,992
Works in progress		
Land	18	-
Land improvements	661	4,923
Buildings	690	547
Plant, machinery and equipment	-	-
Computers and telecommunications	19	8
Roads	997	1,572
Bridges	-	2
Stormwater	11	-
Total Works in progress	2,396	7,053
Total property, infrastructure, plant and equipment	201,775	180,265



Stormwater Upgrades at Branhholm

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

Reconciliation of property, plant and equipment, infrastructure

2022	Balance at beginning of financial year \$'000	Adjustment for prior period errors \$'000	Acquisition of assets \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Written down value of disposals (Note 2.8) \$'000	Impairment losses recognised in profit or loss \$'000	Transfers \$'000	Balance at the end of financial year \$'000
Property									
land	4,861	-	-	3,759	-	-	-	(398)	8,222
land improvements	8,476	-	-	-	(411)	(26)	-	8,435	16,474
land under roads	3,954	-	-	-	-	-	-	(1)	3,953
Total land	17,291	-	-	3,759	(411)	(26)	-	8,036	28,649
buildings	9,828	-	-	1,044	(361)	0	-	109	10,620
Total buildings	9,828	-	-	1,044	(361)	0	-	109	10,620
Total property	27,119	-	-	4,803	(772)	(26)	-	8,145	39,269
Plant and Equipment									
plant, machinery and equipment	4,726	-	1,229	-	(647)	(317)	-	-	4,991
fixtures, fittings and furniture	67	-	6	-	(11)	-	-	-	62
computers and telecommunications	308	-	-	-	(126)	-	-	93	275
Total plant and equipment	5,101	-	1,235	-	(784)	(317)	-	93	5,328
Infrastructure									
roads	110,156	-	463	8,008	(2,412)	(292)	-	5,305	121,228
bridges	20,676	-	-	1,709	(506)	(138)	-	483	22,224
stormwater	10,160	-	58	903	(201)	(2)	-	412	11,330
Total infrastructure	140,992	-	521	10,620	(3,119)	(432)	-	6,200	154,782
Works in progress									
land	-	-	18	-	-	-	-	-	18
land improvements	4,923	-	4,172	-	-	-	-	(8,435)	660
buildings	547	-	380	-	-	-	-	(237)	690
plant, machinery and equipment	-	-	-	-	-	-	-	-	-
computers and telecommunications	8	-	104	-	-	-	-	(93)	19
roads	1,572	-	4,923	-	-	-	-	(5,498)	997
bridges	2	-	481	-	-	-	-	(483)	-
stormwater	-	-	230	-	-	-	-	(219)	11
Total works in progress	7,052	-	10,308	-	-	-	-	(14,965)	2,396
Total property, plant and equipment, infrastructure	180,265	-	12,064	15,423	(4,675)	(775)	-	(527)	201,775

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

Reconciliation of property, plant and equipment, infrastructure

2021	Balance at beginning of financial year \$'000	Adjustment for prior period errors (Note 9.12) \$'000	Acquisition of assets \$'000	Revaluation increments (decrements) (Note 9.1) \$'000	Depreciation and amortisation (Note 3.3) \$'000	Written down value of disposals (Note 2.8) \$'000	Impairment losses recognised in profit or loss \$'000	Transfers \$'000	Balance at the end of financial year \$'000
Property									
land	4,509	383	-	(31)	-	-	-	-	4,861
land improvements	8,534	-	-	-	(274)	(63)	-	279	8,476
land under roads	3,954	-	-	-	-	-	-	-	3,954
Total land	16,997	383	-	(31)	(274)	(63)	-	279	17,291
buildings	8,362	83	-	1,173	(267)	(260)	-	737	9,828
Total buildings	8,362	83	-	1,173	(267)	(260)	-	737	9,828
Total property	25,359	466	-	1,142	(541)	(323)	-	1,016	27,119
Plant and Equipment									
plant, machinery and equipment	5,605	(881)	842	-	(587)	(252)	-	-	4,726
fixtures, fittings and furniture	26	-	50	-	(9)	-	-	-	67
computers and telecommunications	318	-	1	-	(147)	-	-	136	308
Total plant and equipment	5,949	(881)	893	-	(743)	(252)	-	136	5,101
Infrastructure									
roads	102,498	-	-	7,314	(2,275)	(18)	-	2,637	110,156
bridges	19,057	-	-	1,871	(455)	(124)	-	327	20,676
stormwater	10,217	-	-	(236)	(234)	-	-	413	10,160
Total infrastructure	131,772	-	-	8,949	(2,964)	(142)	-	3,377	140,992
Works in progress									
land improvements	534	-	4,717	-	-	-	-	(329)	4,923
buildings	1,105	-	131	-	-	-	-	(689)	547
plant, machinery and equipment	-	-	-	-	-	-	-	-	-
computers and telecommunications	16	-	126	-	-	-	-	(134)	8
roads	1,606	-	2,603	-	-	-	-	(2,636)	1,572
bridges	-	-	330	-	-	-	-	(329)	2
stormwater	60	-	353	-	-	-	-	(413)	-
Total works in progress	3,321	-	8,260	-	-	-	-	(4,529)	7,052
Total property, plant and equipment, infrastructure	166,401	(415)	9,153	10,090	(4,248)	(717)	-	-	180,265

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

Accounting policy

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

Property, infrastructure, and buildings received in the form of contributions, are recognised as assets and incomes 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, a threshold limit of \$1,000 is applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Revaluation

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

Land.....	fair value
Plant, machinery and equipment.....	cost
Fixtures, fittings and furniture.....	cost
Stormwater.....	fair value
Roads.....	fair value
Land under roads.....	fair value
Bridges.....	fair value
Buildings.....	fair value
Land improvements.....	cost
Computers and telecommunication.....	cost

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, land improvements, furniture and fittings and computers and telecommunications, 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 income 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 / reversal of impairment losses

Impairment losses are recognised in the Statement of Comprehensive Income under other expenses, unless the asset is carried at the revalued amount (in accordance with AASB 116). Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with AASB 116. Reversals of impairment losses are recognised in the Statement of Other Comprehensive Income under other income, unless the asset is carried at the revalued amount in accordance with AASB 116. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with AASB 116.

Land under roads

Council recognised the value of land under roads it controls at fair value.

6.2 Pine plantations

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	40	40
Fair value adjustments	-	-
Balance at end of financial year	40	40

Valuation of pine plantations has been determined in accordance with an independent valuation by AKS Forest Solutions at 30 June 2017 who have experience in the location and category of the plantations being valued.

Accounting policy

Pine plantations are held to generate income from the sale of pine saw logs. Plantations are measured initially at cost including establishment costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that the future economic benefit in excess of the original assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, plantations are carried at fair value. Changes in fair value are recorded in the Statement of Comprehensive Income when the risk and rewards of ownership are transferred to the purchaser.

6.3 Intangible assets

Intangible Assets	2022 \$'000	2021 \$'000
Trademarks	12	13
Brand names	30	31
Total intangible assets	42	44

Reconciliation of intangible assets	Trademarks \$'000	Brand Names \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2020	16	40	56
Additions from internal developments	-	-	-
Balance at 30 June 2021	16	40	56
Additions from internal developments	-	-	-
Gross carrying amount at 30 June 2022	16	40	56

Accumulated amortisation and impairment

Balance at 1 July 2020	-	-	-
Amortisation expense	3	9	12
Balance at 30 June 2021	3	9	12
Amortisation expense	1	1	2
Balance at 30 June 2022	4	10	14

Net Book value at 30 June 2021	13	31	44
---------------------------------------	-----------	-----------	-----------

Net book value at 30 June 2022	12	30	42
---------------------------------------	-----------	-----------	-----------

Accounting policy

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 estimates 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 \$1,000 and is consistent with prior years.

The estimated useful lives for the current period is as follows:

Trademarks	25 years
Brand names	25 years

Note 7 | Current liabilities

7.1 Trade and other payables

Trade and Other Payables	2022 \$'000	2021 \$'000
Trade payables	961	1,308
Rates and charges in advance	304	308
Accrued expenses	201	128
Total trade and other payables	1,466	1,744

Accounting policy

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 and are normally settled within 30 days of invoice receipt.

Rates and charges in advance represent 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 9.10(d).

7.2 Deposits

Deposits	2022 \$'000	2021 \$'000
Planning deposits	13	13
Other refundable deposits	13	14
Proceeds from the sale of rate properties	-	10
Total deposits	26	37

Accounting policy

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

7.3 Provisions

(a) Employee benefits	Annual leave	Long service leave	Rostered days off and time in lieu	On costs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Balance at beginning of the financial year	468	521	82	182	1,253
Additional provisions	410	129	170	128	837
Amounts used	(355)	(71)	(149)	(90)	(665)
Decrease in the discounted amount arising from the time and effect of any change in the discount rate	-	(9)	-	1	(8)
Balance at the end of the financial year	523	570	103	221	1,417
Current	523	353	103	178	1,157
Non-current	-	217	-	43	260
Total	523	570	103	221	1,417
2021					
Balance at beginning of the financial year	509	519	87	192	1,307
Additional provisions	356	51	137	83	627
Amounts used	(397)	(46)	(142)	(92)	(677)
Increase in the discounted amount arising from the time and effect of any change in the discount rate	-	(3)	-	(1)	(4)
Balance at the end of the financial year	468	521	82	182	1,253
Current	468	294	82	140	984
Non-current	-	227	-	42	269
Total	468	521	82	182	1,253

	2022 \$'000	2021 \$'000
Current		
- Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value	571	514
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	586	470
	1,157	984
Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	260	269
	82	81

Accounting policy

(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.

7.3 Provisions (cont.)

(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 Spirit Superannuation Fund (Spirit Super) (formally the Tasplan Superannuation Fund). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. 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.

b) Landfill restoration

Bridport landfill restoration

Under legislation Council is obligated to rehabilitate landfill sites to a particular standard. The Bridport landfill site has ceased operation and site monitoring for contaminants has been ongoing, with rehabilitation work only to be undertaken if required in future years. The provision for rehabilitation was calculated based on the present value of expected costs of the work to be undertaken. These costs were estimated based on the understanding of work required to reinstate the site to a suitable standard, budgeted costs for that work and independent specialist advice. Accordingly, the estimation of the provision was dependent on the accuracy of the forecast, timing of the work, work required and related costs.

The Director of Development & Environmental Services, on advice from the Department of Primary Industries, Parks, Water and Environment, has reassessed the provision at 30 June 2021 and determined that the site at Bridport is now fully rehabilitated and it is unlikely that Council will have any future financial obligations in relation to this matter. Consequently, the provision for rehabilitation has been reversed and Council have recognised a gain of \$69,000 (write-back liability of \$115,000 less write-off of associated rehabilitation asset of \$46,000) in the 2021 financial year.

Council did not receive any reimbursements from third parties.

	2022 \$'000	2021 \$'000
(i) Current		
Opening balance	-	-
Transfer to non-current provision	-	-
(ii) Non- Current		
Opening balance	-	115
Reversal of restoration provision	-	(115)
	-	-
Aggregate carrying amount of rehabilitation provision:		
Current	-	-
Non-current	-	-
	-	-
Reconciliation of rehabilitation provision:		
Bridport landfill	-	-
Landfill compliance and other non-allocable costs	-	-
	-	-
Total provisions		
Current	1,157	984
Non-current	260	269
Total provisions	1,417	1,253

7.4 Contract liabilities

	2022 \$'000	2021 \$'000
Current		
Funds received to acquire or construct an asset controlled by Council	1,975	1,551
Funds received prior to performance obligation being satisfied (upfront payments)	53	61
Deposits received in advance of services provided	234	184
	2,262	1,796
Non-current		
Funds received to acquire or construct an asset controlled by Council	-	391
Funds received prior to performance obligation being satisfied (upfront payments)	40	-
Deposits received in advance of services provided	-	-
	40	391
Total contract liabilities	2,302	2,187

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

	2022 \$'000	2021 \$'000
Funds to construct Council controlled assets	1,517	862
Funds received prior to performance obligations being satisfied (upfront payments)	-	-
Deposits received in advance of services provided (e.g. caravan park fees, hire fees)	167	113
	1,684	975

Accounting policy

Council recognised the following contact liabilities with customers:

i) Funds received to construct Council controlled assets includes Commonwealth and State Grant funding received for projects such as the Victoria Street redevelopment, Cascade Dam Road safety improvements, refurbishment of the Scottsdale Railway Station, as well as new play equipment for Derby Park. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The income is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as income. This income is expected to be recognised within the next 12 months.

ii) Funds received prior to performance obligations being satisfied (upfront payments) includes State Government funding and ticket sales received for DerbyFest events, postponed in the 2020 and 2021 financial year due to the COVID-19 pandemic. The income is recognised as performance obligations are progressively fulfilled and the first year of this event is expected to be held in April 2023.

iii) Deposits received in advance of services provided include camping deposits collected from customers at the Bridport Seaside Caravan Park. The income is recognised progressively as services are provided and the majority of the income is expected to be recognised in the next 12 months.



Derby School House Museum
Photo Credit: FLOW MTB

Note 8 | Non-current liabilities

8.1 Interest-bearing loans and borrowings

	2022 \$'000	2021 \$'000
Current		
Borrowings	493	3,684
	493	3,684
Non-current		
Borrowings	3,870	4,363
	3,870	4,363
Total Interest-bearing loans and borrowings	4,363	8,047

During the 2016/17 financial year, Council entered into an agreement with the Tasmanian Government to participate in the Tasmanian Economic Stimulus Scheme Accelerated Local Government Capital Program ("the Program") which enabled Council to access \$3.2 million to finance capital projects under the Program. The Program provides assistance to Council via the provision of loan interest rebates (or grant) to meet the annual interest obligations of the loan. This loan was repaid in full during the 2021/22 financial year.

As part of the State Government's response to the COVID-19 pandemic, the Treasurer has ensured that all Councils have access to sufficient funding. On 15 June 2020, the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for any loans advanced to local government authorities under the Local Government Loans Program ("LGLP"). The LGLP enabled Council to borrow \$2.5 million in the 2019/20 financial year with an additional \$700,000 being drawn down in the 2020/21 financial year (total borrowings under the LGLP is \$3.2 million). The Tasmanian Government is providing interest rebates to Council for a period of 3 years to meet the interest obligations of the loan.

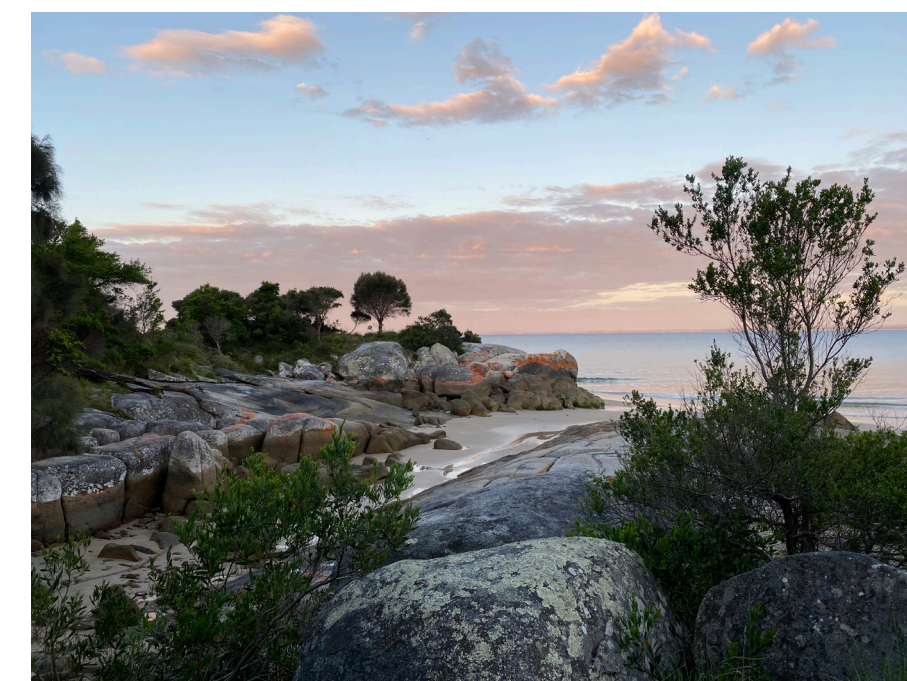
During the 2020/21 financial year, Council entered into an additional loan agreement with the Tasmanian Public Finance Corporation for a further \$2.0 million. This is a 10 year principal and interest loan which has been on-lent to May Shaw via a back to back loan, to support the redevelopment of the Aminya Aged-Care Facility. The Aminya facility redevelopment is now completed and Council is in the process of transferring the title to May Shaw. Upon transfer, a first mortgage in favour of Council will be secured over the title to ensure the loan is secured against the facility.

	2022 \$'000	2021 \$'000
Maturity profile for Council's borrowings:		
Not later than one year	493	3,684
Later than one year and not later than five years	2,067	2,029
Later than five years	1,802	2,334
Total borrowings	4,362	8,047

Accounting policy

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.



Sunset over Mermaid's Pool, Bridport

Note 9 | Other Financial Information

9.1 Reserves

(a) Asset revaluation reserve

2022	Balance at beginning of the reporting year			Balance at end of the reporting year
	\$'000	Increment \$'000	(Decrement) \$'000	
Property				
Land and buildings	1,141	4,803	-	5,944
Land under roads	604	-	-	604
	1,745	4,803	-	6,548
Infrastructure				
Roads	56,579	8,008	-	64,587
Bridges	12,883	1,709	-	14,592
Stormwater	7,089	903	-	7,992
	76,551	10,620	-	87,171
Other				
Pine plantations	17	-	-	17
	17	-	-	17
Total asset revaluation reserve	78,313	15,423	-	93,734

2021	Balance at the beginning of the reporting year			Balance at end of the reporting year
	\$'000	Increment \$'000	(Decrement) \$'000	
Property				
Land and buildings	-	1,141	-	1,141
Land under roads	604	-	-	604
	604	1,141	-	1,745
Infrastructure				
Roads	49,265	7,314	-	56,579
Bridges	11,012	1,871	-	12,883
Stormwater	7,325	-	(236)	7,089
	67,602	9,185	(236)	76,551
Other				
Pine plantations	17	-	-	17
	17	-	-	17
Total asset revaluation reserve	68,223	10,326	(236)	78,313

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

9.1 Reserves (cont.)

(b) Fair value reserve	Balance at the beginning of reporting year			Balance at end of reporting year
	\$'000	Increment \$'000	(Decrement) \$'000	
2022				
Equity investments assets				
Investment in water corporation	(1,809)	318	-	(1,491)
Total fair value reserve	(1,809)	318	-	(1,491)

2021

Equity investments assets				
Investment in water corporation	(3,035)	1,226	-	(1,809)
Total fair value reserve	(3,035)	1,226	-	(1,809)

Council has designated 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 and loss when derecognised.

(c) Other reserves	Balance at beginning of reporting year			Balance at end of reporting year
	\$'000	Increment \$'000	(Decrement) \$'000	
2022				
Landfill rehabilitation	1,029	-	-	1,029
Total other reserves	1,029	-	-	1,029

2021

Landfill rehabilitation	1,029	-	-	1,029
Total other reserves	1,029	-	-	1,029

The landfill rehabilitation reserve was established in 2015 to provide for future rehabilitation liabilities where Council resolves to establish a new landfill site in the Dorset Municipality.

	2022 \$'000	2021 \$'000
Total Reserves	93,272	77,533

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

	2022 \$'000	2021 \$'000
Result from continuing operations	5,458	4,346
Depreciation/amortisation	4,677	4,260
(Profit)/loss on disposal of property, infrastructure, plant and equipment	393	399
Capital grants and contributions received specifically for new or upgraded assets	(4,568)	(4,350)
Dividends from water corporation relating to investing activities	(233)	(97)
<i>Change in asset and liabilities:</i>		
Decrease/(increase) in trade and other receivables	180	184
Decrease/(increase) in other assets	(58)	(17)
Decrease/(increase) in inventories	(37)	(4)
Decrease/(increase) in contract assets	(47)	(28)
Increase/(decrease) in trade and other payables	(278)	248
Increase/(decrease) in deposits	(11)	2
Increase/(decrease) in provisions	164	(169)
Increase/(decrease) in contract liabilities	82	77
Net cash provided by/(used in) operating activities	5,722	4,851

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	\$'000
Balance at 1 July 2021	8,047
Acquisitions/New leases	-
Changes in fair value	-
Other movements	-
Changes from financing cash flows:	
Cash received	-
Cash repayments	(3,684)
Balance as at 30 June 2022	4,363

Balance at 1 July 2020	5,700
Acquisitions/New leases	-
Changes in fair value	-
Other movements	-
Changes from financing cash flows:	
Cash received	2,700
Cash repayments	(353)
Balance as at 30 June 2021	8,047

9.4 Reconciliation of cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash and cash equivalents (see Note 5.1)	6,932	11,855
Less bank overdraft utilised	-	-
Total reconciliation of cash and cash equivalents	6,932	11,855

9.5 Financing arrangements

	2022	2021
	\$'000	\$'000
Bank overdraft	40	40
Credit card facilities	50	50
Used facilities	(8)	(9)
Unused facilities	82	81

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 Funds 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 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2021 the Council contributed 0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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

9.6 Superannuation (cont.)

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

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

Council also contributes to other accumulation schemes on behalf of a number of employees; however 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 274 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 in terms of Rule 274 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Spirit Super being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their 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 274 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.

- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB 119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$9,596 (2020/21 \$5,368), and the amount paid to accumulation schemes was \$517,808 (2020/21 \$450,755).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$10,099 and the amount to be paid to accumulation schemes is \$579,962.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2021, showed that the Fund had assets of \$54.52 million and members' vested benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2021 the fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

Fund	2022	2021
Defined benefits fund	\$'000	\$'000
Employer contributions to Spirit Super Defined Benefit Fund	10	5
	10	5
Accumulation funds		
Employer contributions to Spirit Super	308	275
Employer contributions to Other Funds	209	181
	517	456
Employer contribution payable to Spirit Super at reporting date	-	-
Employer contributions payable to other funds at reporting date	-	-
	-	-

9.7 Commitments

Capital Expenditure Commitments

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

	2022 \$'000	2021 \$'000
Land improvements	-	2,398
Bridges	-	323
Roads and footpaths	1,360	-
Plant and equipment	510	-
IT and communications	18	-
Total capital expenditure commitments	1,888	2,721

Contractual commitments

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

	2022 \$'000	2021 \$'000
Waste Management		
General waste collection	193	139
Waste transfer stations	108	102
Facility management	244	67
Cleaning contractors	34	30
Insurance	308	243
Irrigation rights	-	746
Information systems and technology	114	150
Total contractual commitments	1,001	1,477

9.8 Operating leases as lessor

Council leases are over a variety of property assets including halls, community centres, sporting and recreation facilities and land.

Maturity analysis of operating lease payments to be received	2022 \$'000	2021 \$'000
Year 1	51	30
Year 2	32	28
Year 3	30	11
Year 4	30	6
Year 5	7	6
Year 6 and onwards	3	6
Total	153	87

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

Lease income on operating leases	38	43
Therein lease income relating to variable lease payments that do not depend on an index or rate	-	-

Accounting policy

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.

Furthermore, when Council leases some of its land and buildings on commercial terms the lease contract may include incentives for the lessee to enter in the agreement, for example rent-free period or discounted rent. Council accounts for the cost of incentives as a reduction of rental income of the term of the lease.

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.

9.9 Contingent Liabilities and Contingent Assets

Contingent liabilities

Bank Guarantees are held by Council against the provision of services \$293,043 (2020/21: \$404,340) and overdraft facility \$40,000 (2020/21: \$40,000) as per Note 9.5.



'Golden Hour' Winnaleah
Photo Credit: Montanna Gilroy

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:

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		
<i>Financial assets</i>							
Cash and cash equivalents	1.10%	6,917	-	-	-	15	6,932
Financial investments	1.64%	-	2,500	-	-	-	2,500
Trade and other receivables	N/A	-	-	-	-	627	627
Loans and advances	1.89%	-	188	1,157	743	-	2,088
Investment in water corporation	N/A	-	-	-	-	16,552	16,552
<i>Total financial assets</i>		6,917	2,688	1,157	743	17,194	28,699
<i>Financial liabilities</i>							
Trade and other payables	N/A	-	-	-	-	1,466	1,466
Deposits	N/A	-	-	-	-	26	26
Interest-bearing loans / borrowings	1.87%	-	493	2,067	1,802	-	4,362
<i>Total financial liabilities</i>		-	493	2,067	1,802	1,492	5,854
Net financial assets / (liabilities)		6,917	2,195	(910)	(1,059)	15,702	22,845

9.10 Financial instruments (cont.)

2021

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<i>Financial assets</i>							
Cash and cash equivalents	0.35%	11,840	-	-	-	15	11,855
Financial investments	0.49%	-	3,000	-	-	-	3,000
Trade and other receivables	N/A	-	-	-	-	756	756
Loans and advances	1.89%	-	185	1,141	947	-	2,273
Investment in water corporation	N/A	-	-	-	-	16,234	16,234
<i>Total financial assets</i>		11,840	3,185	1,141	947	17,005	34,118
<i>Financial liabilities</i>							
Trade and other payables	N/A	-	-	-	-	1,744	1,744
Deposits	N/A	-	-	-	-	37	37
Interest-bearing loans/borrowings	2.46%	-	3,684	2,029	2,334	-	8,047
<i>Total financial liabilities</i>		-	3,684	2,029	2,334	1,781	9,828
Net financial assets (liabilities)		11,840	(499)	(888)	(1,387)	15,224	24,290

9.10 Financial instruments (cont.)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	6,932	11,855	6,932	11,855
Financial Investments	2,500	3,000	2,500	3,000
Trade and other receivables	2,715	3,029	2,556	3,037
Investment in water corporation	16,552	16,234	16,552	16,234
Total financial assets	28,699	34,118	28,540	34,126
<i>Financial liabilities</i>				
Trade and other payables	1,466	1,744	1,466	1,744
Deposits	26	37	26	37
Interest-bearing loans and borrowings	4,362	8,047	3,936	8,135
Total financial liabilities	5,854	9,828	5,428	9,916

(c) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets 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 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. 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 income..

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 and Council's Cash Management policy. We manage interest rate risk by adopting an investment policy that ensures:

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

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

Credit risk

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

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

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 99.

9.10 Financial instruments (cont.)

Credit quality of contractual financial assets that are neither past due or impaired

2022	Financial Institutions	Government agencies	Other	Other	Total
	(AAA credit rating)	(BBB credit rating)	(min BBB credit rating)	(unrated)	
Cash and cash equivalents	4,358	-	2,559	15	6,932
Financial investments	1,000	-	1,500	-	2,500
Trade and other receivables	-	-	-	2,715	2,715
Investments and other financial assets	-	16,552	-	-	16,552
Total contractual financial assets	5,358	16,552	4,059	2,730	28,699
2021					
Cash and cash equivalents	8,796	-	3,044	15	11,855
Financial investments	1,500	-	1,500	-	3,000
Trade and other receivables	-	-	-	3,029	3,029
Investments and other financial assets	-	16,234	-	-	16,234
Total contractual financial assets	10,296	16,234	4,544	3,044	34,118

Movement in Provisions for Impairment of Trade and Other Receivables

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	11	5
New Provisions recognised during the year	4	6
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	(4)	-
Balance at end of year	11	11

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:

Unsecured	2022 \$'000	2021 \$'000
Current (not yet due)	72	139
Past due by up to 30 days	3	1
Past due between 31 and 60 days	1	-
Past due between 61 and 90 days	2	7
Past due by more than 90 days	11	10
Total unsecured trade & other receivables	89	157
Secured		
Payroll debtors	3	1
GST receivable	186	271
Rates receivable	360	337
Loan receivable	2,088	2,274
Total secured trade & other receivables	2,637	2,883
Total trade & other receivables	2,726	3,040

9.10 Financial instruments (cont.)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$11,448 (2020/21: \$11,874) were impaired. The amount of the provision raised against these debtors was \$11,017 (2020/21: \$11,494). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of trade and other receivables that have been individually determined as impaired at reporting date was:

	2022 \$'000	2021 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	1	6
Past due by more than 90 days	10	5
Total Trade & Other Receivables	11	11

Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds 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 income.

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

2022	6 mths or less \$'000	6-12 mths \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,466	-	-	-	-	1,466	1,466
Deposits	-	26	-	-	-	26	26
Interest-bearing loans and borrowings	245	248	503	1,565	1,802	4,363	4,363
Total financial liabilities	1,711	274	503	1,565	1,802	5,855	5,855

2021	6 mths or less \$'000	6-12 mths \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	1,744	-	-	-	-	1,744	1,744
Deposits	10	14	13	-	-	37	37
Interest-bearing loans and borrowings	241	3,443	493	1,536	2,334	8,047	8,047
Total financial liabilities	1,995	3,457	506	1,536	2,334	9,828	9,828

9.10 Financial instruments (cont.)

(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 + 2.00% and -0.00% in market interest rates (AUD) from year-end rates of 0.85%.

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

2022	\$'000	Interest rate risk			
		-0.00 %		2.00%	
		-0 basis points Profit \$'000	+200 basis points Equity \$'000	+200 basis points Profit \$'000	-0 basis points Equity \$'000
Financial assets:					
Cash and cash equivalents	6,917	0	0	138	138

2021	\$'000	Interest rate risk			
		-0.25 %		0.25%	
		-25 basis points Profit \$'000	+25 basis points Equity \$'000	+25 basis points Profit \$'000	-0.25 % Equity \$'000
Financial assets:					
Cash and cash equivalents	11,840	(30)	(30)	30	30

9.11 Fair Value measurements

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

- Investment property
- Investment in water corporation
- Land
- Buildings
- Roads
- Land under roads
- Bridges
- Stormwater
- Pine plantation

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 2022.

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 and investment in water corporation, 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.

9.11 Fair Value measurement (cont.)

Recurring fair value measurements

As at 30 June 2022	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	6.1	-	8,222	-	8,222
Buildings	6.1	-	10,620	-	10,620
Roads	6.1	-	-	121,228	121,228
Land under roads	6.1	-	-	3,953	3,953
Bridges	6.1	-	-	22,224	22,224
Stormwater	6.1	-	-	11,330	11,330
Pine plantation	6.2	-	40	-	40
Investment in water corporation	4.1	-	-	16,552	16,552
		-	18,882	175,287	194,169

Non-recurring fair value measurement

Assets held for sale	5.5	-	527	-	527
		-	527	-	527

As at 30 June 2021	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	6.1	-	4,861	-	4,861
Buildings	6.1	-	9,828	-	9,828
Roads	6.1	-	-	110,156	110,156
Land under roads	6.1	-	-	3,954	3,954
Bridges	6.1	-	-	20,676	20,676
Stormwater	6.1	-	-	10,160	10,160
Pine plantation	6.2	-	40	-	40
Investment in water corporation	4.1	-	-	16,234	16,234
		-	14,729	161,180	175,909

Non-recurring fair value measurement

Assets held for sale	5.5	-	-	-	-
		-	-	-	-

Transfers between level of the hierarchy

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

(b) Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

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

Investment in water corporation

Refer to Note 4.1 for details of valuation techniques used to derive fair values.

Land

Land fair values are based on statutory land valuations provided by the Office of the Valuer-General, with the last full valuation occurring on 1 July 2016. To ensure current values represent fair value Council has indexed land values as at 30 June 2022 using the Office of the Valuer-General Adjustment Factors issued on 28 February 2022. It is noted that the Office of the Valuer-General is due to complete a fresh valuation for Dorset Council in 2024.

Land held for sale

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

Land under roads

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

Buildings

The fair value of buildings were determined on an independent basis by Opteon Property Group Pty Ltd effective 30 June 2021. To ensure current values represent fair values Council has reviewed building cost indicators over the last year to determine if any indexation is required at 30 June 2022. Based on the available information Council has decided to index valued by 10.9% at 30 June 2022. The next full revaluation is planned for 30 June 2025. Where there is an active market for Council building assets, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The most significant input into this valuation approach was price per square metre.

Where Council buildings are of a specialist nature (e.g. heritage buildings or public amenities) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential.

9.11 Fair Value measurement (cont.)

Infrastructure assets

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

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "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 3.3.

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

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

Roads

A condition survey of the sealed roads was performed by ARRB Group Limited during the 2018 year. Council Officers, in conjunction with Geoff Webb Consulting, have reviewed the condition assessment to determine the expected future serviceable life of the assets. The revaluation of Council's road assets was based on current replacement cost at 30 June 2021.

Council categorises its road infrastructure into urban and rural roads and further sub categories of sealed and unsealed roads. Roads are managed in segments of 30 to 4,000 metres. All sealed segments are componentised into earthworks, sub base, pavement, wear surface and drains, and footpaths (both left and right) where applicable and unsealed roads are componentised into earthworks, pavement and wear surface. Council assumed that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumed a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit rate (unit rates are representative of typical current replacement costs of asset components). Council assumes that pavements are constructed to depths of 40 cms for high traffic areas and 30 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. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

To ensure the current values represent fair value, Council has reviewed available road construction cost data over the last year and has decided to index values by 7.11% at 30 June 2022. The next full revaluation is scheduled for 2024/25.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Auspan Limited, effective 18 October 2017. The valuation was based upon current replacement cost at 18 October 2017. Each bridge is assessed individually and componentised into sub assets representing the sub-structure and super-structure. The valuation is based on the material type used for construction, sub-structure and super structure area and design load. To ensure the current values represent fair value, Council have applied an average indexation rate of 4.6% per annum since the last full revaluation date. For the year ending 30 June 2022 Council has reviewed available bridge construction cost data and has decided to index values by 8.46% at 30 June 2022. The next full valuation is planned for 30 June 2023.

Stormwater

A full valuation of drainage infrastructure was undertaken by BizeAsset Asset Management System and Council's Infrastructure and Regulatory Services personnel, effective 30 June 2021. Stormwater assets are managed in segments; pits and pipes being the major components.

Council assumes that environmental factors such as soil types, 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.

To ensure the current values represent fair value, Council has reviewed civil construction cost data for the last year and decided to index values by 9.06% at 30 June 2022. The next full revaluation is planned for 30 June 2024.

(d) Unobservable inputs and sensitivities

Asset/ liability category*	Carrying amount (at fair value) \$'000	Key unobservable inputs *	Expected range of input	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	16,552	Refer to Note 4.1 for a description of the valuation basis		

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 property, plant, and equipment assets with recurring fair value measurements are detailed in Note 6.1 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3 has been separately disclosed in Note 4.1.

There have been no transfers between level 1, 2 or 3 measurements during the year.

9.11 Fair Value measurement (cont.)

	2022 \$'000	2021 \$'000
Balance at beginning of reporting period	16,234	15,008
Gain/(loss) recognised in other comprehensive income - Fair value adjustment on equity investment assets	318	1,226
Closing Balance	16,552	16,234

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, and investment in water corporation (recurring fair value measurements) is set out in Notes 6.1 and 4.1 respectively.

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

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes (refer Note 9.10).

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).

9.12 Events occurring after balance date

In October 2022, the municipality was impacted by floods. At the date of signing the financial report, the financial impact of the floods has not yet been assessed.

Note 10 | Other matters

10.1 Related party transactions

Responsible Persons

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

Councillors

Councillor Greg Howard (Mayor)
Councillor Dale Jessup (Deputy Mayor)
Councillor Mervyn Chilcott
Councillor Edwina Powell
Councillor Murray Lade
Councillor Leonie Stein
Councillor Jan Hughes
Councillor Jerrod Nichols
Councillor Wendy McLennan

General Manager Mr Tim Watson

Councillors Remuneration

	2022 \$'000	2021 \$'000
Councillor allowances and reimbursements	207	198

Key Management Personnel Remuneration

The key management personnel of Council has been determined to include all Councillors and Directors. In all, 13 persons were paid the following total compensation in the year ended 30 June 2022:

	2022 \$'000	2021 \$'000
Short-term employee benefits (salaries, vehicles and allowances including Councillor allowances)	900	896
Post-employment benefits (superannuation)	84	82
Other long term benefits (movements in employee leave provisions)	29	21
	1,013	999

Transactions with related parties

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

10.1 Related party transactions (cont.)

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.

Remuneration Principles

Remuneration levels for key management personnel are set in accordance with Council's Enterprise Agreement.

The employment terms and conditions of senior executives, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive (excluding the General Manager) contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 4 weeks prior to termination of the contract. Whilst not automatic, contracts can be extended.

10.2 Special Committees

In accordance with Section 84(d) of the *Local Government Act 1993 (as amended)* these statements include the bank account balances for the following committees:

	2022 \$'000	2021 \$'000
Jetsonville Hall	1	1
North Scottsdale Hall	7	6
Springfield Community Association	5	6
Total special committees	13	13

10.3 Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council has determined, that none of the activities carried on by Council are considered significant business activities.

10.4 Aminya Aged Care Facility

Dorset Council have underwritten the Aminya Aged Care Facility, along with the Tasmanian Government, since 30 June 2015.

In May 2017, operations of the Aminya Aged Care Facility and the James Scott Wing of the North East Soldiers Memorial Hospital merged under the control of May Shaw. At this time the Tasmanian Government agreed to contribute to the ongoing operational costs until the merger was complete and both operations were contained within one facility.

May Saw have completed a redevelopment of the Aminya Facility which has seen its capacity increase to a minimum of 55 residents.

Originally, it was expected that May Shaw would take control of the Aminya Facility on 31 December 2019, however due to construction delays, this was deferred to 31 December 2020. May Shaw have since taken full financial responsibility for the facility. Council's financial exposure is now limited to the back-to back and working capital loans provided to May Shaw, both of which will be secured by first mortgage over the title and is expected to occur in the 2022/23 financial year (see Note 8.1 and 9.10 (d)). The working capital loan has not yet crystallised with Council waiting on the transfer of titles to Council.

10.5 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)

Income, 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 assets

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

10.5 Other significant accounting policies and pending accounting standards (cont.)

(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 Comprehensive Income represent revised budget amounts and are not audited.

(g) Adoption of new and amended accounting standards

In the current year, Council has reviewed and assessed all 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 2022 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*

The amendments improve accounting policy disclosure and clarify the distinction between accounting policies and accounting estimates and are applicable for the year ended 30 June 2023. The amendments clarify how entities should distinguish changes in accounting policies and changes in accounting estimates and the concept of materiality in the context of disclosure of accounting policies. The amendments also provide guidance on how to apply the concept of materiality to accounting standard policy disclosures.

The adoption of the amendments is not expected to have any significant impact on Council's financial reports.

- *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective date*

The amendments defer the mandatory effective date of amendments that were originally made in AASB 2020-1 to be applicable for the year ended 30 June 2023. AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to require a liability to be classified as current when an entity does not have a substantive right to defer settlement at the end of the reporting period.

The adoption of the amendments is not expected to have any significant impact on Council's financial reports.

10.6 Management indicators

(a) Underlying surplus or deficit	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Net result for the year	5,458	4,346	695	3,926
<i>Less non-operating income</i>				
Income received from sale of property for unpaid rates	(10)	-	-	-
Capital grants and contributions	(4,568)	(4,350)	(1,321)	(2,646)
Financial assistance grants in advance	(1,137)	121	(109)	33
<i>Add non-operational expenses</i>				
Contribution for Aminya redevelopment	-	13	914	163
Loss on disposal of assets (unscheduled)	215	287	-	-
Underlying surplus / deficit	> 0	417	179	1,476

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

(b) Underlying surplus or deficit	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Recurrent income* less	14,255	13,235	12,684	12,871
Recurrent expenditure	14,297	12,818	12,505	11,395
Underlying surplus / deficit	> 0	417	179	1,476

* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

10.6 Management indicators (cont.)

Council has recorded an underlying deficit of \$42,000 for the 2021/22 financial year. This result has been impacted by the increased prepayment of Financial Assistance Grants received for the 2022/23 financial year and greater depreciation expense incurred in 2021/22 as a result of assets being indexed at levels greater than CPI. Despite this result, Council continues to be in a strong position to service day to day operations as evidenced by the increase in cash generated from operating activities reported this year (see Note 9.2 for further details).

(c) Underlying surplus ratio	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Underlying surplus or deficit	(42)	417	179	1,476
Recurrent income*	14,255	13,235	12,684	12,871
Underlying surplus ratio >0%	(0.3%)	3.2%	1.4%	11.5%

This ratio serves as an overall measure of financial operating effectiveness. Although the benchmark of greater than 0% has not been achieved this financial year, Council has various strategies outlined in the Long Term Financial Plan and Financial Management Strategy to return a positive underlying surplus in the future.

(d) Net financial liabilities

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Liquid assets less	10,247	15,796	13,839	13,797
Total liabilities	9,574	13,268	9,683	5,381
Net financial liabilities	673	2,528	4,156	8,416

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 income would be needed to fund the shortfall.

Council recorded positive net financial liabilities for the period with liquid assets greater than current and non-current liabilities in each year. This indicates a strong liquidity position, with Council able to meet existing obligations.

Council has contractual commitments totaling \$1.0m (2020/21: \$1.5m) which are not recognised on the Statement of Financial Position and consequently not factored into the net financial liabilities ratio. Refer to Note 9.7 for further details.

Council's cash and financial assets are subject to a number of restrictions that limit the amount available for discretionary use and include commitments, deposits and employee benefits.

(e) Net financial liabilities ratio	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Net financial liabilities	673	2,528	4,156	8,416
Recurrent income*	14,255	13,235	12,684	12,871
Net financial liabilities ratio %	0% - (50%)	4.7%	19.1%	32.8%
				65.4%

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

Council's net financial liabilities ratio is 4.7% for the period. This has reduced from last financial year due to the repayment of borrowings drawn down under the Local Government Loans Program (LGLP). Refer to Note 8.1 for further details. This result indicates Council is in a strong position to meet existing financial obligations.



Blue Tier
Photo Credit: FLOW MTB

10.6 Management indicators (cont.)

(f) 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.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Roads				
Fair Value (Carrying amount)	121,228	110,156	102,498	95,183
Current replacement cost (Gross)	194,236	176,455	147,908	139,164
Asset consumption ratio %	62.4%	62.4%	69.3%	68.4%
Bridges				
Fair Value (Carrying amount)	22,224	20,676	19,057	19,334
Current replacement cost (Gross)	33,140	30,436	27,561	27,462
Asset consumption ratio %	67.1%	67.9%	69.1%	70.4%
Buildings				
Fair Value (Carrying amount)	10,620	9,828	8,362	8,232
Current replacement cost (Gross)	11,020	9,828	9,469	9,096
Asset consumption ratio %	96.4%	100.0%	88.3%	90.5%
Stormwater				
Fair Value (Carrying amount)	11,330	10,160	10,217	10,181
Current replacement cost (Gross)	18,019	16,094	17,205	16,939
Asset consumption ratio %	62.9%	63.1%	59.4%	60.1%

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

The ratios above indicate that at 30 June 2022, Council had used (consumed) approximately 35.5% of the service potential of its infrastructure assets. Overall, at this point in time, Council's infrastructure assets have sufficient capacity to continue to provide services to ratepayers.

(g) 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.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Roads¹				
Projected capital funding outlays*	38,137	32,892	28,147	30,228
Projected capital expenditure funding**	38,137	32,892	28,147	29,785
Asset renewal funding ratio %	90-100%	100.0%	100.0%	101.5%
Bridges²				
Projected capital funding outlays*	4,513	3,333	3,977	4,172
Projected capital expenditure funding**	4,513	3,333	3,977	4,422
Asset renewal funding ratio %	90-100%	100.0%	100.0%	94.3%
Buildings³				
Projected capital funding outlays*	2,967	1,633	2,009	2,119
Projected capital expenditure funding**	2,967	1,633	2,009	2,119
Asset renewal funding ratio %	90-100%	100.0%	100.0%	100.0%
Stormwater⁴				
Projected capital funding outlays*	2,340	1,557	1,035	1,054
Projected capital expenditure funding**	2,340	1,557	1,035	1,054
Asset renewal funding ratio %	90-100%	100.0%	100.0%	100.0%

This ratio measures Council's capacity to fund future asset replacement requirements. The above table demonstrates Council is providing sufficient funding to renew assets in accordance with its asset renewal plans.

10.6 Management indicators (cont.)

* 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.

¹ The Road Asset Management Plan was adopted by Council on 15 March 2021.

² The Bridge Asset Management Plan was adopted by Council on 17 August 2020.

³ The Building Asset Management Plan was adopted by Council on 18 October 2021.

⁴ The Stormwater Asset Management Plan was adopted by Council on 21 February 2022.

(h) Asset sustainability ratio	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Capex on replacement / renewal of existing assets	5,289	4,881	6,159	7,013
Annual depreciation expense	4,677	4,260	3,687	3,412
Asset sustainability ratio %	113.1%	114.6%	167.0%	205.5%

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

Council's asset sustainability ratio for the current and prior years continues to show that Council is sustainably maintaining its existing asset base.



Photo Credit: FLOW MTB

10.6 Management indicators (cont.)

2022	Capital renewal expenditure \$'000	Capital upgrade expenditure \$'000	Capital new expenditure \$'000	Total Capital Expenditure \$'000
By asset class				
Bridges	481	-	-	481
Land improvements	1,227	22	2,941	4,190
Buildings	31	122	226	379
Roads	2,512	2,336	75	4,923
Stormwater	11	219	-	230
Plant, machinery and equipment	1,006	26	203	1,235
Computers and telecommunications	21	66	17	104
Total capital expenditure	5,289	2,791	3,462	11,542

2021	Capital renewal expenditure \$'000	Capital upgrade expenditure \$'000	Capital new expenditure \$'000	Total Capital Expenditure \$'000
By asset class				
Bridges	248	-	-	248
Land improvements	1,981	85	2,649	4,715
Buildings	42	88	25	155
Roads	1,836	734	59	2,629
Stormwater	-	290	74	364
Plant, machinery and equipment	738	38	70	846
Computers and telecommunications	36	98	-	134
Total capital expenditure	4,881	1,333	2,877	9,091

Certification of the Financial Report

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



John Marik
Acting General Manager

Date: 17 October 2022

Page intentionally left blank



dorset
COUNCIL

3 Ellenor Street
(PO Box 21)
SCOTTSDALE TAS 7260
P: 03 6352 6500
E: dorset@dorset.tas.gov.au
dorset.tas.gov.au