



FLINDERS
COUNCIL

Annual Report 2021 / 2022



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		Sammi Gowthorp, Michael Matthieu, Angela Harley, Georgie Blake, Tasmanian Tuxedo,	
		Chelko, Len Zell	



Acknowledgement

Flinders Council acknowledges the Traditional Owners of the land on which we reside today, the palawa people of the trawulwai Nation, and recognise their continuing connection to the land, waters and culture of the islands.

We pay our respect to Elders past, present and emerging.

The Islander Way

The first thing you will notice, on Flinders and the Furneaux group of islands, is the breathtaking scenery. In every direction, what you see is like nothing else in the world.

It's deeper than quiet beaches and coastlines, mountains and mist. These islands have a rich and dark history, and an intensely passionate community that wants to reckon with its past and build the right future together. No-one is here because it is the easiest place to live. Everyone is here because it is different. When something works on these islands it tends to be small and special.

As the rest of the world chases growth, we chase meaning.

The core of our culture is to be true to who we are, to try to live on what can we find or grow on our rich land and in our waters, to support each other. When a crisis strikes one of us, it strikes all of us. Many of our family businesses have been here for generations, evolving yet never abandoning the spirit of this place. Artists and artisans are here to create and connect.

We have a complex relationship with change because we understand what it can bring. It's different here and we make different invitations to visitors: for an unforgettable time on Flinders Island, learn to be one of us for a few days, a week, or the rest of your life. Slow down, get lost, contribute, connect.

Don't try to change this place. Let this place change you.

The Furneaux Islands Festival celebrates our Aboriginal history, our ancient and modern cultural traditions, our art, even our complications. Our Council and Community launched it as a gently provocative and intensely alternative to Australia Day – the first in the country.

Quiet is a word you will hear often on Flinders Island. The Tasmanian story is the quiet pursuit of the extraordinary, and on Flinders it is aged and distilled: quieter, harder, yet more rewarding, more mysterious, more connected, more complicated, more extraordinary.



Strategic Objectives

Our Vision

A vibrant, welcoming and sustainable community, full of opportunity, celebrating and preserving our unique way of life and natural environment.

Our Mission

Working collaboratively with the communities of the Furneaux Group of islands to preserve the 'island way' whilst embracing future opportunities.



Our Guiding Principles

When setting our strategic priorities and decision making, Council will be guided by the following principles:



1. **Community Engagement** – encourage and value community contribution.
2. **Island Heritage and Character** – retain and enhance our heritage, cultural traditions and community spirit.
3. **Environment, Waste and Sustainable Land Use Practices** – value our unique natural environment and encourage sustainable industries, lifestyle and practices.
4. **Service Quality** – provide service excellence, efficiently and effectively, and within our means.
5. **Transparency** – make professional and transparent decisions, communicated and implemented in the interest of the Community.
6. **Governance and Financial Responsibility** – ensure compliance with government regulations and Council's guiding plans: Strategic Plan, Long-Term Financial Management Plan and Long-Term Asset Management Plan.
7. **Sustainability** – strive for sustainability in the social / community, economic / business, and built / natural environments.
8. **Continuous improvement** – Ensure ongoing, documented, continuous improvement processes.

Interpreting our Plan

To realise our vision, we have identified the following four focus areas as the foundations upon which our community is built and thrives:

- **Liveability** - To protect and build upon our islands' way of life.
- **Accessibility / Infrastructure** - Quality infrastructure and services for community benefit.
- **Economy / Business** - An environment where a variety of businesses can thrive and integrate.
- **Good Governance** - Effective, efficient and transparent management and operations.

Each of Council's programs is designed to help us progress as a community and achieve important outcomes. Council has defined four program areas that, in combination, contribute to the Furneaux's preferred future.

For each of the focus areas, specific goals we want to achieve within the life of the plan have been identified. Clearly articulated strategies that will give us the greatest results for our efforts express how we will achieve these goals. Other areas of focus, action and detail, will evolve within the Annual Plans of the Council.



Flinders Municipality

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

Airport

Palana Road,
Whitemark, Tasmania 7255
Monday to Friday 8.00am - 4.30pm
P: (03) 6359 2144
F: (03) 6359 2145
E: 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

Works Depot

21 Patrick Street, Palana Road,
Whitemark, Tasmania 7255
Monday to Friday 8.00am - 5.00pm
P: (03) 6359 5020 / 5021
F: (03) 6359 2069

After Hours Emergencies / Works / Airport

Infrastructure Manager
M: 0427 592 069



Flinders Council 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.



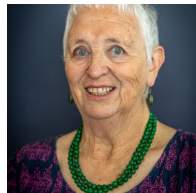
Councillors

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 Aaron Burke

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



Cr Annie Revie - Mayor

- *Furneaux Group Aviation Special Committee (Chair)*
- *Furneaux Group Shipping Special Committee (Chair)*
- *General Manager's Performance Review Committee (Chair)*
- *Local Government Association of Tasmania*
- *Flinders Boating Special Committee (Chair)*



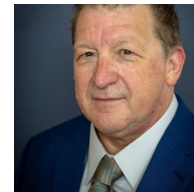
Cr Vanessa Grace

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



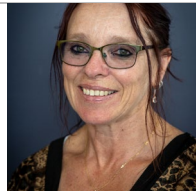
Cr David Williams - Deputy Mayor

- *General Manager's Performance Review Committee*
- *Local Government Association of Tasmania (proxy)*
- *Municipal Emergency Management Committee (Chair)*



Cr Peter Rhodes

- *Furneaux Group Aviation Special Committee*
- *TasWater – Shareholder's Group*



Cr Sharon Blyth

- *Furneaux Group Aviation Special Committee*
- *Flinders Island Business Inc.*
- *Lady Barron Hall and Recreational Special Committee (Chair)*



Cr Rachel Summers

- *Flinders Island District High School Association*
- *General Manager's Performance Review Committee*
- *Whitemark Community Gym Special Committee (Chair)*

Ordinary Meetings of Council were generally held on the fourth Tuesday of each month at 2.00pm. 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 is discussed and training is conducted. A list of discussion items is recorded in the next Council Meeting Agenda following the workshop. No actual decisions are made at these workshops.

Council Meetings

All Councillors participate extensively in the performance of their duties. Attendance at council meetings is expected whereas attendance at workshops is not compulsory. A snapshot of each elected member's participation in meetings and workshops is shown on the table at the right.

Item	Council Meetings 12 held	Workshops 28 held	Special Meetings 3 held	Annual General Meeting - 1 held	Total 44 held
Mayor Cr Annie Revie	11	22	3	1	37
Deputy Mayor Cr David Williams	8	21	2	0	31
Cr Sharon Blyth	10	19	2	1	32
Cr Aaron Burke	10	19	2	0	31
Cr Vanessa Grace	12	28	3	1	44
Cr Peter Rhodes	11	25	3	1	40
Cr Rachel Summers	10	22	2	1	35

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 2021/2022 summary is as follows:

Allowances \$104,534.16

Expenses \$5,094.89

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.

General Manager	Warren Groves
Manager Infrastructure and Airport	Chris Wilson
Financial 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

The 2021-2022 financial year has seen the approaching end to the current Councillor term, and it is therefore fitting to recognise the significant number of projects under their stewardship that have either been completed, or are under way, and that contribute to the amenity of the Community during this summary.

During this year, Council has continued to focus on obtaining grants that will enable work to be undertaken of substantial benefit to the Community, which would ordinarily be beyond the capacity of our small and remote island group.

Throughout this summary, you will read of projects where Council is improving efficiencies - by negotiating with State Growth to ensure maintenance of the state road network whilst supporting the growth and capabilities of staff resourcing; by co-engaging contractors with island stakeholders (either Council or stakeholder engaged) to reduce mobilisation and de-mobilisation costs; and the addressing of challenging and high cost development, capital and maintenance issues such as sealed road soft spots, housing strategies and waste infrastructure, through advocacy and grant funding successes.



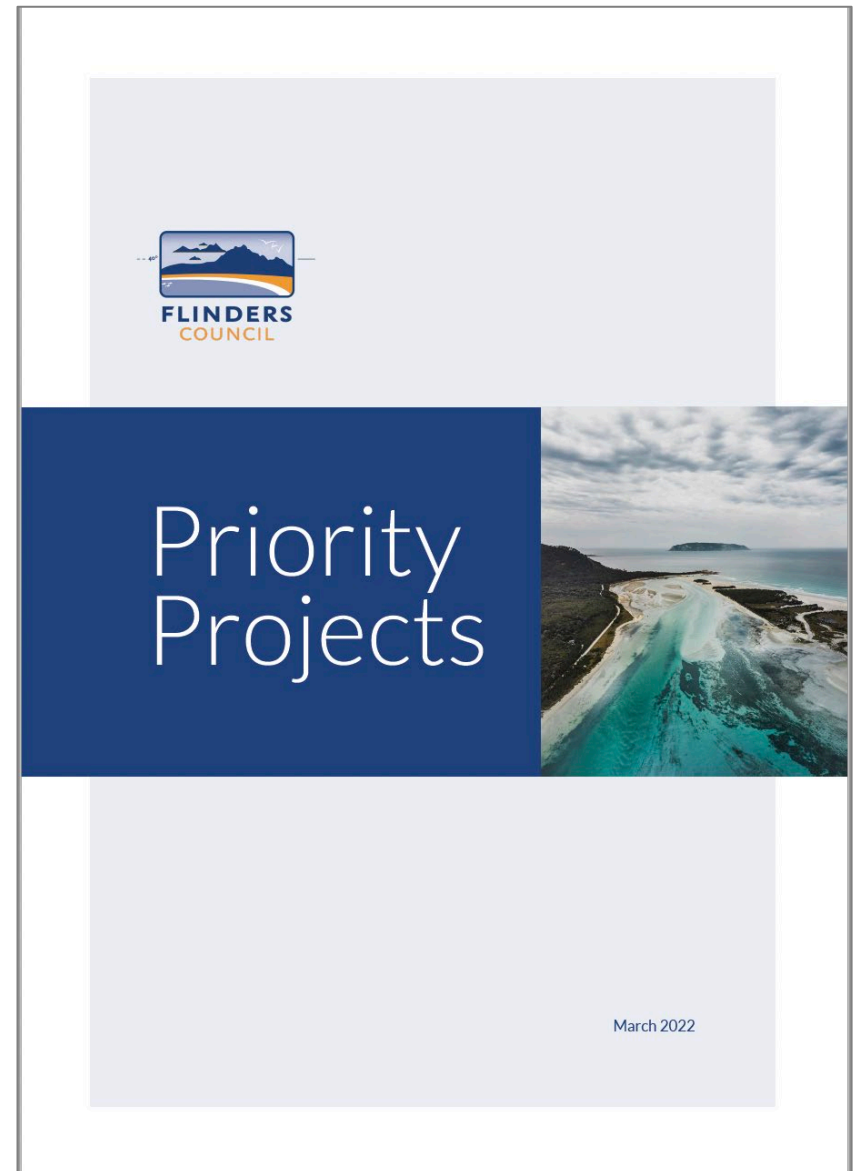
Flinders Council General Manager – Warren Groves

Priority Projects

Council reviewed and updated the Priority Projects list based on the community consultation outcomes of the 2020-21 strategic planning process. The list now includes the following five priority projects:

1. **Modern solid waste management practices.**
2. **Reconstruct and seal Palana Road. Transfer ownership to State Government.**
3. **Provide funding for TasWater to establish a wastewater solution for Flinders Island.**
4. **Relocate Council Depot from residential area within Whitemark.**
5. **North East River - Provide a state of the art 'off grid' northern location for campers.**

An advocacy document was completed in March 2022 and provided to various state and federal politicians and explained in detail during presentations to the Premier, Minister for Local Government and Deputy Secretary of State Growth.



Road Infrastructure

Replacement of Bowman Bridge Lackrana Road

Bowman Bridge on Lackrana Rd was partially washed away during a storm in early 2021. To maintain vehicle access along Lackrana Rd, a temporary bypass was installed through adjacent land while Council went through the process of obtaining State Government assistance to construct a replacement bridge.

Funding of \$329,587 was approved through the Tasmanian Government's Natural Disaster Relief and Local Government Policy which complimented Council's contribution of \$131,611.



The bridge components were manufactured off-island and assembled onsite. The work also included removing the existing bridge, sinking the bridge-piles, constructing the abutments and placing the bridge decking. The removal, assembly of the bridge and the reinstatement of the road joining the bridge was completed in November 2021.

State Growth Road Contract Negotiations

Negotiations with the Department of State Growth (DSG) on a maintenance contract for the state road have been ongoing throughout the year. DSG's requirement to maintain the road to an agreed minimum standard will require staff training in the use of asset/defect management software. Both parties agree the contract must be undertaken in a professional manner and that it may take some time to obtain the agreed minimum standard. There is still further negotiation required before an agreement is reached and a contract signed.



Responsibility for Palana Road from Airport to Five Mile Jim Road

After the stabilising and bitumen sealing of the section of Palana Road from Fairhaven Road to Five Mile Jim Road was completed, Council received correspondence in July 2022 from Hon. Michael Ferguson as Minister of Transport, advising he had agreed to commence the process of transferring responsibility to the State Government, not only for this section of road, but for the entire bitumen-sealed length of Palana Road. This means that once the process is completed, the State Government will become responsible for maintaining Lady Barron Road and Palana Road, from Lady Barron to Five Mile Jim Road.

The Minister also committed to further transfers of responsibility as further sections of Palana Road are bitumen sealed. To date the proclamation has not been made, however it is believed to be a lengthy process.



Changes to Speed Limits

Council received two requests from residents to change speed limits. Lady Barron residents requested the 50km/h speed limit zone at the start of the Lady Barron Rd be moved from the Gunter Street intersection to the Cemetery Road intersection. Council supported this request and it was forwarded to the Department of State Growth, as this road is the responsibility of the State Government. The request was approved, and Council was engaged to erect the new signage towards the end of 2021.

Residents of Palana requested a reduction in speed limit from 50km/h to 40km/h within the Palana township area and for the sign to be relocated further south of the town entrance. The request was forwarded to the Commissioner of Highways as this was a Tasmanian road. The speed reduction request was approved however the relocation request was not.

Council installed the new speed limit signs and additional pedestrian-on-road signage as part of general road safety awareness.



Flinders Island Safe Harbour Project

In June of 2021, Council submitted a grant application to the Federal Government for the construction of a safe marine facility at Lady Barron, consisting of a floating pontoon jetty, rock break-wall structure, two lane boat ramp and supporting infrastructure.

Council maintained regular contact with the department handling the grant application to track progress. At the end of the financial year, Council was advised that the Labor Government had halted all previous Government funding commitments until they could be evaluated against an undeveloped policy regarding previous Government funding commitments.

Whilst this recent news may not sound particularly positive, it is not a definitive 'no' and therefore Council will continue to advocate for this significant project for the Island.



Waste

Waste continues to be a challenge due to our limited resources, lack of expertise and remoteness. Council's focus this year was to construct a new cell for putrescible waste at the Whitemark Tip, as required by the Environment Protection Authority. When initially scoped, the cell was budgeted at \$100,000, however a recent quote received was for \$2.77 million. Council has not been able to undertake the work and has appealed to the state government for financial support for the project.

A program to sort waste for recycling and improve the accessibility and safety of the Whitemark Tip and Transfer Stations has commenced. Sorting bays to aid recycling have been constructed at the Whitemark Tip and plans for a sorting shed have been developed, to be constructed next financial year.

Three Waste Walls have been ordered to be installed in Whitemark, Lady Barron, and at the Whitemark Tip. These walls will provide easy access for community members to dispose of small recyclable items such as coffee pods, mobile phones and toothbrushes.

Palana Rd

Reconstruction and sealing of Palana Road has commenced with the federally-funded Palana Road Upgrade Project. A total of 6.5km of Palana Road between Fairhaven Road, Emita and Five Mile Jim Road, Lughrata, was cement stabilised and sealed throughout the summer of 2021/22. After completion of the project, the State Government agreed to accept ownership of this newly upgraded section of Palana Road, as well as the section from the airport to Fairhaven Road, relieving Council of assets to maintain. Council continues to advocate for further funding to reconstruct and seal the remaining approximately 22.4km of Palana Rd.

Council has also been in discussion with The Department of Communities Tasmania regarding redevelopment of the Council Depot in Whitemark into a residential area.

Whitemark Tennis Court Land for Housing

Further to Council's call for expressions of interest in May 2021 regarding the purchase and

development of the Whitemark tennis court site for transition housing for the elderly, Council continued to work with the selected applicant to finalise the contract. Due to the rising costs of building materials and the unavailability of builders, the selected applicant was unable to proceed with the contract. Council continues to pursue a way forward to bring the development of this site to fruition.



Community Development

The highly anticipated School Holiday programs were as popular as ever, and a wide range of activities were offered. These included a visiting filmmaker who made a film with the children about the Islands Junior Football Club for the Flinders Flicks Film Festival; Movie Days; Show Entries; and décor activities in collaboration with the Flinders Island Show Society. The Island Kids Web App was updated for the autumn season to assist with keeping our youth connected.

Due to COVID and re-opening of the Tasmanian border, the Furneaux Islands Festival and Summer Holiday activities were postponed.

In the health space, Council supports running of the Whitemark and Lady Barron Gyms with approx. 100 people using the facilities on a weekly basis.

The Furneaux Islands Healthy Lifestyle Videos and an e-book was produced with funding from a Healthy Tasmania Grant.

The Community Development Team continued to support Flinders Island District High School's Cash 4 Cans initiative. Community members sort aluminium cans, which are then baled and transported off-island for recycling. All funds raised are donated to Flinders Island District High School.



Council assisted the Community and community organisations financially throughout the 2021 / 2022 year.

GRANTS, FEE WAIVERS, AND IN-KIND SUPPORT	
Gunn Bequest	\$ 330.00
Furneaux Field & Game	\$ 165.00
Golf Club	\$ 165.00
Donations	\$ 500.00
Flinders Island District High School - Dux Award	\$ 500.00
Fee Waiver & In-Kind Support	\$ 9,645.00
RFDS Visits - Whitemark Gym	\$ 5,095.00
Hall & Showgrounds Hire	\$ 4,225.00
AV Equipment	\$ 250.00
Printing Costs	\$ 75.00
Community Grants	\$ 400.00
Furneaux Field & Game	\$ 400.00
Council Events & Programs	\$ 15,357.63
Trainers - Whitemark & Lady Barron Gym	\$ 7,600.00
School Holiday Program	\$ 7,757.63

Islander Way Project

In September 2021, work commenced on the Islander Way project. This two-year project aims to co-design the future of tourism with our Flinders Island Community through regenerative tourism principles.

By incorporating community values, building a sustainable economy, and reducing negative effects of tourism on the natural environment, the Islander Way project aims to pave the way forward for positive impact tourism.

Postcard surveys and in-person interviews were used to gather initial feedback from the Community to determine their tourism-related hopes and fears. The Islander Way website (<https://islanderway.co>) went live, and a Community Champions Group made up of various interested parties was formed.

A draft Community Consultation Report was released and five major projects were identified – incorporating the themes of waste management, food security and managing visitor experience. The Islander Way Accelerator program commenced to further develop these community-led projects and ideas





Grants

Throughout this financial year, council officers successfully applied for a number of substantial grants that will aid Council to maintain and upgrade existing assets, as well as develop some much-needed facilities for the tourism industry. Although many of the projects have commenced, most of the work will be undertaken in future years.

Black Summer Bushfire Grant

Through the Federal Government's Black Summer Bushfire Recovery Grants Program, Council received a grant of \$1.6 million to undertake various projects over a period of two years. A container has been purchased to be used as a mobile information hub / staging area during emergency response. The need for such a facility became apparent during the response to the East Coast fires when the nearest facility was the Furneaux (Emita Hall), approximately 15km away. The addition of a new commercial kitchen in the Flinders Arts and Entertainment Centre will provide a central, dedicated area for community members to prepare meals for volunteers during an emergency response. This work is scheduled to commence in 2023. Overall concept plans for Holloway Park and the Furneaux Hall and Recreation Ground (Emita Hall) are also in development. These plans will include a new fire station at each location.

2021 - 2022 Recreational Fishing and Camping Facilities Program

A \$90,000 grant received from the State Government will be used to establish much needed, dedicated camping facilities in the north and south of the Island. The concept plans for the Furneaux (Emita) Hall and Recreation Ground and Holloway Park, being developed under the Black Summer Bushfire Grant, will include the establishment of camping areas. This grant will provide for the installation of smart card powered camping sites and tent platforms at both locations. Solar lights and other recreational facilities will be installed at popular fishing locations at Whitemark and Palana.



Tasmanian Weeds Action Fund

A grant of \$139,000 through Natural Resource Management (North) will result in the development of a Furneaux Islands Weed Strategy and Action Plan and assist with weed management over a period of three years.

This will include management plans for priority weeds; Parramatta Grass, African Lovegrass and Chilean Needlegrass; a council procedures plan; and a roadside maintenance calendar. A five Year Action Plan will be developed to identify a series of tasks aimed to meet the objectives of the Strategy. This body of work will particularly support the agricultural industry on the Furneaux Islands.



Local Roads and Community Infrastructure Program

As part of the Federal Government's post-COVID-19 stimulus program, a series of Local Roads and Community Infrastructure (LRCI) grants were provided to local councils to support jobs and the resilience of local economies to help communities bounce back from the pandemic. Council has been fortunate to receive three LRCI grants.

For the Phase One grant, Council focused on upgrading and maintaining the assets utilised by the Community. Work has been undertaken at the Airport, Rose Garden, Furneaux Museum, Lady Barron Tennis Courts, Yellow Beach picnic area, Furneaux (Emita) Hall and Recreation Ground, Showgrounds, Whitemark Tip and the transfer stations. Phase two includes maintenance and upgrades at the Visitor Information Centre, Rose Garden and Furneaux (Emita) Hall and Recreation Ground. Due to weather and limited availability of building materials and contractors, some works remain

outstanding including the construction of a shade structure at the Furneaux (Emita) Hall and the installation of a BBQ. These will be completed in the next financial year.



Phase Three consists of drainage works, guidepost setting, signage and warning sign works as well as road re-sealing works. Roadside drainage has commenced in Memana Rd, Summer Camp Rd and Lackrana Rd which has already proven successful during recent downpours. 250 of 1000 guideposts have been ordered and a template for warning signs is being developed. These works will continue into 2023.



Boat Ramp Upgrades

In April 2021, the State Government promised funding of \$120,000 to upgrade existing boat ramps on Flinders Island.

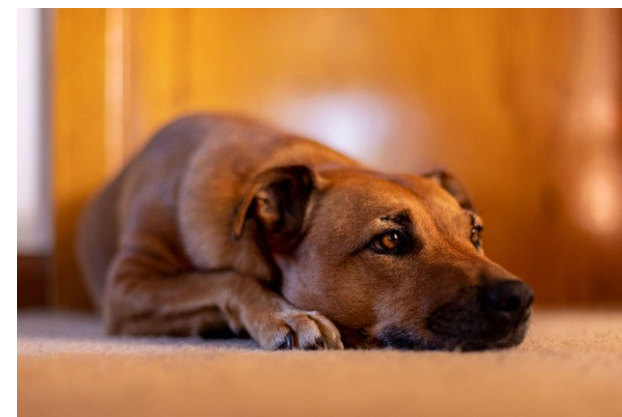
The Flinders Boating Special Committee of Council was established in July of that year to represent the community's views on boat ramp upgrade requirements and to advise Council on how best to expend the funding grant funding from Marine and Safety Tasmania. This is a very active committee with the recent addition of four more community members.

Recycling Modernisation Fund

Funded by both the Federal and State Governments, the Recycling Modernisation Fund is providing grants to remote and regional areas to ensure communities have access to recycling. In June 2022, Council received funding for \$424,000 grant to construct a sorting shed to sort recyclable items; purchase shipping containers to ship recyclables off-island; and purchase a glass pulveriser and a sorting line to contribute towards recycling operations.

Veterinary Clinic

In 2021, in the lead up to the State Election, the State Government committed \$980,000 to design, construct, equip and staff a veterinary clinic for the Flinders Municipality to service domestic pets, farm animals and native fauna. Architectural plans for a small but functional veterinary clinic were commissioned and a Development Application has been approved. Tenders were called for the building works however in the post-COVID environment, building costs have risen and the grant funding is no longer sufficient to cover the entire project. Council is working with the State Government on how to progress the project to completion in the 2022/23 financial year.



Other Legislative Requirements

Code of Conduct Complaints

No Code of Conduct complaints were received.

Donation of Land

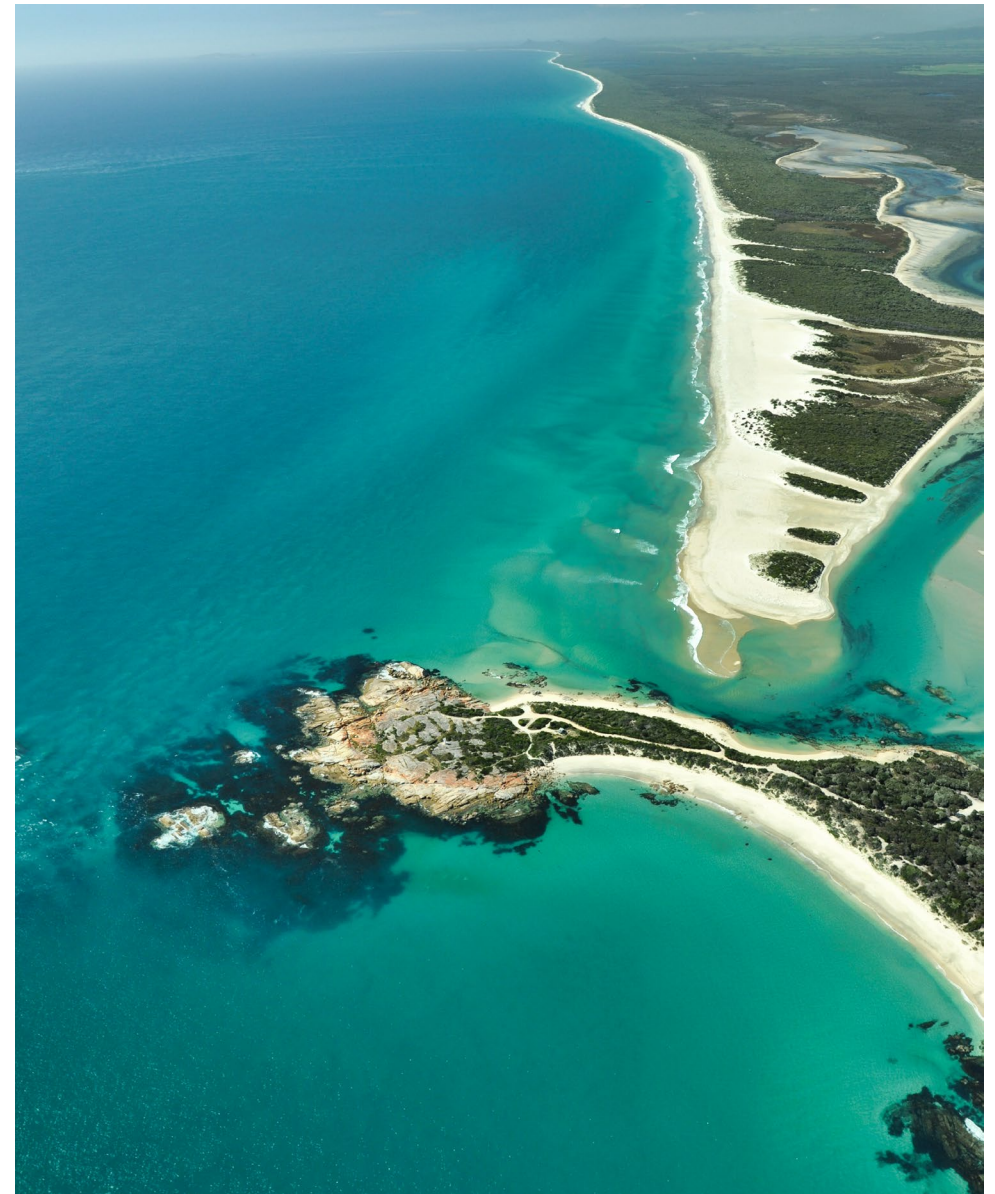
Council did not resolve to donate any land in accordance with Section 177 of the *Local Government Act 1993* during the 2021/2022 year.

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 2021/2022 Summary is as follows:

Remuneration Band	No. Employees
\$120,001 - \$140,000	1
\$140,001 - \$160,000	1
\$160,000 - \$180,000	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 businesses are adhering to the requirements of the *Food Act 2003* (Tas).

There were 28 registered food businesses in the Municipality during the 2021/2022 financial year which included permanent food premises (shops) and catering permits. To provide for one-off events, 6 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 its requirements under the required legislation, the State Government requires annual reports to be submitted by September each year. These reports can be found at: 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.

The following is a summary of Council's Public Interest Disclosure activity during 2021/2022:

- 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 one request for information under the *Right to Information Act 2009* which was upheld.



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:

BridgePro Engineering Pty Ltd,

19-21 Faulkner Drive, Latrobe, Tasmania 7307,

for the replacement of the Bowman Creek Bridge, was awarded in July 2021 at a cost of \$394,700 (excl GST).

Stabilised Pavements of Australia Pty Ltd,

3/27 Crooked Billet Drive, Bridgewater, Tasmania 7030,

for the preparation and sealing of 6.5kms of Palana road, was awarded on 21 November 2021 for the value of \$1,950,000



Progress on 2021 – 2022 Annual Plan Actions

Liveability

To protect and build upon our islands' way of life.

- The draft Local Provisions Schedule (LPS) for the Tasmanian Planning Scheme was completed and released for public comment. 34 public submissions were received and these, along with Council's submission, were submitted to the Tasmanian Planning Commission (TPC). The TPC held hearings on the Island in February regarding the application of the Tasmanian Planning Scheme and Local Provisions Schedule (LPS). A directive from the TPC was issued to Council making the Tasmanian Planning Scheme and LPS "operational" as of 29 April. Seven substantial Modifications were required to be readvertised prior to the LPS being gazetted.
- The Spring School Holiday Program was well attended and the Show entries and Big Planes, Big Balloons program was delivered in partnership with the Flinders Island Show Society.
- Due to COVID, the Summer School Holiday program and the 2022 Furneaux Islands Festival were cancelled. The 2023 Furneaux Islands Festival was confirmed to be delivered in partnership with Flinders Island Aboriginal Association Inc.



- The Islander Portrait Prize was postponed until the 2023 Furneaux Islands Festival and will now be delivered in partnership with Furneaux Community Arts.
- Due to COVID, the Autumn School Holiday program was cancelled. The Island Kids app was refreshed and republished for youth to connect in a safe, online environment with challenges and competitions.
- The initial Expression of Interest for the sale and development of the Whitemark Tennis Courts was unable to proceed to do rising construction costs and unavailability of contractors.
- In partnership with community members, the Winter Solstice Swim event was organised at Allports Beach on Sunday 19 June 2022. 45 participants bravely plunged into the water and enjoyed a BBQ breakfast provided by the Lion's Club. Donations received were given to the Flinders Island District High School bottomless fruit bowl program.

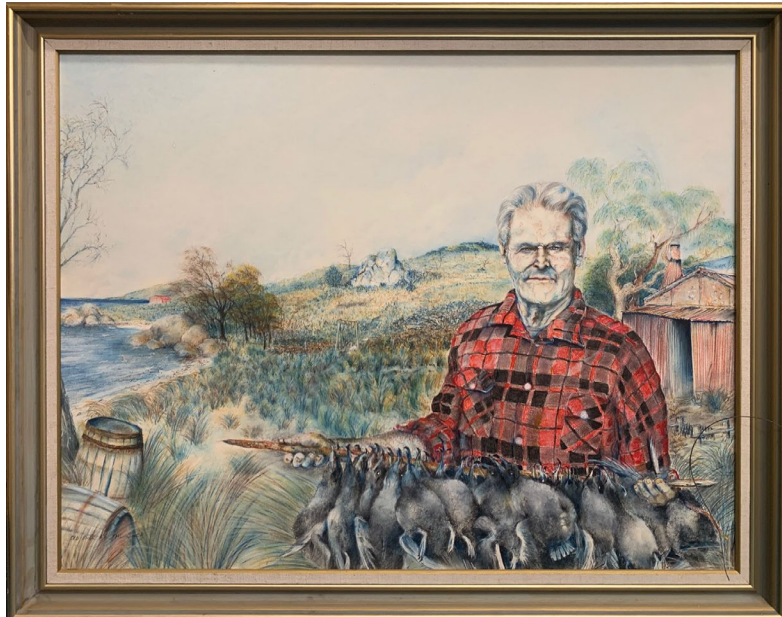


Successful grant applications submitted throughout the year:



- Natural Resource Management (North) Tasmanian Weeds Action Fund \$139,000 (over 3 years) - to develop a Furneaux Islands Weed Strategy and Action Plan that includes weed management plans for priority weeds; council procedures plan; a roadside maintenance calendar; and actions as outlined in the Strategy.
- Black Summer Bushfire Recovery Grants Program \$1.6 million over three years - to install a new kitchen in the Flinders Arts & Entertainment Recovery Centre; purchase an off-grid mobile information hub / staging area; improve recreational facilities at Furneaux (Emita) Hall and Holloway Park; and build two new Fire Sheds in partnership with TASFire.

- John Parrish Grant Application to CHART program \$1,800 – for professional conservation and digital reproduction of the three John S Parish paintings owned by council.



- Recreational Fishing and Camping Facilities Program \$90,000 – to install smart card powered camping sites and tent platforms at Furneaux (Emita) Hall and Holloway Park; and install solar lights and recreational facilities at Whitemark and Palana.
- Sport Australia Regional Sport Events Fund \$10,000 – for a ‘come and try’ sports day at the Flinders Islands Sports & RSL Club.

- Landfill Levy Readiness Program \$15,000 - to modify systems and infrastructure of landfill and resource recovery reporting to comply with new legislation requirements.
- Waste Modernisation Fund \$424,000 – to contribute towards recycling operations with the construction of a waste operations shed; and purchase of a turnkey sorting line, a shipping container, and a glass pulveriser.
- The Islander Way project continued to gather momentum throughout the year. A Community Consultation Report led to the commencement of the pre-accelerator program. Five major projects have been identified - waste, food security, visitor experience, Trails project and a Maritime Display Centre. These community-led project groups continue to meet on a monthly basis.



Accessibility / Infrastructure

Quality infrastructure and services for community benefit.

- The Federal Government funded Palana Road Upgrade Project, consisting of cement stabilisation and sealing of a 6.5 kilometre length of Palana Road between Fairhaven Road, Emita and Five Mile Jim Road, Lughrata, was completed in March 2022. After completion of the project, the State Government agreed to take over ownership of this newly upgraded section of Palana Rd, as well as the section from the airport to Fairhaven Road, relieving Council of 22.4 km of assets to maintain.
- Council received an extension until June 2022 to complete outstanding projects of phase 1 of the Local Roads and Community Infrastructure Program Grant. Council has focused on upgrading and maintaining the assets utilised by the Community.
- Weather and limited availability of contractors resulted in some minor works remaining outstanding - art gallery repairs, painting of ANZAC Memorial, Library toilets upgrade, replacement of windows in Council Offices and Duckpond, and Whitemark Tip and transfer stations.
- Council received a phase 2 Local Roads and Community Infrastructure Program grant to undertake maintenance and upgrades at the Visitor Information Centre, Rose Garden and Furneaux (Emita) Hall. Some minor



works remain outstanding - Furneaux (Emita) Hall shade structure and BBQ installation.

- Council received a phase 3 Local Roads and Community Infrastructure Program grant to undertake maintenance and upgrades to drainage, guideposts, signage warning signs and resealing. Drainage has commenced in Memana Rd, Summer Camp Rd and Lackrana Rd. 250 of 1000 guideposts have been ordered and a template for signs is being developed. As this grant does not need to be acquitted until December 2023, works will be ongoing.
- Bridge guard rail replacements were undertaken on Lees Road and Conways Road.
- Replacement of cracked footpaths were undertaken, mainly in Whitemark.
- A 15.3km road resheeting program was undertaken including Palana, West End, Killiecrankie, North East River, Fairhaven, Coast Road, Trousers Point and Memana Roads.
- A quote for \$2.77 million to build a new Cell at the Whitemark Tip was received. As \$100,000 was budgeted for this project, work is unable to proceed at this time.
- Sorting bays have been constructed at the Whitemark tip to assist baler functionality. A new shed was planned for construction however additional funding was received to build a larger shed than originally planned. This work will now be undertaken in the next financial year.

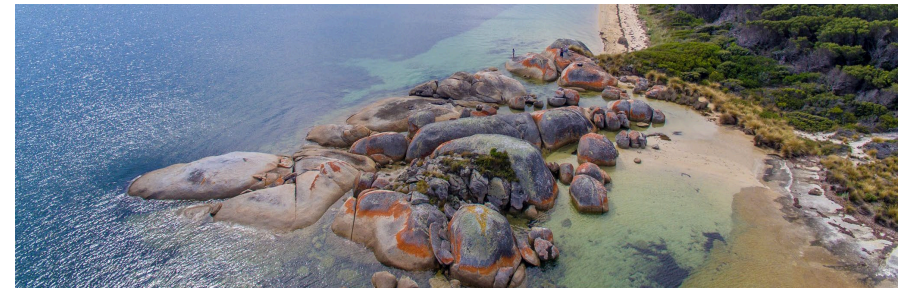
- Road reseals and reconstruction were undertaken on the Department of State Growth road (Lady Barron Road) as per Department of State Growth instruction.
- Council continued to explore options for sealing Palana Road, including advocating for state ownership.



Economy / Business

*An environment where a variety of businesses
can thrive and integrate.*

- In 2021 the State Government committed \$980,000 for the construction of a veterinary clinic in the lead up to the State Election. Architectural plans and a Development Application have been completed. Due to rising building costs, the grant funding is no longer sufficient to cover the entire project. Currently appealing to the funding body for direction on how to progress the project.



- After submission of a formal application to the Federal Government in June 2021 for the Safe Harbour project funding commitment of \$3 million, the need for additional funding to complete the project was identified due to building cost rises in the post-COVID environment. Council worked with Bridget Archer to secure a commitment from the Federal Government of an additional \$600,000 for the project. Council maintained regular contact with the Federal Government department handling the funding application to track progress, however, Council received no advice on the outcome of the application by the end of the 2021-22 financial year.
- Council's Priority Projects list advocacy document was revised in March 2022 and provided to Federal Government candidates, Minister Ferguson and Visit Northern Tasmania.
- In June 2022, the Priority Project list was explained during presentations to the Premier, Minister for Local Government and Deputy Secretary of State Growth. A letter was written to Minister for Local Government at his invitation to request his championing the addressing of anomalies within the Freight Equalisation Scheme as highlighted by Council.

Good Governance

Effective, efficient and transparent management and operations.

- A skills audit of all staff was conducted to determine the qualifications, experience and skills held and to identify training needs. The results of the audit helped shape the organisational restructure that occurred early in the 2021 – 22 financial year.
- A safety training program was delivered to fill gaps identified as part of the skills audit.



- 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.



Financial Report

For the Year Ended 30 June 2022

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.

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, 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>Valuation of property and infrastructure assets <i>Refer to notes 6.1 and 9.1</i></p>	
<p>At 30 June 2022, Council’s assets included land, land under roads, buildings, leasehold improvements and infrastructure assets, such as roads, bridges, footpaths and cycleways, drainage, recreational, leisure and community facilities and airport assets valued at fair value totalling \$66.97 million.</p> <p>The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations when considered appropriate.</p> <p>During 2021-22, Council undertook a full revaluation of buildings, roads and recreational, leisure and community facilities assets. Indexation was applied to land assets. The valuations were determined by internal and external experts are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values, including the assumptions used. • Evaluating indexation applied to assets between formal valuations. • Testing, on a sample basis, the mathematical accuracy of the valuation model and indexation calculations. • Evaluating the adequacy of relevant disclosures in the financial report, including those regarding key assumptions used.

Responsibilities of General Manager for the Financial Report

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

In preparing the financial report, the General Manager is responsible for assessing Council’s ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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
Delegate of the Auditor-General
Tasmanian Audit Office

28 November 2022
Hobart

Flinders Council

ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2022

**Flinders Council
Financial Report
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**Statement of Comprehensive Income
For the Year Ended 30 June 2022**

	Note	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	2,174	2,202	2,065
Statutory fees and fines	2.2	54	112	72
User fees	2.3	1,039	929	1,210
Grants	2.4	2,228	2,562	2,663
Interest	2.5	35	39	25
Other income	2.6	69	167	139
Investment revenue from Water Corporation	2.8, 5.1	18	43	18
		5,617	6,054	6,192
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	297	2,404	3,914
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.7	-	(66)	(65)
		297	2,338	3,849
Total income from continuing operations		5,914	8,392	10,041
Expenses from continuing operations				
Employee benefits	3.1	(2,599)	(2,293)	(2,147)
Materials and services	3.2	(2,693)	(2,108)	(1,624)
Impairment of receivables	3.3	-	-	(2)
Depreciation and amortisation	3.4	(1,720)	(1,617)	(1,634)
Finance costs	3.5	(67)	(80)	(117)
Other expenses	3.6	(141)	(145)	(123)
Total expenses from continuing operations		(7,220)	(6,243)	(5,647)
Result from continuing operations		(1,306)	2,149	4,394
Result from discontinued operations		-	-	-
Net result for the year		(1,306)	2,149	4,394
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1.9.1	-	91	172
Net asset revaluation increment/(decrement)	9.1	-	13,750	1,575
Total Other Comprehensive Income		-	13,841	1,747
Total Comprehensive result		(1,306)	15,990	6,141

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

**Statement of Financial Position
As at 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	9,044	7,344
Trade and other receivables	4.2	415	318
Investments	4.3	110	111
Inventories	4.4	168	181
Total current assets		9,737	7,954
Non-current assets			
Investment in water corporation	5.1	3,293	3,202
Property, infrastructure, plant and equipment	6.1	68,997	53,998
Intangible assets	6.2	-	13
Other assets	6.3	59	59
Total non-current assets		72,349	57,272
Total assets		82,086	65,226
Liabilities			
Current liabilities			
Trade and other payables	7.1	463	280
Trust funds and deposits	7.2	76	116
Provisions	7.3	363	396
Contract liabilities	7.5	1,848	77
Interest-bearing loans and borrowings	8.1	45	1,085
Total current liabilities		2,795	1,954
Non-current liabilities			
Provisions	7.3	432	358
Interest-bearing loans and borrowings	8.1	401	446
Total non-current liabilities		833	804
Total liabilities		3,628	2,758
Net Assets		78,458	62,468
Equity			
Accumulated surplus		49,750	47,599
Reserves	9.1	28,708	14,869
Total Equity		78,458	62,468

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

**Statement of Cash Flows
For the Year Ended 30 June 2022**

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		2,217	2,060
Statutory fees and fines		112	72
User charges and other fines (inclusive of GST)		911	1,477
Grants (inclusive of GST)		2,849	2,740
Interest received		39	28
Investment revenue from water corporation	2.8	43	18
Other receipts (inclusive of GST)		164	139
Net GST refund/(payment)		94	49
Payments to suppliers (inclusive of GST)		(2,394)	(1,956)
Payments to employees (including redundancies)		(2,281)	(2,092)
Finance costs paid		(51)	(117)
Other payments		(145)	(125)
Net cash provided by (used in) operating activities	9.2	1,558	2,293
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(2,927)	(737)
Proceeds from sale of property, infrastructure, plant and equipment		8	-
Capital grants (inclusive of GST)		4,185	3,916
Transfers to financial assets		1	1
Net cash provided by (used in) investing activities		1,267	3,180
Cash flows from financing activities			
Proceeds from trust funds and deposits		-	49
Repayment of trust funds and deposits		(40)	-
Proceeds from interest bearing loans and borrowings		-	-
Repayment of interest bearing loans and borrowings		(1,085)	(1,842)
Net cash provided by (used in) financing activities	9.3	(1,125)	(1,793)
Net increase (decrease) in cash and cash equivalents		1,700	3,680
Cash and cash equivalents at the beginning of the financial year		7,344	3,664
Cash and cash equivalents at the end of the financial year	9.4	9,044	7,344
Restrictions on cash assets	4.1	2,884	1,119
Financing arrangements	9.5	20	10

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

Statement of Changes in Equity For the Year Ended 30 June 2022

2022	Note	Accumulated Surplus 2022 \$'000	Asset Revaluation Reserve 2022 \$'000	Fair Value Reserve 2022 \$'000	Other Reserves 2022 \$'000	Total Equity 2022 \$'000
Balance at beginning of the financial year		47,599	14,921	(211)	159	62,468
Net result for the year		2,149	-	-	-	2,149
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value		-	-	-	-	-
Fair Value adjustment on equity investment assets	5.1, 9.1	-	-	91	-	91
Net asset revaluation increment/(decrement)	9.1	-	13,750	-	-	13,750
Total comprehensive income		49,748	28,671	(120)	159	78,458
Transfers between reserves		2	-	-	(2)	-
Balance at end of the financial year		49,750	28,671	(120)	157	78,458

2021		Accumulated Surplus 2021 \$'000	Asset Revaluation Reserve 2021 \$'000	Fair Value Reserve 2021 \$'000	Other Reserves 2021 \$'000	Total Equity 2021 \$'000
Balance at beginning of the financial year		43,205	13,346	(383)	159	56,327
Net result for the year		4,394	-	-	-	4,394
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1, 9.1	-	-	172	-	172
Net asset revaluation increment/(decrement)	9.1	-	1,575	-	-	1,575
Total comprehensive income		47,599	14,921	(211)	159	62,468
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		47,599	14,921	(211)	159	62,468

The above statement should be read 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 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 10.3(d).

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

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 Rehabilitation

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

1.4 Impact of Covid-19 on Financial Reporting for 2021-22

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 15 June 2021. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, 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 \$58k on budget (107%) mainly due to the level and volume of development and building applications has been higher than forecast.

2 User fees

The decrease of \$107k on budget (10%) was due to less private works being undertaken during the year.

3 Grants

Grant revenue was up \$334k on budget (15%), primarily due to additional funds being allocated by both State and Federal governments.

4 Other revenues

Other revenue income up \$95k on budget (140%) due mainly to insurance claims and reimbursements.

5 Capital Grants

Capital grant revenue was up \$2.1m on budget due to the State Government grant to upgrade Palana Rd.

Expenses

1 Employee benefits

The decrease of \$306k on budget (12%) was primarily due to staff vacancies during the year.

2 Materials and services

The decrease of \$585k on budget (12%) was due to projects and operational maintenance included in the budget being delayed due to the shortage of staff and delays in sourcing materials and contractors to complete works.

1.6 Functions/Activities of the Council

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

	Grants 000's	Other 000's	Total Revenue 000's	Total Expenditure 000's	Surplus/ (Deficit) 000's	Assets 000's
Government and administration						
2021 - 2022	1,171	2,409	3,580	1,787	1,793	13,221
2020 - 2021	732	2,182	2,914	1,703	1,211	14,425
Roads, streets and bridges						
2021 - 2022	2,925	-	2,925	1,575	1,350	45,041
2020 - 2021	719	(65)	654	1,415	(761)	35,398
Waste Management						
2021 - 2022	203	6	209	316	(107)	614
2020 - 2021	191	2	193	268	(75)	575
Environmental health, building & planning services						
2021 - 2022	-	120	120	370	(250)	-
2020 - 2021	-	87	87	366	(279)	-
Depot & plant						
2021 - 2022	261	8	269	130	139	998
2020 - 2021	255	-	255	30	225	1,254
Community & economic development						
2021 - 2022	19	1	20	148	(128)	-
2020 - 2021	-	3	3	136	(133)	-
Buildings, facilities, parks and recreation						
2021 - 2022	169	93	262	773	(511)	15,839
2020 - 2021	139	88	227	499	(272)	6,949
Airport						
2021 - 2022	218	729	947	1,051	(104)	6,373
2020 - 2021	3,753	506	4,259	839	3,420	6,625
Other - not attributable						
2021 - 2022	-	60	60	93	(33)	-
2020 - 2021	788	661	1,449	391	1,058	-
Total						
2021 - 2022	4,966	3,426	8,392	6,243	2,149	82,086
2020 - 2021	6,577	3,464	10,041	5,647	4,394	65,226

1.6 Functions/Activities of the Council (Continued)

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

	2022 000's	2021 000's
Current assets	9,737	7,954
Non-current assets	72,349	57,272
	82,086	65,226

(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 aviatational standards and procedures.

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2022 \$'000	2021 \$'000
Note 2 Revenue		
Note 2.1 Rates and charges		
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 2021-22 was \$431.978 million (2020-21 \$427.169 million). The 2021-22 rate in the Capital Value dollar was \$0.4329484 (2020-21, \$0.4123319).		
General rate	2,128	1,993
Fire Levy	74	72
Total rates and charges	2,202	2,065

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	87	49
Land information certificates	22	22
Permits	2	1
Total statutory fees and fines	112	72

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	9	4
Dog registration fees	7	6
Environmental fees	6	4
Building services fees	15	25
Airport fees and charges	728	504
Department of State Growth contract	34	554
Private works	98	107
Cemetery fees	28	4
Other fees and charges	4	2
Total user fees	929	1,210

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.

	2022 \$'000	2021 \$'000
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	2,573	6,536
State funded grants	2,393	41
Total	<u>4,966</u>	<u>6,577</u>
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants	791	715
Commonwealth Government Financial Assistance Grants - received in advance	1,220	766
Transport	261	255
Telstra Telecommunications Infrastructure Project	-	788
Other	290	139
Total recurrent grants	<u>2,562</u>	<u>2,663</u>
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	73	300
Commonwealth Government - airport upgrade	-	3,600
State - Palana Rd upgrade	2,000	-
Other	331	14
Total capital grants	<u>2,404</u>	<u>3,914</u>
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	87	10
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	159	77
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	(87)	-
Balance of unspent funds at 30 June	<u>159</u>	<u>87</u>
Capital		
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	1,689	-
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	-	-
Balance of unspent funds at 30 June	<u>1,689</u>	<u>-</u>
Total unspent funds	<u>1,848</u>	<u>87</u>

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 road works, completion of building works and waste management facilities.

2022
\$'000

2021
\$'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 2021-22 by \$1,219,642 (2020-21, \$765,790). This has impacted the Statement of Comprehensive Income resulting in the Net result for the year being higher by the same amount.

Note 2.5 Interest

Interest on rates	13	12
Interest on cash and cash equivalents	26	13
Total	39	25

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 2.6 Other income

Rental income	38	43
Other	129	96
Total other income	167	139

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.

Note 2.7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.

Proceeds of sale	8	-
Write down value of assets disposed	(74)	(65)
Total	(66)	(65)

Accounting policy

Gains and losses on asset disposals

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

Note 2.8 Investment revenue from water corporation

Dividend revenue received	36	15
Tax equivalent received	7	3
Total investment revenue from water corporation	43	18

Accounting policy

Investment revenue

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

	2022 \$'000	2021 \$'000
Note 3 Expenses		
Note 3.1 Employee benefits		
Wages and salaries (incl. leave)	1,910	1,851
Workers compensation	104	91
Superannuation	220	202
Fringe benefits tax	8	5
Other employee related expenses	60	63
	<u>2,302</u>	<u>2,212</u>
Less amounts capitalised	(9)	(65)
Total employee benefits	<u>2,293</u>	<u>2,147</u>

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	618	354
Materials, supplies & services	857	759
Plant and equipment maintenance & operating costs	166	144
Insurance	220	150
Utilities, internet & phone	82	74
Councillors' expenses	9	13
Leases & licences	33	23
Donations & gifts	1	1
Fire service levy	70	67
Land tax	52	39
Total materials and services	<u>2,108</u>	<u>1,624</u>

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
Total impairment of receivables	<u>-</u>	<u>2</u>

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.

	2022 \$'000	2021 \$'000
Note 3.4 Depreciation and amortisation		
<i>Property</i>		
Buildings	109	106
Leasehold improvements	50	50
Quarries	12	12
<i>Plant and Equipment</i>		
Plant, machinery and equipment	242	271
Fixtures, fittings and furniture	23	15
<i>Infrastructure</i>		
Roads	706	749
Bridges	126	90
Footpaths and cycleways	35	34
Recreational, leisure and community facilities	21	21
Stormwater	12	5
Waste Management	16	16
Airport	252	252
<i>Intangible assets</i>		
Municipal revaluation	13	13
Total	1,617	1,634

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	10-50 years
Leasehold improvements	40-50 years
Quarries	10-50 years
<i>Plant and Equipment</i>	
Plant, machinery and equipment	4-15 years
Fixtures, fittings and furniture	3-10 years
Computers and telecommunications	3-5 years
<i>Infrastructure</i>	
Roads	
Road seals	20 years
Road unsealed surface	14-100 years
Road pavement	50-100 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	20-60 years
Drainage	50-100 years

	2022 \$'000	2021 \$'000
Recreational, leisure and community facilities		5-50 years
Waste management		15-50 years
Parks, open space and streetscapes		5-50 years
Aiport		10-50 years
Intangible assets		
Intangible assets		6 years

Note 3.5 Finance costs

Interest - borrowings	51	106
Unwinding of rehabilitation liability	29	11
Total	80	117

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)	32	21
Audit Committee	3	-
Councillors' allowances	105	102
Other	5	-
Total	145	123

Accounting policy

Other expenses

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

Note 4 Current Assets

Note 4.1 Cash and cash equivalents

Cash on hand	-	-
Cash at bank	9,018	7,318
Money market call account	26	26
Total cash and cash equivalents	9,044	7,344

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)	76	116
ii) Unspent grant funds with conditions (note 2.4)	1,848	87
iii) Leave Provisions (Note 7.3)	454	444
iv) Quarry rehabilitation provision (note 7.3)	135	133
v) Landfill rehabilitation provision (note 7.3)	206	177
vi) Restricted reserves (Note 9.1)	157	159
vii) S.24 Committee bank accounts	8	3
Restricted funds	2,884	1,119
Total unrestricted cash and cash equivalents	6,160	6,225

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.

	2022 \$'000	2021 \$'000
Note 4.2 Trade and other receivables		
Current		
Rates debtors	137	151
Other debtors	282	145
Provision for expected credit loss - other debtors	(4)	(4)
Net GST receivable	-	26
Total	415	318
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	4	4
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase / (decrease) in provision recognised in profit or loss	-	-
Carrying amount at 30 June	4	4

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	110	111
Total	110	111

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	168	181
Total inventories	168	181

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.	

	2022 \$'000	2021 \$'000
Note 5 Investments		
Note 5.1 Investment in water corporation		
Opening balance	3,202	3,030
Fair Value adjustments on equity investment assets	91	172
Total investment in water corporation	3,293	3,202

Council has derived returns from the water corporation as disclosed at note 2.8.

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 0.20% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets	2022	2021
Note 6.1 Property, infrastructure, plant and equipment	\$'000	\$'000
Summary		
at cost	5,668	5,631
Less accumulated depreciation	<u>(3,636)</u>	<u>(3,409)</u>
	2,032	2,222
at fair value as at 30 June	99,386	73,968
Less accumulated depreciation	<u>(32,421)</u>	<u>(22,192)</u>
	66,965	51,776
Total	68,997	53,998
Property		
Land		
at fair value as at 30 June	<u>4,173</u>	<u>3,197</u>
	4,173	3,197
Land under roads		
at fair value as at 30 June	<u>2,053</u>	<u>2,053</u>
	2,053	2,053
Total Land	6,226	5,250
Buildings		
at fair value at 30 June	11,407	4,763
Less accumulated depreciation	<u>(2,726)</u>	<u>(436)</u>
	8,681	4,327
Leasehold improvements		
at fair value as at 30 June	2,601	2,466
Less accumulated amortisation	<u>(696)</u>	<u>(180)</u>
	1,905	2,286
Land improvements - quarries		
at fair value as at 30 June	-	155
Less accumulated depreciation	<u>-</u>	<u>(48)</u>
	-	107
Total Buildings	10,586	6,720
Total Property	16,812	11,970
Plant and Equipment		
Plant, machinery and equipment		
at cost	4,305	4,229
Less accumulated depreciation	<u>(3,307)</u>	<u>(3,065)</u>
	998	1,164
Fixtures, fittings and furniture		
at cost	342	278
Less accumulated depreciation	<u>(210)</u>	<u>(188)</u>
	132	90
Total Plant and Equipment	1,130	1,254

Note 6.1 Property, infrastructure, plant and equipment (continued)	2022	2021
	\$'000	\$'000
Infrastructure		
Roads		
at fair value as at 30 June	56,978	40,739
Less accumulated depreciation	<u>(21,181)</u>	<u>(14,460)</u>
	35,797	26,279
Bridges		
at fair value as at 30 June	10,112	9,650
Less accumulated depreciation	<u>(3,948)</u>	<u>(3,822)</u>
	6,164	5,828
Footpaths and cycleways		
at fair value as at 30 June	1,456	1,456
Less accumulated depreciation	<u>(677)</u>	<u>(642)</u>
	779	814
Drainage		
at fair value as at 30 June	1,181	1,181
Less accumulated depreciation	<u>(933)</u>	<u>(921)</u>
	248	260
Recreational, leisure and community facilities		
at fair value as at 30 June	1,117	311
Less accumulated depreciation	<u>(325)</u>	<u>(53)</u>
	792	258
Waste management		
at cost	565	565
Less accumulated depreciation	<u>(119)</u>	<u>(103)</u>
	446	462
Airport		
at fair value as at 30 June	8,308	8,308
Less accumulated depreciation	<u>(1,935)</u>	<u>(1,683)</u>
	6,373	6,625
Total Infrastructure	50,599	40,526
Works in progress		
Buildings	288	78
Waste management at cost	168	113
Roads	-	19
Bridges	-	38
Total Works in progress	456	248
Total property, infrastructure, plant and equipment	68,997	53,998

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

Reconciliation of property, infrastructure, plant and equipment

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	3,197	-	1,050	-	(74)	-	-	4,173
Land under roads	2,053	-	-	-	-	-	-	2,053
Total land	5,250	-	1,050	-	(74)	-	-	6,226
Building	4,327	-	2,811	(109)	-	-	1,652	8,681
Quarries	107	-	(95)	(12)	-	-	-	-
Leasehold improvements	2,286	-	1,423	(50)	-	-	(1,754)	1,905
Total buildings	6,720	-	4,139	(171)	-	-	(102)	10,586
Total property	11,970	-	5,189	(171)	(74)	-	(102)	16,812
Plant and Equipment								
Plant, machinery and equipment	1,164	-	-	(242)	-	-	77	998
Fixtures, fittings and furniture	90	-	-	(23)	-	-	64	132
Total plant and equipment	1,254	-	-	(265)	-	-	141	1,130
Infrastructure								
Roads	26,279	-	8,120	(706)	-	-	2,104	35,797
Bridges	5,828	-	-	(126)	-	-	462	6,164
Footpaths and cycleways	814	-	-	(35)	-	-	-	779
Recreation, leisure and community facilities	258	-	441	(21)	-	-	114	792
Stormwater	260	-	-	(12)	-	-	-	248
Waste management	462	-	-	(16)	-	-	-	446
Airport	6,625	-	-	(252)	-	-	-	6,373
Total infrastructure	40,526	-	8,561	(1,168)	-	-	2,680	50,599
Works in progress								
Buildings	78	230	-	-	-	(8)	(12)	288
Waste management	113	55	-	-	-	-	-	168
Roads	19	2,105	-	-	-	(20)	(2,104)	-
Bridges	38	424	-	-	-	-	(462)	-
Fixtures, fittings and furniture	-	64	-	-	-	-	(64)	-
Plant, machinery and equipment	-	77	-	-	-	-	(77)	-
Total works in progress	248	2,955	-	-	-	(28)	(2,719)	456
Total property, infrastructure, plant and equipment	53,998	2,955	13,750	(1,604)	(74)	(28)	-	68,997

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

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

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
Property								
Land	3,197	-	-	-	-	-	-	3,197
Land under roads	2,053	-	-	-	-	-	-	2,053
Total land	5,250	-	-	-	-	-	-	5,250
Building	4,370	-	-	(106)	-	-	63	4,327
Quarries	119	-	-	(12)	-	-	-	107
Leasehold improvements	2,336	-	-	(50)	-	-	-	2,286
Total buildings	6,825	-	-	(168)	-	-	63	6,720
Total property	12,075	-	-	(168)	-	-	63	11,970
Plant and Equipment								
Plant, machinery and equipment	1,413	-	-	(271)	-	-	22	1,164
Fixtures, fittings and furniture	67	-	-	(15)	-	-	39	90
Total plant and equipment	1,480	-	-	(286)	-	-	61	1,254
Infrastructure								
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
Total infrastructure	39,725	4	1,575	(1,167)	(65)	-	453	40,526
Works in progress								
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)	-
Total works in progress	92	733	-	-	-	-	(577)	248
Total property, infrastructure, plant and equipment	53,372	737	1,575	(1,621)	(65)	-	-	53,998

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

Accounting policy	
Recognition and measurement of assets	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.	
Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:	
	Threshold \$'000
Land	
Land	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	
Footpaths and cycleways	1
Drainage	1
Recreational, leisure and community facilities	1
Parks, open space and streetscapes	1
Waste management	
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.

	2022 \$'000	2021 \$'000
Note 6.2 Intangible assets		
Municipal revaluation	-	13
Total intangible assets	<u>-</u>	<u>13</u>
	Municipal revaluation	Total
	\$'000	\$'000
Reconciliation of intangible assets		
Gross carrying amount		
Balance at 1 July 2020	68	68
Additions from internal developments	-	-
Other	-	-
Balance at 30 June 2021	<u>68</u>	<u>68</u>
Additions from internal developments	-	-
Other	-	-
Balance at 30 June 2022	<u>68</u>	<u>68</u>
Accumulated amortisation and impairment		
Balance at 1 July 2020	27	27
Amortisation expense	<u>(13)</u>	<u>(13)</u>
Balance at 30 June 2021	13	13
Amortisation expense	<u>(13)</u>	<u>-</u>
Balance at 30 June 2022	<u>-</u>	<u>13</u>
Net book value at 30 June 2021	<u>13</u>	<u>13</u>
Net book value at 30 June 2022	<u>-</u>	<u>-</u>

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 revaluations 6 years

Note 6.3 Other assets

Non-current

Mineral resources bond

Total

59	59
<u>59</u>	<u>59</u>

	2022	2021
	\$'000	\$'000
Note 7 Current liabilities		
Note 7.1 Trade and other payables		
Trade payables	449	265
Rates and charges in advance	13	12
Accrued expenses	-	3
Net GST Payable	1	-
Total trade and other payables	463	280

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 <> 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	51
School gym	25	25
Other refundable deposits	-	40
Total trust funds and deposits	76	116

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.

	Annual leave	Long service leave	Quarry restoration	Landfill restoration	Other	Total
2022	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	159	204	133	177	81	754
Additional provisions	142	66	-	-	38	246
Amounts used	(150)	(42)	-	-	(37)	(229)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(7)	2	29	-	24
Balance at the end of the financial year	151	221	135	206	82	795
Current	151	150	-	-	62	363
Non-current	-	71	135	206	20	432
Total	151	221	135	206	82	795

Note 7.3 Provisions (Continued)	Annual leave	Long service leave	Quarry restoration	Landfill restoration	2022	2021
					Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2021						
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	159	204	133	177	81	754
Current	159	168	-	-	69	396
Non-current	-	36	133	177	12	358
Total	159	204	133	177	81	754

(a) Employee benefits

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

	2022	2021
	\$'000	\$'000
Weighted average increase in employee costs	3.00%	3.00%
Weighted average discount rates	3.24%	0.75%
Weighted average settlement period (days)	12	12

Employee Numbers

	2022	2021
Employee Numbers	23	21

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

	2022	2021
	\$'000	\$'000
Note 7.3 Provisions (Continued)		
(b) Land fill restoration		

Accounting policy

Land fill restoration

Under *Environmental Management and Pollution Control Act 1994* 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 (15 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 7.0% and discounted using the weighted average discount rate over 15 years of 3.65%. 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.

(c) Quarry restoration

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 7.0% and discounted using the weighted average discount rate over 2 years of 3.65% and 8 years of 2.98%.

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	1,689	-
Funds received prior to performance obligation being satisfied (Upfront payments)	159	77
	1,848	77

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.

	2022	2021
	\$'000	\$'000
Note 8 Non-current		
Note 8.1 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	45	1,085
	<u>45</u>	<u>1,085</u>
Non-current		
Borrowings - secured	401	446
	<u>401</u>	<u>446</u>
Total	<u>446</u>	<u>1,531</u>
Borrowings		
Borrowings are secured over rate revenue		
The maturity profile for Council's borrowings is:		
Not later than one year	45	1,085
Later than one year and not later than five years	401	446
Total	<u>446</u>	<u>1,531</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		Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
		\$'000	\$'000	\$'000	\$'000
Note 9	Other financial information				
Note 9.1	Reserves				
	(a) Asset revaluation reserve				
	2022 Property				
	Land	558	1,050	-	1,608
	Land under roads	127	-	-	127
	Buildings	1,931	4,139	-	6,070
		2,616	5,189	-	7,805
	Infrastructure				
	Roads	8,230	8,120	-	16,350
	Bridges	3,760	-	-	3,760
	Footpaths	68	-	-	68
	Drainage	(45)	-	-	(45)
	Recreation, leisure and community facilities	-	441	-	441
	Airport	292	-	-	292
		12,305	8,561	-	20,866
	Total asset revaluation reserve	14,921	13,750	-	28,671
	2021 Property				
	Land	558	-	-	558
	Land under roads	127	-	-	127
	Buildings	1,931	-	-	1,931
		2,616	-	-	2,616
	Infrastructure				
	Roads	8,230	-	-	8,230
	Bridges	2,120	1,640	-	3,760
	Footpaths	68	-	-	68
	Drainage	20	-	(65)	(45)
	Airport	292	-	-	292
		10,730	1,640	(65)	12,305
	Total asset revaluation reserve	13,346	1,640	(65)	14,921
	The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.				
	(b) Fair value reserve				
	2022 Equity Investment assets				
	Investment in water corporation	(211)	91	-	(120)
	Total fair value reserve	(211)	91	-	(120)
	2021 Equity Investment assets				
	Investment in water corporation	(383)	172	-	(211)
	Total fair value reserve	(383)	172	-	(211)
	Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.				
	(c) Other reserves				
	2022				
	Gunn Bequest reserve	112	-	(2)	110
	Public Open Space	47	-	-	47
	Total Other reserves	159	-	(2)	157
	2021				
	Gunn Bequest reserve	112	-	-	112
	Public Open Space	47	-	-	47
	Total Other reserves	159	-	-	159
	The public open space reserve was established to control contributions received from developers in lieu of physical public open space provisions. Council will use this towards public open spaces for example playgrounds and recreation facilities in public open spaces.				
				2022	2021
				\$'000	\$'000
	Total Reserves			28,708	14,869

	2022	2021
	\$'000	\$'000
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	2,149	4,394
Depreciation/amortisation	1,617	1,634
(Profit)/loss on disposal of property, infrastructure, plant and equipment	66	65
Impairment losses	-	-
Capital grants received specifically for new or upgraded assets	(4,185)	(3,915)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(97)	134
Decrease/(increase) in other assets	-	3
Decrease/(increase) in inventories	13	(92)
Increase/(decrease) in trade and other payables	183	(62)
Increase/(decrease) in contract liabilities	1,771	77
Increase/(decrease) in provisions	41	55
Net cash provided by/(used in) operating activities	1,558	2,293

Note 9.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

	Interest-bearing loans and borrowings
	\$'000
Balance as at 30 June 2021	1,531
Changes from financing cash flows:	
Cash received	-
Cash repayments	(1,085)
Balance as at 30 June 2022	446
Balance as at 1 July 2020	3,373
Changes from financing cash flows:	
Cash received	-
Cash repayments	(1,842)
Balance as at 30 June 2021	1,531

	2022	2021
	\$'000	\$'000
Note 9.4 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	9,044	7,344
Total reconciliation of cash and cash equivalents	9,044	7,344
Note 9.5 Financing arrangements		
Westpac guarantee	20	-
Credit card limit	15	14
Used facilities	(15)	(4)
Unused facilities	20	10

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	2022 \$'000	2021 \$'000
Accumulation funds		
Employer contributions to Spirit Super (TasPlan)	90	79
Employer contributions to other funds	129	122
	219	201
Employer contributions payable to Spirit Super (TasPlan) at reporting date	-	-
Employer contributions payable to other funds at reporting date	23	-
	23	-

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 at follows:

	2022 \$'000	2021 \$'000
Maturity analysis of operating lease payments to be received		
Year 1	37	51
Year 2	37	37
Year 3	5	37
Year 4	5	5
Year 5	5	5
Later than 5 years	5	10
Total	94	145

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

Lease income on operating leases	51	58
Therein lease income relating to variable lease payments that do not depend on an index or rate	51	58

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 \$250,000. 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.

2022

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	0.30%	9,044	-	-	-	-	9,044
Investments	0.70%	-	110	-	-	-	110
Trade and other receivables	2.00%	137	-	-	-	278	415
Investment in water corporation		-	-	-	-	3,293	3,293
Total financial assets		9,181	110	-	-	3,571	12,862
Financial liabilities							
	25/11/2022						
Trade and other payables		-	-	-	-	463	463
Trust funds and deposits		-	-	-	-	76	76
Interest-bearing loans and borrowings	3.90%	-	45	401	-	-	446
Total financial liabilities		-	45	401	-	539	985
Net financial assets (liabilities)		9,181	65	(401)	-	3,032	11,877

2021

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
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
Total financial assets		7,495	111	-	-	3,423	11,029
Financial liabilities							
Trade and other payables		-	-	-	-	280	280
Trust funds and deposits		-	-	-	-	116	116
Interest-bearing loans and borrowings	3.90%	-	1,085	446	-	-	1,531
Total financial liabilities		-	1,085	446	-	396	1,927
Net financial assets (liabilities)		7,495	(974)	(446)	-	3,027	9,102

Note 9.9 Financial Instruments

(b) Fair Value

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

Financial Instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	9,044	7,344	9,044	7,344
Other financial assets	110	111	110	111
Trade and other receivables	415	318	415	318
Investment in water corporation	3,293	3,202	3,293	3,202
<i>Total financial assets</i>	<u>12,862</u>	<u>10,975</u>	<u>12,862</u>	<u>10,975</u>
<i>Financial liabilities</i>				
Trade and other payables	463	280	463	280
Trust funds and deposits	76	116	76	116
Interest-bearing loans and borrowings	446	1,531	446	1,531
<i>Total financial liabilities</i>	<u>985</u>	<u>1,927</u>	<u>985</u>	<u>1,927</u>

(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
(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 (BBB credit rating)	Other (min BBB credit rating)	Total
2022				
Cash and cash equivalents	9,044	-	-	9,044
Trade and other receivables	-	-	415	415
Investments and other financial assets	110	3,293	-	3,403
Total contractual financial assets	9,154	3,293	415	12,862
2021				
Cash and cash equivalents	7,344	-	-	7,344
Trade and other receivables	-	-	318	318
Investments and other financial assets	111	3,202	-	3,313
Total contractual financial assets	7,455	3,202	318	10,975

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:

	2022 \$'000	2021 \$'000
Current (not yet due)	219	75
Past due by up to 30 days	-	2
Past due between 31 and 180 days	8	-
Past due between 181 and 365 days	85	151
Past due by more than 1 year	103	90
Total Trade & Other Receivables	415	318

Note 9.9 Financial Instruments
(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 (2020-21: \$3,634) were impaired. The amount of the provision raised against these debtors was \$3,634 (2020-21: \$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:

	2022 \$'000	2021 \$'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
Total Trade & Other Receivables	4	4

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.

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

2022	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	463	-	-	-	-	463	463
Trust funds and deposits	76	-	-	-	-	76	76
Interest-bearing loans and borrowings	22	23	47	353	-	445	445
Total financial liabilities	561	23	47	353	-	984	984

2021	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying 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
Total financial liabilities	342	1,063	45	426	51	1,927	1,927

Note 9.9 Financial Instruments
(e) Sensitivity disclosure analysis

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

- A parallel shift of + 2% and -2% in market interest rates (AUD) from year-end rates.

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

		Interest rate risk			
		-2 %		+2%	
		-200 basis points		+200 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2022	\$'000				
Financial assets:					
Cash and cash equivalents	9,044	(181)	(181)	181	181
Trade and other receivables	137	(3)	(3)	3	3

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2021	\$'000				
Financial assets:					
Cash and cash equivalents	7,344	(73)	(73)	73	73
Trade and other receivables	151	(2)	(2)	2	2

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
 - Land under roads
 - 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

25/11/2022

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2022.

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

As at 30 June 2022

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	3,293	3,293
Land	6.1	-	4,173	-	4,173
Land under roads	6.1	-	-	2,053	2,053
Buildings, including leasehold improvements	6.1	-	8,681	1,905	10,586
Roads, including footpaths & cycleways	6.1	-	-	36,576	36,576
Airport	6.1	-	-	6,373	6,373
Bridges	6.1	-	-	6,164	6,164
Drainage	6.1	-	-	248	248
Recreation, leisure & community facilities	6.1	-	-	792	792
		-	12,854	57,404	70,258

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	3,202	3,202
Land	6.1	-	3,197	-	3,197
Land under roads	6.1	-	-	2,053	2,053
Buildings, including leaseholds and 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

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>	2022	2021
<i>Asset / Liability</i>	\$'000	\$'000
Investment in water corporation	0	3,202

Due to the revaluation of TasWater

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

(b) Highest and best use

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

(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 and the adjustment factors provided by the Office of the Valuer General as at 30 June 2022. 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.

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

Buildings

The fair value of buildings were revalued as at 30 June 2022 and determined using Rawlinsons tables and undertaken by independent structural engineer, Vince Butler. The most significant input into this valuation approach was price per square metre, age, condition and type of construction material.

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

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

The revaluation has resulted in an increase of \$2,811,000 in the replacement value of the buildings asset class and an increase in depreciation per annum of \$44,000.

Leasehold improvements

The fair value of buildings were revalued as at 30 June 2022 and determined using Rawlinsons tables and undertaken by independent structural engineer, Vince Butler. The most significant input into this valuation approach was price per square metre, age, condition and type of construction material.

Leasehold improvements relate to infrastructure on crown land such as public toilets 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.

The revaluation has resulted in an increase of \$1,423,000 in the replacement value of the leasehold improvements asset class and a decrease in depreciation per annum of \$10,000.

Note 9.10 Fair Value Measurements (Continued)

Recreation, leisure & community facilities

The fair value of recreation, leisure & community facilities were revalued as at 30 June 2022 and determined using Rawlinsons tables and undertaken by independent structural engineer, Vince Butler. The most significant input into this valuation approach was price per square metre, age, condition and type of construction material.

The revaluation has resulted in an increase of \$441,000 in the replacement value of the recreation, leisure & community facilities asset class and an increase in depreciation per annum of \$8,000.

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 calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Roads, including footpaths & cycleways

Council categorises its road infrastructure into urban and 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. A full revaluation of roads, including footpaths and cycleways was undertaken by independent valuer, Geoff Webb effective 30 June 2022.

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

Bridges

A full valuation of bridges assets was undertaken by independent valuers - AusSpan effective 30 June 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.

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.

Note 9.10 Fair Value Measurements (Continued)

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

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.

(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	3,293	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 9.11 Events occurring after balance date

- (a) No material events occurring after balance date.

Notes to the Financial Report
For the Year Ended 30 June 2022

Note 10 Other matters
Note 10.1 Related party transactions
(i) Councillor Remuneration 2022

Name	Position	Period	Short term employee benefits		Total Compensation AASB 124 \$	Expenses ² \$	Total allowances and expenses section 72 \$
			Allowances \$	Vehicles ¹ \$			
Mrs A Revie	Mayor	Full Year	34,660	-	34,660	1,118	35,778
Mr D Williams	Deputy Mayor	Full Year	20,356	-	20,356	1,077	21,433
Mr P Rhodes	Councillor	Full Year	9,904	-	9,904	573	10,477
Ms S Blyth	Councillor	Full Year	9,904	-	9,904	577	10,481
Mrs R Summers	Councillor	Full Year	9,904	-	9,904	-	9,904
Mrs V Grace	Councillor	Full Year	9,904	-	9,904	1,681	11,585
Mr A Burke	Councillor	Full Year	9,904	-	9,904	-	9,904
Total			104,536	-	104,536	5,026	109,562
Councillor Remuneration 2021							
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	2,600	12,281
Mrs V Grace	Councillor	Full Year	9,681	-	9,681	3,117	12,798
Mr A Burke	Councillor	Full Year	9,681	-	9,681	-	9,681
Total			102,184	-	102,184	11,721	113,905

¹ 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).

² Section 72(1)(b) of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

Name	Position	Period	Remuneration band	Short term employee benefits				Post employment benefits		Non-monetary Benefits ⁷ \$	Total \$
				Salary ¹ \$	Short-term Incentive Payments ² \$	Vehicles ³ \$	Other Allowances and Benefits ⁴ \$	Super-annuation ⁵ \$	Termination Benefits ⁶ \$		
Mr W Groves	General Manager	Full Year	\$180 001 - \$200 000	159,949	-	10,000	-	15,784	-	2,210	187,943
Ms H Marshall	Finance Organisational Performance Manager	Full Year	\$160 001 - \$180 000	139,958	-	-	-	17,431	-	4,993	162,382
Mr C Wilson	Infrastructure Manager	Full Year	\$120 001 - \$140 000	112,003	-	-	-	14,000	-	8,433	134,436
Total				411,910	-	10,000	-	47,215	-	15,636	484,761
Key Management Personnel Remuneration 2021											
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
Total				384,641	1,000	10,000	-	43,224	45,256	(13,205)	470,916

Note 10 Other matters

Note 10.1 Related party transactions (Continued)

(ii) Key Management Personnel Remuneration (Continued)

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. T

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

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

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

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

⁷ Non-monetary benefits include annual and long service leave movements and non-monetary benefits.

(iii) Remuneration Principles

Councillors

Councillor allowances are set independently of Council.

Executives

Remuneration levels for key management personnel are set in accordance with ...

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.

(iv) Transactions with related parties that have not been disclosed

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

- Payment of rates on a primary residence
- Dog registration

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

Note 10.2 Special committees and other activities	Opening Balance	Movement	Closing Balance
	\$	\$	\$
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	5,121	8,429
Audit panel	-	-	-
	<u>3,308</u>	<u>5,121</u>	<u>8,429</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.

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(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

(h) Pending Accounting Standards

In the current year, Council has reviewed and assessed all the new Accounting Standards and Interpretations that have been published, with future effective dates, and determined that they are either not applicable to Council's activities, or would 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Revenue</i>				
Rates	-	-	-	-
User Changes	728	506	132	661
Grants	218	152	-	-
Total Revenue	946	658	132	661
<i>Expenditure</i>				
### <i>Direct</i>				
Employee Costs	305	245	62	110
Materials and Contacts	403	253	33	282
Interest	-	-	-	-
Utilities	6	7	-	-
<i>Indirect</i>				
Engineering & Administration	-	-	-	-
Total Expenses	714	505	95	392
<i>Notional cost of free services received</i>				
<i>Capital Costs</i>				
Depreciation and amortisation	336	334	-	-
Opportunity cost of capital	208	199	-	-
Total Capital Costs	544	533	-	-
<i>Competitive neutrality adjustments</i>				
Rates and land tax	13	14	-	-
Loan guarantee fees	-	-	-	-
	13	14	-	-
<i>Calculated Surplus/(Deficit)</i>	157	(195)	95	269
Tax Equivalent rate	26%	26%	26%	26%
Taxation equivalent	41	-	25	70
Competitive neutrality costs	1,312	1,052	120	462

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, the following assumptions have been applied:

- Opportunity cost of capital based on 2.5% of replacement value.

Note 10.5 Management indicators	Benchmark	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
(a) Net result for the year		2,149	4,394	691	(2,895)
Non-operating income					
Add back financial Assistance Grants received in advance Prior Year		766	759	719	681
Less Financial Assistance Grants received in advance		(1,220)	(766)	(759)	(719)
Less Profit/(loss) on Disposal of Assets		-	65	600	
Less Capital Grants		(2,404)	(3,914)	(300)	(351)
Underlying surplus/deficit	0	(709)	538	951	(3,284)

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

(b) Underlying surplus ratio					
## Underlying surplus or deficit		(709)	538	951	(3,284)
Recurrent income*		5,534	6,185	6,343	7,695
Underlying surplus ratio %	0%	-13%	9%	15%	-43%

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.

(c) Net financial liabilities					
Liquid assets less		9,569	7,773	4,320	7,510
total liabilities		3,628	2,758	4,481	6,230
Net financial liabilities	0	5,941	5,015	(161)	1,280

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets

(d) Net financial liabilities ratio					
Net financial liabilities		5,941	5,196	(161)	1,280
Recurrent income*		5,534	6,185	6,343	7,695
Net financial liabilities ratio %	0% -(50%)	107%	84%	-3%	17%

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.

<i>Buildings</i>					
Fair value (Carrying amount)		10,586	6,720	6,825	6,870
Current replacement cost (Gross)		14,008	7,384	7,321	7,205
Asset consumption ratio %		76%	91%	93%	95%
<i>Transport Infrastructure</i>					
Fair value (Carrying amount)		42,740	32,921	31,766	32,517
Current replacement cost (Gross)		68,546	51,845	48,866	48,615
Asset consumption ratio %		62%	63%	65%	67%
<i>Drainage</i>					
Fair value (Carrying amount)		248	260	330	335
Current replacement cost (Gross)		1,181	1,181	452	452
Asset consumption ratio %		21%	22%	73%	74%

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

Note	10.5 Management indicators (cont.)	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
(f)	Asset renewal funding ratio				
	An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
	<i>Buildings</i>				
	Projected capital funding outlays**	12	137	121	245
	Projected capital expenditure funding***	171	137	121	245
	Asset renewal funding ratio %	90-100%	7%	100%	100%
	<i>Transport Infrastructure</i>				
	Projected capital funding outlays**	72	510	599	506
	Projected capital expenditure funding***	867	510	599	506
	Asset renewal funding ratio %	90-100%	8%	100%	100%
	<i>Drainage</i>				
	Projected capital funding outlays**	0	0	0	0
	Projected capital expenditure funding***	12	0	0	0
	Asset renewal funding ratio %	90-100%	0%	0%	0%

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

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan. This ratio measures Council's capacity to fund future asset replacement requirements.

(g)	Asset sustainability ratio				
	Capex on replacement/renewal of existing assets	571	582	4,216	648
	Annual depreciation expense	1,617	1,634	1,658	1,609
	Asset sustainability ratio %	100%	35%	36%	254%

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

	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
2022			
By asset class			
Bridges	423	-	423
Buildings & leasehold improvements	12	210	222
Fixtures, fittings and furniture	64	-	64
Plant & equipment	-	77	77
Recreation	-	-	-
Roads & footpaths	72	2,014	2,086
Waste management	-	55	55
Total	571	2,356	2,927
2021			
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
Total	582	155	737

Certification of the Financial Report

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



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Date : 25/11/2022

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