



**FLINDERS**  
COUNCIL



# Annual Report

2020-2021

## Contents

Strategic Objectives.....	3
Council Services .....	4
Flinders Municipality.....	5
Overview .....	6
Councillors.....	7
Councillor Meeting Participation .....	8
The Year in Review.....	9
Mayor & General Manager’s Report.....	10
Other Legislative Requirements .....	15
Progress on 2020-2021 Annual Plan .....	17
Population Growth .....	18
Infrastructure and Services .....	20
Access and Connectivity.....	23
Strategic Efficient and Effective Organisation .....	24
Liveability.....	26
Financial Reports .....	27
Flinders Council 2020 / 2021 Financial Report.....	28

# STRATEGIC OBJECTIVES

## Our Vision

To retain our lifestyle and unique landscapes through positive leadership that encourages innovation, population growth, asset attraction, partnerships, and improved health and wellbeing for our Community.

## Our Mission

To provide leadership, services and support which contribute to the wellbeing and sustainability of the Furneaux Community and its environment.

## Our Core Values

Flinders Council has designed its strategies by carefully considering the match between the Municipality's current characteristics and the future ambitions, underlying values and desired characteristics identified by the Community over a number of years. From this, Council has refined its focus and how it can best deliver services and support to progress these needs and ambitions. Using a local/regional development approach, Council has sought to define how it can best focus and apply its resources to:

- effectively deliver essential services and legislative obligations;
- provide a framework of plans and policy that assists the Community to progress; and
- play a beneficial problem solving and opportunity realisation role, as appropriate.

Each of Council's programs is designed to help us progress as a community and achieve important outcomes. Council has defined five program areas that, in combination, contribute to Flinders' preferred future. They are our Strategic Focus Areas.

## Our Strategic Focus Areas

Population Growth	Focusing on strategies, projects and policy initiatives that support the Community, economic development, and investment attraction.
Infrastructure and Services	An Islands' specific approach to planning and delivery to ensure community and environmental values are maintained.
Access and Connectivity	Work with service providers and other relevant stakeholders to improve security, reliability and cost effectiveness.
Strategic, Efficient and Effective Organisation	Responding to risks and opportunities.
Liveability	Protect, improve and promote the health and wellbeing of the Islands' communities.



# COUNCIL SERVICES

## Council Office

4 Davies Street Whitemark TASMANIA 7255

## All Correspondence to the General Manager

PO Box 40  
Whitemark TASMANIA 7255

## Office Hours

Monday to Friday 9.00am - 4.30pm

P: (03) 6359 5001

F: (03) 6359 2211

E: [office@flinders.tas.gov.au](mailto:office@flinders.tas.gov.au)

## Airport

Palana Road, Whitemark TASMANIA 7255

Weekdays 8.00am - 4.30pm

P: (03) 6359 2144

F: (03) 6359 2145

E: [airport@flinders.tas.gov.au](mailto:airport@flinders.tas.gov.au)

## Visitor Information Centre

4 Davies Street Whitemark TASMANIA 7255

Monday to Friday 9:00am-4:30pm

P: (03) 6359 5002

F: (03) 6359 2211

## After Hours Emergencies

Infrastructure & Airport Manager

M: 0427 592 069

## Works Depot

21 Patrick Street, Whitemark TASMANIA 7255

Monday to Friday 8.00am - 5.00pm

P: (03) 6359 5020 / 5021

F: (03) 6359 2069





# Flinders Municipality



## OVERVIEW

Flinders Council is elected to represent the Community and its aspirations and needs. The Council is authorised by the *Local Government Act 1993*, as amended, to make a broad range of decisions. The scope of the Council's responsibilities includes:

- ✚ allocation of resources and the determination of funding priorities;
- ✚ policy determination and the establishment of corporate goals and objectives;
- ✚ reviewing and monitoring performance of the Council management structure and team;
- ✚ overall performance of the corporate body; and
- ✚ reporting to and liaising with the Community.



## COUNCILLORS

Flinders Council is represented by seven Councillors and is led by the Mayor and the Deputy Mayor. Each elected member also has delegated responsibilities for various Committees and organisations.

**Cr Annie Revie**  
Mayor



- Furneaux Group Aviation Special Committee
- Furneaux Group Shipping Special Committee
- General Manager's Performance Review Committee
- Local Government Association of Tasmania
- Northern Tasmania Development Corporation (01.07.2020 – 18.05.2021)

**Cr David Williams**  
Deputy Mayor



- General Manager's Performance Review Committee
- Lady Barron Hall and Recreational Special Committee (27<sup>th</sup> October 2020)
- Local Government Association of Tasmania (proxy)
- Municipal Emergency Management Committee (Chair)

**Cr Sharon Blyth**



- Furneaux Group Aviation Special Committee
- Housing Working Party
- Flinders Island Business Inc.
- Safe Harbour Working Party
- Lady Barron Hall and Recreational Special Committee (from 27<sup>th</sup> October 2020)

**Cr Aaron Burke**



- Furneaux Group Shipping Special Committee
- Natural Resource Management (NRM) North Association

**Cr Vanessa Grace**



- Furneaux Group Shipping Special Committee
- Housing Working Party
- Natural Resource Management (NRM) North Association
- Safe Harbour Working Party

**Cr Peter Rhodes**



- Furneaux Group Aviation Special Committee
- TasWater – Shareholder's Group
- Office of the Tasmanian Economic Regulator's Customer Consultative Committee
- Safe Harbour Working Party

**Cr Rachel Summers**



- Flinders Island District High School Association
- Furneaux (Emita) Hall and Recreation Ground Special Committee (disbanded on 20<sup>th</sup> October 2020)
- General Manager's Performance Review Committee
- Housing Working Party
- Whitemark Community Gym Special Committee

## COUNCILLOR MEETING PARTICIPATION

Ordinary Meetings of Council were generally held on the fourth Tuesday of each month at 9.30am. A list of Ordinary Meeting dates for the year ahead is available from Council Offices after the November meeting each year. Councillors also regularly attend a range of workshops in which, amongst other things, further explanatory information and training is conducted, a summary of which is recorded in the next Council Meeting Agenda following the workshop. No actual decisions are made at these workshops.

All Councillors participate extensively in the performance of their duties. Attendance at council meetings is expected whereas attendance at workshops is not compulsory. The following snapshot of each elected member's participation in meetings and workshops is shown as follows:

Item	Council Meeting	Workshops	Special Meetings	Annual General Meeting	Total
	12 held	36 held	7 held	1 held	56 held
Mayor Cr Annie Revie	11	34	7	1	53
Deputy Mayor Cr David Williams	11	30	5	1	47
Cr Sharon Blyth	11	19	5	1	36
Cr Aaron Burke	11	18	5	1	35
Cr Vanessa Grace	11	34	7	1	53
Cr Peter Rhodes	10	21	4	1	36
Cr Rachel Summers	12	34	6	1	53

## COUNCILLOR ALLOWANCES

In accordance with section 72(1)(cb) of the *Local Government Act 1993*, Council is required to report the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors. The 2020/21 summary is as follows:

- Allowances \$ 102,182.67
- Expenses \$ 7,254.97

## SENIOR MANAGEMENT TEAM

Council's functions are performed by a small collection of interactive staff in a range of full and part time roles. All staff operate collegiately with the following Senior Management Team in place to guide Council's operation.

### Governance

General Manager

Warren Groves

### Works Services / Airport

Works and Services Manager (01.07.2020 – 25.02.2021)

Infrastructure and Airport Manager (29.03.2021 - 30.06.2021)

Brian Barnewall

Chris Wilson

### Corporate Services

Finance Organisational Performance Manager

Heidi Marshall



## THE YEAR IN REVIEW

The following reports have been prepared in accordance with the requirements of the *Local Government Act 1993*.

The reports relate to Annual Report Requirements as detailed in section 72 of the Act, Council's Annual and Strategic Plans, and the Financial Report for the year ending 30 June 2021.

An overview of Council's operations and achievements during this period is also provided.





## MAYOR & GENERAL MANAGER'S REPORT

Since February of 2020 Council's officers and elected representatives have sought to develop a collaborative working relationship, combining the operational (officers) and strategic (executive and Councillor) functions of Council as one team. In furtherance of this collaborative approach, we have decided to combine the Mayor and General Manager reports into one.

This second year of a worldwide pandemic has certainly continued to identify new challenges, as well as providing funding opportunities to maintain and upgrade community assets.

We would like to thank the Community for their passion for the Islands, people, places and culture. We would also like to thank the Councillors and staff for their flexibility, dedication and collaborative spirit in sometimes trying circumstances.

There has been great progress this year with gaining understanding from our Federal and State Political representatives, State Government Department staff and Tasmanian Council representative body, the Local Government Association of Tasmania (LGAT) of the challenges experienced when living on an Island. This commenced with the Bass Strait Island specific COVID-19 protections negotiated for Flinders and King Island last year. It has continued into Island specific consideration for the upcoming Waste and Resource Recovery Bill 2021 and the Container Refund Scheme (CRS) which have both had specific considerations introduced on behalf of the Bass Strait Islands. It is also reflected in the level and diversity of funding awarded to the Flinders Municipality following the State elections earlier this year.

Annie Revie  
Mayor

Warren Groves  
General Manager



The 2020/2021 financial year saw a very positive achievement for Flinders Council in the completion of key strategic documents that underpin the functions of Council, these being:

- The Strategic Plan 2021-2031
- The Long-Term Financial & Asset Management Plans, Strategies and Policy 2021-2031
- The Annual Plan and Budget Estimates June 2022

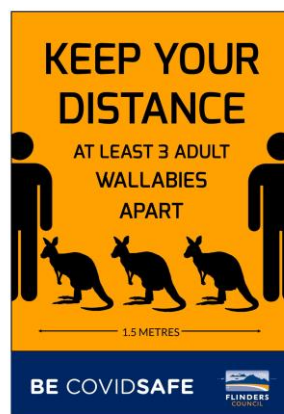
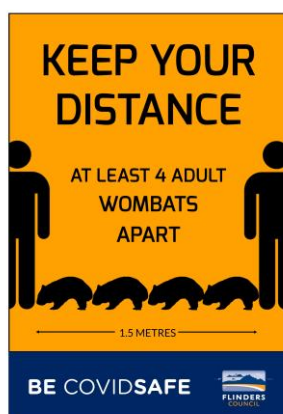
Achievement of such a level of compliance is no mean feat for Flinders Council. We must particularly thank Council's Finance Organisational Performance Manager, Heidi Marshall for working with her team to complete this mammoth task. Additionally, Heidi took a leading educative role in working with Councillors towards their improved understanding of the significance the above suite of documents plays in the effective and efficient operation of Council.

## COVID-19

The COVID-19 pandemic continued at the forefront of Council's work maintaining the health and well-being of the Flinders Community. During the 2020/21 year there was no evidence of the virus in the municipality, constant vigilance by the Municipal Emergency Management Committee has supported maintenance of this.

During the year the main group feeling the economic brunt of the pandemic has been the Island's businesses geared towards tourism. In support of Island Business proprietors and residents, Council decided on a zero % rate rise and user fee charges.

Federal and State Government funding has been made available to address COVID-19 recovery, which has been welcomed. However, it is not readily understood by community that the legislation around such funding, as well as the work involved in addressing funding application, auditing, and acquittal processes, is complex and challenging for our office personnel. We thank all of them for their amazing work regarding this.



## Continuous Improvement

During the last quarter of the 2020/21-year Council recruited Chris Wilson to the role of Infrastructure and Airport Manager. Chris has complemented the Council Senior Management Team. He has positively influenced the work culture, particularly in his attention to workplace health and safety. There is a focus on reporting any health and safety issues, which then are discussed in weekly safety meetings and become key to learning and continuous improvement.

Council has instigated an improved system of addressing service requests. The Service Request Register is presented to Council quarterly and feedback received by Councillors from the community is showing an improvement in customer satisfaction with respect to service requests.



## Roads

During the past year, Council has completed works to widen and rehabilitate the Bluff Track around the storm water outlet, repairing the existing storm water outlet, seeking and being granted a Crown Lease over the track for the purposes of public recreation and maintenance works. Works have been substantially completed on the Bluff Track storm water outlet, with final works being conducted as soon as weather and water level in the pipe allows.

Storm damage to Bowmans Creek Bridge caused a significant level of inconvenience to the community as well as impacting on Council resources and budget. It was with no small sense of relief that Council was able to negotiate Emergency Event funding through the State Government to fund a large proportion of the bridge replacement costs. This project is expected to be completed within the first half of the 2021/2022 financial year.

Council also engaged an independent roads expert, to assess Council's road network and provide a review and recommendations. These assisted the review of the Asset Management Plans.



## SAFE HARBOUR - Flinders Island Marine Access and Safe Harbour Project (FIMASH)

During the first half of 2021, Council focused on submission of the Safe Harbour funding application.

This process included:

- Ongoing work on legislated planning requirements including Reserve Activity Assessment (RAA) and Development Application (DA).
- Completion of preliminary design of new breakwater, new dual boat ramp, car park and access road infrastructure.
- Further development of models for sedimentation, wave action, and other potential impacts on the proposed Safe Harbour infrastructure.
- Completion of risk assessment to determine and manage risks to the proposed Safe Harbour infrastructure, and.
- Development of comprehensive cost estimates for the complete project.

Council continues to liaise with the funding body, however to date, there has been no indication of when the Project funding may be approved.



## Priority Projects

One of Council's goals over the year was to clearly identify our list of priority projects. Priority projects are those aspects of Council's planning that need direct financial support from government grants. We have identified projects that we believe are needed as soon as possible as well as those that are longer term. Three of our top priorities are:

- The sealing of Palana Road;
- Addressing the problems around Island sewerage; and
- Being able to maintain regular and well-facilitated veterinary services to the Island.

Council advocated with local Bass candidates based on these priorities leading up to the State Government elections in May 2021. Prior to the election, the then State Liberal Government committed funding as follows:

- \$2 million dollars to begin sealing Palana Road; and
- \$980,000 for the provision of a building and equipment to set up a veterinary facility.

Council has also commenced discussions with TasWater regarding sewerage improvements on the Island. These promises and discussions form a positive start to things that have been needed for some time.

In the election lead-up, State Government also committed \$300,000 for a project that will improve how tourism is managed on the Island. This is a topic that has led to significant unrest and division among the population and has inspired the Islander Way Project.

As part of COVID-19 recovery the State Government initiated three flights per week from Hobart to Flinders Island and also made vouchers available to the Tasmanian public to spend on accommodation and intrastate travel.

The impact of travel restrictions confining Tasmanians to only travel within the state did lead to some interesting and unexpected issues. Many of the Island's special and beautiful spots were somewhat overwhelmed with campers and recreational vehicles.

This emerging challenge has brought stakeholders together including Council, Tas Parks and Wildlife, Flinders Island Business Incorporated and Furneaux Freight to discuss how to better manage camping on the Island.



## Addressing Waste

Waste management planning has included design and approval of a new Geo-Cell at the Whitemark tip. The process is lengthy and is managed via the Environmental Protection Authority (EPA) Tas. To compliment the new Geo-Cell, planning to amend the tip site to make it more user friendly has commenced.

It is Council's aim that waste is sorted and treated ready for either reuse or recycling. This will in turn divert waste from the new cell, ultimately saving space and therefore money as filling the cell too quickly will ultimately mean building another.

A waste management strategy is being developed to help guide Council's waste management practices over the next five years. The strategy aims to be a guiding document, allowing waste services to remain flexible and capable of adjusting to opportunities, market and legislative changes as they arise. The Container Refund Scheme (CRS) has been earmarked to be in place mid-2022. The Waste and Resource Recovery Bill 2021, which deals with a planned statewide Waste Levy is also currently planned to commence in late 2022. Both these processes will have impacts on Councils Waste operations and Strategy and illustrate the constantly changing nature of the waste sector, not only in Tasmania but throughout Australia. Planning for CRS and the Waste Levy continues, as does other complimentary strategies that will see a waste management system that is both community and environmentally friendly.



## Henderson Dam

A complete re-build of the Henderson Dam commenced in 2019 / 2020 and has been in progress this year. On completion, the project promises to double the storage capacity of the dam. As most in the community are aware, it has been delayed by a combination of COVID-19, weather, and core material design issues. This required a re-design of the project enabling a progressive discovery and design process, excavating back to bedrock and sorting and stockpiling materials from the excavation.

At the end of the 20/21 financial year, more than 500 cubic metres of concrete has been poured on the dam spillway which is designed for a 1 in 1000-year flood event to comply with modern dam safety standards.

With the complete redesign of the dam project and the additional work needed, the works are now expected to be completed during February 2022.



## Tennis Court Land for Housing

In August 2020, Council passed a Notice of Motion "That Council investigates the potential development or sale of the site known as the "Whitemark tennis courts".

Since the tennis courts ceased to be used for recreational purposes, it has sat vacant and developed into an informal car and boat parking area. For a number of years, Council have been concerned with the lack of island residential accommodation, particularly in Whitemark, and this space provides an ideal opportunity to establish, for example, a number of smaller retirement houses.

Council released an expression of interest (EOI) in May 2021 regarding the purchase and development of land at 7 Walker Street, Whitemark (PID 6427160), seeking expressions from parties able to meet a housing gap in the community for health-related need i.e. elderly or ill needing to transition to smaller or more accessible housing.

Two expressions of interest were received, and Council continues to work with the favoured applicant to ensure the future development will meet the identified needs of the community.

## Community Development Programs

In January 2021 Council and the Flinders Island Aboriginal Association Inc (FIAAI) worked together to present the Furneaux Islands Festival. The festival was well organized, well attended and very much appreciated.

More than 500 people enjoyed the Friday evening Twilight Market at the Whitemark Showgrounds and over 300 people attended the Community BBQ Day at FIAAI Park: the food and the entertainment were fabulous, including the music that celebrated the life of our very own music man and Aboriginal Elder, the late Ronnie Summers.



Four holiday programs for our younger population were as popular as ever and delivered in collaboration with FIAAI, Tas Parks & Wildlife, St Johns First Aid and local business. A diverse range of activities were offered including bike rides, laser tag, Discovery Ranger Program, Movie Days, First Aid Certification and Beach walks.



For many years, Council has organized an award for Volunteer of the Year. The community is invited to nominate someone who has significantly contributed to the community good by their commitment to and action on volunteering. In the 2020 year, the very worthy recipient was Anne Campbell. Anne was a popular recipient and was presented with her award at the beginning of a Council meeting, simply because there was no Flinders Island Show due to COVID-19.

### COMMUNITY GRANTS & DONATIONS 2020 / 21

Gunn Bequest	\$	1,103.00
Flinders Island Netball Association	\$	1,103.00
<b>Donations</b>	<b>\$</b>	<b>500.00</b>
Flinders Island District High School Dux Award	\$	500.00
<b>Fee Waiver &amp; Inkind Support</b>	<b>\$</b>	<b>12,510.00</b>
RFDS - Health Visits Whitemark Gym	\$	5,840.00
Hall & Showgrounds Hire	\$	4,150.00
Audio Visual Equipment	\$	220.00
Printing Costs	\$	25.00
Community Building / Plumbing / Development Application	\$	1,975.00
Rubbish Removal	\$	300.00
<b>Community Grants</b>	<b>\$</b>	<b>1,781.00</b>
Active Therapeutics	\$	448.00
Furneaux CWA Rest Room Committee	\$	1,153.00
Altmoor Branch CWA (incl \$60 in-kind support)	\$	180.00
<b>Council Events &amp; Programs</b>	<b>\$</b>	<b>24,242.12</b>
Furneaux Festival	\$	13,014.29
Trainer - Health Visits Lady Barron Gym	\$	6,287.00
School Holiday Program	\$	4,940.83

Grants, fee waivers, and in-kind support from Council assisted the community and a wide range of community organisations financially throughout the 2020 / 2021 year.

Council also supports running of the Whitemark and Lady Barron Gyms and offers two main event programmes, The Furneaux Islands Festival and School Holiday Program.



## OTHER LEGISLATIVE REQUIREMENTS

### Code of Conduct Complaints

No Code of Conduct complaints were received.

### Donation of Land

Council did not resolve to donate any land in accordance with Section 177 of the *Local Government Act 1993* during the 2020/21 year.

### Key Management Personnel

In accordance with section 72(1)(cd) of the *Local Government Act 1993* Council is required to report the total annual remuneration, which includes salary, assessed benefits including motor vehicles, and superannuation, as applicable to employees who hold positions designated by Council as senior positions.

The 2020/21 Summary is as follows:

Remuneration Band	No. Employees
\$80,001 - \$100,000	1
\$100,001 - \$120,000	1
\$120,001 - \$140,000	1
\$140,001 - \$160,000	1

### Public Health

Council's Environmental Health Officer is responsible for the monitoring and regulation of environmentally relevant activities. The public health portfolio also includes maintaining a healthy community through public health programs, including school based immunisation programs.

One of the roles of the Environmental Health Officer is to ensure food prepared and sold within the Municipal area is safe for human consumption. Food preparation areas are inspected to ensure they meet the Food Standards Code and business practices are assessed to ensure good food safety principles are in place and business are adhering to the requirements of the Food Act 2003 (Tas).

There were 38 registered food businesses in the municipal area during the 2020/2021 financial year which included permanent food premises (shops) and catering permits. To provide for one-off events, 13 temporary registrations were issued.

The Environmental Health Officer is required to act as the Authorised Officer, or delegate, under the:

- *Public Health Act 1997*;
- *Local Government Act 1993*
- *Food Act 2003*; and the
- *Environmental Management & Pollution Control Act 1994*.

These Acts form the head of power for other regulations and guidelines required to be adhered to.

To ensure that each Council is upholding their requirements under the required legislation, the State Government require annual reports to be submitted by September each year. These reports be found at: [https://www.dhhs.tas.gov.au/tho/annual\\_reports](https://www.dhhs.tas.gov.au/tho/annual_reports)

Within the period, Council's environmental health team also provided for:

- School based immunisation program;
- Recreational Water Quality Monitoring;
- Legionella testing (warm water suppliers);
- Notifiable disease investigation;
- Animal control measures;
- Private interment on land other than a cemetery;
- Food safety training;
- Food preparation inspections; and
- On site wastewater management system assessment and inspection.



## Public Interest

Flinders Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2002*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct. It also recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment. Flinders Council procedures in relation to the *Public Interest Disclosures Act 2002* are available on Council's website at:

[www.flinders.tas.gov.au/public-interest-disclosure](http://www.flinders.tas.gov.au/public-interest-disclosure).

The following is a summary of Council's Public Interest Disclosure activity during 2020/21:

- There were no disclosures made to Council;
- There were no public interest disclosures investigated;
- There were no disclosed matters referred to Council by the Ombudsman;
- There were no disclosed matters referred by Council to the Ombudsman to investigate;
- There were no investigations of disclosed matters taken over by the Ombudsman from Council;
- There were no disclosed matters that Council decided not to investigate; and
- There were no disclosed matters that were substantiated on investigation.

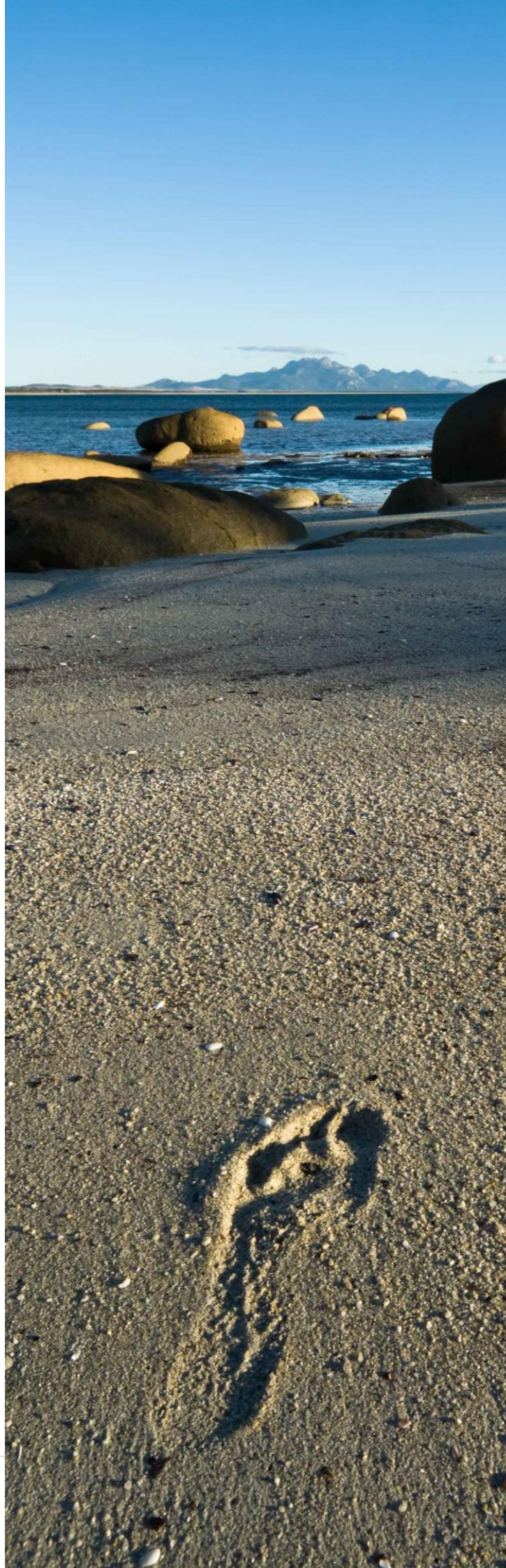
## Right to Information

Council received no requests for information under the *Right to Information Act 2009*.

## Tenders & Contracts

The Local Government (General) Regulations 2015 requires Council to report any contract for the supply or provision of goods and services valued either at above \$250,000 and at or above \$100,000 (excluding GST) during the financial year. The following are applicable:

- SAMI Bitumen Technologies (VIC) P/L, Unit 2, 3-5 Gibbon Road, WINSTON HILLS, NSW, 2153, for the supply and delivery of 68.001 T of C170 Bitumen to Flinders Island for reseal of Memana Road and Private works, at a cost of \$98873.46 (excl. GST) in January 2021.
- Hyway Stabilizers Australia Pty Ltd, of 503 Sandy Creek Road, Josephville, QLD, for Part Service Stabilisation, using 2% cement mixed to a compacted depth of 150mm. Area treated 11,450m<sup>2</sup> @ \$11.30/m<sup>2</sup>. At a cost of \$129,385 (excl. GST) between the 8th and 12th of February 2021.





# **PROGRESS ON 2020-2021 ANNUAL PLAN**





## POPULATION GROWTH

Focusing on strategies projects and policy initiatives that support the community, economic development, innovation and investment attraction.

- ✚ Strategic (Town) Planning Consultant, Mick Purves, was engaged in 2019 by Council to finalise the Local Provisions Schedule for the Flinders Planning Scheme., this work is ongoing. The Local Provisions Schedule (LPS) as part of the Tasmanian Planning Scheme (TPS) process, have been exhibited to the Community 2nd June until 2nd August 2021 as the final stage toward implementation of the new planning scheme, for Flinders, under the TPS model. The public had access to consultation sessions in various locations utilising a variety of methodologies.
- ✚ Council Priority Projects were discussed at a Council workshop and there were three shortlisted in October 2020: Hot Rot Machine, Veterinary facility and reconstruct and sealing of Palana Road. All three of these projects were investigated with both the Veterinary facility and \$2 million towards resealing Palana Road being awarded funding via election policies of the returned State Liberal Government.
- ✚ Council have been awarded a grant deed to see a new Veterinarian facility realized for the Island. Work continues on this project.
- ✚ The 2020/21 Winter, Spring and Summer School Holiday Programs were well attended through each school break and delivered in partnership with Flinders Show Society, and Flinders Island Aboriginal Association Inc., Tasmanian Parks and Wildlife Service, Mountain Biking Flinders Island, Whitemark Library, St Johns Ambulance, Lady Barron Hall Committee and Furneaux Community Arts.
- ✚ Activities included: Discovery Ranger Program, rollerblading, 'Glow in the Dark' disco, Laser Tag, beach combing, tip shop textiles, bike ride, mural creating, performer workshop, Games Day & Movie Day and First Aid training
- ✚ It was decided that Council would focus on a single parcel of land, which was the Whitemark Tennis courts. Expressions of Interests were called for and Council are now assessing these.
- ✚ The Furneaux Islands Festival 2021 was held on 22-24 January consisted of a Friday night food and craft fair at the Whitemark Showgrounds and a Community BBQ held at the Flinders Island Aboriginal Association Inc at Lady Barron.







## INFRASTRUCTURE AND SERVICES

An Islands specific approach to planning and delivery to secure community and environmental values are maintained

### WAR ON WASTE

- ✦ Four self-tipping bins installed at the Whitemark Landfill site and are being utilized for recycling materials.
- ✦ Council continues baling aluminum cans in support of the Flinders Island District High School Cash 4 Cans recycling initiative at the Whitemark Landfill site.
- ✦ Council staff launched the 'War on Waste' Facebook page, this page will be used to keep community members and interested individuals up to date with tips on recycling and other ideas which can be implemented in the household or workplace. A waste communication plan is also being developed to inform this process.
- ✦ Ongoing activities part of the recycling strategy are preparation of scrap steel, electronic waste and white goods for baling continues at the Whitemark Landfill site.
- ✦ The Environment Protection Authority (EPA) approved in principle the waste cell and leachate pond, however, Council is awaiting the Environmental Effect Report scheduled for completion by year end June 2022. Work has not commenced on construction of the waste cell.
- ✦ The construction of the waste retainer wall and the building of a new shed and sorting bays has not been completed due to availability of contractors. This project will be completed by year end 30 June 2022.
- ✦ Discussions are ongoing with suitable consultants and TasWater to scope Stormwater Management Plan requirements for townships.
- ✦ A suitable wastewater design to upgrade the Council Office / Flinders Arts and Entertainment Centre septic system has been installed and completed.
- ✦ A short-term alliance with TasWater exists and investigations into developing a long-term alliance to manage and operate TasWater's water supply network are ongoing.



## ROADS

- ✚ Council was successful in its application to the Local Roads and Community Infrastructure Program Grant for \$298,905 under phase 1. The grant has allowed for upgrades to community facilities including upgrades at the Airport, Rose Garden, Furneaux Museum, Lady Barron Tennis Courts, Yellow Beach picnic area, Emita Recreation ground, Showgrounds, Whitemark Tip and Transfer Stations. Due to the limited availability of contractors, projects under the grant will be completed in the 2021/22 year.
- ✚ Council's Long-Term Financial & Asset Management Plan, Strategies and Policy 2021-2031, was delivered to establish future required works that would need to be carried out to maintain the road network. At year end audit the findings of the Asset Management Plan required the roads to be revalued at the end of June 2022.
- ✚ Council completed most of the scheduled 11.9km resheeting (\$180,000) of the Municipalities roads in the 4th quarter with the exception on the Trouser Point and Coast Roads which were later carried out in the 2021/22 schedule.
- ✚ In 2020/21 Council put out a tender for the resealing on the Memana Road (1.9km), Munro Place, James Court, The Esplanade (W/M), Moonbird St and Vinegar Hill St. The total resealing length was 2.9km (\$113,000). SAMI Bitumen was awarded the tender and came to Flinders on in February 2021. Majority of the works were completed but unfortunately due to the bitumen truck breaking down and having to be sent back to Victoria, Moonbird Street and Vinegar Hill Road weren't resealed. These two roads will be included in the 2021/22 schedule.
- ✚ The reconstruction schedule for 20/21 was a total of 1km of road (\$180,000), Memana Road 0.7km, and Lackrana Road 0.3km. was performed by Hiway Stabilizers Australia in February 2021.
- ✚ Road reseals and reconstruction were undertaken on the Department of State Growth road (Lady Barron Road) as per Department of State Growth Instruction.
- ✚ Council continued to explore options for sealing Palana Road, including advocating for State ownership.
- ✚ Replacement of cracked areas of footpaths were postponed due to limited staff resources and will be undertaken next financial year.
- ✚ Bridge guard rail replacements were undertaken for Chewtobacco Creek and Patriachs Drain.
- ✚ The bridge railing for the Lees Road and Conways Road bridges has been purchased and the works will be carried out in the 2021/22 year.
- ✚ The bridge assets and stormwater/drainage assets were revalued at 30<sup>th</sup> June 2021.
- ✚ A sustainable long-term management plan for the operation of a network of co-funded walking / fire trails was discussed with Parks and Wildlife services and the Fire Management Area Committee.





## ACCESS AND CONNECTIVITY

### FOCUSING ON STRATEGIES PROJECTS AND POLICY INITIATIVES THAT SUPPORT THE COMMUNITY, ECONOMIC DEVELOPMENT, INNOVATION AND INVESTMENT ATTRACTION

- ✚ Particularly during the first half of 2021, Council focused on submission of the Safe Harbour funding application prior to 30 June 2021. This process included:
  - Ongoing work on legislated planning requirements including Reserve Activity Assessment (RAA) and Development Application (DA);
  - Completion of preliminary design of new breakwater, new dual boat ramp, car park and access road infrastructure;
  - Further development of models for sedimentation, wave action, and other potential impacts on the proposed safe harbour infrastructure;
  - Completion of risk assessment to determine and manage risks to the proposed safe harbour infrastructure; and.
  - Development of comprehensive cost estimates for the complete project.
  
- ✚ Completion of these works enabled Council to submit a formal funding application to the funding body on 21 June, 2021.
  
- ✚ Furneaux Shipping Special Committee meetings with stakeholders throughout 2020/2021 resulted in concerns being raised with TasPorts regarding safety at the port including slippage and poor lighting. Funding \$220,000 was then secured by TasPorts to cover the costs of purchasing, transport and installation of matting in all the stock yards and the main paths through the cattle yards. TasPorts installed white lights, as well as the orange lights (for use during Mutton-bird season). Quality of light survey was completed and provides over and above requirements as per Australian Standards.
  
- ✚ The \$3.6 million Airport Runway Upgrade Project (Airport Project), fully funded by the Federal Government, was completed at year end 30 June 2020, however the funding had not been received from the Building Better Regions Grant. The full funding was received in year end 30 June 2021.
  
- ✚ As part of COVID-19 recovery, the State Government intrastate travel initiative initiated three flights per week from Hobart to Flinders Island from 30 September 2020. After a successful 12 week trial, the State Government extended the initiative and Council resolved to the waiving the Hobart to Flinders Island airport fees until, and including, 30 April 2021, after which time, the waiver ceased.
  
- ✚ The telecommunications upgrade on Flinders and Cape Barren Islands, being the Telstra tower on Cape Barren Island, was completed by year end June 2020 and the Telstra independent audit was then finalised and submitted to Building and Better Regions Funding for acquittal. Final funding was received in year 30 June 2021 of \$788,000.

# STRATEGIC EFFICIENT AND EFFECTIVE ORGANISATION

## RESPONDING TO RISKS AND OPPORTUNITIES

- ✦ Through 2020/21 Council worked hard on developing the Strategic Plan 2021-2031 through Council workshops and community consultations. The plan was made public and opened for public comment in October and November 2020.
- ✦ The Long-Term Financial & Asset Management Plans, Strategies and Policy were updated unanimously and submitted to the Local Government Division prior to 30 June, 2021.
- ✦ In line with improving Council's records management procedures and standards in relation to information systems, Council reviewed their existing IT support provider and engaged a new provider to support Councils' direction to improve the information systems.
- ✦ Council's Safety Officer has introduced a series of monthly ongoing safety training modules for Works staff. All incidents are assessed at monthly Work Health and Safety meetings with the General Manager to ensure continued safety improvement.
- ✦ Incidents reported are utilised as learning experiences and often form the basis of training presentations. A further focus of safety this year has been a monthly Training schedule, enhanced maintenance process, Improved communication with staff and stakeholders, Service Request oversight and an improved investigation of incidents and accidents process. Although an ongoing process, the improvement to Council's safety culture is continuing and receiving greater uptake with the strong focus of all Council staff.
- ✦ The General Manager has assumed the role of Municipal Emergency Management Committee (MEMC) Coordinator and instituted executive MEMC meetings to provide for rapid response to emerging issues largely COVID-19 based issues.
- ✦ The MEMC have developed an Emergency Management Plan for an on-island government quarantine facility; quarantine processes and procedures at the Airport; and instituted Airport Emergency Management meetings with Airport staff, Tasmania Police, Biosecurity staff and Parks and Wildlife staff.
- ✦ Council worked closely with the Municipal Emergency Management Committee to adapt to the ever-changing nature of COVID-19 with the latest updates and to ensure the correct messaging was being circulated around the community.





3 x items  
for 1 token

HARLEY-DAVIDSON

## LIVEABILITY

### PROTECT, IMPROVE AND PROMOTE THE HEALTH AND WELLBEING OF THE ISLANDS' COMMUNITIES.

- ✚ Community Grant 2021/2022 applications were awarded of \$2,200 and \$300 in-kind support to the applicants:
  - Esther Nunn - \$400 for purchase of two Microplastic Australia Testing Kits for community participation in the Australian Microplastic Assessment Project.
  - Flinders Flicks - \$400 and \$300 worth of in-kind support for purchase of 200 branded drink coolers and webhosting and domain for flindersflicks.com. In kind: Emita Hall and FAEC hire; AV technician; printing and promotional materials.
  - Skate Park - \$1,000 for travel costs and fee for Ramp Wizard to assess the feasibility of a skate park in Whitemark.
  - Furneaux Field and Game Association - \$400 for purchase of championship sashes for Supershoot and Tasmanian Championships.
- ✚ Gunn Bequest 2021/2022 funding, to the value of \$330, was awarded to the Furneaux Field and Game Association to the amount of \$165 for purchase of medallions for Super Shoot and Flinders Island Golf Club of \$165 to replace nine flagstick locking ferrules and cups for the golf greens.
- ✚ Community groups, businesses and organisations were supported to present a range of activities and events throughout the year, including: Emita Hall Committee, Cricket Club, Flinders Flicks, Furneaux Community Arts, Seaside Scavenge.
- ✚ The Furneaux Festival was delivered in January 2021 with a Twilight Market on the Friday night with 533 people in attendance. On the Sunday FIAAI hosted the community BBQ down at FIAAI Park in Lady Barron. The event was a wonderful family day with 321 people in attendance. Overall, it was a successful weekend with positive community feedback.
- ✚ Flinders Council received a \$15,000 Tas Community Fund grant for a video conferencing system for community use, installed in the Rose Garden Room at the Furneaux Arts & Entertainment Centre.
- ✚ Community gyms at Whitemark and Lady Barron continue to be well patronised with membership growing steadily. The RFDS program at the Whitemark gym was supported for 1168 individual gym visits. With Whitemark gym visits totalling 3206 and Lady Barron gym visits totalling 1158. Gym membership is increasing considerably with Council supporting regular personal training sessions at both gyms.



An aerial photograph of a coastal area. The water is a vibrant turquoise color, transitioning to a lighter, sandy hue near the shore. A prominent feature is a large, rocky island or headland in the lower-left quadrant, with rugged, brownish-grey rock formations. To the right of this headland, there are several sandy beaches and small, vegetated islands. The background shows a vast expanse of deep blue ocean meeting a light sky at the horizon. The overall scene is serene and natural.

# FLINDERS COUNCIL FINANCIAL REPORT

## **FLINDERS COUNCIL 2020 / 2021 FINANCIAL REPORT**

### **FINANCIAL OUTCOMES AT A GLANCE**

Council's Financial Report details the full suite of Financial information that describe Council's operation. This audited report is presented in a format in accordance with the applicable accounting standards and is consistent with other local governments

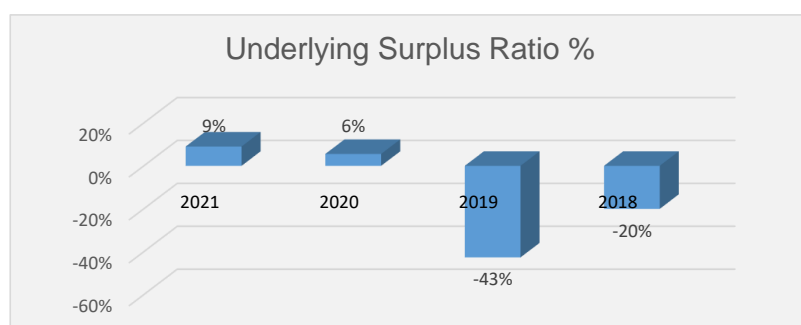


# Overview of Financial Performance at Year End 30th June 2021



## Statement of Comprehensive Income and Expenditure

Operating result	2021 Actual 000's	2020 Actual 000's	2019 Actual 000's	2018 Actual 000's
Underlying Surplus or Deficit	538	351	(3,284)	(1,593)
Recurrent Income	6,185	6,343	7,695	7,945
Underlying Surplus Ratio %	9%	6%	-43%	-20%



The Underlying Surplus Ratio compares Council's Operating Income as a percentage of its Operating Expenses. Improvements in the Underlying Surplus in YE 2021 is derived mainly from below budget expenditure in both Materials and Services and Capital Programs.

## Income & Expenditure by Division

	2021 Budget Total 000's	2021 Actual Total 000's	2021 Municipal 000's	2021 Airport 000's
<b>INCOME</b>				
Income - Operational (which includes Operational Grants)	5,575	6,192	5,533	659
Income - Capital Grants	3,897	3,914	314	3,600
Net gain/(loss) on disposal of Property, Infrastructure, Plant and Equipment	0	(65)	(65)	0
	9,472	10,041	5,782	4,259
<b>EXPENDITURE</b>	0	0	0	0
Employee Costs	(2,241)	(2,147)	(1,902)	(245)
Materials & Services	(2,353)	(1,624)	(1,364)	(260)
Impairment of Receivables	0	(2)	(2)	0
Depreciation & Amortisation ( Non- Monetary)	(1,632)	(1,634)	(1,300)	(334)
Finance Costs	(88)	(117)	(117)	0
Other Expenses	(5)	(123)	(123)	0
Other Expenses - Telstra Project	0	0	0	0
	(6,319)	(5,647)	(4,808)	(839)
Net asset adjustments - mainly Revaluations	Note 1	0	1,747	0
Net result	3,153	6,141	2,721	3,420

Note 1: Total Net asset adjustments of \$1747k at 30 June 21 include: a revaluation on Bridges, \$1640 increment; a revaluation on Drainage, \$65k decrement; a revaluation on the Investment in Water Corporation, \$172k increment.

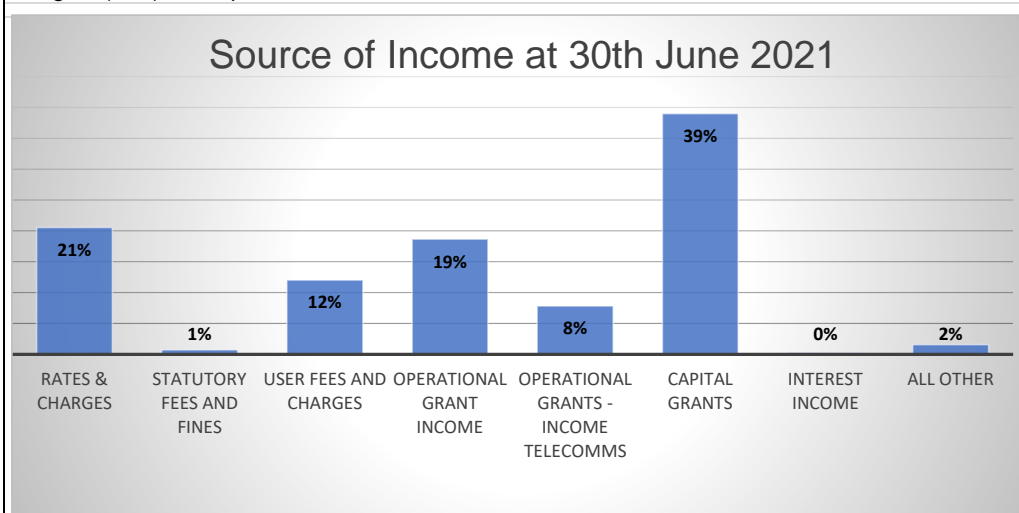
# Overview of Financial Performance at Year End 30th June 2021



Income	Budget 2021 000's	2021 Actual 000's	2020 Actual 000's	2019 Actual 000's	2018 Actual 000's
Rates and Charges tracked well to budget, with only minor variations.	2,059	2,065	2,057	1,764	1,614
Statutory Fees and Fines are 80% / \$32k above budget.	40	72	59	51	43
User Fees and Charges are 83% / \$550k above budget. Airport fees income was above budget due to higher than expected passenger travel. Private Works fees income increased due to additional minor works programs on the Lady Barron State Road.	660	1,210	1,108	918	931
Operational Grant Income is slightly below budget by 5% / \$90k.	1,965	1,875	1,735	1,740	1,699
Operational Grants - Telstra Project. The Telstra Grant income is on par with budget, and Council received the final payment from the BBFR Grant body.	788	788	1,099	2,935	3,409
Contributions.	0	0	47	15	3
Interest income is below budget by 29% / \$10k.	35	25	99	131	157
Other Income exceeded budget by 396% / \$111k.	28	139	161	143	48
Investment Revenue from Water Corporation is above budget by \$18k.	0	18	18	36	54
Capital Grants are on par with budget, and the \$3.6 million Airport Runway grant was received by year end 30 June 21.	3,897	3,914	300	351	573
Contributions - non-monetary assets.	0	0	0	0	
Net gain/(loss) on disposal of Property, infrastructure, plant & equipment has a total loss of of \$65k write down of assets disposed. This relates to the Infrastructure-Road assets.	0	(65)	(600)	(126)	(268)
<b>Total Income from Continuing Operations</b>	<b>9,472</b>	<b>10,041</b>	<b>6,083</b>	<b>7,958</b>	<b>8,263</b>

Sources of Income Revenue Comparison	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Rates & Charges	21%	34%	22%	20%
Statutory Fees and Fines	1%	1%	1%	1%
User Fees and Charges	12%	18%	12%	11%
Operational Grant Income	19%	29%	22%	21%
Operational Grants - Telecommunications	8%	18%	37%	41%
Capital Grants	39%	5%	4%	7%
Interest Income	0%	2%	2%	2%
All Other Income	2%	4%	2%	1%
Net gain/(loss) on disposal of assets	-1%	-10%	-2%	-3%

Source of Income at 30th June 2021



The last four year trend, indicates that the majority of income is derived through grants (both operational grants and capital grants).

Rateable Income is less than a quarter of Council's income, and User fees contribute an average of 13% towards Council's income.



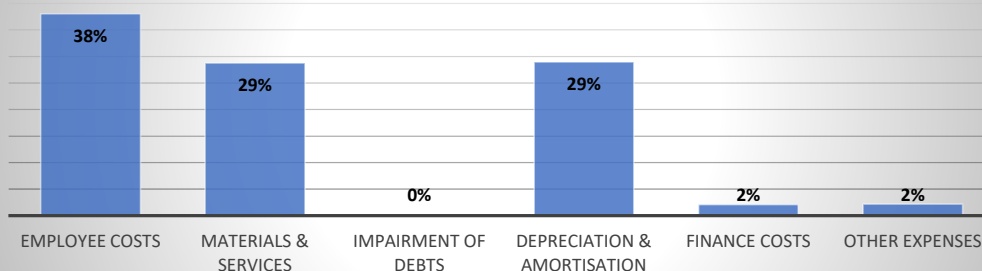
# Overview of Financial Performance at Year End 30th June 2021



Operational Expenditure	Budget 2021 000's	2021 Actual 000's	2020 Actual 000's	2019 Actual 000's	2018 Actual 000's
Employee Costs are below budget by 4% / \$94k.	(2,241)	(2,147)	(1,887)	(2,174)	(2,033)
Materials & Services are 31% / \$729k below budget. This is due to underspends on road works, waste projects and various other grant programmes.	(2,353)	(1,624)	(1,397)	(1,855)	(1,860)
Impairment of Receivables	0	(2)	(1)	(1)	(36)
Depreciation & Amortisation is on par with budget.	(1,632)	(1,634)	(1,658)	(1,609)	(1,491)
Finance Costs are 33% / \$29k above budget.	(88)	(117)	(57)	(86)	(85)
Other Expenses - Other are \$123k above budget.	0	(123)	(42)	(128)	(115)
Other Expenses - Telstra Project was completed in Year End 2020, and the project Launched in October 2021. It is now closed.	(5)	0	(350)	(5,000)	(3,650)
<b>Total Expenses from Continuing Operations</b>	<b>(6,319)</b>	<b>(5,647)</b>	<b>(5,392)</b>	<b>(10,853)</b>	<b>(9,270)</b>

Application of Expenses Operation Expense Comparison	2,021	2,020	2,019	2,018
Employee Costs	38%	35%	20%	22%
Materials & Services	29%	26%	17%	20%
Impairment of Debts	0%	0%	0%	0%
Depreciation & Amortisation (Non-Monetary)	29%	31%	15%	16%
Finance Costs	2%	1%	1%	1%
Other Expenses - Other	2%	1%	1%	1%
Other Expenses - Telstra Project	0%	6%	46%	39%

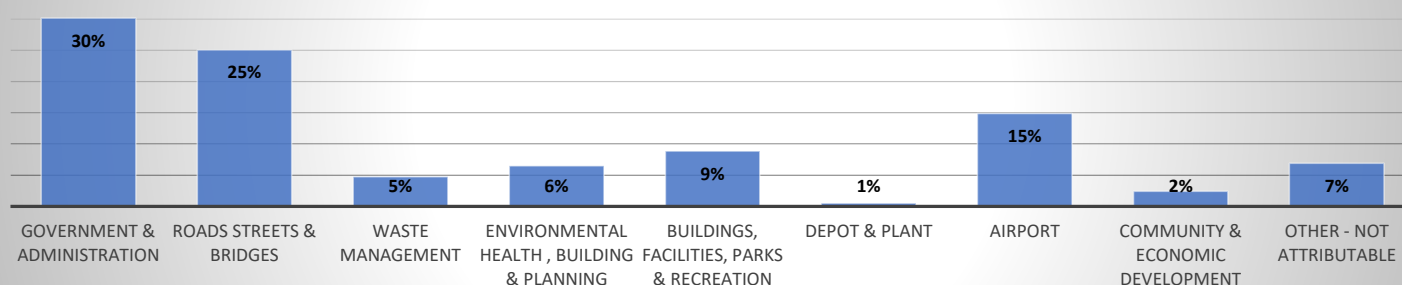
## Operational Expenses at 30th June 2021



Materials and Services were considerably underspent in YE 2021, which has resulted in the % ratio leaning heavily towards Employee costs. In 2020, Materials and Services was also low, as works were affected by COVID-19.

## Operational Expense Comparison by Function

### Expenses by Function at 30th June 2021



# Overview of Financial Performance at Year End 30th June 2021

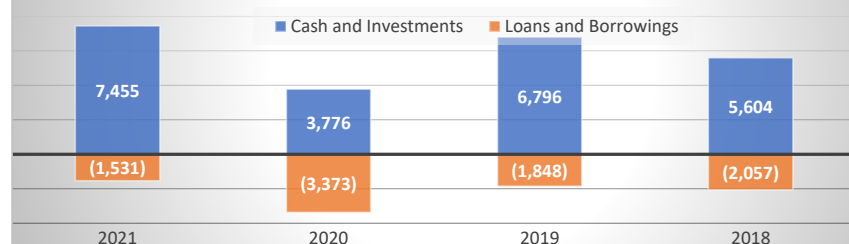


## Statement of Financial Position

Statement of Financial Position Summary		2021 000's	2020 000's	2019 000's	2018 000's
<b>Assets</b>					
Current Assets	-Cash, Investments, Debtors Inventories	7,954	4,320	7,510	9,643
Non - Current Assets	-Property, Infrastructure Plant and Equipment	57,272	56,488	55,105	55,280
		65,226	60,808	62,615	64,923
<b>Liabilities</b>					
Current Liabilities	-Creditors and Short-Term Provisions	(1,954)	(821)	(4,319)	(3,981)
Non - Current Liabilities	-Loans and Borrowings and Long-Term Provisions	(804)	(3,660)	(1,911)	(2,106)
		(2,758)	(4,481)	(6,230)	(6,087)
<b>Net Assets</b>		62,468	56,327	56,385	58,836
<b>Total Equity</b>		62,468	56,327	56,385	58,836

Cash, Investments and Loans		2021 000's	2020 000's	2019 000's	2018 000's
Cash and Cash Equivalents		7,344	3,664	2,328	3,714
Investments		111	112	4,468	1,890
<b>Cash and Investments</b>		7,455	3,776	6,796	5,604
Loans and Borrowings		(1,531)	(3,373)	(1,848)	(2,057)
<b>Net Liquidity</b>		5,924	403	4,948	3,547

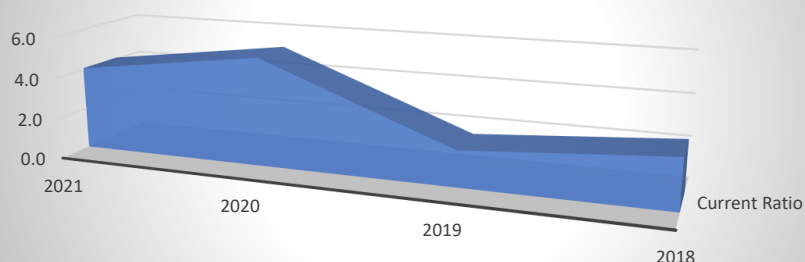
### Cash and Investments versus Loans



Cash reserves at the 30th June 2021 has increased due to receipt of \$3.6m for the Airport Runway Upgrade Grant, which closed out in Year End June 2020. Loans declined by \$1.8 million in 2021, as the bridging loan for the Airport Runway Project was repaid. Cash reserves are higher than predicted, due to below budget expenditure on both Materials and Services and Capital Programs.

Working Capital		2021 000's	2020 000's	2019 000's	2018 000's
Current Assets		7,954	4,320	7,510	9,643
Current Liabilities		(1,954)	(821)	(4,319)	(3,981)
<b>Current Ratio</b>		4.1	5.3	1.7	2.4

### Current Ratio



Current ratio: Current Assets / Current Liabilities, indicates whether a company has enough short-term assets to cover its short-term debt. A good working capital ratio is considered between 1.2 and 2.0 and greater. The current trend shows a decline in the current ratio during 2018 and 2019 as large creditor balances were held for the Telstra project. With the completion of the Telstra project in 2020, the working capital ratio improved in the years 2020 and 2021.



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

**Opinion**

I have audited the financial report of Flinders Council (Council), which comprises the statement of financial position as at 30 June 2021 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) present fairly, in all material respects, Council's financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

**Basis for Opinion**

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 10.5(f), nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

**Key Audit Matters**

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p><b>Property, infrastructure, plant and equipment</b>  <i>Refer to note 3.4, 6.1 and 9.10</i></p>	
<p>Council’s non-current assets include land, buildings, roads, bridges, drainage and airport assets recognised at fair value totalling \$49.38m. Fair values are based on current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. During 2020-21 Council revalued bridges and drainage assets. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital expenditure in 2020-21 totalled \$0.74m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>• Critically assessing assumptions and other key inputs in the valuation model, including corroboration of assumptions to external data.</li> <li>• Evaluating management’s assessment of the useful lives.</li> <li>• Performing substantive analytical procedures on depreciation expenses.</li> <li>• Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.</li> <li>• Testing, on a sample basis, additions and disposals of assets during the year and review of depreciation and useful lives of new assets.</li> <li>• Testing capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.</li> <li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>



## **Responsibilities of the General Manager for the Financial Report**

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

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole 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.

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



Jeff Tongs  
**Assistant Auditor-General, Audit  
Delegate of the Auditor-General**  
Tasmanian Audit Office

27 September 2021  
Hobart



**Flinders Council**

**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2021*

**Flinders Council  
Financial Report  
Table of Contents**

<b>FINANCIAL REPORT</b>		<b>Page</b>
<b>Notes to Financial Statements</b>		
<b>Note 1</b>	<b>Overview</b>	
1.1	Reporting entity	5
1.2	Basis of accounting	5
1.3	Use of estimates and judgements	5
1.4	Impact of Covid-19 on Financial Reporting for 2020-21	5
1.5	Material Budget Variations	5
1.6	Functions/Activities of the Council	7
<b>Note 2</b>	<b>Revenue</b>	
2.1	Rates and charges	9
2.2	Statutory fees and fines	9
2.3	User fees	9
2.4	Grants	10
2.5	Contributions	11
2.6	Interest	11
2.7	Other income	11
2.8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12
2.9	Investment revenue from water corporation	12
<b>Note 3</b>	<b>Expenses</b>	
3.1	Employee benefits	13
3.2	Materials and services	13
3.3	Impairment of receivables	13
3.4	Depreciation and amortisation	14
3.5	Finance costs	15
3.6	Other expenses	16
<b>Note 4</b>	<b>Current Assets</b>	
4.1	Cash and cash equivalents	16
4.2	Trades and other receivables	17
4.3	Investments	17
4.4	Inventories	17
<b>Note 5</b>	<b>Other Investments</b>	
5.1	Investment in water corporation	18
<b>Note 6</b>	<b>Non-current assets</b>	
6.1	Property, infrastructure, plant and equipment	19
6.2	Intangible assets	25
6.3	Other assets	26
<b>Note 7</b>	<b>Current liabilities</b>	
7.1	Trade and other payables	26
7.2	Trust funds and deposits	26
7.3	Provisions	26
7.4	Lease liabilities	28
7.5	Contract liabilities	28
<b>Note 8</b>	<b>Non-current liabilities</b>	
8.1	Interest bearing loans and borrowings	29
<b>Note 9</b>	<b>Other financial information</b>	
9.1	Reserves	30
9.2	Reconciliation of cash flows from operating activities to surplus (deficit)	31
9.3	Reconciliation of liabilities arising from financing activities	31
9.4	Reconciliation of cash and cash equivalents	31
9.5	Financing arrangements	31
9.6	Superannuation	32
9.7	Operating leases as lessor	32
9.8	Contingent liabilities and contingent assets	32
9.9	Financial instruments	33
9.10	Fair value measurements	38



**Flinders Council  
Financial Report  
Table of Contents**

<b>FINANCIAL REPORT</b>		<b>Page</b>
<b>Notes to Financial Statements</b>		
<b>Note 10</b>	<b>Other matters</b>	
10.1	Related party transactions	42
10.2	Special committees and other activities	44
10.3	Other significant accounting policies and pending accounting standards	45
10.4	Significant Business Activities	46
10.5	Management indicators	47
	<b>Certification of the Financial Report</b>	49

**Statement of Profit & Loss and Comprehensive Income  
For the Year Ended 30 June 2021**

	Note	Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Income from continuing operations</b>				
<b>Recurrent income</b>				
Rates and charges	2.1	2,059	2,065	2,057
Statutory fees and fines	2.2	40	72	59
User fees	2.3	660	1,210	1,108
Grants	2.4	2,753	2,663	2,834
Contributions - cash	2.5	-	-	47
Interest	2.6	35	25	99
Other income	2.7	28	139	161
Investment revenue from Water Corporation	2.9, 5.1	-	18	18
		<b>5,575</b>	<b>6,192</b>	<b>6,383</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	2.4	3,897	3,914	300
Contributions - non-monetary assets	2.5	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(65)	(600)
		<b>3,897</b>	<b>3,849</b>	<b>(300)</b>
<b>Total income from continuing operations</b>		<b>9,472</b>	<b>10,041</b>	<b>6,083</b>
<b>Expenses from continuing operations</b>				
Employee benefits	3.1	(2,241)	(2,147)	(1,887)
Materials and services	3.2	(2,353)	(1,624)	(1,397)
Impairment of receivables	3.3	-	(2)	(1)
Depreciation and amortisation	3.4	(1,632)	(1,634)	(1,658)
Finance costs	3.5	(88)	(117)	(57)
Other expenses	3.6	(5)	(123)	(392)
<b>Total expenses from continuing operations</b>		<b>(6,319)</b>	<b>(5,647)</b>	<b>(5,392)</b>
<b>Result from continuing operations</b>		<b>3,153</b>	<b>4,394</b>	<b>691</b>
<b>Result from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result for the year</b>		<b>3,153</b>	<b>4,394</b>	<b>691</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to net result</b>				
Fair value adjustments on equity investment assets	5.1, 9.1	-	172	(874)
Net asset revaluation increment/(decrement)	9.1	-	1,575	125
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>1,747</b>	<b>(749)</b>
<b>Total Comprehensive result</b>		<b>3,153</b>	<b>6,141</b>	<b>(58)</b>

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

**Statement of Financial Position  
As at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	7,344	3,664
Trade and other receivables	4.2	318	452
Investments	4.3	111	112
Inventories	4.4	181	89
Other assets	6.3	-	3
<b>Total current assets</b>		<b>7,954</b>	<b>4,320</b>
<b>Non-current assets</b>			
Investment in water corporation	5.1	3,202	3,030
Property, infrastructure, plant and equipment	6.1	53,998	53,372
Intangible assets	6.2	13	27
Other assets	6.3	59	59
<b>Total non-current assets</b>		<b>57,272</b>	<b>56,488</b>
<b>Total assets</b>		<b>65,226</b>	<b>60,808</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7.1	280	342
Trust funds and deposits	7.2	116	67
Provisions	7.3	396	370
Contract liabilities	7.5	77	-
Interest-bearing loans and borrowings	8.1	1,085	42
<b>Total current liabilities</b>		<b>1,954</b>	<b>821</b>
<b>Non-current liabilities</b>			
Provisions	7.3	358	329
Interest-bearing loans and borrowings	8.1	446	3,331
<b>Total non-current liabilities</b>		<b>804</b>	<b>3,660</b>
<b>Total liabilities</b>		<b>2,758</b>	<b>4,481</b>
<b>Net Assets</b>		<b>62,468</b>	<b>56,327</b>
<b>Equity</b>			
Accumulated surplus		47,599	43,205
Reserves	9.1	14,869	13,122
<b>Total Equity</b>		<b>62,468</b>	<b>56,327</b>

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



## Statement of Changes in Equity For the Year Ended 30 June 2021

2021	Note	Accumulated Surplus 2021 \$'000	Asset Revaluation Reserve 2021 \$'000	Fair Value Reserve 2021 \$'000	Other Reserves 2021 \$'000	Total Equity 2021 \$'000
<b>Balance at beginning of the financial year</b>		43,205	13,346	(383)	159	56,327
<i>Effect of changes in accounting policy for:</i>						
Adjustment on change in accounting policies		-	-	-	-	-
<b>Restated opening balance</b>		<b>43,205</b>	<b>13,346</b>	<b>(383)</b>	<b>159</b>	<b>56,327</b>
Net result for the year		4,394	-	-	-	4,394
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value						
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	172	-	172
Net asset revaluation increment/(decrement)	9.1	-	1,640	-	-	1,640
Total comprehensive income		<b>47,599</b>	<b>14,986</b>	<b>(211)</b>	<b>159</b>	<b>62,533</b>
Transfers between reserves		-	-	-	-	-
<b>Balance at end of the financial year</b>		<b>47,599</b>	<b>14,986</b>	<b>(211)</b>	<b>159</b>	<b>62,533</b>

2020		Accumulated Surplus 2020 \$'000	Asset Revaluation Reserve 2020 \$'000	Fair Value Reserve 2020 \$'000	Other Reserves 2020 \$'000	Total Equity 2020 \$'000
Balance at beginning of the financial year		38,880	13,221	491	3,793	56,385
Adjustment on change in accounting policies		-	-	-	-	-
Restated opening balance		38,880	13,221	491	3,793	56,385
Net result for the year		691	-	-	-	691
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.1	-	-	(874)	-	(874)
Net asset revaluation increment/(decrement)	9.1	-	125	-	-	125
Total comprehensive income		<b>39,571</b>	<b>13,346</b>	<b>(383)</b>	<b>3,793</b>	<b>56,327</b>
Transfers between reserves		3,634	-	-	(3,634)	-
<b>Balance at end of the financial year</b>		<b>43,205</b>	<b>13,346</b>	<b>(383)</b>	<b>159</b>	<b>56,327</b>

The above statement should be read with the accompanying notes.

## Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		2,060	2,021
Statutory fees and fines		72	59
User charges and other fines (inclusive of GST)		1,477	978
Grants (inclusive of GST)		2,740	2,835
Interest		28	100
Investment revenue from water corporation		18	18
Other receipts (inclusive of GST)		139	208
Net GST refund/payment		49	102
Payments to suppliers (inclusive of GST)		(1,956)	(1,163)
Payments to employees (including redundancies)		(2,092)	(1,858)
Finance costs		(117)	(57)
Other payments		(125)	(3,692)
<b>Net cash provided by (used in) operating activities</b>	<b>9.2</b>	<b>2,293</b>	<b>(449)</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(737)	(4,397)
Proceeds from sale of property, infrastructure, plant and equipment		-	-
Capital grants (inclusive of GST)		3,916	300
Payments for intangible assets		-	-
Transfer to financial assets		1	4,356
Transfers to trust funds and deposits		-	7
Payments for Mineral Resources Bonds		-	(6)
Proceeds from sale of other financial assets		-	-
<b>Net cash provided by (used in) investing activities</b>		<b>3,180</b>	<b>260</b>
<b>Cash flows from financing activities</b>			
Proceeds from trust funds and deposits		49	-
Repayment of lease liabilities (principal repayments)		-	-
Proceeds from interest bearing loans and borrowings		-	1,800
Repayment of interest bearing loans and borrowings		(1,842)	(275)
<b>Net cash provided by (used in) financing activities</b>	<b>9.3</b>	<b>(1,793)</b>	<b>1,525</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>3,680</b>	<b>1,336</b>
Cash and cash equivalents at the beginning of the financial year		3,664	2,328
<b>Cash and cash equivalents at the end of the financial year</b>	<b>9.4</b>	<b>7,344</b>	<b>3,664</b>
Restrictions on cash assets	4.1	1,119	935
Financing arrangements	9.5	10	9

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

## Note 1 Overview

### 1.1 Reporting entity

- (a) The Flinders Council was established on 26 February 1908 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 4 Davies St, Whitemark, Flinders Island.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the municipality.

### 1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 5.1, 6.1, 7.3, 8.1 and

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

### 1.3 Use of judgements and estimates

#### *Judgements and Assumptions*

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

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

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

#### *Employee entitlements*

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

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

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

#### *Investment in water corporation*

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

#### *Landfill / Tip and Quarry Rehabilitation*

Assumptions and judgements are utilised in determining Council's provisions for landfill/tip rehabilitation and for the rehabilitation of quarry site. These assumptions are discussed in note 7.3.

### 1.4 Impact of Covid-19 on Financial Reporting for 2020-21

The COVID-19 pandemic has impacted 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. Further details of such impacts are discussed in the following note on material budget variations.

### 1.5 Material Budget Variations

Council's original budget was adopted by the Council on **28 July 2020**. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% and \$50,000 are explained below:



## Revenues

### 1 Statutory fees and fines

Statutory fees and fines were up \$32k on budget (80%) due mainly to a very conservative estimate being made in the budget. The level and volume of development and building applications has been higher than forecast.

### 2 User fees

The increase of \$550k on budget (83%) was due to mainly to a very conservative estimate being made in the budget (due to COVID). Airport revenue did not fall as expected.

### 3 Other revenues

Other revenue income up \$111k on budget (396%) due mainly to a very conservative estimate being made for interest in the budget and includes insurance claims and reimbursements of interest from the State Government.

## Expenses

### 1 Materials and services

The decrease of \$729k on budget (31%) was due to projects and operational maintenance included in the budget, being delayed and due to some items categorised as other expenses included in the budget for materials and services.

### 2 Other expenses

A significant increase on budget of \$118k due mainly to items categorised as other expenses being included in the budget with materials and services.

1.6 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2020 - 2021	732	2,182	2,914	1,703	1,211	14,425
2019 - 2020	1,810	1,225	3,035	1,573	1,462	10,597
Roads, streets and bridges						
2020 - 2021	719	(65)	654	1,415	(761)	35,398
2019 - 2020	962	-	962	1,351	(389)	34,268
Waste management						
2020 - 2021	191	2	193	268	(75)	575
2019 - 2020	194	-	194	277	(83)	565
Environmental health, building & planning						
2020 - 2021	-	87	87	366	(279)	-
2019 - 2020	-	130	130	307	(177)	-
Depot & plant						
2020 - 2021	255	-	255	30	225	1,254
2019 - 2020	-	-	-	165	(165)	1,520
Community & economic development						
2020 - 2021	-	3	3	136	(133)	-
2019 - 2020	14	9	23	261	(238)	-
Buildings, facilities, parks and recreation						
2020 - 2021	139	88	227	499	(272)	6,949
2019 - 2020	-	59	59	183	(124)	6,981
Airport						
2020 - 2021	3,753	506	4,259	839	3,420	6,625
2019 - 2020	154	401	555	1,210	(655)	6,877
Other - not attributable						
2020 - 2021	788	661	1,449	391	1,058	-
2019 - 2020	-	1,725	1,725	672	1,053	-
<b>Total</b>						
<b>2020 - 2021</b>	<b>6,577</b>	<b>3,464</b>	<b>10,041</b>	<b>5,647</b>	<b>4,394</b>	<b>65,226</b>
<b>2019 - 2020</b>	<b>3,134</b>	<b>3,549</b>	<b>6,683</b>	<b>5,999</b>	<b>684</b>	<b>60,808</b>

1.6 Functions/Activities of the Council (Continued)

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

	2021	2020
Current assets	7,954	4,320
Non-current assets	57,272	56,488
	<b>65,226</b>	<b>60,808</b>

(c) Governance and administration

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

*Roads, streets and bridges*

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

*Waste Management*

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

*Environmental health, building and planning services*

Environmental health includes disease control food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries. Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment. Building includes the development and maintenance of building construction standards. Planning includes the administration of the town planning scheme, subdivisions and urban and rural renewal programs.

*Community and economic development*

Operation and support of health services, performing arts & culture, youth services and the presentation of community events. Economic Development which provides the implementation of a process and marketing support by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

*Buildings, facilities, parks & recreation*

Operation and maintenance of all recreational and sporting facilities (including community halls & playgrounds). Operation and maintenance of Council owned buildings, public land and facilities to a standard expected within the local community.

*Airport*

Operation and maintenance of the Flinders Island Airport with all required aviaional standards and procedures.

*Other - not attributable*

Rates and charges and work not attributed elsewhere.



	2021 \$'000	2020 \$'000
<b>Note 2 Revenue</b>		
<b>Note 2.1 Rates and charges</b>		
Council uses Capital Value as the basis of valuation of all properties within the municipality. The Capital Value of a property is the value of land plus improvements.		
The valuation base used to calculate general rates for 2020-21 was \$427.169 million (2019-20 \$424.534 million). The 2020-21 rate in the Capital Value dollar was \$0.4123319 (2019-20, \$0.4123319).		
General rate	1,993	1,976
Fire Levy	72	71
Rates and charges in advance	-	10
<b>Total rates and charges</b>	<b>2,065</b>	<b>2,057</b>

The date of the latest general revaluation of land for rating purposes within the municipality was 1 October 2016, and the valuation was first applied in the rating year commencing 1 July 2017.

**Accounting policy**

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

**Note 2.2 Statutory fees and fines**

Infringements and costs	-	1
Town planning fees	49	44
Land information certificates	22	14
Permits	1	-
<b>Total statutory fees and fines</b>	<b>72</b>	<b>59</b>

**Accounting policy**

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

**Note 2.3 User fees**

Community facilities hire fees	4	3
Dog registration fees	6	7
Environmental fees	4	6
Building services fees	25	21
Airport fees and charges	504	398
Department of State Growth contract	554	468
Private works	107	159
Cemetery fees	4	42
Other fees and charges	2	2
Dog registration fees received in advance	-	2
<b>Total user fees</b>	<b>1,210</b>	<b>1,108</b>

**Accounting policy**

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

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

	2021 \$'000	2020 \$'000
<b>Note 2.4 Grants</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Federally funded grants	6,536	2,884
State funded grants	41	250
<b>Total</b>	<b>6,577</b>	<b>3,134</b>
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants	715	717
Commonwealth Government Financial Assistance Grants - received in advance	766	759
Community Health	-	12
Transport	255	237
Telstra Telecommunications Infrastructure Project	788	1,099
Other	139	10
<b>Total recurrent grants</b>	<b>2,663</b>	<b>2,834</b>
<b>Capital grants received specifically for new or upgraded assets</b>		
Commonwealth Government - roads to recovery	300	300
Commonwealth Government - airport upgrade	3,600	-
Other	14	-
<b>Total capital grants</b>	<b>3,914</b>	<b>300</b>
<b>Unspent grants and contributions</b>		
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:		
<b>Operating</b>		
Balance of unspent funds at 1 July	10	6
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	10
Add: Funds received and not recognised as revenue in the current year	77	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	(6)
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	-
<b>Balance of unspent funds at 30 June</b>	<b>87</b>	<b>10</b>
<b>Capital</b>		
Balance of unspent funds at 1 July	-	-
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-
Add: Funds received and not recognised as revenue in the current year	-	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	-
<b>Balance of unspent funds at 30 June</b>	<b>-</b>	<b>-</b>
<b>Total unspent funds</b>	<b>87</b>	<b>10</b>

#### Accounting policy

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

The performance obligations are varied based on the agreement, but include painting and repairs to Council buildings, replacement of fencing for various Council properties and repairs to walking track.

2021  
\$'000

2020  
\$'000

**Note 2.4 Grants (Continued)**

**Accounting policy**

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

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

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

In both years the Commonwealth has made early payment of the first two quarterly instalments of untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2020-21 by \$765,790 (2019-20, \$758,584). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

**Note 2.5 Contributions**

**(a) Cash**

Parks, open space and streetscapes	-	47
<b>Total</b>	<b>-</b>	<b>47</b>

**(b) Non-monetary assets**

Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Total contributions**

-	47
---	----

**Accounting policy**

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

**Note 2.6 Interest**

Interest on financial assets	-	60
Interest on rates	12	11
Interest on cash and cash equivalents	13	28
<b>Total</b>	<b>25</b>	<b>99</b>

**Accounting policy**

**Interest income**

Interest is recognised progressively as it is earned.

**Note 2.7 Other income**

Rental income	43	36
Other	96	125
<b>Total other income</b>	<b>139</b>	<b>161</b>

**Accounting policy**

**Rental income**

Rents are recognised as revenue when the payment is due. Rental payments received in advance are recognised as a payable until they are due.

**Other**

Other revenue is recognised as revenue when the payment is received.



	2021 \$'000	2020 \$'000
<b>Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.</b>		
Proceeds of sale	-	-
Write down value of assets disposed	(65)	(600)
<b>Total</b>	<b>(65)</b>	<b>(600)</b>

**Accounting policy**

**Gains and losses on asset disposals**

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

<b>Note 2.9 Investment revenue from water corporation</b>		
Dividend revenue received	15	15
Tax equivalent received	3	3
<b>Total investment revenue from water corporation</b>	<b>18</b>	<b>18</b>

**Accounting policy**

**Investment revenue**

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

	2021 \$'000	2020 \$'000
<b>Note 3 Expenses</b>		
<b>Note 3.1 Employee benefits</b>		
Wages and salaries (incl. leave)	1,851	1,832
Workers compensation	91	54
Superannuation	202	199
Fringe benefits tax	5	6
Other employee related expenses	63	50
Redundancy	-	13
	2,212	2,154
Less amounts capitalised	(65)	(267)
<b>Total employee benefits</b>	<b>2,147</b>	<b>1,887</b>

**Accounting policy**

**Employee benefits**

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

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

**Note 3.2 Materials and services**

Consultant & contractor payments	354	352
Materials, supplies & services	759	490
Plant and equipment maintenance & operating costs	144	166
Insurance	150	138
Utilities, internet & phone	74	81
Councillors' expenses	13	10
Leases & licences	23	28
Donations & gifts	1	27
Fire service levy	67	67
Land tax	39	38
<b>Total materials and services</b>	<b>1,624</b>	<b>1,397</b>

**Accounting policy**

**Materials and services expense**

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

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

**Note 3.3 Impairment of receivables**

Other debtors	2	1
<b>Total impairment of receivables</b>	<b>2</b>	<b>1</b>

**Accounting policy**

**Impairment expense**

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

	2021 \$'000	2020 \$'000
<b>Note 3.4 Depreciation and amortisation</b>		
<i>Property</i>		
Buildings	106	99
Leasehold improvements	50	50
Quarries	12	12
<i>Plant and Equipment</i>		
Plant, machinery and equipment	271	268
Fixtures, fittings and furniture	15	19
<i>Infrastructure</i>		
Roads	749	777
Bridges	90	88
Footpaths and cycleways	34	35
Recreational, leisure and community facilities	21	21
Stormwater	5	5
Waste management	16	16
Airport	252	255
<i>Intangible assets</i>		
Municipal revaluation	13	13
<b>Total</b>	<b>1,634</b>	<b>1,658</b>

#### Accounting policy

##### Depreciation and amortisation expense

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

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

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

Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

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

	Period
<i>Property</i>	
Buildings	
Buildings	50 years
Leasehold improvements	40-50 years
Quarries	10-50 years
<i>Plant and Equipment</i>	
Plant, machinery and equipment	10-15 years
Fixtures, fittings and furniture	4-10 years
Computers and telecommunications	4 years
<i>Infrastructure</i>	
Roads	
Road seals	10-15 years
Road pavement	70 years
Road substructure	50 years
Road formation and earthworks	not depreciated
Road kerb, channel and minor culverts	50-80 years
Bridges	
Bridges deck	40-80 years
Bridges substructure	40-80 years
Bridges guards	10 years
Other Infrastructure	
Footpaths and cycleways	40 years
Drainage	50-100 years



	2021 \$'000	2020 \$'000
Recreational, leisure and community facilities		40 years
Waste management		50 years
Parks, open space and streetscapes		40 years
Aiport		10-50 years
Intangible assets		
Intangible assets		6 years

**Note 3.5 Finance costs**

Interest - borrowings	106	55
Unwinding of rehabilitation liability	11	2
<b>Total</b>	<b>117</b>	<b>57</b>

**Accounting policy**

**Finance expense**

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

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

**Note 3.6 Other expenses**

External auditors' remuneration (Tasmanian Audit Office)	21	15
Councillors' allowances	102	100
Telstra Telecommunications Infrastructure Project Payments	-	277
<b>Total</b>	<b>123</b>	<b>392</b>

**Accounting policy**

**Other expenses**

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

	2021 \$'000	2020 \$'000
<b>Note 4 Current Assets</b>		
<b>Note 4.1 Cash and cash equivalents</b>		
Cash on hand	-	-
Cash at bank	7,318	3,638
Money market call account	26	26
<b>Total cash and cash equivalents</b>	<b>7,344</b>	<b>3,664</b>
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:		
i) Trust funds and deposits (note 7.2)	116	67
ii) Unspent grant funds with conditions (note 2.4)	87	10
iii) Leave Provisions (Note 7.3)	444	394
iv) Quarry rehabilitation provision (note 7.3)	133	139
v) Landfill rehabilitation provision (note 7.3)	177	166
vi) Restricted reserves (Note 9.1)	159	159
vii) S.24 Committee bank accounts	3	-
<b>Restricted funds</b>	<b>1,119</b>	<b>935</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>6,225</b>	<b>2,729</b>

#### Accounting policy

##### Cash and cash equivalents

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

##### Restricted funds

- i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii, iv and v) Provisions for employee leave entitlements, quarry and landfill rehabilitation.
- vi) Restricted reserves represented funds held for the Gunn Bequest and Public Open Space contributions.
- vii) S.24 Committee bank accounts represent funds held in bank accounts by committee of Council.

	2021 \$'000	2020 \$'000
<b>Note 4.2 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	151	156
Prepaid expenses	-	7
Other debtors	145	195
Provision for expected credit loss - other debtors	(4)	(4)
Net GST receivable	26	98
<b>Total</b>	<b>318</b>	<b>452</b>
<b>Reconciliation of movement in expected credit loss</b>		
<b>Carrying amount at 1 July</b>	<b>4</b>	<b>2</b>
Amounts written off during the year	-	1
Amounts recovered during the year	-	-
Increase / (decrease) in provision recognised in profit or loss	-	1
<b>Carrying amount at 30 June</b>	<b>4</b>	<b>4</b>

For ageing analysis of the financial assets, refer to note 9.9(d)

#### Accounting policy

##### Trade and other receivables

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

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

#### Note 4.3 Investments

##### Current

Term deposits - more than 3 months	111	112
<b>Total</b>	<b>111</b>	<b>112</b>

#### Accounting policy

##### Investments

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

#### Note 4.4 Inventories

Inventories held for distribution	181	89
<b>Total inventories</b>	<b>181</b>	<b>89</b>

#### Accounting policy

##### Inventories

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.



	2021 \$'000	2020 \$'000
<b>Note 5 Investments</b>		
<b>Note 5.1 Investment in water corporation</b>		
Opening balance	3,030	3,904
Fair Value adjustments on equity investment assets	172	(874)
<b>Total investment in water corporation</b>	<b>3,202</b>	<b>3,030</b>

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

#### Accounting policy

##### Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 0.21% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets		
Note 6.1 Property, infrastructure, plant and equipment	2021	2020
	\$'000	\$'000
<b>Summary</b>		
at cost	5,631	5,411
Less accumulated depreciation	(3,409)	(3,087)
	<u>2,222</u>	<u>2,324</u>
at fair value as at 30 June	73,968	70,198
Less accumulated depreciation	(22,192)	(19,150)
	<u>51,776</u>	<u>51,048</u>
<b>Total</b>	<u>53,998</u>	<u>53,372</u>
<b>Property</b>		
<b>Land</b>		
at fair value as at 30 June	3,197	3,197
	<u>3,197</u>	<u>3,197</u>
<b>Land under roads</b>		
at fair value as at 30 June	2,053	2,053
	<u>2,053</u>	<u>2,053</u>
<b>Total Land</b>	<u>5,250</u>	<u>5,250</u>
<b>Buildings</b>		
at fair value at 30 June	4,763	4,700
Less accumulated depreciation	(436)	(330)
	<u>4,327</u>	<u>4,370</u>
<b>Leasehold improvements</b>		
at fair value as at 30 June	2,466	2,466
Less accumulated amortisation	(180)	(130)
	<u>2,286</u>	<u>2,336</u>
<b>Land improvements - quarries</b>		
at fair value as at 30 June	155	155
Less accumulated depreciation	(48)	(36)
	<u>107</u>	<u>119</u>
<b>Total Buildings</b>	<u>6,720</u>	<u>6,825</u>
<b>Total Property</b>	<u>11,970</u>	<u>12,075</u>
<b>Plant and Equipment</b>		
<b>Plant, machinery and equipment</b>		
at cost	4,229	4,207
Less accumulated depreciation	(3,065)	(2,794)
	<u>1,164</u>	<u>1,413</u>
<b>Fixtures, fittings and furniture</b>		
at cost	278	240
Less accumulated depreciation	(188)	(173)
	<u>90</u>	<u>67</u>
<b>Total Plant and Equipment</b>	<u>1,254</u>	<u>1,480</u>

Note 6.1 Property, infrastructure, plant and equipment (continued)	2021 \$'000	2020 \$'000
<b>Infrastructure</b>		
<b>Roads</b>		
at fair value as at 30 June	40,739	40,619
Less accumulated depreciation	(14,460)	(13,947)
	<u>26,279</u>	<u>26,672</u>
<b>Bridges</b>		
at fair value as at 30 June	9,650	6,791
Less accumulated depreciation	(3,822)	(2,545)
	<u>5,828</u>	<u>4,246</u>
<b>Footpaths and cycleways</b>		
at fair value as at 30 June	1,456	1,456
Less accumulated depreciation	(642)	(608)
	<u>814</u>	<u>848</u>
<b>Drainage</b>		
at fair value as at 30 June	1,181	452
Less accumulated depreciation	(921)	(122)
	<u>260</u>	<u>330</u>
<b>Recreational, leisure and community facilities</b>		
at cost	311	307
Less accumulated depreciation	(53)	(32)
	<u>258</u>	<u>275</u>
<b>Waste management</b>		
at cost	565	565
Less accumulated depreciation	(103)	(88)
	<u>462</u>	<u>477</u>
<b>Airport</b>		
at fair value as at 30 June	8,308	8,309
Less accumulated depreciation	(1,683)	(1,432)
	<u>6,625</u>	<u>6,877</u>
<b>Total Infrastructure</b>	<u>40,526</u>	<u>39,725</u>
<b>Works in progress</b>		
Buildings	78	4
Waste management at cost	113	88
Roads	19	-
Bridges	38	-
<b>Total Works in progress</b>	<u>248</u>	<u>92</u>
<b>Total property, infrastructure, plant and equipment</b>	<u>53,998</u>	<u>53,372</u>

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
Land	3,197	-	-	-	-	-	-	3,197
Land under roads	2,053	-	-	-	-	-	-	2,053
<b>Total land</b>	<b>5,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,250</b>
Building improvements	4,370	-	-	(106)	-	-	63	4,327
Quarries	119	-	-	(12)	-	-	-	107
Leasehold improvements	2,336	-	-	(50)	-	-	-	2,286
<b>Total buildings</b>	<b>6,825</b>	<b>-</b>	<b>-</b>	<b>(168)</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>6,720</b>
<b>Total property</b>	<b>12,075</b>	<b>-</b>	<b>-</b>	<b>(168)</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>11,970</b>
<b>Plant and Equipment</b>								
Plant, machinery and equipment	1,413	-	-	(271)	-	-	22	1,164
Fixtures, fittings and furniture	67	-	-	(15)	-	-	39	90
<b>Total plant and equipment</b>	<b>1,480</b>	<b>-</b>	<b>-</b>	<b>(286)</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>1,254</b>
<b>Infrastructure</b>								
Roads	26,672	-	-	(749)	(65)	-	421	26,279
Bridges	4,246	-	1,640	(90)	-	-	32	5,828
Footpaths and cycleways	848	-	-	(34)	-	-	-	814
Recreation, leisure and community facilities	275	4	-	(21)	-	-	-	258
Stormwater	330	-	(65)	(5)	-	-	-	260
Waste management	477	-	-	(16)	-	-	-	462
Airport	6,877	-	-	(252)	-	-	-	6,625
<b>Total infrastructure</b>	<b>39,725</b>	<b>4</b>	<b>1,575</b>	<b>(1,167)</b>	<b>(65)</b>	<b>-</b>	<b>453</b>	<b>40,526</b>
<b>Works in progress</b>								
Buildings	4	137	-	-	-	-	(63)	78
Waste management	88	25	-	-	-	-	-	113
Roads	-	440	-	-	-	-	(421)	19
Bridges	-	70	-	-	-	-	(32)	38
Fixtures, fittings and furniture	-	39	-	-	-	-	(39)	-
Plant, machinery and equipment	-	22	-	-	-	-	(22)	-
<b>Total works in progress</b>	<b>92</b>	<b>733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(577)</b>	<b>248</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>53,372</b>	<b>737</b>	<b>1,575</b>	<b>(1,621)</b>	<b>(65)</b>	<b>-</b>	<b>-</b>	<b>53,998</b>



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

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

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
Land	3,197	-	-	-	-	-	-	3,197
Land under roads	1,928	-	125	-	-	-	-	2,053
Total land	5,125	-	125	-	-	-	-	5,250
Buildings	4,352	-	-	(99)	-	-	116	4,370
Quarries	131	-	-	(12)	-	-	-	119
Leasehold improvements	2,387	-	-	(50)	-	-	-	2,336
Total buildings	6,870	-	-	(161)	-	-	116	6,825
Total property	11,995	-	125	(161)	-	-	116	12,075
<b>Plant and Equipment</b>								
Plant, machinery and equipment	1,499	181	-	(268)	-	-	-	1,413
Fixtures, fittings and furniture	74	11	-	(19)	-	-	-	67
Total plant and equipment	1,573	192	-	(287)	-	-	-	1,480
<b>Infrastructure</b>								
Roads	27,064	-	-	(777)	(153)	-	538	26,672
Bridges	4,273	-	-	(88)	-	-	61	4,246
Footpaths and cycleways	884	-	-	(35)	-	-	-	848
Recreation, leisure and community facilities	296	-	-	(21)	-	-	-	275
Stormwater	334	-	-	(5)	-	-	-	330
Waste management	481	-	-	(16)	-	-	12	477
Airport	4,107	-	-	(255)	(447)	-	3,472	6,877
Total infrastructure	37,439	-	-	(1,197)	(600)	-	4,083	39,725
<b>Works in progress</b>								
Buildings & leasehold improvements	-	120	-	-	-	-	(116)	4
Roads	-	538	-	-	-	-	(538)	-
Bridges	-	61	-	-	-	-	(61)	-
Waste management	88	12	-	-	-	-	(12)	88
Airport infrastructure	-	3,472	-	-	-	-	(3,472)	-
Total works in progress	88	4,203	-	-	-	-	(4,199)	92
<b>Total property, infrastructure, plant and equipment</b>	<b>51,095</b>	<b>4,395</b>	<b>125</b>	<b>(1,645)</b>	<b>(600)</b>	<b>-</b>	<b>-</b>	<b>53,372</b>

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

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

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

**Accounting policy (Cont.)**

**Revaluation**

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

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Airport	fair value
Buildings	fair value
Parks, recreation facilities and community amenities	cost
Waste management	cost
Leasehold improvements	fair value

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

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

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

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

**Impairment of assets**

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

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

**Land under roads**

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

	2021 \$'000	2020 \$'000
<b>Note 6.2 Intangible assets</b>		
Municipal revaluation	13	27
<b>Total intangible assets</b>	<b>13</b>	<b>27</b>
<b>Reconciliation of intangible assets</b>	<b>Municipal revaluation</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Gross carrying amount</b>		
Balance at 1 July 2019	68	68
Additions from internal developments	-	-
Other	-	-
Balance at 30 June 2020	68	68
Additions from internal developments	-	-
Other	-	-
Balance at 30 June 2021	<b>68</b>	<b>68</b>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2019	40	40
Amortisation expense	(13)	(13)
Balance at 30 June 2020	27	27
Amortisation expense	(13)	(13)
Balance at 30 June 2021	<b>13</b>	<b>13</b>
Net book value at 30 June 2020	27	27
Net book value at 30 June 2021	<b>13</b>	<b>13</b>

#### Accounting policy

##### Intangible assets

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

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$1,000 and consistent with the prior year.

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

Municipal revaluation 6 years

#### Note 6.3 Other assets

##### Current

Accrued income	-	3
<b>Total</b>	<b>-</b>	<b>3</b>

##### Non-current

Mineral resources bond	59	59
<b>Total</b>	<b>59</b>	<b>59</b>



	2021	2020
	\$'000	\$'000
<b>Note 7 Current liabilities</b>		
<b>Note 7.1 Trade and other payables</b>		
Trade payables	265	300
Rates and charges in advance	12	-
Accrued expenses	3	42
<b>Total trade and other payables</b>	<b>280</b>	<b>342</b>

**Accounting policy**

**Trade and other payables**

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

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

For ageing analysis of trade and other payables, refer to note 9.9

**Note 7.2 Trust funds and deposits**

Retention amounts - prepaid funerals & grave sites	51	34
Whitemark gym	-	6
School gym	25	25
Other refundable deposits	40	2
<b>Total trust funds and deposits</b>	<b>116</b>	<b>67</b>

**Accounting policy**

**Tender deposits**

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

Note 7.3 Provisions	Annual	Long service	Quarry	Landfill	Other	Total
	leave	leave	restoration	restoration		
2021	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	134	186	138	166	74	698
Additional provisions	135	65	-	-	35	235
Amounts used	(110)	(35)	-	-	(28)	(173)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(12)	(5)	11	-	(6)
Balance at the end of the financial year	<b>159</b>	<b>204</b>	<b>133</b>	<b>177</b>	<b>81</b>	<b>754</b>
Current	159	168	-	-	69	396
Non-current	-	36	133	177	12	358
<b>Total</b>	<b>159</b>	<b>204</b>	<b>133</b>	<b>177</b>	<b>81</b>	<b>754</b>

					2021 \$'000	2020 \$'000
<b>Note 7.3 Provisions (Continued)</b>						
<b>2020</b>						
Balance at beginning of the financial year	134	172	144	163	77	690
Additional provisions	121	69	13	-	8	211
Amounts used	(121)	(25)	(11)	-	(11)	(168)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(30)	(8)	3	-	(35)
Balance at the end of the financial year	<b>134</b>	<b>186</b>	<b>138</b>	<b>166</b>	<b>74</b>	<b>698</b>
Current	134	170	-	-	66	370
Non-current	-	16	138	166	8	328
<b>Total</b>	<b>134</b>	<b>186</b>	<b>138</b>	<b>166</b>	<b>74</b>	<b>698</b>

(a) Employee benefits	2021 \$'000	2020 \$'000
-----------------------	----------------	----------------

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

Weighted average increase in employee costs	3.00%	3.00%
Weighted average discount rates	0.75%	0.57%
Weighted average settlement period (days)	12	12

<b>Employee Numbers (full time equivalent)</b>	21	22
--	----	----

**Accounting policy**

**(a) Employee benefits**

*i) Short term obligations*

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

*ii) Other long term employee benefit obligations*

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

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

*iii) Sick leave*

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

2021  
\$'000

2020  
\$'000

Note 7.3 Provisions (Continued)

Accounting policy		
<b>(b) Land fill restoration</b>		
Under <i>Environmental Management and Pollution Control Act 1994</i> and Council's Environmental Protection Noticed issued by the Environmental Protection Authority, Council is obligated to restore the Whitemark landfill site to a particular standard. Current engineering projections indicate that the putrescible cell at Whitemark landfill site will cease operation in 2021/22 and restoration work is expected to commence shortly thereafter, therefore no provision has been made for this work. The forecast life of the putrescible cell is based on current estimates of remaining capacity and the forecast rate of infill. Current projections indicate that the inert cell at Whitemark landfill site will continue operating until 2037 (16 years). The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, this has been inflated by the long term construction inflation rate of 3.0% and discounted using the weighted average discount rate over 16 years of 0.22%. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and independent specialist advice. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.		
Council does not expect to receive reimbursement from a third party.		
<b>(c) Quarry restoration</b>		
Mineral Resource Tasmania requires that the initial estimate of the costs of future reinstatements of a site be recognised as part of the cost of the asset. A provision for reinstatement for Flinders Council's Quarries has been recognised and measured in accordance with AASB 137 Provision, Contingent Liabilities and Contingent Assets.		
Flinders Council recognises the provision as the best estimate of the expenditure required to settle the present obligation at the reporting date. In doing so, Council has inflated the liability by the long term construction inflation rate of 3.0% and discounted using the weighted average discount rate over 2 years of 1.25% and 8 years of 0.22 %.		
Current	-	-
Non-current	310	304
<b>Total</b>	<b>310</b>	<b>304</b>

Note 7.4 Lease liabilities

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

Note 7.5 Contract Liabilities

Current		
Funds received to acquire on construct an asset controlled by Council	-	-
Funds received prior to performance obligation being satisfied (Upfront payments)	77	-
	<u>77</u>	<u>-</u>

Accounting policy		
Council recognised the following contractual liabilities:		
i) Grant funds received in advance includes the delivery of a number of programs . The funds received are under an enforceable contract which requires Council build a waste retainer wall. The revenue is recognised as Council completes the program and the contract liability reflects the funding received which cannot yet be recognised as revenue. Revenue is expected to be recognised in the next 12 months.		

	2021	2020
	\$'000	\$'000
<b>Note 8 Non-current</b>		
<b>Note 8.1 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	1,085	42
	<u>1,085</u>	<u>42</u>
<b>Non-current</b>		
Borrowings - secured	446	3,331
	<u>446</u>	<u>3,331</u>
<b>Total</b>	<u>1,531</u>	<u>3,373</u>
<b>Borrowings</b>		
Borrowings are secured over rate revenue.		
The maturity profile for Council's borrowings is:		
Not later than one year	1,085	42
Later than one year and not later than five years	446	3,020
Later than five years	-	311
<b>Total</b>	<u>1,531</u>	<u>3,373</u>

#### Accounting policy

##### Interest bearing liabilities

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

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



Note	Other financial information	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
Note 9.1	Reserves	\$'000	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve</b>					
<b>2021 Property</b>					
	Land	558	-	-	558
	Land under roads	127	-	-	127
	Buildings	1,931	-	-	1,931
	<b>Total</b>	<b>2,616</b>	<b>-</b>	<b>-</b>	<b>2,616</b>
<b>Infrastructure</b>					
	Roads	8,230	-	-	8,230
	Bridges	2,120	1,640	-	3,760
	Footpaths	68	-	-	68
	Drainage	20	-	(65)	(45)
	Airport	292	-	-	292
	<b>Total</b>	<b>10,730</b>	<b>1,640</b>	<b>(65)</b>	<b>12,305</b>
	<b>Total asset revaluation reserve</b>	<b>13,346</b>	<b>1,640</b>	<b>(65)</b>	<b>14,921</b>
<b>2020 Property</b>					
	Land	558	-	-	558
	Land under roads	2	125	-	127
	Buildings	1,931	-	-	1,931
	<b>Total</b>	<b>2,491</b>	<b>125</b>	<b>-</b>	<b>2,616</b>
<b>Infrastructure</b>					
	Roads	8,230	-	-	8,230
	Bridges	2,120	-	-	2,120
	Footpaths	68	-	-	68
	Drainage	20	-	-	20
	Airport	292	-	-	292
	<b>Total</b>	<b>10,730</b>	<b>-</b>	<b>-</b>	<b>10,730</b>
	<b>Total asset revaluation reserve</b>	<b>13,221</b>	<b>125</b>	<b>-</b>	<b>13,346</b>
The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.					
<b>(b) Fair value reserve</b>					
<b>2021 Equity Investment assets</b>					
	Investment in water corporation	(383)	172	-	(211)
	<b>Total fair value reserve</b>	<b>(383)</b>	<b>172</b>	<b>-</b>	<b>(211)</b>
<b>2020 Equity Investment assets</b>					
	Investment in water corporation	491	(874)	-	(383)
	<b>Total fair value reserve</b>	<b>491</b>	<b>(874)</b>	<b>-</b>	<b>(383)</b>
Council has to designate its investment in TasWater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.					
<b>(c) Other reserves</b>					
<b>2021</b>					
	Gunn Bequest reserve	112	-	-	112
	Public Open Space	47	-	-	47
	<b>Total Other reserves</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>159</b>
<b>2020</b>					
	Asset replacement reserve	3,686	-	(3,686)	-
	Gunn Bequest reserve	107	7	(2)	112
	Public Open Space	-	47	-	47
	<b>Total Other reserves</b>	<b>3,793</b>	<b>54</b>	<b>(3,688)</b>	<b>159</b>
The resort and recreation reserve was established to control contributions received from developers that will, upon completion of developments be utilised to develop recreation and other facilities for residents in the respective development areas.					
				<b>2021</b>	<b>2020</b>
				<b>\$'000</b>	<b>\$'000</b>
<b>Total Reserves</b>				<b>14,869</b>	<b>13,122</b>

	2021 \$'000	2020 \$'000
<b>Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Result from continuing operations	4,394	691
Depreciation/amortisation	1,634	1,658
(Profit)/loss on disposal of property, infrastructure, plant and equipment	65	600
Capital grants received specifically for new or upgraded assets	(3,915)	(300)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	134	151
Decrease/(increase) in other assets	3	18
Decrease/(increase) in inventories	(92)	7
Increase/(decrease) in trade and other payables	(62)	(3,211)
Increase/(decrease) in contract liabilities	77	-
Increase/(decrease) in provisions	55	9
Increase/(decrease) in trust funds	-	(72)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,293</b>	<b>(449)</b>
<b>Note 9.3 Reconciliation of liabilities arising from financing activities</b>		
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.		
	<b>Interest-bearing loans and borrowings</b>	
	<b>\$'000</b>	
<b>Balance as at 30 June 2020</b>	3,373	
Changes from financing cash flows:		
Cash received	-	
Cash repayments	(1,842)	
<b>Balance as at 30 June 2021</b>	<b>1,531</b>	
<b>Balance as at 1 July 2019</b>	1,848	
Changes from financing cash flows:		
Cash received	1,800	
Cash repayments	(275)	
<b>Balance as at 30 June 2020</b>	<b>3,373</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Note 9.4 Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 4.1)	7,344	3,664
Less bank overdraft	-	-
<b>Total reconciliation of cash and cash equivalents</b>	<b>7,344</b>	<b>3,664</b>
<b>Note 9.5 Financing arrangements</b>		
Credit card limit	14	14
Used facilities	(4)	(5)
<b>Unused facilities</b>	<b>10</b>	<b>9</b>

**Note 9.6 Superannuation**

Council contributes to Spirit Super (previously TasPlan) and a number of other accumulation superannuation schemes on behalf 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:

Fund	2021 \$'000	2020 \$'000
<b>Accumulation funds</b>		
Employer contributions to Spirit Super (TasPlan)	79	60
Employer contributions to other funds	122	162
	201	222
Employer contributions payable to Spirit Super (TasPlan) at reporting date	-	-
Employer contributions payable to other funds at reporting date	-	-
	-	-

**Note 9.7 Operating leases as lessor**

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

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

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

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

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

	2021 \$'000	2020 \$'000
<b>Maturity analysis of operating lease payments to be received</b>		
Year 1	51	58
Year 2	37	51
Year 3	37	37
Year 4	5	37
Year 5	5	5
Later than 5 years	10	14
Total	145	202

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

Lease income on operating leases	58	50
Therein lease income relating to variable lease payments that do not depend on an index or rate	58	50

**Note 9.8 Contingent liabilities and contingent assets**

**Contingent liabilities**

The current projection for the putrecible cell at the Whitemark Landfill, is that it will require rehabilitation in the next 1-2 years. The estimated current cost for these works is \$224,741. No provision has been made for these works given that they will occur in the near future. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and independent specialist advice.

Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

**Note 9.9 Financial Instruments**

**(a) Interest Rate Risk**

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

**2021**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>							
Cash and cash equivalents	0.10%	7,344	-	-	-	54	7,398
Investments	0.45%	-	111	-	-	-	111
Trade and other receivables	2.00%	151	-	-	-	167	318
Investment in water corporation		-	-	-	-	3,202	3,202
<b>Total financial assets</b>		<b>7,495</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>3,423</b>	<b>11,029</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	280	280
Trust funds and deposits		-	-	-	-	116	116
Interest-bearing loans and borrowings	3.90%	-	1,085	446	-	-	1,531
<b>Total financial liabilities</b>		<b>-</b>	<b>1,085</b>	<b>446</b>	<b>-</b>	<b>396</b>	<b>1,927</b>
Net financial assets (liabilities)		7,495	(974)	(446)	-	3,027	9,102

**2020**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>							
Cash and cash equivalents	0.64%	3,664	-	-	-	-	3,664
Investments	2.00%	-	112	-	-	-	112
Trade and other receivables	2.00%	163	-	-	-	296	459
Investment in water corporation		-	-	-	-	3,030	3,030
<b>Total financial assets</b>		<b>3,827</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>3,326</b>	<b>7,265</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	342	342
Trust funds and deposits		-	-	-	-	67	67
Interest-bearing loans and borrowings	3.90%	-	275	1,220	353	-	1,848
<b>Total financial liabilities</b>		<b>-</b>	<b>275</b>	<b>1,220</b>	<b>353</b>	<b>409</b>	<b>2,257</b>
Net financial assets (liabilities)		3,827	(163)	(1,220)	(353)	2,917	5,008



**Note 9.9 Financial Instruments (Continued)**

**(b) Fair Value**

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	7,344	3,664	7,344	3,664
Other financial assets	111	112	111	112
Trade and other receivables	318	452	318	452
Investment in water corporation	3,202	3,030	3,202	3,030
<b>Total financial assets</b>	<b>10,975</b>	<b>7,258</b>	<b>10,975</b>	<b>7,258</b>
<i>Financial liabilities</i>				
Trade and other payables	280	342	280	342
Trust funds and deposits	116	67	116	67
Interest-bearing loans and borrowings	1,531	3,373	1,531	3,373
<b>Total financial liabilities</b>	<b>1,927</b>	<b>3,782</b>	<b>1,927</b>	<b>3,782</b>

**(c) Credit Risk**

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

**(d) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

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

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

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

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

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

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

**Note 9.9 Financial Instruments (Continued)**  
**(d) Risks and mitigation (Continued)**

**Credit risk**

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

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 9.8.

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

	Financial Institutions (AAA credit rating)	Government agencies (BBBB credit rating)	Other (min BBB credit rating)	Total
<b>2021</b>				
Cash and cash equivalents	7,344	-	-	7,344
Trade and other receivables	-	-	318	318
Investments and other financial assets	111	3,202	-	3,313
<b>Total contractual financial assets</b>	<b>7,455</b>	<b>3,202</b>	<b>318</b>	<b>10,975</b>
<b>2020</b>				
Cash and cash equivalents	3,664	-	-	3,664
Trade and other receivables	-	-	452	452
Investments and other financial assets	112	3,030	-	3,142
<b>Total contractual financial assets</b>	<b>3,776</b>	<b>3,030</b>	<b>452</b>	<b>7,258</b>

**Movement in Provisions for Impairment of Trade and Other Receivables**

	2021 \$'000	2020 \$'000
Balance at the beginning of the year	4	2
New Provisions recognised during the year	-	2
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	<b>4</b>	<b>4</b>

**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:

	2021 \$'000	2020 \$'000
Current (not yet due)	75	286
Past due by up to 30 days	2	2
Past due between 31 and 180 days	-	160
Past due between 181 and 365 days	151	4
Past due by more than 1 year	90	-
<b>Total Trade &amp; Other Receivables</b>	<b>318</b>	<b>452</b>

**Note 9.9 Financial Instruments (Continued)**

**(d) Risks and mitigation (Continued)**

**Credit risk (Continued)**

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

At balance date, other debtors representing financial assets with a nominal value of \$3,634 (2019-20: \$3,634) were impaired. The amount of the provision raised against these debtors was \$3,634 (2019-20: \$3,634). 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:

	2021 \$'000	2020 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	4	4
<b>Total Trade &amp; Other Receivables</b>	<b>4</b>	<b>4</b>

**Liquidity risk**

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

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

To help reduce these risks we:

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

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

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

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

	2021	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted	Carrying
							Cash Flow \$'000	Amount \$'000
Trade and other payables		280	-	-	-	-	280	280
Trust funds and deposits		40	-	-	25	51	116	116
Interest-bearing loans and borrowings		22	1,063	45	401	-	1,531	1,531
<b>Total financial liabilities</b>		<b>342</b>	<b>1,063</b>	<b>45</b>	<b>426</b>	<b>51</b>	<b>1,927</b>	<b>1,927</b>

	2020	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted	Carrying
							Cash Flow \$'000	Amount \$'000
Trade and other payables		342	-	-	-	-	342	342
Trust funds and deposits		2	16	71	2	48	139	139
Interest-bearing loans and borrowings		20	255	42	1,177	354	1,848	1,848
<b>Total financial liabilities</b>		<b>364</b>	<b>271</b>	<b>113</b>	<b>1,179</b>	<b>402</b>	<b>2,329</b>	<b>2,329</b>

**Note 9.9 Financial Instruments (Continued)**

**(e) Sensitivity disclosure analysis**

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

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

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

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
<b>2021</b>	<b>\$'000</b>				
<b>Financial assets:</b>					
Cash and cash equivalents	7,344	(73)	(73)	73	73
Investments	111	(1)	(1)	1	1
Trade and other receivables	318	-	-	-	-
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	1,531	(15)	(15)	15	15

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
<b>2020</b>	<b>\$'000</b>				
<b>Financial assets:</b>					
Cash and cash equivalents	3,664	(37)	(37)	37	37
Investments	112	(1)	(1)	1	1
Trade and other receivables	452	(5)	(5)	5	5
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	3,373	(34)	(34)	34	34



**Note 9.10 Fair Value Measurements**

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

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

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

- 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 2021.

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

**As at 30 June 2021**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	5.1	-	-	3,202	3,202
Land	6.1	-	3,197	2,053	5,250
Buildings, including leasehold & quarry improvements	6.1	-	4,327	2,393	6,720
Roads, including footpaths & cycleways	6.1	-	-	27,093	27,093
Airport	6.1	-	-	6,625	6,625
Bridges	6.1	-	-	5,828	5,828
Drainage	6.1	-	-	260	260
		-	7,524	47,454	54,978

**As at 30 June 2020**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>					
Investment in water corporation	5.1	-	3,030	-	3,030
Land	6.1	-	3,197	2,053	5,250
Buildings, including leasehold & quarry improvements	6.1	-	4,370	2,455	6,825
Roads, including footpaths & cycleways	6.1	-	-	27,520	27,520
Airport	6.1	-	-	6,877	6,877
Bridges	6.1	-	-	4,246	4,246
Drainage	6.1	-	-	330	330
		-	10,597	43,481	54,078

**Note 9.10 Fair Value Measurements (Continued)**

**(a) Fair Value Hierarchy (Continued)**

**Transfers between levels of the hierarchy**

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

The following assets / liabilities that are measured at fair value on a recurring basis have been subject to a transfer between levels of the hierarchy.

<i>Transfers from Level 2 to Level 3</i>	<b>2021</b>	<b>2020</b>
<i>Asset / Liability</i>	<b>\$'000</b>	<b>\$'000</b>
Investment in water corporation	3,202	-

Due to the revaluation of TasWater.

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

**(b) Highest and best use**

AASB 13 Fair Value Measurement, requires the fair value of non-financial assets to be calculated based on their "highest and best use".

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

**Investment in water corporation**

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

**Land**

Land was valued utilising the municipal valuations undertaken by the Office of the Valuer General as at 30 June 2017. The valuation of land is at Fair Value based on highest and best use permitted by relevant land planning provisions.

*Land under roads*

Council recognised the value of land under roads it controls at fair value. Land under roads was revalued at 30 June 2020.

**Note 9.10 Fair Value Measurements (Continued)**

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

**Buildings**

The fair value of buildings were also determined by the Office of the Valuer General as at 30 June 2017. The valuations of buildings is at fair value less accumulated depreciation at the date of the valuation. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

*Leasehold improvements*

Leasehold improvements relate to infrastructure on crown land such as playgrounds, walking tracks, BBQs, boat ramps and other buildings controlled by Council through a long term lease. The majority of these leases are for perpetuity or 99 years with little or no amounts payable for the right of use.

**Infrastructure assets**

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

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

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

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

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

Roads, including footpaths & cycleways

Council categorises its road infrastructure as rural roads and then further sub-categorises these into sealed and unsealed roads. Rural roads are managed in 2km segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. 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 Agreement (EA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Roads were valued at 30 June 2017 by the Council's Engineer - Gavin Boyd (Consultant). The combined replacement value of these assets at 30 June 2017 was \$41,420,671. The revaluation process reviewed the currency and accuracy of the Council's road asset register and updated unit rates and useful lives using evidence based techniques in accordance with the relevant Australian Accounting Standards. In line with the AIFMG (Australian Infrastructure Financial Management Guide) and IIMM (International Infrastructure Management Manual) to determine if the reported figures are a true reflection of Council's financial position. The revaluation has resulted in an increase of \$6,783,544 in the replacement value of the road and footpath asset classes and an increase in depreciation per annum of \$36,597.

Bridges

A full valuation of bridges assets was undertaken by independent valuers - AusSpan effective 30 June 2021. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area. The revaluation has resulted in an increase of \$1,640,087 in the replacement value of the bridge asset class and an increase in depreciation per annum of \$35,440.

Drainage

A full valuation of stormwater infrastructure was undertaken by Council's Engineer - Gavin Boyd (Consultant), effective 30 June 2021. Similar to roads, stormwater assets are managed in segments; pits and pipes being the major components.

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

CRC is based on the unit 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. The revaluation has resulted in an increase of \$729,588 in the replacement value of the drainage asset class and an increase in depreciation of \$7,296.

**Note 9.10 Fair Value Measurements (Continued)**

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

Airport infrastructure

A full valuation of airport infrastructure was undertaken by Council's Engineer Gavin Boyd (Consultant), effective 30 June 2018. Similar to roads, airport assets are managed in segments. All segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. 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 Agreement (EA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Airport infrastructure assets were valued at 30 June 2018 by the Council's Engineer - Gavin Boyd (Consultant). The combined replacement value of these assets at 30 June 2018 was \$8,396,910. The revaluation process reviewed the currency and accuracy of the Council's airport infrastructure asset register and updated unit rates and useful lives using evidence based techniques in accordance with the relevant Australian Accounting Standards. In line with the AIFMG (Australian Infrastructure Financial Management Guide) and IIMM (International Infrastructure Management Manual) to determine if the reported figures are a true reflection of Council's financial position. The revaluation has resulted in an increase of \$4,361,486 in the replacement value of the airport infrastructure asset classe and an increase in depreciation per annum of \$100,593.

**(d) Unobservable inputs and sensitivities**

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	3,202	Refer to note 5.1 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 5.1

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

**(f) Valuation processes**

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

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.

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

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

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration 2021

Name	Position	Period	Short term employee benefits		Total Compensation AASB 124	Expenses <sup>2</sup>	Total allowances and expenses section 72
			Allowances	Vehicles <sup>1</sup>			
			\$	\$	\$	\$	\$
Mrs A Revie	Mayor	Full Year	33,881	-	33,881	3,088	36,969
Mr D Williams	Deputy Mayor	Full Year	19,898	-	19,898	1,609	21,507
Mr P Rhodes	Councillor	Full Year	9,681	-	9,681	409	10,090
Ms S Blyth	Councillor	Full Year	9,681	-	9,681	898	10,579
Mrs R Summers	Councillor	Full Year	9,681	-	9,681	2600	12,281
Mrs V Grace	Councillor	Full Year	9,681	-	9,681	3117	12,798
Mr A Burke	Councillor	Full Year	9,681	-	9,681	-	9,681
<b>Total</b>			<b>102,184</b>	<b>-</b>	<b>102,184</b>	<b>11,721</b>	<b>113,905</b>
<b>Councillor Remuneration 2020</b>							
Mrs A Revie	Mayor	Full Year	33,083	-	33,083	771	33,854
Mr D Williams	Deputy Mayor	Full Year	19,429	-	19,429	1,160	20,589
Mr P Rhodes	Councillor	Full Year	9,453	-	9,453	630	10,083
Ms S Blyth	Councillor	Full Year	9,453	-	9,453	800	10,253
Mrs R Summers	Councillor	Full Year	9,453	-	9,453	1,197	10,650
Mrs V Grace	Councillor	Full Year	9,453	-	9,453	2,235	11,688
Mr A Burke	Councillor	Full Year	9,453	-	9,453	-	9,453
<b>Total</b>			<b>99,775</b>	<b>-</b>	<b>99,775</b>	<b>6,793</b>	<b>106,568</b>

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

<sup>2</sup> Section 72(1)(b) of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors. (Describe main expenses types)

(ii) Key Management Personnel Remuneration 2021

Name	Position	Period	Remuneration band	Short term employee benefits				Post employment benefits		Non-monetary Benefits <sup>7</sup>	Total
				Salary <sup>1</sup>	Short-term Incentive Payments <sup>2</sup>	Vehicles <sup>3</sup>	Other Allowances and Benefits <sup>4</sup>	Super-annuation <sup>5</sup>	Termination Benefits <sup>6</sup>		
				\$	\$	\$	\$	\$	\$	\$	
Mr W Groves	General Manager	Full Year	\$180 001 - \$200 000	154,810	1,000	10,000	-	14,650	-	14,099	194,559
Ms H Marshall	Finance Organisational Performance Manager	Full Year	\$140 001 - \$160 000	127,686	-	-	-	15,946	-	10,982	154,614
Mr C Wilson	Infrastructure Manager	From 29/03/2021	\$ 20 001 - \$ 40 000	29,233	-	-	-	3,654	-	3,500	36,387
Mr B Barnewall	Works & Services Manager	To 25/02/2021	\$ 80 001 - \$100 000	72,912	-	-	-	8,974	45,256	(41,786)	85,356
<b>Total</b>				<b>384,641</b>	<b>1,000</b>	<b>10,000</b>	<b>-</b>	<b>43,224</b>	<b>45,256</b>	<b>(13,205)</b>	<b>470,916</b>
<b>Key Management Personnel Remuneration 2020</b>											
Mr W Groves	General Manager	From 03/02/2020	\$ 70 001 - \$ 90 000	62,013	-	4,167	-	5,891	-	1,123	73,194
Ms H Marshall	Finance Organisational Performance Manager	Full Year	\$170 001 - \$190 000	141,075	-	-	-	17,634	-	17,178	175,887
Mr B Barnewall	Works & Services Manager	Full Year	\$130 001 - \$150 000	125,397	-	-	-	13,843	-	4,225	143,465
<b>Total</b>				<b>328,485</b>	<b>-</b>	<b>4,167</b>	<b>-</b>	<b>37,368</b>	<b>-</b>	<b>22,526</b>	<b>392,546</b>



**Note 10 Other matters**

**Note 10.1 Related party transactions (Continued)**

**(ii) Key Management Personnel Remuneration (Continued)**

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

<sup>2</sup> Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes.

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

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

<sup>5</sup> Superannuation means the contribution to the superannuation fund of the individual.

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

<sup>7</sup> Non-monetary benefits include annual and long service leave movements and non-monetary benefits.

**(iii) Remuneration Principles**

**Councillors**

Councillor allowances are set independently of Council.

**Executives**

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

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

**Short term incentive payments**

The Council sets fixed performance targets with goals and indicators aligned to the annual plan and strategic plan.

Short term incentive payments awarded during the current year included:

- Mr W Groves was granted a cash bonus of \$1,000. The bonus was given on the successful performance review.

**Acting Arrangements**

When members of key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

- In the current year, Ms H Marshall was appointed to the Acting General Manager position, whilst Mr Goves was on annual leave.

**Note 10.1 Related party transactions (Continued)**

**(iv) Transactions with related parties**

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

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provision for doubtful debts related outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from related parties</i>
Slashing services	\$560	Nil	30-day terms on invoices	-	-
Catering	\$1,060	Nil	30-day terms on invoices	-	-

In accordance with s84(2)(b) of the *Local Government Act 1993*, the General Manager has been notified in respect interests in the following entities with which the Council has major financial dealings:

- Aaron Burke Contracting
- Parns Thai Takeaway

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

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

- Payment of rates on a primary residence
- Dog registration

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

<b>Note 10.2 Special committees and other activities</b>	<b>Opening Balance</b>	<b>Movement</b>	<b>Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Council have the following Special Committees:	-	-	-
Furneaux Group Shipping Special Committee	-	-	-
Furneaux Group Aviation Special Committee	-	-	-
Lady Barron Hall & Recreation Special Committee	-	-	-
Furneaux (Emita) Hall & Recreation Ground Special Committee	-	-	-
Furneaux Community Health Special Committee	-	-	-
Whitemark Community Gym Special Committee	-	3,308	3,308
Audit panel	-	-	-
	<u>-</u>	<u>3,308</u>	<u>3,308</u>

**Note 10.3 Other significant accounting policies and pending accounting standards**

**(a) Taxation**

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

*Goods and services tax (GST)*

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

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

**(b) Impairment of non-financial assets**

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

**(c) Allocation between current and non-current**

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

**(d) Financial guarantees**

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

**(e) Contingent assets, contingent liabilities and commitments**

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

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

**(f) Budget**

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

**(g) Adoption of new and amended accounting standards**

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

**(i) AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material**

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.

**(h) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

**(i) AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.**

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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

**Note 10.4 Significant Business Activities**

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

	Airport		Private Works	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Revenue</i>				
Rates	-	-	-	-
User Changes	506	401	661	626
Grants	152	154	-	-
Total Revenue	658	555	661	626
<i>Expenditure</i>				
<i>Direct</i>				
Employee Costs	245	185	110	145
Materials and Contracts	253	201	282	251
Interest	-	-	-	-
Utilities	7	11	-	-
<i>Indirect</i>				
Engineering & Administration	-	-	-	-
Total Expenses	505	397	392	396
<i>Notional cost of free services received</i>				
<i>Capital Costs</i>				
Depreciation and amortisation	334	310	-	-
Opportunity cost of capital	199	123	-	-
Total Capital Costs	533	433	-	-
<i>Competitive neutrality adjustments</i>				
Rates and land tax	14	14	-	-
Loan guarantee fees	-	-	-	-
	14.00	14	-	-
<i>Calculated Surplus/(Deficit)</i>	(195)	(166)	269	230
Tax Equivalent rate	26%	27.5%	26%	27.5%
Taxation equivalent	-	-	70	63
Competitive neutrality costs	1,052	844	462	459

**Accounting policy**

**Significant business activities**

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that the Airport and Private Works as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities.

Note	10.5 Management indicators	Benchmark	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
	<b>(a) Underlying surplus or deficit</b>					
	Net result for the year		4,394	691	(2,895)	(1,007)
	Non-operating income					
	Add back financial Assistance Grants received in advance Prior Year		759	719	681	668
	Less Financial Assistance Grants received in advance		(766)	(759)	(719)	(681)
	Less Profit/(loss) on Disposal of Assets		65	600		
	Less Capital Grants		(3,914)	(300)	(351)	(573)
	Underlying surplus/deficit	0	<u>538</u>	<u>351</u>	<u>(3,284)</u>	<u>(1,593)</u>

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

	<b>(b) Underlying surplus ratio</b>					
	Underlying surplus or deficit		<u>538</u>	<u>351</u>	<u>(3,284)</u>	<u>(1,593)</u>
	Recurrent income*		6,185	6,343	7,695	7,945
	Underlying surplus ratio %	0%	9%	6%	-43%	-20%

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

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

	<b>(c) Net financial liabilities</b>					
	Liquid assets less		7,954	4,320	7,510	9,555
	total liabilities		<u>2,758</u>	<u>4,481</u>	<u>6,230</u>	<u>6,087</u>
	Net financial liabilities	0	<u>5,196</u>	<u>(161)</u>	<u>1,280</u>	<u>3,468</u>

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

	<b>(d) Net financial liabilities ratio</b>					
	Net financial liabilities		<u>5,196</u>	<u>(161)</u>	<u>1,280</u>	<u>3,468</u>
	Recurrent income*		6,185	6,343	7,695	7,945
	Net financial liabilities ratio %	0% - (50%)	84%	-3%	17%	44%

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

**(e) Asset consumption ratio**

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

*Buildings*

Fair value (Carrying amount)	<u>6,720</u>	<u>6,825</u>	<u>6,870</u>	<u>6,090</u>
Current replacement cost (Gross)	<u>7,384</u>	<u>7,321</u>	<u>7,205</u>	<u>4,148</u>
Asset consumption ratio %	91%	93%	95%	147%

*Transport Infrastructure*

Fair value (Carrying amount)	<u>32,921</u>	<u>31,766</u>	<u>32,517</u>	<u>32,820</u>
Current replacement cost (Gross)	<u>51,845</u>	<u>48,866</u>	<u>48,615</u>	<u>48,205</u>
Asset consumption ratio %	63%	65%	67%	68%

*Drainage*

Fair value (Carrying amount)	<u>260</u>	<u>330</u>	<u>335</u>	<u>340</u>
Current replacement cost (Gross)	<u>1,181</u>	<u>452</u>	<u>452</u>	<u>441</u>
Asset consumption ratio %	22%	73%	74%	77%

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



Note	10.5 Management indicators (cont.)	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
(f)	<b>Asset renewal funding ratio</b>				
	An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
	<i>Buildings</i>				
	<u>Projected capital funding outlays**</u>	137	121	245	204
	Projected capital expenditure funding***	137	121	245	204
	Asset renewal funding ratio %	90-100%	100%	100%	100%
	<i>Transport Infrastructure</i>				
	<u>Projected capital funding outlays**</u>	510	599	506	666
	Projected capital expenditure funding***	510	599	506	666
	Asset renewal funding ratio %	90-100%	100%	100%	100%
	<i>Drainage</i>				
	<u>Projected capital funding outlays**</u>	0	0	0	0
	Projected capital expenditure funding***	0	0	0	0
	Asset renewal funding ratio %	90-100%	100%	100%	100%

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

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

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

(g) **Asset sustainability ratio**

<u>Capex on replacement/renewal of existing assets</u>		582	4,216	648	522
Annual depreciation expense		1,634	1,658	1,609	1,491
Asset sustainability ratio %		100%	36%	254%	40%
			35%		

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

2021	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Bridges	70	-	70
Buildings & leasehold improvements	64	75	139
Fixtures, fittings and furniture	8	29	37
Plant & equipment	-	22	22
Recreation	-	4	4
Roads & footpaths	440	-	440
Waste management	-	25	25
<b>Total</b>	<b>582</b>	<b>155</b>	<b>737</b>

2020	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Bridges	61	-	61
Buildings & leasehold improvements	61	60	121
Fixtures, fittings and furniture	-	11	11
Plant & equipment	84	98	182
Marine	-	-	-
Recreation	-	-	-
Roads & footpaths	538	-	538
Waste management	-	12	12
Infrastructure	3,472	-	3,472
<b>Total</b>	<b>4,216</b>	<b>181</b>	<b>4,397</b>

## Certification of the Financial Report

The financial report presents fairly the financial position of the Flinders Council as at 30 June 2021 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.



Warren Groves  
General Manager

Date : 24/09/2021

## FLINDERS COUNCIL

4 Davies St  
Whitemark Tasmania 7255

T: 03 6359 5001  
E: [office@flinders.tas.gov.au](mailto:office@flinders.tas.gov.au)

[www.flinders.tas.gov.au](http://www.flinders.tas.gov.au)