



2021/22 Annual Report Kentish Council

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ABOUT THIS ANNUAL REPORT

The Kentish Council proudly presents the 2021/22 Annual Report to the Community.

The Annual Report highlights Council's performance against the 2021/22 Annual Plan and Budget.

The Annual Plan and Budget sets out 18 strategic objectives grouped under four categories:

1. Infrastructure;
2. Economic and Community Development;
3. Governance and Organisational Development; and
4. Planning and Development.

Council's performance is measured against actions comprising the four categories above.

Section 72 of the *Local Government Act 1993* requires all councils to prepare an Annual Report including prescribed content.

As well as meeting this statutory requirement, Council sees the Annual Report as a great opportunity to keep residents and stakeholders informed about its performance. The report demonstrates the breadth of Council's operations and identifies achievements and challenges during the 2021/22 financial year.

The Annual Report also provides a comprehensive financial report.

Feedback

Feedback or questions relating to the annual report are welcome.

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The Annual Report is available in a range of formats and can also be viewed electronically on Council's website www.kentish.tas.gov.au

OUR COUNCIL



KENTISH PROFILE

The Kentish Municipality is located inland on the eastern North-West Coast of Tasmania bordering the municipal areas of Latrobe, Devonport City, Central Coast, Meander Valley, West Coast and Waratah-Wynyard councils.

Kentish is known as 'Tasmania's Outdoor Art Gallery' for its beautiful countryside, majestic mountains and its three themed townships: Sheffield - Town of Murals, Railton - Town of Topiary and Wilmot - Valley of Views.

Kentish has a population of 6,393, comprised of 51% males and 49% females with a median age of 49 years.

Overall, 89% of Kentish residents were born in Australia.

The three biggest industry employers in Kentish are Health Care and Social Assistance (11.7%), Agriculture, Forestry and Fishing (11.5%) and Accommodation and Food Services (9.7%).

Source: Australian Bureau of Statistics 2016 – 2020.

Our History

The Punnilerpanner people were the First Nations Australians in the Kentish area.

Nathaniel Kentish was appointed as a contract surveyor in 1841 to survey areas on the North-West Coast of Tasmania and in August 1842 he discovered a large grassy plain which later went on to be known as 'Kentish Plains'.

In the early years, Road Trusts were the main form of Local Government in Tasmania. In 1908 the five local road trusts of Kentish Plains, Barrington, Beulah, Wilmot and Sheffield merged to create the Kentish Council.



Our Localities

Kentish's localities include Sheffield, Railton, South Spreyton, Acacia Hills, Barrington, Lower Barrington, Nook, Nowhere Else, Merseylea, Sunnyside, Stoodley, Beulah, Lower Beulah, Paradise, Claude Road, Gowrie Park, West Kentish, Roland, Staverton, Promised Land, Lower Wilmot, Wilmot, Erriba, Moina, Lorinna, Middlesex, Cethana and Cradle Mountain.

Statistics Snapshot 2021/22

Area	1,187 sqkm
Road Distances	471 km
Sealed	273 km
Unsealed	198 km
Number of Bridges/ Major Culverts	104
Rateable Properties	3,722
Value of Properties (AAV)	\$72.06M
Number of Electors	5,137
Development Applications	131
Building Applications	93
Dogs Registered	2,194
Waste Bins Serviced	1,802
Website Page Hits	77,981
Facebook Followers	2,862

VISION AND VALUES

Our Vision

“Kentish is known as a distinctive place where people want to live, for its caring community that celebrates the arts, diversity, the awesome natural environment and its vibrant local economy.”

Our Values

Our People

- Providing opportunities for all to be involved and participate in community events and activities.
- Ensuring that everyone is treated with respect and dignity.
- A willingness to consult, listen and respond to individual and group concerns.
- Effectively and consistently communicating information.
- Showing responsive leadership and representation of our community.
- Recognising and rewarding individuals, volunteers and Council staff for their skills and commitment to the Kentish community.
- Ensuring social inclusion for all and equal access and amenity for the disabled.

Our Environment

- Providing safe facilities and services.
- Maintaining our assets in good working order.
- Working with individuals and groups to protect and maintain the environment.
- Maintaining and protecting our cultural and built heritage.
- Protecting and managing our natural assets.
- Reducing Council’s carbon footprint.
- Encouraging individuals and groups to become more carbon efficient.

Our Financial Security

- Encouraging sustainable development for our people and our environment.
- Prudent spending of public monies and ensuring rates are not increased beyond that required for service delivery, maintenance and creation of community infrastructure.
- Using effective thinking and learning which can lead to creative solutions.
- Having a good understanding of our assets and what it takes to maintain them.
- Managing our finances responsibly and carefully.
- Encouraging localised food production, transport and services.

OUR COUNCILLORS



Mayor Tim Wilson



Deputy Mayor
Don Thwaites



Cr Kate Haberle



Cr Penny Lane



Cr Steve Mawer



Cr Phillip Richards



Cr Linda Cassidy



Cr Rodney Blenkhorn



Cr Nicole Meijer

Councillor Representation on Council Committees

The *Local Government Act 1993* provides for the establishment of Special and Advisory Committees of Council. The table below outlines Councillor representation on Council's Special and Advisory Committees.

ORGANISATION	REPRESENTATIVE/S	PROXY
SPECIAL COMMITTEES OF COUNCIL		
Sheffield Recreation Ground	Cr D Thwaites (retired October 2021) Cr P Lane	Cr P Lane Cr L Cassidy
Railton Recreation Ground	Cr R Blenkhorn	Cr L Cassidy
Wilmot Recreation Reserve	Cr P Richards	
Beulah Hall	Cr D Thwaites	Cr P Lane
Claude Road Hall	Cr N Meijer	Cr P Lane
Barrington Hall	Cr P Lane	Cr T Wilson
Wilmot Hall	Cr P Richards	Cr P Lane
Sheffield Museum	Cr K Haberle	Cr P Lane
Working Art Space Sheffield	Cr N Meijer	Cr D Thwaites
Railton Squash Centre	Cr L Cassidy	Cr R Blenkhorn
Economic Development	Cr K Haberle, Cr S Mawer, Cr L Cassidy, Cr R Blenkhorn	
Lorinna Cemetery	Cr S Mawer	
Audit Panel	Cr K Haberle, Cr S Mawer	
Grants	Cr P Richards, Cr P Lane, Cr L Cassidy	Cr K Haberle
Public Arts Committee Kentish	Cr P Lane	Cr D Thwaites
Kentish Health Care Centre	Cr D Thwaites, Cr K Haberle	
Railton Neighbourhood Centre & Halls	Cr R Blenkhorn	Cr L Cassidy
Sheffield Tree Committee	Cr T Wilson	Cr D Thwaites
Sheffield Art Centre	Cr N Meijer, Cr D Thwaites	Cr L Cassidy
JOINT AUTHORITIES		
Cradle Coast Authority	Cr T Wilson, Cr D Thwaites	
TasWater	Cr T Wilson	Cr D Thwaites
Dulverton Waste Management	Cr D Thwaites, Cr P Richards	
Cradle Coast Authority Regional Waste	Cr D Thwaites	
OTHER BODIES		
Cement Australia Community Liaison Group	Cr P Lane, Cr R Blenkhorn	
Kentish/Latrobe Road Safety Group	Cr P Lane	Cr K Haberle
Sheffield Inc	Cr P Lane, Cr L Cassidy	
Kentish ACT	Cr P Lane (retired October 2021) Cr K Haberle	
Tandara Lodge Community Care Inc	Cr T Wilson, Cr K Haberle	
Mt Roland Rivercare Catchment Inc	Cr T Wilson, Cr D Thwaites	
Wilmot Tourist and Progress Association	Cr P Lane, Cr N Meijer	
Wild Mersey Mountain Bike Trail Advisory Group	Cr T Wilson (retired January 2022) Cr P Richards	Cr D Thwaites
Mersey Emergency Management Group	Cr T Wilson	Cr D Thwaites
Local Government Association of Tasmania	Cr T Wilson	Cr D Thwaites
WORKING GROUPS		
Municipal Alliance Committee	Cr D Thwaites, Cr T Wilson, Cr P Lane	
General Manager Review Committee	Cr T Wilson, Cr D Thwaites, Cr K Haberle	
Christmas Decoration Committee	Cr K Haberle, Cr N Meijer, Cr P Lane	

Role of Council

Local Government is the third tier of government consisting of democratically elected councils having the function and powers that Parliament considers necessary to govern each municipal area.

Kentish Council derives its roles, powers and functions from the *Local Government Act 1993*. Section 20 of the act sets out the following broad functions of council:

- To provide for the health, safety and welfare of the community;
- To represent and promote the interests of the community; and
- To provide for the peace, order and good government of the municipal area.

The role of a council includes:

- Planning for and providing services, facilities and infrastructure for the community;
- Undertaking strategic land use planning for the municipal area;
- Making and enforcing by-laws;
- Raising revenue to enable council to perform its functions;
- Undertaking long term strategic financial and asset management planning; and
- Advocating proposals that are in the best interests of the community, now and in the future.

Kentish Council performs these functions by setting the strategic direction of the municipality, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation.

Role of Councillors

Kentish Council's nine councillors are elected as representatives of all residents and ratepayers within the municipality. Section 28 of the Act sets out councillor's broad roles and functions.

The functions of individual councillors are to:

- Represent the community;
- Act in the best interests of the community;
- Facilitate communications with the community;
- Participate in the activities of council; and
- Undertake duties and responsibilities as authorised by council.

The functions of councillors acting collectively as the council are to:

- Develop and monitor the implementation of strategic plans and budgets;
- Determine and monitor the application of policies, plans and programs for:
 - The efficient and effective provision of services and facilities
 - The efficient and effective management of assets
 - The fair and equitable treatment of council employees;
- Facilitate and encourage the planning and development of the municipal area in the best interests of the community;
- Appoint and monitor the performance of the General Manager;
- Determine and review the council's resource allocation and expenditure activities; and
- Monitor the manner in which services are provided by the council.

Resource Sharing

The Kentish and Latrobe Municipal Alliance Committee identifies opportunities for sharing ideas and resources to improve the effectiveness and efficiency of service delivery by the two councils. The Committee consists of:

- Mayor Tim Wilson (Kentish)
- Deputy Mayor Don Thwaites (Kentish)
- Cr Penny Lane (Kentish)
- Mayor Peter Freshney (Latrobe)
- Deputy Mayor Graeme Brown (Latrobe)
- Cr Mike McLaren (Latrobe)
- General Manager, Gerald Monson

Council Meetings

The Council held 12 ordinary meetings, one special meeting and an annual general meeting during the financial year. Ordinary council meetings were generally held on the third Tuesday of each month. The public were able to attend meetings. Copies of the meeting agendas and minutes were made available on Council's website. Council held its Annual General Meeting on 7th December 2021. 20 Council forums were held where matters of a general and informal nature were considered.

Councillor Attendance at Meetings

Date	Meeting	Cr Wilson	Cr Thwaites	Cr Lane	Cr Haberle	Cr Cassidy	Cr Richards	Cr Blenkhorn	Cr Meijer	Cr Mawer
06/07/2021	Special	✓	✓	✓	✓	✓	✓	✓	✓	✓
20/07/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
17/08/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/09/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
19/10/2021	Ordinary	✓	X	✓	✓	✓	✓	✓	✓	✓
16/11/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
07/12/2021	AGM	✓	✓	✓	✓	✓	✓	X	✓	✓
14/12/2021	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/01/2022	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/02/2022	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
15/03/2022	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
12/04/2022	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
17/05/2022	Ordinary	✓	✓	✓	✓	✓	✓	✓	✓	✓
21/06/2022	Ordinary	X	✓	✓	✓	✓	✓	✓	✓	✓

Statement of Allowances and Expenses paid to Elected Members

Section 72(1)(cb) Local Government Act 1993

Council is required to reimburse Councillors for expenses incurred in the performance of duties. Council has adopted a policy in relation to the reimbursement of expenses for Councillors. The policy serves to provide clear expectation in relation to out-of-pocket expenses and support for Councillors. It aims to ensure accountability and transparency in relation to expenses claimed by Councillors. The following table shows allowances and expenses paid to Councillors.

Councillor	Allowances (\$)	Per KM Travel Expense Reimbursement (\$)	Total Allowances and Expenses (\$)
Mayor Wilson	39,576	232	39,808
Deputy Mayor Thwaites	22,616	0	22,616
Cr Lane	11,339	0	11,339
Cr Haberle	11,339	0	11,339
Cr Cassidy	11,251	0	11,251
Cr Richards	11,339	0	11,339
Cr Blenkhorn	11,339	1,033	12,372
Cr Meijer	11,251	0	11,251
Cr Mawer	11,339	0	11,339
Total	141,389	1,265	142,654

In addition to the expenses listed above, each Councillor is provided with the use of a Council owned i-pad to enable the use of paperless agendas.

THE YEAR IN REVIEW



MAYOR AND GENERAL MANAGER'S MESSAGE

The 2021-2022 financial year presented many challenges including those that first arose in early 2021 with delays in materials being delivered, large increases in project costs and the availability of contractors and staff to implement record capital works programs initiated in response to the Covid situation. History will show that the response to Covid 19, particularly by the Federal Government, over stimulated the economy and led to the above issues and rising inflation is impacting councils and cost of living increases for our residents.

Notwithstanding these challenges, Council has been able to deliver some amazing projects including the completion of the Sheffield Arts Centre which was officially opened on 28 May 2022 and the revamp of the Sheffield Visitor Information Centre which was reopened on the same day and has received great accolades from visitors to the area. This new visitor precinct will become a destination for tourists visiting Sheffield and the surrounding areas including Cradle Mountain and be a wonderful venue for entertaining and hosting events such as Mural Fest.

Council completed the sealing of the steeper sections of Wilks Road which is the new access to Lorinna and it has been well received by the community. Council also progressed towards completion of the local planning scheme provisions for Kentish, progressed the Railton Flood Mitigation Project and the Wild Mersey Mountain Bike trails which are already providing economic benefit to the community. The establishment of the Kentish and Latrobe Independent Business Association (KaLIBA) was another highlight which has the potential to provide lasting benefits to our business community through collaboration and access to business services.

One of the highlights of the year is presentation of the Australia Day awards and Jan Croswell was a very worthy recipient of the Citizen of the Year. Jan's work through the Lions Club has been recognised with receipt of an International Lions Award recognising her for distinguished and unselfish service to the club while serving with outstanding leadership, vision, and ability. These attributes came to the fore when Jan played a leading role in responding to the devastating windstorm damage which hit the rural parts of the Kentish municipality in June 2022. Council incurred over \$1 million in storm damage and collectively individual property owners would have incurred similar costs. I thank the Federal and State governments for assisting the Council with reimbursing' approximately 70% of the costs incurred.

The Young Citizen of the Year was awarded to Esther Adams for her involvement in many community activities and organisations including the Kentish Field Naturalists, the Sheffield Community Garden, the Redwater Creek Railway Junior Trainees, and a girls peers support group. Well done Esther and I am sure we will see you as a future community leader.

Council's operating result for the year was a surplus of \$967,000, however after adjusting for capital grants and grants received in advance the underlying result was a deficit of \$1.02 million. This underlying deficit was not originally budgeted and was the result of a number of factors including:

- Once-off costs relating to a change in accounting policy regarding implementation of Council's cloud-based TechnologyOne IT system. This included wages of \$119,000 and other associated implementation costs of \$138,000 that would have previously been capitalised and depreciated over 10 years.
- Costs relating to the wind-storm event on 11 June 2022 are excluded from the underlying result. Allowing for these expenses, the cost of materials and contracts for road maintenance for the year was \$454,000 over budget, mainly due to damage caused by high rainfall and other weather events not covered by the National Disaster Relief and Recovery Arrangements.
- Waste management materials and contract costs were \$200,000 higher than budget, partially due to higher green waste volumes at Sheffield and Wilmot Transfer Stations, primarily in consequence of the wind-storm event in June and partially due to higher than budgeted contractor costs to address work health and safety issues.
- A sharp and unexpected increase in inflation during the financial year resulted in higher prices for the goods and services purchased by Council which also contributed to the higher than budgeted costs.

Council has budgeted for a small underlying surplus of \$62,000 in 2022-23, and while it is currently tracking reasonably well against the year-to-date budget, there remain significant risks in relation to achieving this budgeted result for the current financial year which will require ongoing review of costs and service levels for the remainder of the 2022-23 financial year and over council's long-term financial planning horizon to ensure a sustainable financial position is maintained.

I take this opportunity to thank Deputy Mayor Don Thwaites for his continued unwavering support and for all councillors who have worked together in the best interests of the Kentish community. It has been a pleasure to work with you as we strive to improve the lives of our residents and enhance the experiences of visitors to our beautiful area. I also thank the council's General Manager and all staff for their contributions towards the smooth operation of the Council and their commitment, particularly over the last two years, with Covid impacts and heavy workloads as a result of the funding provided to Council to undertake projects. I also thank our wonderful volunteers and community organisations that make the Kentish area such a great place to live.

It is with great sadness, but also a sense of achievement, as Mayor that I present this Annual Report with the General Manager as I have indicated I will not be contesting the October 2022 elections. I have thoroughly enjoyed my time on the Council and there is no better feeling than giving back to the community that has made my family and I feel so welcome since we came to live here in 1995. The Kentish area is a wonderful place to live and visit and I wish the new Council all the best wishes for the future.

Tim Wilson
Mayor

Gerald Monson
General Manager



Mayor Tim Wilson

Gerald Monson

PERFORMANCE AT A GLANCE

	Achievements	Challenges
Infrastructure	<ul style="list-style-type: none"> Completed the construction of the Lorinna Access Road (Wilks Road Extension). Completed layout and resurfacing works in the King George V Park Car Park, Sheffield. Completed road safety improvements on Cradle Mountain Road and at the Browns Hill Road/West Kentish Road Intersection. 	<ul style="list-style-type: none"> Completion of the substantial works program which was set for the year was difficult to achieve with the additional workload created by a number of extreme weather events.
Economic and Community Development	<ul style="list-style-type: none"> Completed the refurbishment of the Sheffield Visitor Information Centre. Completed the refurbishment of the new Sheffield Arts Centre. 	<ul style="list-style-type: none"> Supporting the continuance of local events was made difficult by Covid-19 restrictions. The retention of free camping areas throughout the municipality due to business competitiveness concerns.
Governance and Organisation Development	<ul style="list-style-type: none"> Advocated for the Sheffield Medical Centre and secured a new childcare provider for the municipality. Delivered a new single (multi-employer enterprise agreement across the Kentish and Latrobe Councils. Continued the Resource Sharing Agreement with the Latrobe Council. 	<ul style="list-style-type: none"> Implementation of a common enterprise software (Technology One) across the Kentish and Latrobe Councils was difficult to implement due to a combination of technical complexity and employee resources.
Regulatory and Development	<ul style="list-style-type: none"> Completed a school-based immunisation program. Introduced a range of fact sheets promoting responsible dog ownership. Amended the draft Kentish Local Provisions Schedule. 	<ul style="list-style-type: none"> Providing sufficient human resources to enforce legislative changes (e.g. additional compliance required under cat management legislation) was difficult to implement due to limited employee resources.

ACTIVITY OVERVIEW



Kentish Council and Treloar Transport representatives accepting the 2022 Tasmanian Civil Contractors Federation Award for the Lorinna Access Road project.

Lorinna Access

After receiving planning approval, a design and tender document was prepared for the construction of an extension to Wilks Road in Lorinna through to Olivers Road. Works were essentially completed in the 2020/21 financial year. Sealing of the steeper gradients occurred in 2021/22. The access is now considered complete and has been well received by the community.

Shared Services Implementation

The Latrobe and Kentish Councils have developed a shared services model which has seen the former separate workforces of both Councils consolidated into a single entity.

In recent years, both Councils have been able to consistently achieve operating surpluses. Kentish Council is committed to building on the successes achieved to date through the shared services model. Both Councils understand they are stronger together and can achieve more via collaboration. The challenge continues to be the delivery of outcomes and ensuring through cooperation, all initiatives provide a shared benefit to both communities.

During the 2020-21 financial year, phase 2 of the implementation of the Technology One Enterprise Software system commenced. This phase of the project has seen a focus on the property and rates modules.

Tasmanian Planning Scheme

The Tasmanian Government is reforming the State's planning system and introduced a single planning scheme for the State – the Tasmanian Planning Scheme.

Council has finalised the preparation of the draft local provisions schedule for Kentish. This included the allocation of zones for agricultural land, and natural asset mapping as well as site specific use and development standards. Site specific use and development standards have largely been determined by the land use reviews previously undertaken that informed the development of strategic plans for all settlement areas.

The draft Kentish Local Provisions Schedule was lodged with the Tasmanian Planning Commission for their consideration on 5 June 2020. The Commission sought clarification on several issues. One of the modifications made was replacing the proposed Sheffield Tourist Activity Site Particular Purpose Zone with a Sheffield Tourist Activity Specific Area Plan.

Council is now awaiting direction to exhibit the draft Local Provisions Schedule and seek submissions.

Railton Flood Mitigation

Catchment modelling, concept assessments and preliminary design work progressed on the Railton flood protection project. Community consultation occurred during 2021/22, which initiated further investigation into potential alternative solutions.

Whitworth BL 15 Pounder Gun

Preservation works were completed on the Whitworth BL 15 Pounder Gun in front of the Kentish Museum. Metals Conservator, Mr Paul Hunt, treated the Pounder Gun for ongoing corrosion and degradation and established an annual maintenance plan to conserve the artefact over an extended lifespan. The Whitworth BL Mk 1 15 Pounder Gun is one of only two surviving examples of this type of field artillery in Australia. The restoration works were made possible via a grant from the Community Heritage Grant Fund.

Tassie Top Tourism Town Award

Sheffield was again nominated for the Tassie Top Tourism Town Award competition. The annual competition run by the Tourism Industry Council of Tasmania is an opportunity for Tasmanian Towns to showcase their unique destination offerings to visitors.

Wilmot Road Reconstruction

Drainage and safety improvements undertaken on Wilmot Road included widened verges, cutting back of batters, improved drainage, guidepost, barrier rail, resurfacing and line marking.

Wild Mersey Mountain Bike Development

Kentish and Latrobe Councils have continued the development of a world-class mountain bike trail that links the towns of Latrobe, Railton and Sheffield.

Since construction began in mid-2018, over 80kms of trails have been completed. Three Pump Tracks have been constructed in Railton, Port Sorell, and Latrobe to enable beginners and young children to develop their skills before tackling the trails.

Reconciliation Week

Council and local Aboriginal Elders came together on 31 May 2022 to permanently raise the Aboriginal Flag in front of the Kentish Council offices. The flag-raising ceremony was attended by more than 60 people from the local Aboriginal and Kentish community, interstate visitors and Council staff.

Sheffield Visitor Information Centre Redevelopment

While the number of visitors to Kentish were significantly down due to COVID-19 border closures, Council took the opportunity to redevelop the Sheffield Visitor Information Centre (SVIC). Council utilised the architectural services of Design Intent to reimagine the Centre to better promote the tourism opportunities in Kentish.

Builder Oliver Kelly Group undertook the redevelopment, which showcases some of the area's great natural features and experiences. The SVIC officially reopened on 28 May 2022 and feedback from some is that it is one of the more impressive visitor centres in the state.

Events

Steam Fest, Flower Fest and the Tasmanian Medieval Festival 2022 did not proceed due to the COVID-19 pandemic.

Kentish in Colour

Sheffield's main street was lit up in 2021 and 2022 with colour-changing lights on the facades of the buildings.

Cradle Mountain Heritage Festival

The Weindorfer Memorial Committee and the Wilmot community commemorated the Weindorfer Memorial and the memory of Gustav and Kate Weindorfer with the Cradle Mountain Heritage Day. The event included a guided tour of Waldheim Chalet, live music, a vignette of Gustav and Kate Weindorfer, exhibits, and Trowunna Indigenous Dance Group.

Australian Street Rod Federation Nationals

The Australian Street Rod Federation toured through Sheffield on Friday, 8 April. Around 300 Street Rods parked in the Health Park at Sheffield.

Sheffield Midwinter Festival

Redwater Creek Heritage and Steam Society held the Sheffield MidWinter Festival on 25 June 2022 at the Sheffield Steam Centre. The event included food and music, steam train rides, giant steam traction engines, heritage machinery, a Knights Templar display, children's activities, and fireworks.

International Women's Day

The Kentish International Women's Day event was held on Friday, 11 March, 2022 at the Sheffield Town Hall. The event included guest speaker Lucinda Shannon, Deputy CEO Women's Health Tasmania, and Cr Kate Haberle.

Targa Tasmania

Targa Tasmania toured through Kentish from 27-29 April 2022.



Sheffield MidWinter Festival

Australia Day Celebrations

The Kentish Australia Day Awards Celebration 2022 acknowledged a challenging year for Kentish, celebrating those who put others before themselves and honouring the community's resilience. The celebration was held on 26 January 2022 at Sheffield Town Hall.

Trowunna representatives opened the Australia Day celebrations with a smoking ceremony and Welcome to Country. The Kentish Australia Day Awards were presented by Mayor Tim Wilson and Australia Day Ambassador Tom Dunbabin.

Volunteer Recognition Awards were presented to the Hub and the Railton Neighbourhood Centre volunteers. Ruby Otomo, Kim Johnson, Jan Gursansky, Jean Treloar, Robert Gower, and Kim Johnson received Local Hero Awards.

Community Event of the Year was awarded to the inaugural Sheffield Midwinter Solstice Celebration 2021. The Sheffield Mid-Winter Solstice was held from 19 to 27 June 2021 and encouraged tourism in the region during the traditionally slow winter period and recovery from COVID-19 restrictions.

Young Citizen of the Year was awarded to Esther Adams for her involvement in many community activities and organisations, including the Kentish Field Naturalists, the Sheffield Community Garden, the Redwater Creek Railway Junior Trainees, and a girls' peer support group.

Citizen of the Year was awarded to Jan Crosswell for her involvement with the Kentish Lions Club since 2009. In 2020, Ms Crosswell received an International Lions Award that recognised her "distinguished and unselfish service given to the club while serving with outstanding leadership, vision and ability".

Australian citizenship was conferred upon four residents at the Australia Day Celebrations.

First Nations artist and pakana woman Ms Fiona Hughes and artist Ms Vicki Dewsbury unveiled the "Ochre Fire Country" mural at the Australia Day Celebrations.

Council received \$16,020 grant funding from the National Australia Day Council for the 2022 Kentish Australia Day Celebrations.



Australia Day Ambassador Tom Dunbabin, Citizen of the Year Jan Crosswell and Mayor Tim Wilson at the Australia Day Awards.

Capital Works Program

The largest projects completed as part of the Capital Works Program included:

- New Wilks Road access into Lorinna (\$1.8M).
- Safety improvements and widening of Wilmot Road between Gentle Annie and Back Road junction (\$300k).
- King George V Carpark asphalt resurfacing and re-configuring of parking layout (\$200k).
- Extension of Wild Mersey Mountain Bike trails into the Badgers Range near Sheffield.

Kentish and Latrobe Community Road Safety Committee – Ride or Drive, Arrive Alive

In 2021, Council received \$26,602 from the Community Road Safety Grant Fund to develop a radio and social media campaign targeting motorist and cyclist safety on roads and at the mountain bike trailheads.

The Ride or Drive, Arrive Alive campaign will increase driver awareness of cyclists on rural roads, educate drivers and cyclists about road rules and responsibilities, and raise cyclist and driver awareness of the shared space, emphasising the mountain bike trailheads.

Main Street / High Street, Sheffield Roundabout

Design work was progressed on this project which is partly funded under the National Black Spot program.



Youth Activities

School Holiday Program

The 2021/22 School Holiday Programs featured a Family Movie Day, Funky Movement Dance Program, Soccer, playgroups, messy art workshops and Epic WaterBlaster Battles.

Halloween Cinema Night

Council sponsored a family Halloween Movie Night at the Sheffield Moonlight Cinema in 2021. Families enjoyed a free screening of *A Quiet Place* (PG13+).

Tasmanian Rock Challenge

The Tasmanian Rock Challenge and Cornerstone Youth Services held "Freshly Baked" Tasmanian Rock Challenge at the Sheffield Town Hall in January 2022. "Freshly Baked" promotes youth that competed in the Rock Challenge events and provides an opportunity to highlight their skills to a broader audience. Freshly Baked was held in Hobart, Launceston, and Sheffield.

The Tasmanian Rock Challenge also presented the Sheffield Youth Festival as part of Youth Week Tasmania at the Sheffield Town Hall on Saturday, 23 April 2022. The event showcased young musicians from the local area.

Railton Youth Room

In 2022, Council opened the Railton Youth Room at the Railton Recreation and Community Centre for youth aged 10-18. The Railton Youth Room was created in response to requests from Railton families for more youth-focused activities in the township.

Economic Development

Economic development activities conducted during the year included:

- Installation of signage to direct traffic onto Railton to promote the town's facilities, including Wild Mersey.
- Engagement with Kentish Businesses via business networking events, monthly e-newsletter, and updates posted on the independent business Facebook networking group.
- Delivery of workshops for business owners and community groups run by business Tasmania, Switch Tasmania, and Brand Tasmania.
- Development of the Kentish Walking Tour App, starting with Sheffield Mural Walking Tour.
- Creation of the Kentish and Latrobe Independent Business Association (KaLIBA).

Youth Scholarship

Council provided a scholarship valued at \$1,750 to assist a Kentish student in furthering their studies by relocating from the municipality. The 2022 Youth Scholarship was awarded to Taylah Watling, who will study a Bachelor of Medical Radiation Science at the University of Tasmania.

Mature Age Scholarship

In 2022, Council provided a scholarship valued at \$500 to a mature-age student attending an approved educational activity or program. The 2022 Mature Age Scholarship was awarded to Ruby Otomo, who will attend the Volunteering Tasmania Design Thinking Program.

King George V Park – Carpark Resurfacing

This main carpark in Sheffield received an asphalt overlay and was reconfigured to improve user experience and clarity on use.

Sheffield Arts Centre

After more than two years of consulting with the local community and working with designer 6TY⁰ architects and builders Oliver Kelly Group, the Sheffield Arts Centre was officially opened on 28 May 2022.

The Centre includes a gallery space for the Working Art Space, a mural restoration area, storage for Kentish Arts, Commerce and Tourism, and an undercover area at the rear and carpark side of the building to allow for multiple uses, including hosting the Mural Fest presentation and possible future market events.

The variety of benefits to the local arts community are already being observed, with many workshops scheduled, mural restoration works underway and tourists visiting the art gallery.

Severe Weather Event 11-12 June 2022

Over 11-12 June 2022, gale force winds severely impacted several areas of Kentish including Beulah, Paradise, Nook, West Kentish and Claude Road with Sheffield, Wilmot, Barrington, and Erriba also impacted. Winds gusting up to 200km brought down powerlines, thousands of trees and damaged farm infrastructure and homes. Heavy rains also saturated the ground, further destabilising trees at risk of falling. At the peak of the event, over 20,000 residents across the north-west were without power. Mobile, internet, and home phone services were also affected after telecommunications infrastructure was damaged.

The majority of roads in the impacted areas were closed due to fallen trees and power lines. Council worked with Tas Networks to provide road access to enable power reconnection. Council crews cleared roadways ensuring access for drivers, properties, emergency services, and priority medical access.

Council assembled an incident response team to provide emergency support and assist with the clean-up, partnering with local service providers, including Kentish House (Glenhaven) and Kentish Lions Club. Council released \$20,000 in emergency relief in the form of food and fuel vouchers administered by the Kentish Lions, with Council's gratitude. Kentish House was instrumental in bringing Grans Van laundry and shower trailer to

Sheffield for those without power for several days. The Sheffield Visitor Information Centre shower was available 24/7 until 27 June 2022, and the Sheffield Waste Transfer Station hours were also extended for several weeks.

Council held ongoing discussions with the Tasmanian State Government to ensure the future release of disaster emergency relief funds for both reimbursement of costs incurred by Council, as well as relief for affected residents. Contact was also established with Disaster Relief Australia to request their assistance in the recovery clean-up efforts.



Council crews clean up following the June 2022 Windstorms.

A YEAR IN KENTISH

July 2021

School Holiday Activities.
NAIDOC Week Celebrations.
Council approved the 2021/22 Annual Plan, Budget Estimates and Rates.

August 2021

Railton Community Meeting.
Sheffield Community Meeting.

September 2021

School Holiday Activities.
Wilmot Community Meeting.
Acacia Hills, Lower Barrington & South Spreyton Community Meeting.

October 2021

Council awarded the Community Grants Scheme.

November 2021

Kentish Gardenfest.
Sheffield Pet & Animal Show.
Mount Roland Folk Festival.

December 2021

Community Christmas Celebrations.
Kentish Council Annual General Meeting.

January 2022

Australia Day Celebrations.
School Holiday Activities.
Unveiling of the First Nations mural.

February 2022

Preservation works on the Whitworth Pounder Gun at the Kentish Museum complete.

March 2022

National Rowing Championships.
Wilmot Community Meeting.
Railton Community Meeting.
Sheffield Community Meeting.
International Women's Day Celebrations.
Sheffield "Non-Event"
Kentish Endurance Ride.
Tas Gravity Enduro Series.

April 2022

Sheffield Youth Festival.
Targa Tasmania.
Acacia Hills, Lower Barrington & South Spreyton Community Meeting.
Opening of a further 10km of Wild Mersey Trails.

May 2022

Cradle Mountain Heritage event.
Barrington Hall Future Community Meeting.
Grand Opening Sheffield Art & Visitor Precinct.

June 2022

Severe Weather Event
Sheffield wins Tassie Top Tourism Town Award (population 1500 – 5000)
Sheffield MidWinter Festival



OUR PEOPLE



SENIOR LEADERSHIP TEAM

Executive Management Team

Council’s Executive Management Team meets on a regular basis, is led by the General Manager and includes the department managers.

General Manager – Gerald Monson

Gerald was appointed to the position of General Manager in March 2010. His qualifications include a Bachelor of Business in Public Administration, FLGMA, JP. Areas of responsibility include organisation leadership, Council’s operational and service delivery performance and organisational support for elected members. This position is resource-shared with Latrobe Council.

Operations Manager – Jason Bellchambers

Jason was appointed to the position of Operations Manager in January 2018. His qualifications include a Masters Degree in Engineering Practice specialising in Civil Construction and a Bachelor of Engineering Technology, MIEAust. Areas of responsibility include the maintenance and renewal of Council Infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Latrobe Council.

Infrastructure and Assets Manager – Jonathan Magor

Jonathan was appointed to the position of Engineering Services Manager in September 2011. His qualifications include a Bachelor of Technology (Engineering and Management). Areas of responsibility include emergency management, environmental and public health services, and Council Infrastructure including roads, bridges, drainage, parks, reserves and buildings. This position is resource-shared with Latrobe Council.

Development & Regulatory Services Manager – Jan Febey

Jan was appointed to the position of Team Leader Regulatory Services Manager in June 2018 and then Manager when the position was restructured in February 2021. Her qualifications include a Diploma in Administration, MLGMA. Areas of responsibility include statutory planning, building and plumbing, environmental health, animal control and fire abatements. This position is resource-shared with Latrobe Council.

Corporate and Business Services Manager - Wesley Young

Wes was appointed to the position of Corporate and Business Services Manager in March 2021. His qualifications include a Bachelor of Media & Communications, Bachelor of Law, Post Graduate Diploma of Legal Practice and is a graduate of the Australian Institute of Company Directors. Areas of responsibility include, finance, economic development, corporate governance, industrial relations, WH&S and risk management. The position is resource-shared with Latrobe Council.

Remuneration of Senior Employees

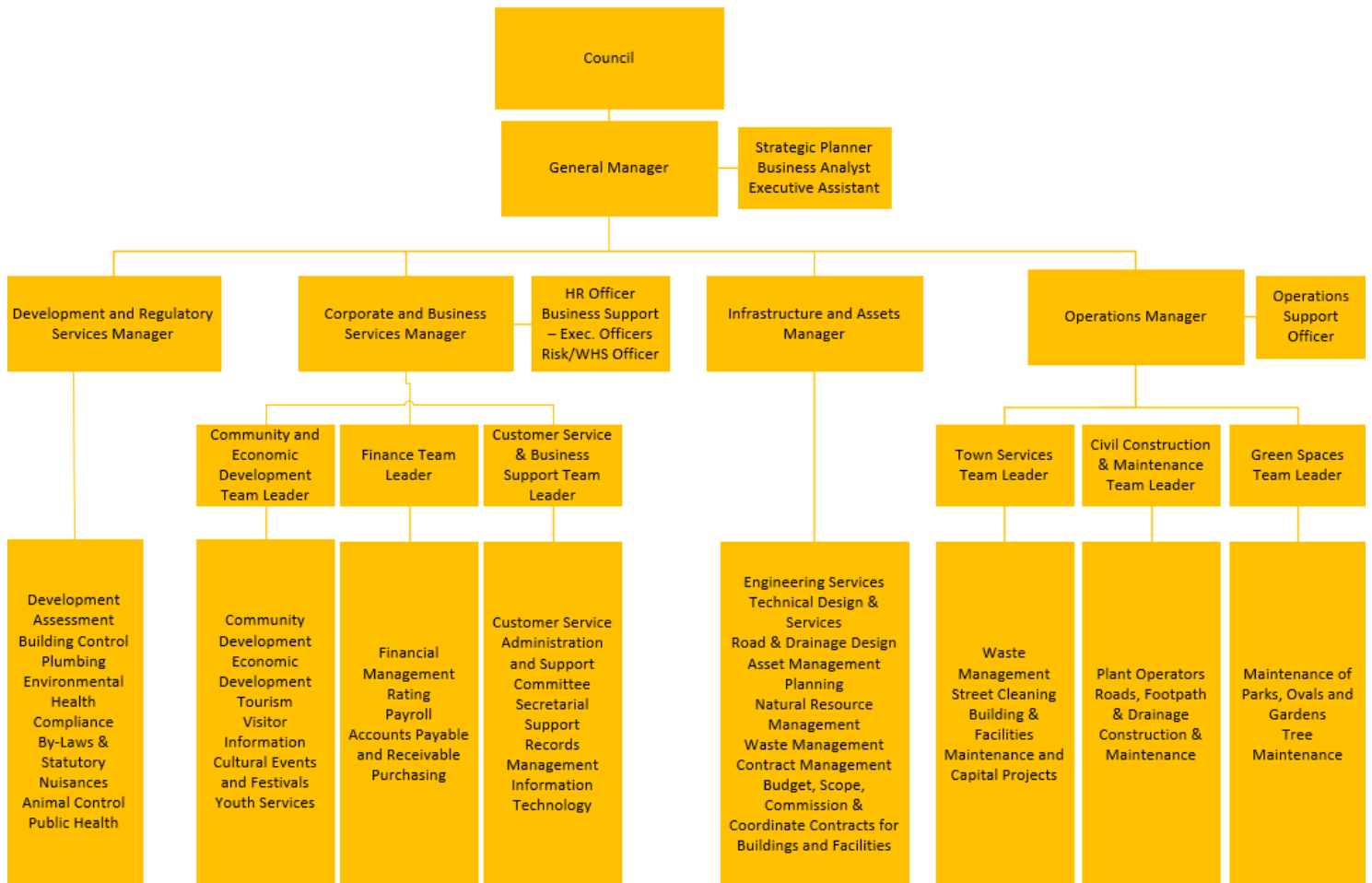
Section 72(1)(cd) Local Government Act 1993

The Annual Report is to include a statement relating to the total remuneration paid to employees who hold a senior position within Council. Remuneration includes salary, contribution to superannuation, motor vehicle and other allowances.

Annual Remuneration	No. of Employees
\$140,001 - \$160,000	1
\$180,001 - \$200,000	1

ORGANISATION STRUCTURE

Council’s organisational structure as at 30 June 2022 comprised four departments – Operations, Infrastructure and Assets, Customer & Business Services and Development & Regulatory Services. Each department was led by a manager who reported directly to the General Manager. The General Manager was directly accountable to the mayor and councillors. Positions were resource-shared with Latrobe Council.



OUR PEOPLE

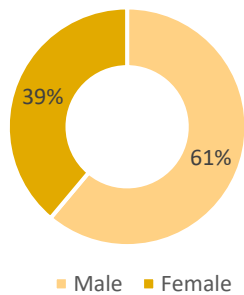
Full Time Equivalent Staff

	2022	2021
Total FTE Kentish and Latrobe Councils	76.4	75.9
Kentish %	42.5%	42.4%
Latrobe %	57.5%	57.6%

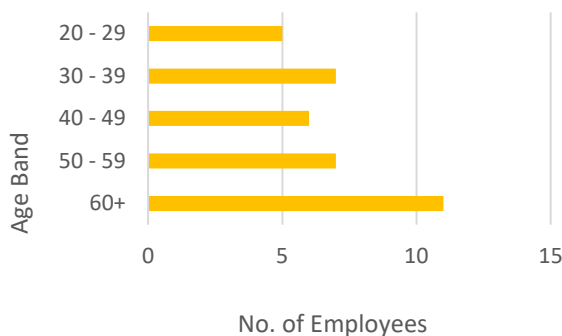
Employee Profile

As at 30 June 2022, Council employed 36 people in a diverse range of positions. The 36 positions comprise 28 full-time, 4 part-time and 4 casuals. Fourteen positions are based outdoors, with 22 positions based indoor.

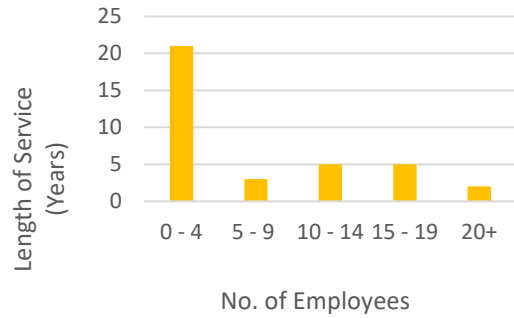
The overall gender profile of the workforce is 39% female and 61% male.



The average age of the workforce is 46 years (compared with 46 years as at 30 June 2021). The following chart provides a further break-down by age band.



The average length of service is 6 years. The following chart provides a further break-down.



Enterprise Bargaining Agreement

The Kentish and Latrobe Council multi-employer Agreement 2022 was approved by the Fair Work Commission in June 2022 and came into effect 10th June 2022.

Training and Development

In 2021-22, several employees undertook training and professional development courses and attended conferences of benefit and relevance to their positions at Kentish Council. An indication of the types of training undertaken is as follows:

- Certificate IV in Competitive Systems and Practices
- Control Traffic
- Chain Saw
- ChemCert
- First Aid
- LEAN Training
- Fire Warden
- Fire Extinguishers
- Technology One Software

OUR VOLUNTEERS

Kentish Council values the wonderful contribution that volunteers make to the community. Volunteers provide valuable assistance and enrich the lives of the people and groups they are helping.

Council is fortunate to have volunteers assisting in a number of areas supporting its capacity to deliver a range of service and programs.

There are a number of ways that people can volunteer within Kentish including the Council managed activities described below.

Visitor Information Centre

The Sheffield Visitor Centre experienced a disrupted 12 months, with a temporary visitor centre opened at the Sheffield Arts Centre to enable the redevelopment works to occur at the centre for a period of six months.

With the impacts of COVID-19 still affecting travel, international and intrastate visitation to the centre remained well down on previous years. With the redevelopment completed, showcasing the areas great attractions, and a relaxation of all border restrictions, early signs indicate a positive trend for tourism in the region.

Special Committees of Council

Council establishes special Committees of Council under the *Local Government Act 1993* to carry out specific functions on behalf of Council. These include the management of recreation centres and community halls, through to assessing proposals for new public art and considering new economic development opportunities for the municipality. Council had 20 special committees during the financial year, with over 75 volunteers from the community involved in these committees.



Above: Mayor Tim Wilson presents long standing Kentish Museum volunteer Barbara Wells with a certificate upon her retirement.

A large group of people, mostly older adults, are gathered in a hall or church. They are all wearing face masks. In the foreground, a man in a dark blue suit and a white face mask with a pattern of small flags is looking towards the right. Behind him, many other people are standing or sitting, some holding papers. The room has wooden walls and a balcony with a decorative railing and colorful bunting. A yellow banner is at the top of the image.

OUR PERFORMANCE

OVERVIEW OF PERFORMANCE

The table below provides an ‘at a glance’ overview of Council’s performance against the 2021/22 Annual Plan.

Council’s 2021/22 Annual Plan includes a number of key actions grouped according to the overall strategic objectives of Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development. Progress toward completing these actions is summarised below.

Strategic Objective	Progress on Actions
Governance and Organisational Development	 <p>■ Complete ■ In Progress ■ Delayed</p>
Economic and Community Development	 <p>■ Complete ■ In Progress ■ Delayed</p>
Infrastructure	 <p>■ Complete ■ In Progress ■ Delayed</p>
Planning and Development	 <p>■ Complete ■ In Progress ■ Delayed</p>



GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

“High quality, professional governance and leadership, together with effective administration of Council resources, are essential to the success of Council.”

ABOUT THIS OBJECTIVE:

This objective encompasses advocacy and leadership, governance, financial management, employee development and risk management.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2022.

Total Actions	Complete ✓	InProgress ↑	Delayed ✘
46	38	8	0

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 1.1 Advocacy and Leadership

To provide leadership for the community and advocate on its behalf to improve the economic, social and environmental wellbeing of the Kentish Council area.

2021/22 Annual Plan Actions	Status	Comments
Engage with State, Regional and Local Government bodies.	✓	Met with shadow Labor economic team and various other MHA's and federal members of parliament.
Develop and implement the Emergency Management Plan (includes Community Safety Plan).	✓	The Mersey Leven Emergency Management Plan is current and operational for the Kentish Municipality and includes Prevention Preparedness, Response and Recovery. Community safety is incorporated in the plan and associated documents.
Advocate for the retention and upgrading of the Mersey Regional Hospital.	✓	Continued to advocate for Hospital retention.
Advocate for the retention, upgrading and increased flights to Devonport Airport.	✓	Continued to advocate for airport services via advocacy with West X NorthWest, KaLIBA and indirectly with Tourism Tasmania.
Advocate for the rollout of the National Broadband Network to the Council area and improved phone, radio and television coverage in rural areas.	✓	Continued to advocate for improvements to NBN via the Cradle Coast Authority, KaLIBA and in discussions with state and federal elected members.
Advocate and promote the provision of a range of high-quality education and life-long learning opportunities in the municipality including retention of schools at Railton and Wilmot.	↑	
Prepare and submit a list of council and community projects to political parties as part of Federal and State Government election campaigns.	✓	Priority Projects list compiled and submitted to both major parties during federal election campaign.
Seek to expand the range of medical and family services available within the municipality.	✓	Continued to advocate for Kentish Medical Center and an increased GP presence. Also secured new childcare provider.
Support the Sheffield Railton Community Bank.	✓	Invited Community Bank representatives to Community Information Evenings to present.
Hold regular meetings with major service providers within the Kentish area (health, police, schools, clubs etc).	✓	Held regular community information evenings and met individually with stakeholders, such as Tasmania Police, Kentish House etc.
Support and respond to priority needs specifically affecting the Kentish community.	✓	Advocated for the community and responded to their needs post the June 11 windstorm.
Advocate for the needs of the Kentish elderly.	✓	
Work with other organisations to lobby for public transport for Kentish.	↑	
Actively lobby on behalf of the Kentish agriculture sector.	✓	
Advocate for the needs of the Kentish youth.	✓	Continued to deliver a range of youth programs.

Objective 1.2 Governance

To provide consistent, accountable, transparent and effective governance of the Council.

2021/22 Annual Plan Actions	Status	Comments
Continue to align business processes across Kentish and Latrobe Councils so wherever possible there is a single way of doing things that is common across both Councils to allow the most efficient sharing of services and resources across the councils.	↑	Delivered a new single (multi-employer) enterprise agreement across both councils. Continued to implement the One System Project and a single way of doing things.
Promote the professional development of elected members.	✓	Created awareness of LGAT training/development offerings for elected members.
Promote awareness of Council's Code of Conduct to elected members.	✓	
Participate in relevant state and regional initiatives and partnership agreements.	✓	
Utilise the Annual Report and Annual General Meeting to promote achievements of the Council.	✓	Annual Report utilized to promote achievements.
Examine specific service delivery options between Council and other providers.	✓	Continued to investigate alternate service delivery options and strategic partnerships, such as the creation of a 'Short Walks Capital' with Meander Valley Council.
Retain Kentish Council's identity whilst promoting resource sharing as an alternative to amalgamation with other Councils.	✓	Continued with Resource Sharing Agreement.
Communicate the Council's decisions, policies and activities and the reasons behind them, through the Council's website and standardised publications.	✓	Decisions communicated via ordinary minutes, website and social media.
Provide regular public forums within the Council area to obtain local input into decision making including social media opportunities.	✓	Conducted Community Information Evenings in Sheffield, Railton, Lower Barrington and Wilmot.

Objective 1.3 Financial Management

To secure the long-term financial viability of the municipality.

2021/22 Annual Plan Actions	Status	Comments
Undertake internal audit activities if required by Council's Audit Panel.	✓	
Determine updated property values for rating purposes for the 2022/23 financial year.	✓	
Continue the staged implementation of the One System Project across the Kentish and Latrobe Councils.	↑	
Upgrade Council's information technology infrastructure.	↑	
To achieve an underlying surplus over the medium to long-term.	✓	Council had an underlying deficit for 2021-22 mainly due to higher-than-expected road maintenance costs and cloud-based computer system implementation costs. Council's medium-term result is an underlying surplus.
To maintain fair and equitable rating levels.	✓	There were significant swings in property values both across and within different classes of properties following revaluation by the Valuer-General. Council applied rate increase caps and differential rating to lessen

		the sudden impact of these swings on rate bills.
Develop and annually review a financial strategy.	✓	
Review the ten-year financial plan each year.	✓	
Preserve and maintain an affordable level of service and Council viability through prudent financial management including additional income sources for Council.	✓	Rising prices, supply chain delays and weather events are putting pressure on Council's ability to maintain affordable service levels.
Provide resources to support the efficient and effective operation of Council's Audit Panel.	✓	

Objective 1.4 Employee Development

To develop skilled, experienced, motivated and accountable staff.

2021/22 Annual Plan Actions	Status	Comments
Provide and maintain adequate staff and resource levels to meet changing needs.	✓	Recruitment has been difficult due to a shortage in the labour market and wages competition with the private sector.
Identify and provide appropriate training and encourage development of all employees.	✓	Employees participated in various training and development opportunities.
Develop and review staff policies and where necessary, provide staff education and training.	✓	Human Resource related policies were reviewed and updated as required.
Develop and retain in-house skills through Council's Workforce Development Plan and Succession Plan.	✓	
Retain an in-house skills base to overcome the issue of succession planning and skill shortages.	✓	
Encourage commitment to Council's customer service charter.	✓	
Continue to develop and implement Council's workforce development and succession plans.	✓	
Continue to develop a leadership development program for senior management and team leaders.	✓	

Objective 1.5 Risk Management

To be actively committed to risk management.

2021/22 Annual Plan Actions	Status	Comments
Maintain and improve Council's risk management systems and culture.	↑	Risk Management Framework including updated standard operating procedures and training is to be rolled out in 2022-23. Ongoing review of policies/procedures.
Promote community awareness of risk management systems.	✓	Council's risk management processes are promoted via information evenings, newsletter, Council website, and social media.
Review Council's Risk Management Policy and Risk Management Framework.	↑	Risk Management Policy and Framework drafted – implementation in 2022-23.
Review Council's Corporate Risk Register and develop and monitor Risk Control Improvement Plans.	↑	Review of Corporate Risk Register commenced.



ECONOMIC & COMMUNITY DEVELOPMENT

“A strong local economy improves local employment opportunities and provides a broader range of services, facilities and infrastructure to the benefit of both the business and residential sectors. The range and quality of community services and events offered within the area plays a key role in making the Kentish area a special place to live by fostering community pride and involvement.”

ABOUT THIS OBJECTIVE:

This objective encompasses economic development, tourism, culture, festivals and events and community facilities and services.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2022.

Total Actions	Complete ✓	In Progress ↑	Delayed ✗
44	37	5	2

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 2.1 Business Development

To identify, promote and support economic development opportunities in the Kentish Council area.

2021/22 Annual Plan Actions	Status	Comments
Promote business recovery grants and free business support developed by the State Government to assist businesses recover from the Corona Virus pandemic.	✓	
Continue to implement the Action Plans identified in the Kentish Economic Development Strategy 2020 – 2025.	✓	
Build two new 2km descent trails from Kimberleys Lookout to the carpark as part of the Wild Mersey Mountain Bike Trail network.	↑	A development application was lodged for the new trails.
Actively promote the municipality as an ideal location to conduct business and commerce.	✓	
Support and assist potential and existing developers in identifying and managing opportunities for business growth and development.	✓	
Support the diversification of industries within the municipality to reduce reliance on major industry.	✓	
Prepare a database of business, social and environmental management skills available with the Kentish Council area.	↑	The Kentish and Latrobe Independent Business Association is developing the database on behalf of Council.
Attract and promote the advantages of living and investing in Kentish including regular updates of the Residents Kit.	✓	
Support pre-feasibility studies for major development opportunities.	✓	
Ensure resources are available to source and secure grants.	✓	
Support the actions recommended in the 'Mt Roland Developing a Destination' document.	✓	
Liaise with Cradle Coast Innovation to deliver business events and provide advice on business issues to the small business sector within the Kentish Council area.	✓	
Consider options to encourage economic growth to the area ('can do' approach for development).	✓	
Connect Kentish agriculture entities to new markets and new products.	✓	
Assist Kentish agriculture entities to explore value-adding and downstream processing.	✓	
Assist Kentish agriculture entities to connect to new local, regional, state and national opportunities.	✓	
Connect Kentish agriculture entities to business, skills and industry development opportunities.	✓	

Objective 2.2 Tourism

To promote, develop and support tourism.

2021/22 Annual Plan Actions	Status	Comments
Work with West by North West (WxNW) Regional Tourism Organisation to ensure effective visitor information services are provided to visitors of the region.	✓	
Work with Kentish tourism operators and organisations, plus state and regional tourism stakeholders, to develop a diverse and robust tourism industry through product development, industry development, marketing and lobbying.	✓	
Implement interpretative mural signage within the Mural Park and SVIC precinct.	✗	The scope of this initiative is yet to be determined and will be completed during 2022/23.
Complete the refurbishment of the Sheffield Visitor Information Centre.	✓	
Actively engage with the West by North West Regional Tourism Organisation and North West Regional Tourism Organisations.	✓	
Work in partnership with business operators and local tourism related groups to increase viability of visitor information services.	✓	
Review overnight self-contained camping areas within the Council area including retaining 'free' camping in Railton.	↑	On hold until community consultation is undertaken.
Support projects that improve the attraction of towns and villages (landscaping, signage etc)	✓	
Promote Kentish as a visitor destination.	✓	
Assist private sector in developing new visitor attractions and in improving visitor experience.	✓	
Connect private sector to industry development and skills development opportunities.	✓	

Objective 2.3 Culture, Festivals and Events

Work with the community to facilitate and celebrate festivals, events and culture.

2021/22 Annual Plan Actions	Status	Comments
Assist the development and promotion of various local community events.	✓	COVID-19 restrictions continued to impact the delivery of events.
Assist Kentish events to procure State and Federal Government funding.	✓	
Replace the Kentish event Bannerconda flags and Christmas decorations.	✓	
Work with relevant groups to increase awareness of local arts, history and culture.	✓	
Assist community groups to maintain, foster and promote existing events in Kentish.	✓	
Encourage new events throughout the municipality in shoulder season (Sep – Nov, May – July) to extend tourism season.	✓	New events included Australian Hot Rod Federal State Tour, Sheffield Youth Festival and the Glenlea Shield.
Support the Public Arts Committee Kentish (PACK) to approve or decline public artworks in the Kentish municipal area in line with policy and procedure.	✓	

Objective 2.4 Community Facilities/Services

To provide a range of quality community facilities and engage and empower our community to participate.

2021/22 Annual Plan Actions	Status	Comments
Continue to develop and improve walkways and bikeways within the Council area.	↑	The development of an Open Space, Sport and Recreation Plan will occur in the 2022/23 financial year.
Encourage community management of local cemeteries.	✓	
Support the Wilmot and Kentish Museums.	✓	Retirement of members of the Kentish Museum Committee will create challenges for the museum into the future.
Work with the State Government to identify initiatives that support the strategies within the Tasmanian Plan for positive aging that are relevant for the Kentish community.	↑	
Encourage volunteers through the recognition and celebration of their valuable contribution.	✗	Volunteer Week celebrations were cancelled due to the impacts of COVID-19.

Objective 2.5 Emergency Response and Recovery

Be prepared to respond to emergency situations and assist in the community recovery.

2021/22 Annual Plan Actions	Status	Comments
Continue the implementation of the Kentish Council COVID-19 Community Action Plan.	✓	Continued to monitor the community to identify special needs arising from the Covid 19 Pandemic. No additional needs were identified. Council maintained its Financial Assistance Program to assist those financially impacted by the pandemic.
Protect community assets in an emergency by having access to available resources when required.	✓	
Monitor Council's Community Recovery Plan to ensure the resources can be made available to assist the community during an emergency recovery response.	✓	



INFRASTRUCTURE

“Our population growth is supported through public infrastructure, land use and development strategies that create a connected, sustainable and accessible community.”

ABOUT THIS OBJECTIVE:

This objective encompasses management of the road network, stormwater infrastructure, parks and gardens and Council owned buildings.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2022.

Total Actions	Complete ✓	In Progress ↑	Delayed ✘
87	32	43	12

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis

Objective 3.1 Roads

To provide an appropriate, safe and well-maintained road network that caters for all road users throughout the municipality.

2021/22 Annual Plan Actions	Status	Comments
Further integrate the sharing of equipment and other resources into the normal operating practices of the Kentish and Latrobe Council workforces.	↑	Will remain ongoing.
Complete annual sealed roads reseal program.	✓	
Complete annual unsealed roads re-sheeting program.	✓	Also addressed damage from numerous extreme weather events.
Construct a roundabout at the intersection of Main Street and High Street, Sheffield.	↑	Priority focused on externally funded projects with tighter timelines for delivery. Design is progressing.
Commence reconstruction and safety improvements along Wilmot Road.	✓	Priority works complete.
Undertake road widening along West Nook Road from Sheffield Road to Tarleton Street.	↑	Priority focused on externally funded projects with tighter timelines for delivery. Design is progressing.
Undertake safety improvements along Cradle Mountain Road.	✓	
Undertake safety improvements at the Browns Hill Road and West Kentish Road intersection.	✓	
Undertake stabilization works along Tarleton Road.	↑	Design by consultant commissioned.
Install removable speed-humps on the road to the Lake Barrington Rowing Course.	✗	Solution was unacceptable by PWS as managers of the road.
Complete the Wilks Road Extension to provide access to Lorinna.	✓	
Sheffield Eastern Town Entry Streetscape – Streetscape works extending from previous stages to Claude Road.	✓	Funding for public art component was not undertaken due to lack of acceptance.
Investigate, consult and design the extension of Station Street to Claude Road.	✗	Subject to needs of the Operations Department Depot in Claude Road.
Replace fleet and plant items	↑	Some plant and equipment on order but not delivered.
Construct 400m of footpath along Dowbiggen and Leake Streets, Railton.	↑	Design ready for construction.
Extend the footpath along Main Street Sheffield 38pprox.. 320m from Torquay Street to Kermod Street.	✗	Have not been able to progress this item as a priority. Potentially needs reconsideration amongst other works including drainage within Sheffield.
Extend the footpath along Johnson Street 38pprox.. 230m to the north.	✗	The footpath project was assessed and given the limited width of the road reserve area it was determined to delay the project until the location of the mountain bike trails was confirmed.
Complete Sheffield Walking Track Safety Improvements.	↑	Concepts set and design commenced.
Commence a Historical Walk Concept Design for Sheffield Main Street.	✗	The project has been deferred until the 2023/24 year.
Extend the kerb and channel 38pprox.. 250m along Main Street from 132 Main Street to Formby Road.	↑	Concepts set and design commenced.
Extend the kerb and channel 38pprox.. 400m along Main Street from Dodder Rivulet to Johnson Street.	↑	Concepts set and design commenced.
Resurface the King George V Park Carpark.	✓	
Create 15 additional spaces in the Goliath Park carpark.	✓	
Improve and protect the steep bank gradient on Narrawa Road and Wilmot Road, Wilmot.	✓	
Review the Transport Services Asset Management Plan.	↑	
Provision of further off-street car parking areas adjacent to	✓	Reconfiguration of King George V

commercial districts as need exceeds supply.		carpark provided further off-street parking. A section at the rear of the Sheffield Shed was not incorporated in the reconfiguration and is subject to negotiations with the owner and the adjacent private laneway.
Maintain a policy of free parking within the municipality.	✓	
Extend footpaths and incorporate shared pathways including for mobility scooters where feasible.	✓	
Participate in State Government Department of State Growth initiatives including the community Road Safety Partnership Kentish/Latrobe (CRSP-Kla) and Traffic Management Committee.	✓	
Upgrade access to Lorinna.	✓	
Coordinate review of speed limits by Department of State Growth including towns and villages as requested.	✓	
Encourage landowners to maintain nature strips with assistance provided for elderly/disabled persons.	✓	
Investigate the feasibility and associated cost, benefits, risks of Community Groups being able to maintain Council owned assets.	↑	Some setback through COVID and loss of willing volunteer supervisors.
Prepare a Streetscape Plan for Wilmot.	✓	Works complete.

Objective 3.2 Stormwater

To develop and improve a system for stormwater reticulation and disposal.

2021/22 Annual Plan Actions	Status	Comments
Develop a stormwater model for Sheffield and Railton.	↑	Asset information needs to be captured. Budget allocation in 2022/23.
Replace stormwater infrastructure at the corner of Albert and Henry Street, Sheffield.	✓	Enacted, however overall capacity in the area is limited.
Implement recommendations from the Entura Report for the Railton Flood Mitigation Project.	↑	Alternative currently under consideration.
Extend the stormwater infrastructure to the northern side of the Sheffield Bowls Club.	✗	Not commenced.
Finalise the asset management plan for stormwater.	↑	
Review the stormwater asset management plan.	↑	
Upgrade and extend the Sheffield and Railton stormwater reticulation systems in consultation with TasWater and agreed priorities.	✓	No needs identified
Develop a policy to improve the open drains and creeks in the Kentish municipality as opportunities present.	✗	Will form part of updated Stormwater Asset Management Plan. Policy not developed, priorities addressed as they arise.
Develop a flood action plan for Railton.	✓	Produced by SES and made available.

Objective 3.3 Buildings

To ensure Council owned buildings and community facilities are maintained to a safe and functional standard and meet community needs.

2021/22 Annual Plan Actions	Status	Comments
Install two heat pumps at the Wilmot Youth Centre.	✓	
Install an access control system at the Sheffield Visitor Information Centre.	✓	

Install security access control system at the Kentish Council Office.	✓	
Replace the roof at the Barrington Hall.	✗	Substantial structural work is required for this to take place, pricing options for Council to decide.
Redevelop the grandstand at the Railton Recreation Ground.	✗	Low priority – insufficient funds to properly redevelop grandstand.
Extend the rear of the Railton Neighbourhood Building. Upgrade the Sheffield Depot Yard including fencing, surfacing and shed improvements.	↑	Delays due to Contractor availability and building requirements.
Install a shelter and signage at the Kentish Museum for the Whitworth Pounder Gun.	↑	Site for powder gun to be confirmed
Upgrade the street bins in Sheffield and Railton.	✗	
Finalise the asset management plan for buildings and community facilities.	↑	
Review the buildings and community facilities asset management plan.	✗	
Review Council's disability access plan.	↑	
Consider the feasibility of using solar energy and installing LED lights for Council buildings.	✗	

Objective 3.4 Parks and Reserves

To maintain our parks and reserves to an appropriate standard to enhance lifestyle.

2021/22 Annual Plan Actions	Status	Comments
Repair the Shelter Slab and Retaining Wall at Kentish Park.	↑	
Install signage at Kentish Park as part of the Signage Plan identified in the Kentish Park Master Plan.	↑	A precinct plan has been developed for this site and works will be undertaken next financial year.
Renovate the day-use picnic shelter to incorporate the former kiosk are and include seating and BBQs at Kentish Park.	↑	
Reinstate overgrown walking tracks at Lake Barrington Park.	↑	
Install BBQ facilities and lighting at Lake Barrington Park.	✓	
Formalise the walking track between the campsite and boat ramp at Lake Barrington Park.	↑	
Install town entry signage and historical plaques at Wilmot.	↑	
Develop the Kimberley Lookout including a level surface, retaining wall and signage.	↑	
Purchase land adjacent to the Redwater Creek Railway site.	✓	
Upgrade Blacksmiths Lane and the former Commonwealth Bank property at Main Street, Sheffield.	✗	Council is currently investigating ownership of the laneway. The former bank building has been leased out.
Install Bus Shelters in Railton.	✓	
Install youth activities at King George V Park.	✓	
Undertake landscaping works at the Sheffield Recreation Ground.	↑	
Undertake improvements at the Wilmot Cemetery.	↑	
Install a shelter for performances in King George V Park, Sheffield.	✓	
Install a shelter at the Wilmot Recreation Ground.	↑	
Install a shade structure at Goliath Park, Railton.	↑	
Install mural at Wilmot.	✓	The Weindorfer Mural has been installed at the Wilmot Hall.
Install solar lights and security cameras at priority sites.	✗	
Purchase and install Bannerconda poles and units at Main Street, Wilmot.	↑	
Upgrade trail experiences along the Wild Mersey Mountain Bike Trails.	✗	

Finalise the Parks and Reserves Land Improvement Asset Management Plan.	↑	
Review the Parks and Reserves Land Improvement Asset Management Plan.	↑	
Implement high priority recommendations of the King George V Park Revitalization Plan.	↑	
Complete and consider the recommendations of the Kentish Park Master Plan.	↑	
Complete and consider the recommendations of the Sheffield Recreation Ground Precinct Master Plan.	↑	
Complete and consider the recommendations of the Lake Barrington Park (Wilmot) Master Plan.	↑	
Prepare an improvement plan for Sykes Sanctuary to support the upkeep and promotion of the Sanctuary.	✘	
Prepare a maintenance and improvement plan for cemeteries in Sheffield, Wilmot, Railton and Lorinna.	↑	Improvements including pathways and landscaping were undertaken at the Wilmot Cemetery by a Community Group.

Objective 3.5 Natural Resource Management

To integrate natural resource management principles into Council's operational environment.

2021/22 Annual Plan Actions	Status	Comments
Utilise the Cradle Coast NRM strategy to identify and develop projects of greatest priority for this Municipality.	↑	Council received funding through the Weeds Action Fund to progress weed mapping in the Kentish Municipal area.
Support Mt Roland Rivercare Catchment Inc and assist local NRM groups and the community to deliver approved projects.	↑	Council staff continue to work alongside Mt Roland Rivercare group in support and to coordinate efforts towards weed management.
Review the Council's Weed Management Plan.	↑	The weed mapping will inform the progress and review of the Weed Management Plan.

Objective 3.6 Waste Management

To provide responsible waste management services.

2021/22 Annual Plan Actions	Status	Comments
Review Waste Management services for the municipality and implement strategy changes.	✓	Report to Council on kerbside recycling contract and FOGO.
Review findings of Organics waste collection trial in the Latrobe municipality and assess for service in Kentish.	↑	Report to Council on kerbside recycling contract and FOGO.
Landscape and improve appearance of Council Transfer Stations.	↑	Continuing.
Engage local schools in waste management/roadside litter management programs.	✘	Some set back through COVID and loss of willing volunteer supervisors.
Work closely with the Cradle Coast Waste Management Group in implementing waste minimisation projects.	✓	Group has adopted 5 year plan in consultation with Council.



PLANNING AND BUILDING

“The Council will aim for long term planning and development that is guided by a balance between economic, social and environmental objectives.”

ABOUT THIS OBJECTIVE:

This objective encompasses planning and building services, environmental health services, natural resource management and animal control.

OUR SCORECARD:

The scorecard outlines the number of actions identified for the year and the status of these actions at 30 June 2022.

Total Actions	Complete ✓	In Progress ↑	Delayed ✗
28	21	7	0

Note: Actions with a reoccurring nature have been marked as complete because they were undertaken within the financial year on an as needed basis.

Objective 4.1 Planning and Building Services

To effectively manage land use planning and building issues.

2021/22 Annual Plan Actions	Status	Comments
Undertake action required to finalise the new State-Wide Planning Scheme.	↑	The State Planning Provisions came into effect as part of the Tasmanian Planning Scheme in 2017 and are due for review. A scoping paper for the review was released in May, 2022 and Council will participate in the review process.
Introduce drone technology for plumbing inspections.	✓	
Provide statutory planning service to West Coast Council.	✓	
Administer and update the Planning Scheme to manage development and land use.	✓	The planning commission sought clarification on several issued with the draft local provisions schedules which were lodge in June 2020. One of the modifications made was replacing the proposed Sheffield Tourist Activity Site Particular Purpose Zone with a Sheffield Tourist Activity Specific Area Plan. Council is now awaiting direction to exhibit the draft local provisions schedule and seek submissions.
Enforce planning scheme and planning permit requirements.	✓	
Meet Council's statutory building services requirements.	✓	
Maintain and protect important elements of natural, cultural and built heritage throughout Kentish.	✓	
Consider providing opportunities for rural lifestyle allotments.	↑	
Undertake Strategic Planning Reviews for all towns and villages.	↑	

Objective 4.2 Health Services

To promote and maintain public health standards.

2021/22 Annual Plan Actions	Status	Comments
Co-ordinate food safety training for local businesses and organisations.	✓	Training provided online.
Administer school based immunisation program in conjunction with the Department of Health.	✓	
Review the Kentish Council Municipal Health Plan.	↑	
Prepare a Kentish Council Municipal Water/Health Report.	✓	
Promote healthy eating and lifestyle activities.	↑	
Conduct inspection of food premises to ensure a high level of food safety.	✓	
Undertake monitoring compliance, education and licensing to ensure public health and environmental standards are maintained.	✓	
Undertake assessments of proposed on-site waste-water disposal systems and monitor existing systems to ensure compliance with environmental standards.	✓	
Continue recreational water sampling program during the summer period.	✓	
Actively promote awareness of the 'no smoking' requirements in specific public places and assist private operators of public facilities	✓	

to understand and comply with the legislation.

Work in partnership with other service providers to meet the health and wellbeing needs of the Kentish Community. ✓

Co-ordinate Municipal Immunisations. ✓

Ensure 'Vaccination Program' employing a Nurse Immuniser is current. ✓

Objective 4.3 Animal Control and Regulatory Services

To encourage and recognise responsible animal ownership.

2021/22 Annual Plan Actions	Status	Comments
Introduce a range of factsheets to promote and raise awareness of responsible dog ownership.	✓	
Promote responsible dog ownership including compliance with the <i>Dog Control Act 2000</i> and Council's Dog Management Policy.	✓	
Promote responsible cat ownership and reduction of feral animals.	↑	Resourcing to meet Legislative changes.
Implement compliance requirements with regulations covering domestic animals and stray animals within the municipality.	✓	
Identify fire risks within the municipality and issue Fire Abatement Notices where required.	✓	
Consider a lifetime register for dogs system.	↑	Preparing analysis of costings.

STATUTORY COMPLIANCE



Section 72 of the *Local Government Act 1993* stipulates a range of matters which Council is required to report against within its Annual Report. This section of the Annual Report covers those legislative reporting obligations as well as a range of statistics which may be of interest to our stakeholders.

Community Consultation

Community consultation is a vital part of Council's planning and decision-making process. It assists Council to understand community priorities and issues and ensures community involvement.

Council undertakes consultation through Special Committees, community surveys, submissions, public meetings and individual consultations. Opportunities for community consultation are promoted in the regular community publication, on Council's website and Facebook page, in local newspapers and by direct contact from Council.

Major community consultations undertaken in 2021-22 included:

- Community forums in Sheffield, Wilmot, Railton and Acacia Hills/South Spreyton;
- Consultation for a range of important plans and projects including Local Government Reform, Sheffield Roundabout Project, Sheffield Main Street Revitalisation Public Art Preliminary Concept Design and Street Tree Plantings.

Committees of Council

The *Local Government Act 1993* provides for the establishment of Special and Advisory Committees of Council. These committees may include councillors, council staff and other persons as deemed necessary. The Act also allows for Council, by Instrument of Delegation, to delegate functions, duties or powers to a special committee.

Kentish Council has 20 special committees including an Audit Panel, Strategic Planning (towns) Committee, Grants Committee, Economic Development Committee, Public Arts Committee and a number of committees formed to oversee the running of Council assets (e.g hall committees).

Refer to page 9 for councillor representation on various committees.

Business Planning Framework

It is important that Council has detailed plans in place to guide its decision making to achieve strategic and operational outcomes.

Council has a number of strategies, plans and policies in place that it reviews on a regular basis to ensure it is progressing forward and achieving goals. This also ensures accountability for Council, its councillors, managers and staff.

The *Local Government Act 1993* requires councils to prepare the following documents:

- A strategic plan
- A financial management strategy and long-term financial plan
- A long-term strategic asset management plan
- A budget for each financial year
- An annual plan for each financial year
- An annual report for each financial year.

The Strategic Plan

The Strategic Plan is the key document which guides the direction of the Council over a ten year period. The plan incorporates the following vision for Kentish:

"Kentish is known as a distinctive place where people want to live; for its caring community that celebrates the arts, diversity, the awesome natural environment and its vibrant local economy."

The plan was produced following a comprehensive consultation process with the community, councillors and staff.

The plan comprises four key areas: Infrastructure, Economic and Community Development, Governance and Organisational Development and Planning and Development under which 18 objectives are identified as well as range of strategies to achieve the objectives.

A copy of the strategic plan is available from Council's website.

The Annual Plan and Budget

The Annual Plan and Budget are developed using the strategic plan and work towards achieving the objectives set out in the strategic plan.

The Annual Report

The Annual Report closes the loop in the process, reporting to the organisation and the community on each year's achievements and financial results.

Other Plans, Strategies and Policies

The following plans, strategies and policies were reviewed or adopted by Council during 2021/22.

Title	Date
Rates & Charges Policy	6 Jul 21
Annual Plan & Budget	6 Jul 21
Financial Management Strategy & Plan	6 Jul 21
Credit Card Policy	21 Sep 21
Gifts & Donations Policy	21 Sep 21
Sheffield Recreation Precinct Master Plan Update	21 Sep 21
Dealing with Difficult Customers Policy	16 Nov 21
Fraud Control & Corruption Prevention Policy	15 Feb 22
Investment Policy	15 Feb 22
Personal Information Protection (Privacy) Policy	12 Apr 22
Fencing Contribution Policy	12 Apr 22
Recruitment, Selection & Appointment Policy	17 May 22
Equal Employment Opportunity (EEO) & Diversity Policy	17 May 22
Harassment, Bullying & Antidiscrimination Policy	17 May 22

Audit Panel

See pages 67 - 68 for the Kentish Council Audit Panel Report.

Fraud and Corruption Initiatives

Kentish Council is the custodian of significant public funds and assets and it is important that all stakeholders have assurance that adequate fraud protection controls are in place. Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance. Council reviewed its Fraud and Corruption Control Policy and Fraud and Corruption Control Plan in February 2022. These documents are available on Council's website.

Council aims to prevent, deter and detect incidents of fraud and corruption by:

- raising awareness of the risk of fraud and corruption;
- taking necessary actions for its prevention;
- providing processes for the reporting and investigating of incidents; and
- protecting those who report suspected fraud or corruption incidents.

Code of Conduct

The Kentish Council Model Code of Conduct sets out the standards and behaviour expected of councillors with respect to all aspects of their role. There were no Code of Conduct complaints made against Councillors during the financial year.

Risk Management

Kentish Council recognises that risk management is an integral part of good management practice and is committed to establishing an organisational culture that ensures risk management is embedded in council activities and business processes.

Council engaged external consultants to review its Risk Management Framework during the 2021-22 financial year and adopted a revised framework in August 2022. Council expects to seek further external assistance to continuously improve its risk management practices including improved risk governance and a shared understanding of Council's risk appetite and improved application of Council's Risk Management Framework in Practice.

Workplace Health and Safety

Legislation

Kentish Council is governed by the *Workplace Health and Safety Act 2012*. The legislation aims to provide all workers in Australia with the same standard of health and safety protection regardless of the type or location of the work.

The WHS legislation provides a framework to protect the health, safety and welfare of all workers while at work and of other people who might be affected by the work

Health and Safety Committee

Council has a Work Health and Safety Committee which currently comprises four Health & Safety Representative (HSR), two management representatives and two other staff representatives.

Workplace Injuries

The total number of reported workplace injuries during 2020-21 was 2, with no injuries becoming Workers Compensation Claims.

Asset Management

Council's Asset Management Policy provides a framework to ensure that Council assets are effectively and efficiently managed whilst meeting community needs and expectations for current and future generations. Council's asset management objective is to ensure adequate provision is made for the long-term replacement of major assets by:

- Meeting legislative requirements for asset management;
- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
- Safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- Creating an environment where Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by training and development;
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated;
- Demonstrating transparent and responsible asset management processes; and
- Striving for continual improvement in asset management practices and outcomes.

Council has asset management plans in place covering the majority of its infrastructure assets. These asset management plans generally assume that the current levels of service will be maintained into the future and Council's Long-Term Financial Plan and fully funds the asset renewal requirements of the asset management plans. Council's Operations Manager is in the process of reviewing the current levels of service across both the Latrobe and Kentish Councils to ensure the community and staff are presented with a consistent and accountable approach. Delivery of these services in the best and most efficient manner will then assist in determining the future resourcing priorities of the Operations Department.

Joint Authorities

Section 30 (1) Local Government Act 1993

Kentish Council participates in two joint authorities; the Cradle Coast Authority and Dulverton Waste Management Authority. The following reports provide a summary of activities, budget and performance of the authorities during the 2021/2022 financial year.

Cradle Coast Authority (CCA)

On behalf of CCA team, the Board, Committee Members and Representatives, I present the 2021/22 Annual Report. Although the Annual Report is primarily about providing a snapshot of key functions, projects, outputs and the financial accountability of CCA; it also provides an opportunity to pause, reflect and celebrate the contribution from the hardworking and highly committed team who make it all possible. Our work this financial year has brought CCA closer to its overarching priority to provide a fully integrated service across resource management, regional economic development, service provision, advocacy and representation.

Many years ago, I came across the term VUCA; it was used to describe the global situation. At the time VUCA or Volatile, Uncertain, Complex and Ambiguous sounded like just another management campaign but nowadays it describes much of our reality.

Fortunately, much that is volatile is a long way from the Cradle Coast. There is however a degree of volatility that comes from the uncertainty around local government elections and the local government review. The challenge and opportunity for CCA going forward resides in the shape of future relationships and partnerships between individual councils and our collective – the Cradle Coast region, and the inevitable decisions about where and who is best placed to deliver what services. There are those aspects of local government that are difficult to define but primarily it is about form following function and the alignment to resources and community expectations. The outcomes from the election, the review and the Letter of Expectation will impact on the work of CCA.

Our work is complex and ambiguous because we work with multiple owners, multiple stakeholders, a diverse community and a dynamic political environment. Although the full extent of CCA's work is contained within the Annual Report, it is worth commenting on the value of the Regional

Investment Framework as an evaluation tool for the projects of regional importance. The projects were ratified by the Representatives and together with feedback from council workshops informed the Regional Advocacy Strategy in the lead up to the recent State and Federal Elections and will continue to inform our work in the next financial year.

We must also recognise the extraordinary amount of time and effort committed to the development of the Cradle Coast NRM 2030 Strategy and to the process of acquiring sign off by both the Federal and State Governments. This document can be viewed www.cradlecoast.com.

The development of the Coastal Pathway continues, with work currently being undertaken on the Penguin to Sulphur Creek, Don to Lillico and West Ulverstone stages. We thank Devonport, Latrobe and Central Coast Council for their contributions to this project and the outstanding work being undertaken to connect the various sections of the pathway. It will be an asset to our region.

Although there are no visible signs of the work undertaken by CCA on the Truck Wash and Effluent Dump Project, there are two sites that are ready to progress to design and construct subject to the new Federal Government's sign off. It is CCA's understanding that this will be part of the budget process.

Finally, it has been another productive year for CCA. We have responded to the complexities associated with delivering 'business as usual,' responding to the opportunities and challenges that arise from a period of rapid economic growth, providing both stakeholders and government with considered responses to the impact of current and future developments – all within a context of COVID recovery and potentially reshaping CCA for a future beyond the review of local government. There is no doubt that it is a VUCA context.

Sheree Vertigan AM, Chief Executive Officer
Cradle Coast Authority

Dulverton Waste Management

After 11 challenging, but highly enjoyable, years as CEO of the Dulverton Regional Waste Management Authority, it is somewhat surreal to be penning my final report for Owner Councils' Annual Reports. The new CEO will commence on the 29th of August, and I am confident she has the

people and resources to carry DWM's success into the future.

By any measure, 2021/22 was another strong year for DWM.

The total quantity of chargeable waste disposals managed by DWM increased by 1.5%, from 105,903 tonnes in 2020/21 to 107,471 tonnes in 2021/22. In 2021/22, waste diversion to the Dulverton Organics Recycling Facility (DORF) for recycling into compost totalled 28.4%, and an additional 8,000 tonnes of green waste mulch was accepted.

As the primary waste management provider in the region, DWM continues to provide waste expertise to the Cradle Coast Waste Management Group (CCWMG). Knowledge in landfill, organics recycling, kerbside recycling and other industry relevant activities allows DWM's services to be provided for the greater benefit of the region.

The 2021/22 Financial Year concluded far stronger than budgeted with profit exceeding budget. The result was influenced by revenue increases in some waste stream revenues, and one large unforeseen Landfill Special Project involving disposal of contaminated soil, which resulted in revenue being 17.7% above budget. Direct operational cost exceeded budget by 3.1% but given the increase in landfill tonnes (compared to budget) this is a great result. Overall operating expenses increased on the 2020/21 year by just 0.7%.

Pleasingly the amount of tax equivalents (or NTER - National Tax Equivalent Regime) paid and payable to the Owner Councils relating to the 2021/22 financial year, plus Dividends paid, surpassed \$1.7 million for the second year in a row. Dividends to Owner Councils are forecast into the foreseeable future.

Late 2022 will bring change to the Board composition, with long serving Chair Grant Atkins and Director and ARC Chair Jeff McNamara concluding their time on the Board. Both have been of tremendous support to me the past 11 years and I thank them and wish them well for the future.

I thank the Owner Representatives and Board for their support since I commenced in 2011. Together we have met the many challenges thrown at DWM. The organisation now has robust systems for WHS, environment, finance, business, risk

management and records management. The new Board and CEO have strong foundations and it will be with great anticipation that I will watch DWM continue from strength to strength.

With that I farewell all, knowing that I am likely to cross tracks with many of you into the future, I look back with pride on every day of my 11 years as CEO knowing that I have left a very strong organisation as my legacy.

Mat Greskie
(former) Chief Executive Officer

Statement of Activities

Section 21, Section 72 (1) (ca) Local Government Act 1993

The Council has not resolved to exercise any powers or undertake any activities in accordance with Section 21 (Enterprise Powers) of the *Local Government Act 1993*.

Statement of Land Donated

Section 72(1)(da) and Section 177 Local Government Act 1993

No land was donated by the Council under Section 177 of the *Local Government Act 1993*.

GST Dispute Statement

Local Government Act 1993 – Section 72A

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

Public Interest Disclosures

Public Interest Disclosure Act 2002

Council's Guidelines for dealing with matters under the *Public Interest Disclosure Act 2002* are available for viewing on the council's website at www.kentish.tas.gov.au or a copy can be made available by contacting the office.

There were no disclosures made to the Council during the year.

Integrity Commission

During the 2021-22 financial year, the Integrity Commission did not receive any complaints about Kentish Council.

Professional Service Providers:

Auditors: Tasmanian Auditor-General

Bankers: Commonwealth Bank of Australia

Insurance Brokers: JLT Risk Solutions

Valuers: Office of the Valuer-General

Legal: Tremayne Fay and Rheinberger

Complaints

Section 339F(5) Local Government Act 1993,
Section 339 (F) – Customer Service Charter – complaints

In accordance with Council's Customer Service Charter, a complaint must be in writing and is a dissatisfaction caused by:

- A Council product or service;
- Unsatisfactory conduct of a Council employee or agent; or
- A Council decision.

The number of complaints received in 2020/21 was 12 compared to 15 complaints in 2019/20.

Nature of Complaint	No. of Complaints
Product or service	4
Employee or agent	2
Council decision	1

Contracts for the Supply of Goods and Services

Regulation 29(1) Local Government (General) Regulations 2015 - requires Council to include prescribed information about contracts exceeding \$250,000 (ex GST).

Contractor/Supplier	Address	Description	Contract Period	Value (Ex GST)
Hardings Hotmix Pty Ltd	Industrial Drive, Ulverstone 7315	Supply of Hotmix Asphalt – Road Reseal Program	November 2021 - April 2022	\$380,503
Oliver Kelly Construction	134 Don Road, Devonport 7310	Sheffield Visitor Information Centre Refurbishment	Oct 2021 – April 2022	\$360,922
Flocon Engineering Pty Ltd	29-31 Apollo Drive Hallam Vic 3803	Supply of Hotmix Asphalt Truck and associated plant	June 2022	\$325,709

Regulation 29(3) Local Government (General) Regulations 2015 – requires Council to include prescribed information about contracts exceeding \$100,000 (ex GST) but less than \$250,000 (ex GST).

Contractor/Supplier	Address	Description	Contract Period	Value (Ex GST)
Hardings Hotmix Pty Ltd	Industrial Drive Ulverstone 7315	King George V Car Park Resurfacing	May 2022-June 2022	\$168,209
Valuelt Pty Ltd	Level 4 271 William St Melbourne 3000	Full Municipal Revaluation	October 2021-December 2022	\$104,500

Public Health Statement

Section 72(1)(ab) Local Government Act 1993

Section 72(1)(ab) of the *Local Government Act 1993* requires a statement of the Council's goals and objectives in relation to public health activities to be included in the Annual Report.

Council currently employs one full-time Environmental Health Officer. Council's Public Health and Environmental Health programs address a range of functions under the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial & Cremation Act 2002*, *Litter Act 2007* and *Environmental Management & Pollution Control Act 1994*. These functions include:

- Food Safety
- Disease Prevention and Control
- Public Health Education and Promotion
- Places of Assembly
- Public Health Risk Activities
- Immunisations
- Exhumations
- Public Health Emergency Management
- Air, Water and Solid Pollution
- Public Health Nuisances
- Recreational and Bathing Water Quality
- Cooling Towers and Warm Water Systems
- Unhealthy Premises
- On-Site Waste Disposal Systems

Operational statistics reflecting core environmental health activities undertaken include:

Activity	Total	Comments
Public Health Act 1997		
Mass Gatherings	2	Rowing – Lake Barrington
Private water supplies licences	48	Commercial businesses providing water from tanks, bores, etc
Drinking Water Cart licences	2	Drinking water carters
Regulated systems	1	Includes cooling towers
Registered Health Risk Activity	1	Includes tattooing, acupuncture etc
Recreation waters - natural	3	Lake Barrington – Kentish Park, Wilmot Picnic Area and Rowing Course sampled during the summer months
Recreation waters – pools and spas	1	One spa
Immunisations	96	Number of doses administered for the school-based immunisation clinic
Water complaints investigated	2	Water quality
Food Act 2003		
Registered food businesses	86	
Temporary food businesses	2	
Prosecutions	0	
Infringement Notices	0	
Food complaints investigations	6	
Other		
Notifiable diseases	0	
Private Burials	0	
Litter infringement notice	1	
Customer Requests	50	Various requests regarding noise, odour, fire hazards

Grants, Assistance and Benefits Provided

Section 77 (2) Local Government Act 1993

Details of grants, assistance and benefits made by the Council during the 2021/2022 financial year are as follows:

Organisation	Purpose	Amount (\$)
Community Events		
Junior Cattle Handlers Show of Tasmania	Sheffield School Show	1,000
Kentish Axeman's Club	Gowrie Park Wood Chopping Carnival	250
Oss Foley Endurance Riders Inc	Oss Foley Endurance Ride	250
Kentish Endurance Riders	Kentish Endurance Ride	500
Kentish Arts Commerce and Tourism	Mural Fest	10,000
Mersey Valley Devonport Cycling Club	Senior and Mini Master Tour	500
Sheffield School	End of year presentations	300
Weindorfer Memorial Committee	Weindorfer Memorial	2,750
Wilmot Tourism and Progress Association	Wilmot Community Celebration	750
Total		16,300
Organisation Funding		
Kentish Museum	Operational Costs	6,600
Wilmot Museum	Operational Costs	1,850
Mt Roland Rivercare	Operational Costs	6,000
Mt Roland Rivercare	Trust funds for future expenditure	4,000
Total		18,450
Community Grants		
Kentish Community Men's Shed	Metal workshop equipment	1,224
Kentish House	United by Compassion event	1,000
Kentish Scout Group	Camping Equipment	2,325
Lorinna Residents & Ratepayers Assoc	Lorinna Hall hot water system upgrade	2,500
Kentish Garden Club	FlowerFest and GardenFest Bannercondas	1,500
Sheffield Cricket Ground	Sheffield Recreation Ground outdoor net upgrade	2,500
Railton RSL	New POS machine	1,000
Kentish Regional Clinic	Train CORES volunteer facilitators	1,500
Wilmot Social Group	Wilmot Community Dance	1,000
Cornerstone Youth Services	Freshly Baked – Tasmanian Rock Challenge	2,000
Weindorfer Memorial Committee	Waldheim with Kate and Gustav Vignette	2,000
Total		20,549

RATE REMISSIONS – COMMUNITY ORGANISATIONS

Organisation	Amount (\$)
Sheffield Golf Club	1,263.31
Tashi Choling Dharma Foundation Inc.	1,008.60
Railton Bowls Club	1,100.04
Redwater Creek Steam & Heritage Society Inc.	1,157.37
Sheffield Rifle Club	408.49
Sheffield Rifle Club	552.15
Kentish Rodeo Association	1,076.72
The Tasmanian Arboretum Inc	384.93
Rowing Tasmania Inc	3,933.91
The Hub Incorporated	1,692.53
Lower Barrington Hall Committee	908.84
Wilmot Tourist & Progress Association Inc	842.36
Lorinna Residents & Ratepayers Association Inc	864.52
Nook Cricket Club	608.66
Total	16,182.43

FINANCIAL REPORT



UNDERSTANDING THE FINANCIAL REPORT

Introduction

Each year, individual councils are required to present a set of audited Financial Statements.

The Financial Statements are a public document that is included in council's Annual Report and presented at the Annual General Meeting of council.

What you will find in the Statements

The Financial Statements and notes to the report set out the financial performance, financial position and cash flows of Kentish Council for the financial year ended 30 June 2022.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards and the *Local Government Act 1993*.

About the Primary Financial Statements

Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenditure.

Other comprehensive income records items such as asset revaluations, the share of profits of associates and the investment in the water corporation.

Statement of Financial Position

A snapshot of council's financial position, including the Assets and Liabilities as at 30 June 2022.

Statement of Changes in Equity

The overall change for the year (in dollars) of council's 'net wealth'.

Statement of Cash Flows

Indicates where council's cash came from and where it was expended.

About the Notes to the Financial Report

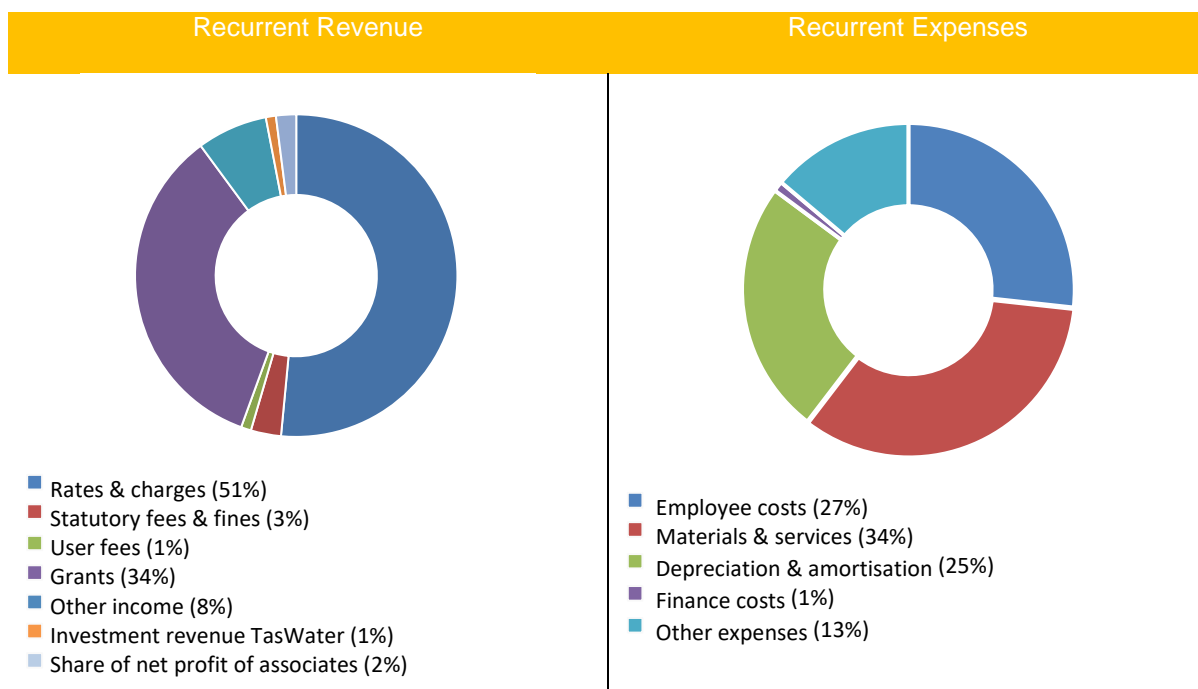
The Notes to the Financial Statement provide greater detail and additional information on the Primary Financial Statements.

Statement of Certification

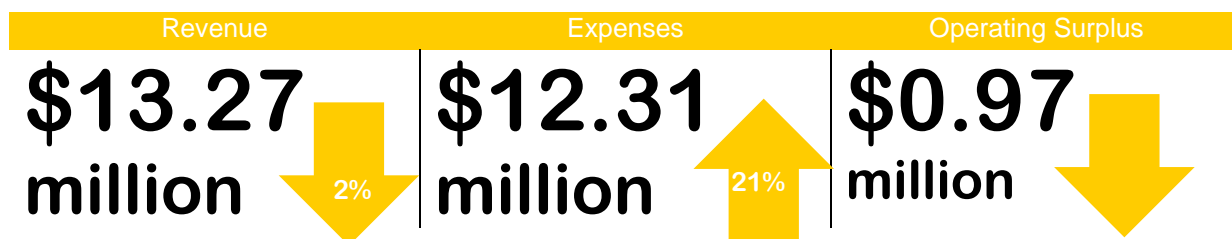
The Statement of Certification must be signed by the General Manager to confirm the financial report presents fairly the financial position of Kentish Council as at 30 June 2022.

FINANCIAL OVERVIEW

REVENUE & EXPENDITURE SOURCES

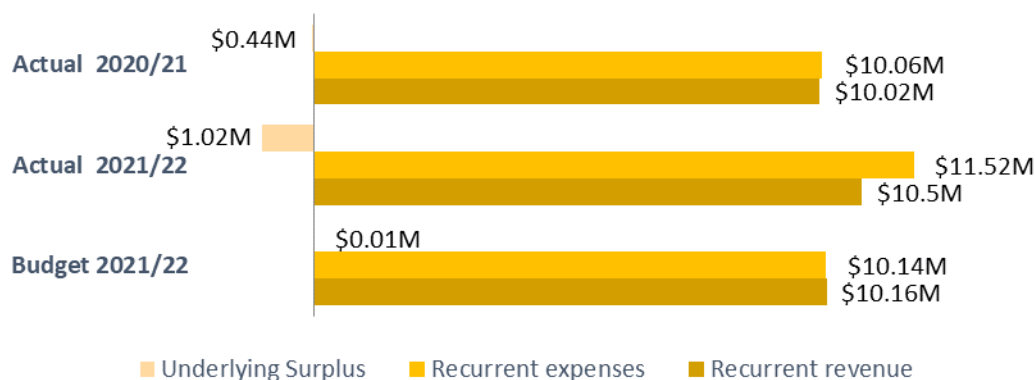


FINANCIAL RESULT COMPARED TO BUDGET



Council's underlying operating deficit was \$1.02 million

UNDERLYING RESULT



The calculation of Council's underlying result is shown at note 10.5 to the Financial Report.

CAPITAL BUDGET VARIANCES EXPLANATION

Total Capital Expenditure

\$144k

More than budget



\$156k



Roads, Streets & Bridges

Budget savings mainly on the Sheffield Eastern Town Entry Streetscape Project and annual unsealed roads re-sheeting program.

\$11k



Plant, Equipment & Other

Minor budget variances on various plant and equipment purchases.

\$169k



Buildings

This unfavourable variance is largely due to changes to the project scope for the Sheffield Visitor Information Centre refurbishment, including additional windows, floor repairs and the reinforcement of subfloor a rock feature, plus increased electrical work to allow for audio visual equipment.

\$144k



Land Improvements

This higher than budget expenditure is mainly due to changes in scope for the Wild Mersey Mountain Bike Trails project including sustainability and environmental measures, trail bridges, Tasmanian Trail gates, lookouts and bike racks.

MAJOR CAPITAL EXPENDITURE

\$756k Wild Mersey Mountain Bike Trails

\$548k Sheffield Visitor Information Centre Refurbishment

\$457k Road Resealing Program

\$291k Wilmot Road Reconstruction and Safety Improvements

\$263k Lorinna Access

\$192k King George V Car Park Resurfacing

\$181k Land purchase near Redwater Creek Railway

\$158k Native Rock Road Footpath

\$103k Sheffield Arts Centre

Comparison of Income Statement to Original Budget

	Original Budget 2021/22 (\$,000)	Actual 2021/22 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
Revenue					
Rates and charges	5,868	5,867	-1	0%	Rates revenue was in line with budget.
Statutory fees and fines	320	330	10	3%	Minor favourable variance to budget due to higher than budgeted development application fees and property information certificate fees.
User fees	116	129	13	11%	Favourable budget variance due to higher than budgeted property rental income.
Grants – Operating	2,983	3,871	888	30%	Favourable budget variance due to unbudgeted 2022/23 Commonwealth Financial Assistance Grants received in advance during 2021/22.
Interest	30	53	23	77%	Favourable variance to budget due to higher than expected interest rates from January 2022.
Other income	628	908	280	45%	Favourable variance partly due to higher than budgeted commissions for tourism bookings and interest reimbursements from the State for Covid-19 stimulus loans. The commissions are partly offset by payments to accommodation providers in Materials and Services.
Investment revenue from Water Corporation	106	106	0	0%	In line with budget.
Share of net profits/(losses) of associates	105	211	106	101%	Favourable variance due to increased returns from the Dulverton Regional Waste Management Authority.
Grants specifically for new or upgraded assets	3,404	1,325	-2,079	-61%	Unfavourable budget variance partly offset by favourable variance in grants for renewals. Remaining variance is due to delays in capital projects leading to delays in grant funds - including \$1.36m for Railton Flood mitigation and \$325k for Sheffield Main Street roundabout.
Grants for renewal of assets	0	468	468		Favourable budget variance due to change in classification of grants from new or upgrade to renewals.
Contributions-cash	0	6	6		Unbudgeted open space contribution.
Total Revenue	13,560	13,274	-286	-2.1	Overall minor unfavourable variance

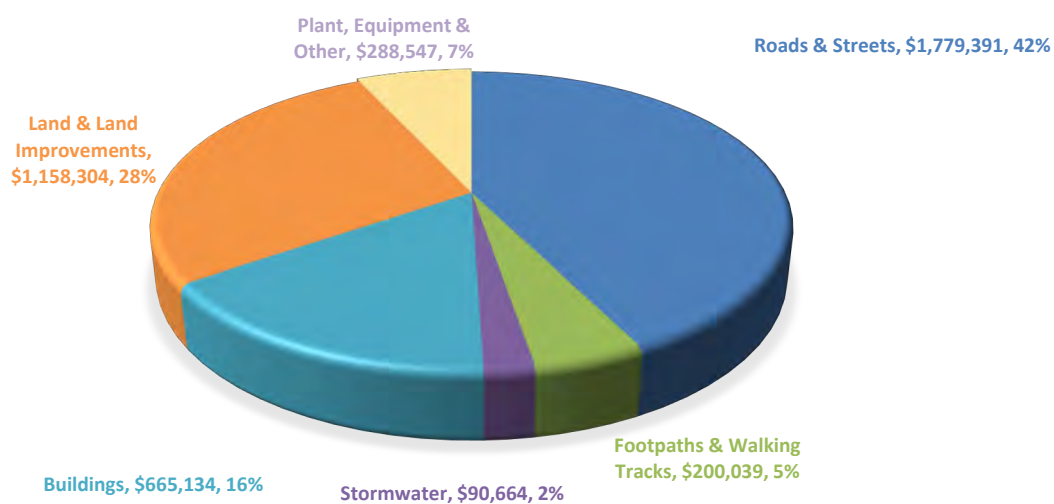
Comparison of Income Statement to Original Budget Continued

	Original Budget 2021/22 (\$,000)	Actual 2021/22 (\$,000)	\$ Variance (\$,000)	% Variance	Comments
Expenses					
Employee Costs	3,055	3,329	274	9%	Unfavourable variance, partially due to \$147,000 of labour originally budgeted to be applied to capital works remaining in operating costs. The balance of the variance related to unbudgeted redundancy costs and underestimated employee oncosts such as personal leave.
Materials and Services	3,023	4,183	1,160	38%	Includes \$157,000 more than budgeted commissions for accommodation booked through the Sheffield Visitor Information Centre (offset by additional revenue above). Also includes \$715,000 higher than budget expenditure on road maintenance, largely due to damage caused by weather events (including \$261,000 initial response and recovery costs for the windstorm event in June 2022) and \$200,000 higher than budgeted waste management costs.
Depreciation and Amortisation	3,186	3,049	-137	-4%	Favourable variance, partly offset by loss on disposal of infrastructure and plant below.
Finance Costs	57	114	57	100%	Unfavourable budget variance offset by interest subsidy reported in other income above.
Other Expenses	819	1,567	748	91%	Unfavourable variance mainly due to \$526,000 of capital grants for Wild Mersey Mountain Bike Trails at Warrabee transferred to Latrobe Council. Another significant variance was \$138,000 of costs relating to the implementation of Council's cloud-based computer systems that was originally budgeted as capital expenditure. Also, insurance premiums were \$64,000 higher than originally budgeted.
Net Loss on Disposal of property, infrastructure and plant	0	65	65	100%	Unbudgeted write off/disposals in Roads and Plant during the year.
Total Expenses	10,140	12,307	2,167	21%	Overall unfavourable variance
Net Surplus / (Deficit)	3,420	967	(2,453)	-72%	Overall unfavourable variance

Comparison of Capital Expenditure to Budget

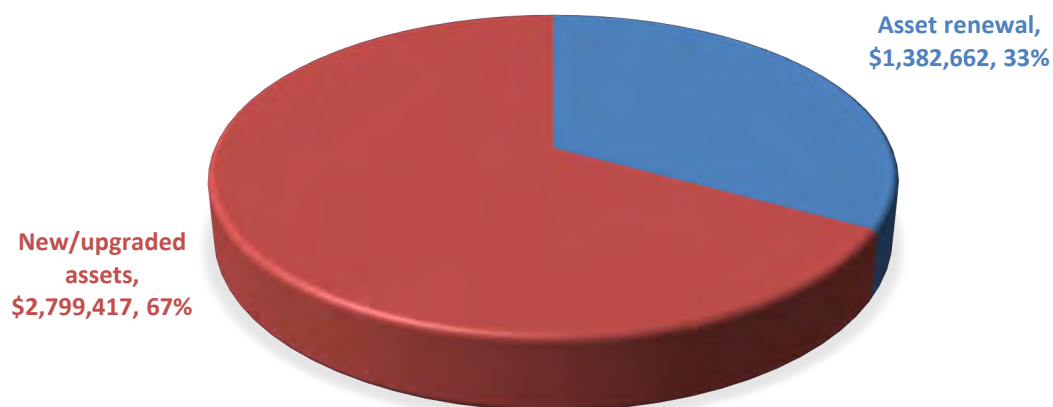
Capital Works Areas	Original Budget (\$,000)	Adjustment to Carry Forward (\$,000)	Mid-Year Budget Review (\$,000)	Adjusted Budget (\$,000)	2022 Capital Expenditure (\$,000)	Carry Forward to 2022/23 (\$,000)	Budget Variance (\$,000)
Roads & Streets	2,745	-31	-646	2,068	1,779	103	186
Footpaths and Walking Tracks	362	109	-286	184	200	15	-31
Stormwater	1,676	35	-1,565	145	91	42	12
Land & Buildings	484	35	145	664	665	169	-169
Land Improvements	1,190	456	-318	1,328	1,158	322	-153
Plant, Equipment and Other	1,218	129	-643	704	289	426	-11
Total Capital Works	7,675	733	-3,313	5,093	4,182	1,077	-166
Represented by:							
Asset Renewal	3,370	124	-1,469	2,025	1,383	563	79
New / Upgraded Assets	4,305	606	-1,844	3,068	2,799	492	-224
Total Capital Works	7,675	730	-3,313	5,093	4,182	1,055	-145

Capital Expenditure by Asset Type



Capital Expenditure – New and Existing Infrastructure

In measuring financial sustainability, it is important to distinguish between expenditure on new and upgraded assets and expenditure renewing existing assets. This distinction is graphically represented below: -



MANAGEMENT INDICATORS

The *Local Government (Management Indicators) Order 2014* (S.R. 2014, No. 36) prescribes and defines the financial and asset management sustainability indicators that councils must report on in their annual financial statements. The calculation of these management indicators is outlined in Note 10.5 of the Annual Financial Report attached to this Annual Report.

The following graphs and commentary show Council's performance against these indicators over the past four years and projected results over the next four years compared to suggested benchmark results.

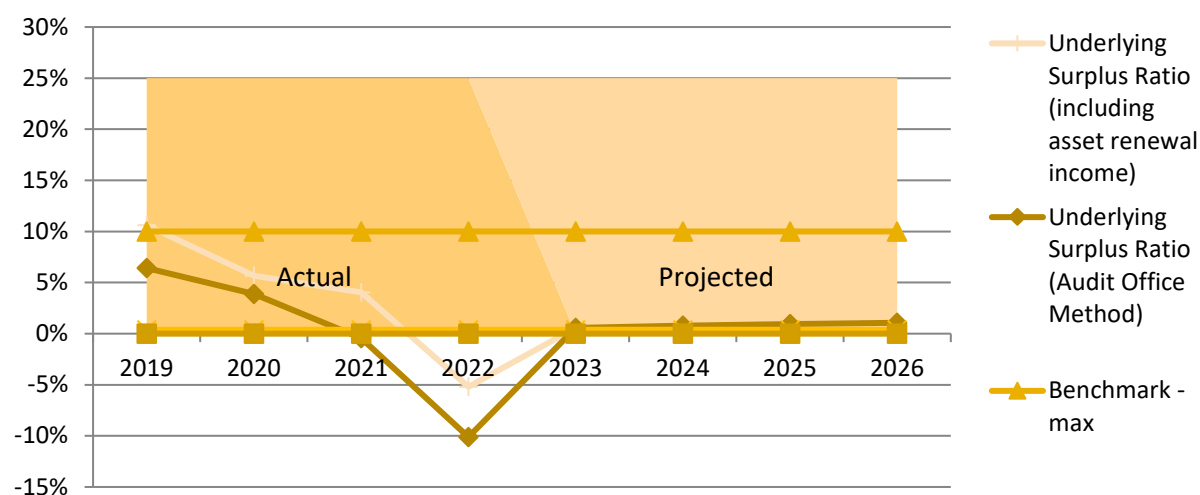
Council does not agree with the Tasmanian Audit Office approach of excluding all income funding capital expenditure when calculating the underlying result to measure sustainability, but rather agrees with the approach taken by some other states that only exclude income received specifically to fund new or upgraded assets. To enable comparison with other Councils, the result under this alternative approach is also shown below.

The main income item affected by this difference in approach is Commonwealth Roads to Recovery funding. Council believes that when this funding is applied towards renewing existing assets it is part of Council's sustainable result because it is not expanding Council's capital asset base and this funding has been continuously provided since 2009 and is expected to continue for the foreseeable future.

Underlying Surplus Ratio

This ratio measures the percentage by which Council’s ‘controllable’ income sources and ‘operating’ grants vary from day-to-day expenses (including depreciation). It serves as an overall measure of financial operating effectiveness.

	2019	2020	2021	2022	2023	2024	2025	2026	Average
Underlying Surplus Ratio (Audit Office Method)	6.4%	3.9%	-0.4%	10.1%	0.5%	0.8%	1.0%	1.1%	0.4%
Underlying Surplus Ratio (including asset renewal income)	10.6%	5.7%	4.0%	-5.2%	0.5%	0.8%	1.0%	1.1%	2.3%
To assess sustainability									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underlying Surplus (excluding income to fund new or upgraded assets)	669	385	-44	-1,013	62	89	112	128	49
Recurrent Income	10,430	9,911	10,015	10,015	11,276	11,522	11,767	12,070	10,876
Grants for renewal of assets	489	187	468	468	0	0	0	0	202



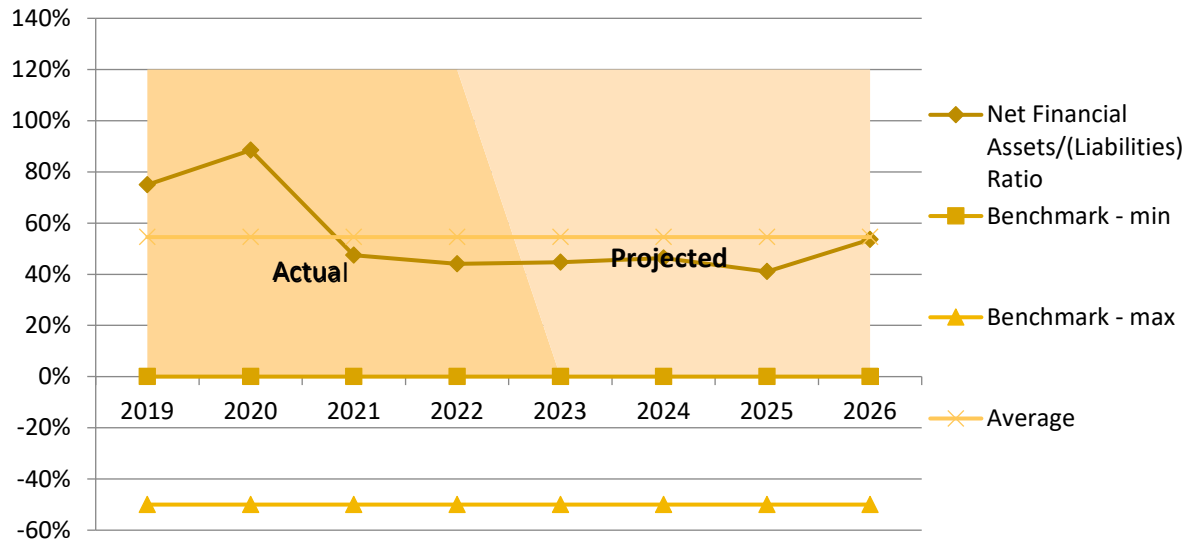
Sustainability should be assessed over a medium to long-term timeframe, so it is the average ratio that is the most relevant measure of Council’s performance. On average, over the past four years, Council’s results were within the benchmark range and are currently projected to remain within range over the next four years.

Net Financial Assets/(Liabilities) Ratio

This ratio indicates Council’s capacity to meet its financial obligations from its operating activities. Council’s trend of maintaining positive ratios indicates that it has no net debt and that its ability to sustain additional debt is significant.

Council’s ratio for this measure is well outside the benchmark range partially due to the majority of Council’s debt being transferred to the new Water Corporation on 1 July 2009 and partially due to an apparent past aversion to debt. Council’s current financial management strategy accepts debt as a legitimate funding source for new and upgraded assets. Council drew down loans in 2020/21 as can be seen in the below graph with the ratio decreasing but is expected to remain above the benchmark minimum moving forward.

	2019	2020	2021	2022	2023	2024	2025	2026	Average
Net Financial Assets/(Liabilities) Ratio	75.0%	88.5%	47.5%	44.0%	44.7%	46.3%	41.0%	53.6%	54.5%
To assess the level of debt held by Council									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Financial Assets/(Liabilities)	7,822	8,767	4,756	4,410	5,046	5,333	4,827	6,469	5,929
Recurrent Income	10,430	9,911	10,015	10,015	11,276	11,522	11,767	12,070	10,876

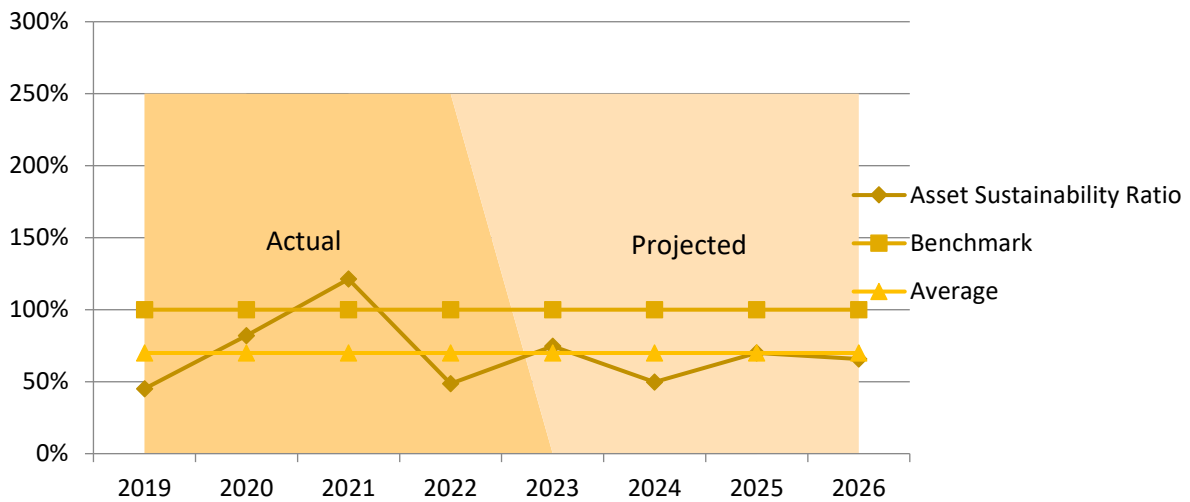


Asset Sustainability Ratio

To be consistent with the calculation method used by the Tasmanian Audit Office, the expenditure on renewals for calculation of this ratio is based on cash flows rather than on an accruals basis.

This ratio measures whether assets are being replaced at the rate they are wearing out. Council's average is below the benchmark, however Council aims to match its asset renewal with actual asset demand as identified by its asset management processes rather than the long-term average as indicated by this benchmark. It is expected that at some time in the future, Council's asset renewal expenditure will exceed the benchmark to compensate for the current below benchmark expenditure.

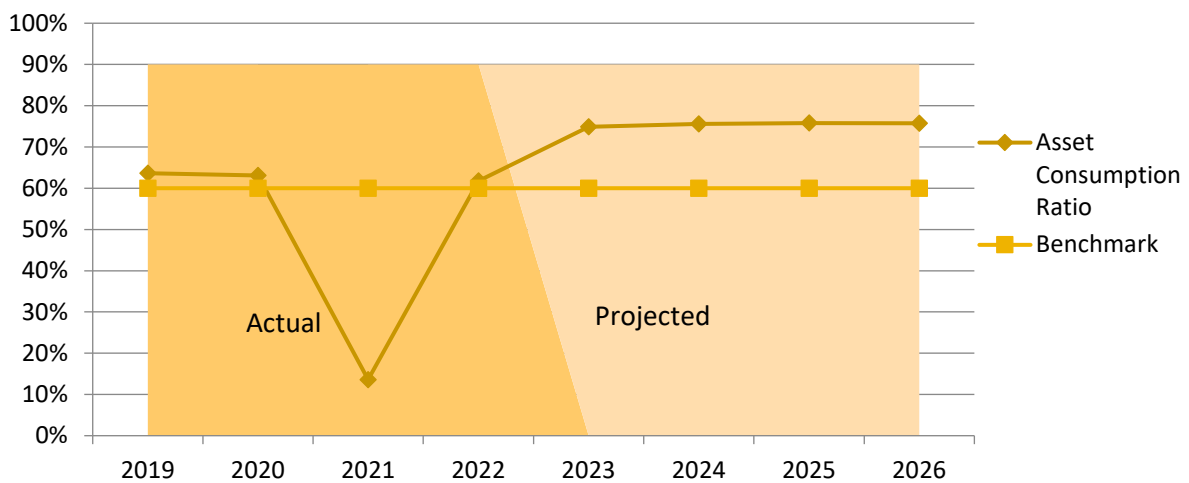
	2019	2020	2021	2022	2023	2024	2025	2026	Average
Asset Sustainability Ratio	45%	82%	121%	49%	75%	50%	70%	66%	70%
Indicates if assets are being renewed at the same rate as they are being consumed									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure on renewal of existing assets	1,146	2,426	3,773	1,483	2,461	1,679	2,425	2,337	2,216
Depreciation Expense	2,543	2,960	3,113	3,049	3,298	3,380	3,465	3,551	3,170



Asset Consumption Ratio

This indicator shows the average proportion of 'as new' condition left in Council's infrastructure assets. When used in conjunction with the asset sustainability ratio, Council's asset consumption ratio indicates that, on average, the Council's infrastructure is only around 30% into its expected useful life.

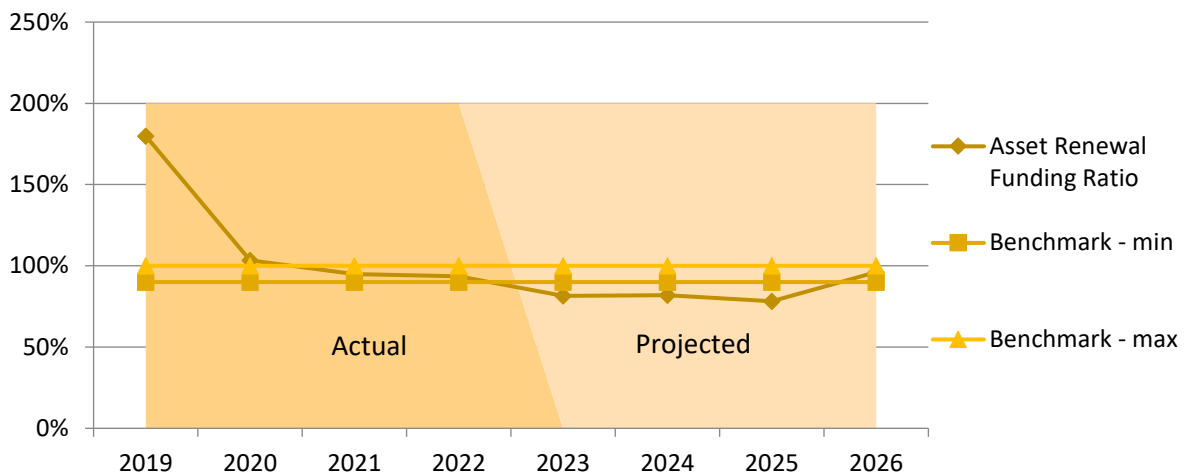
	2019	2020	2021	2022	2023	2024	2025	2026	Average
Asset Consumption Ratio	64%	63%	14%	62%	75%	76%	76%	76%	66%
Indicates the average portion of 'as new' condition left in assets									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciated replacement cost of assets	108,051	127,136	27,887	143,698	230,807	235,421	237,322	238,689	168,626
Current replacement cost of assets	169,824	201,582	204,853	232,553	308,161	311,403	313,154	315,014	257,068



Asset Renewal Funding Ratio

The current projected capital renewal outlays in Council’s Long-Term Financial Plan slightly exceed the projected expenditure demand as reflected by Council’s Asset Management Plans. The expenditure included in the Long-Term Financial Plan includes projects that were included in Council’s 10 Year Capital Works Program. Since the 10-year capital works program was included in updated asset management plans, the ratio has decreased to within the benchmark range.

	2019	2020	2021	2022	2023	2024	2025	2026	Average
Asset Renewal Funding Ratio	180%	103%	95%	93%	81%	82%	78%	96%	98%
Indicates financial capacity to continue to provide existing levels of asset-based service									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Present Value (NPV) of ten year projected capital renewal outlays	19,365	22,226	18,057	17,124	14,196	13,138	11,659	10,700	15,808
Net Present Value (NPV) of ten year projected capital renewal expenditure demand	10,764	21,488	19,022	18,320	17,428	16,028	14,910	11,134	16,137



AUDIT PANEL REPORT

Kentish Council Audit Panel Report to Council for the-year ended 30th June 2022.

Audit Panel Objectives

The objective of the Audit Panel is to provide an accountability mechanism in relation to Council’s financial, compliance, risk management and internal control activities. The panel reviews the council’s performance under section 85A of the Local Government Act and reports to the council its conclusions and recommendations.

Meeting Attendance – Audit Panel Members

Meeting Date	Mr Ben Coull (Chairman)	Cr Kate Haberle	Cr Stephen Mawer
24 August 2021	✓	✓	✓
23 November 2021	✓	✓	
22 February 2022	✓	✓	
31 May 2022	✓	✓	

Summary of the Audit Panel meetings held between July 2021 and June 2022

Meeting Date	Main Agenda Items / Outcomes
24 August 2021	<p>Stand-alone session</p> <ul style="list-style-type: none"> Received, reviewed and discussed the unaudited Annual Financial Report for 2020-21 Noted the reappointment by Council of Ben Coull as independent chairperson until 17 August 2025 and the reappointment of Councillors Haberle and Mawer until November 2022 Received a presentation from Tasmanian Audit Office regarding 2020-21 Audit Strategy <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> Reviewed and discussed Council’s cyber risk including receiving a report from management regarding Essential 8 compliance and cyber risk training programs. Reviewed and discussed Council’s Risk Management Framework and Corporate Risk Register Resolved to seek a proposal from Wise Lord and Fergusson including scope and price of to conduct an independent review of both councils’ Risk Management Framework and Corporate Risk Register Reviewed and discussed a self-assessment review survey to measure the effectiveness of the Audit Panel.
23 November 2021	<p>Stand-alone session</p> <ul style="list-style-type: none"> Discussed and reviewed 2020-21 Audited Annual Financial Report including TAO Audit Report together with TAO completion report KPMG presented the Memorandum of Audit Findings noting that there were no new audit findings and that open findings were reduced from 10 to 5, with most of the remaining open findings expected to be closed during 2021/22. Discussed and endorsed an Audit Panel Report to Council for the two-year period ended 30 June 2021 and recommend that council upload the report to its website and include it in its annual report. <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> Received a presentation from Council’s IT providers regarding Essential 8 cyber risk compliance and cyber risk training provided to staff and councillors. Reviewed and discussed Council’s revised Risk Management Framework

Meeting Date	Main Agenda Items / Outcomes
	<p>and recommended it to Council for adoption.</p> <ul style="list-style-type: none"> Resolved to engage WLF to deliver a review of Council's risk management policy and risk registers. Reviewed and discussed revised Fraud & Corruption Control Policy and Fraud & Corruption Control System and resolved to recommend these documents to the councils for adoption. Reviewed and discussed revised Investment Policy and resolved to recommend it to the councils for adoption. Reviewed, discussed and resolved to endorse Audit Panel self-assessment review.
22 February 2022	<p>Stand-alone session</p> <ul style="list-style-type: none"> Reviewed and discussed the previous year's audit management letter and managements update on actions taken to implement/address auditor recommendations. <p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> Reviewed, discussed and adopted Audit Panel annual work program for 2022. Reviewed and discussed the results of procurement spot checks conducted by Council's Supply Services (accounts payable) staff during May and June 2021 and determined that the results of the testing do not warrant a recommendation for further testing at this stage. Received a verbal report from management indicating management's risk-based approach to ensuring legislative compliance and resolved that the Audit Panel is satisfied with the explanations provided by management regarding legislative compliance and with the ongoing process and progress of reviewing and updating Council Policies Reviewed and discussed Tasmanian Audit Office Performance Audit report on Council general manager recruitment, appointment and performance assessment.
31 May 2022	<p>Joint session with Latrobe Council Audit Panel</p> <ul style="list-style-type: none"> Received a presentation from KPMG regarding 2021-22 Audit Strategy The Audit Panel reviewed and discussed the attached Accounting Position Paper outlining consideration of accounting policies, accounting standards, significant accounting estimates and significant accounting issues expected to impact preparation of the 2022 financial statements. The Audit Panel concurred with the staff recommendation to leave the current asset capitalisation thresholds unchanged. Received an update on the process and progress to date for development of the 2022-23 Annual Plan and Budget Received a briefing from the councils' HR Professional on Councils' recruitment policy, process and procedures and resolved to recommend that Council consider amending its recruitment policy to include a line noting that the General Manager is to advise the council when discretion to direct appoint an employee is used, including justification for the decision to direct appoint. Received an update from management regarding the recent Staff Survey.

Mr Ben Coull
Chairman

TASMANIAN AUDIT OFFICE OPINION



Independent Auditor's Report

To the Councillors of Kentish Council

Kentish Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Kentish 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 as at 30 June 2022 and its financial performance and its cash flows for the year then ended
- (b) are 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, 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 note 6.1 and 9.10</i></p>	
<p>Property and infrastructure at 30 June 2022 included land, land under roads, land improvements, buildings and infrastructure (roads, bridges, footpaths and drainage), totalling \$164.16 million recognised at fair value. 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.</p> <p>During the year, Council applied indexation to land, buildings, and infrastructure asset classes. These valuations are judgemental and highly dependent on a range of assumptions and estimates.</p> <p>Capital additions in 2021-22 totalled \$4.16 million to a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> • Evaluating indexation applied to assets between formal valuations. • Testing, on a sample basis, the mathematical accuracy of the indexation calculations. • Testing, on a sample basis, the allocation of costs between capital and operating expenditure, including costs capitalised to work in progress. • Assessing the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act*

1993 and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



Stephen Morrison
Assistant Auditor General
Delegate of the Auditor-General
Tasmanian Audit Office

6 March 2023
Hobart

KENTISH 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	5,868	5,867	5,519
Statutory fees and fines	2.2	320	330	372
User fees	2.3	116	129	130
Grants	2.4	2,983	3,871	2,617
Interest	2.6	30	53	55
Other income	2.7	628	908	829
Investment revenue from water corporation	2.9, 5.2	106	106	44
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	105	211	269
		10,156	11,475	9,835
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	3,404	1,325	1,812
Capital grants received specifically for renewal of assets	2.4	-	468	468
Contributions - cash	2.5	-	6	5
		3,404	1,799	2,285
Total income from continuing operations		13,560	13,274	12,120
Expenses from continuing operations				
Employee costs	3.1	(3,055)	(3,329)	(2,771)
Materials and services	3.2	(3,023)	(4,183)	(3,111)
Depreciation and amortisation	3.3	(3,186)	(3,049)	(3,113)
Finance costs	3.4	(57)	(114)	(64)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	-	(65)	(11)
Other expenses	3.5	(819)	(1,567)	(989)
Total expenses from continuing operations		(10,140)	(12,307)	(10,059)
Result from continuing operations		3,420	967	2,061
Net result for the year		3,420	967	2,061
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	9.1	-	166	559
Net asset revaluation increment/(decrement)	9.1	-	18,364	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	9.1	-	225	-
		-	-	-
Total Other Comprehensive Income		-	18,755	559
Total Comprehensive result		3,420	19,722	2,620

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	938	1,724
Trade and other receivables	4.2	255	460
Investments	4.3	12,000	10,600
Inventories	4.4	48	9
Other assets	4.5	717	241
Total current assets		13,958	13,034
Non-current assets			
Trade and other receivables	4.2	14	17
Investments	4.3	7	18
Investments in associates accounted for using the equity method	5.1	2,192	1,812
Investment in water corporation	5.2	6,786	6,620
Property, infrastructure, plant and equipment	6.1	166,185	146,873
Total non-current assets		175,184	155,340
Total assets		189,142	168,374
Liabilities			
Current liabilities			
Trade and other payables	7.1	2,652	1,537
Trust funds and deposits	7.2	69	45
Provisions	7.3	456	478
Interest-bearing loans and borrowings	8.1	134	125
Total current liabilities		3,311	2,185
Non-current liabilities			
Provisions	7.3	75	22
Interest-bearing loans and borrowings	8.1	5,731	5,864
Total non-current liabilities		5,806	5,886
Total liabilities		9,117	8,071
Net Assets		180,025	160,303
Equity			
Accumulated surplus		46,668	45,701
Reserves	9.1	133,357	114,602
Total Equity		180,025	160,303

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

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

	Note	Accumulated	Asset	Fair Value	Total
		Surplus	Revaluation	Reserve	Equity
2022		2022	2022	2022	2022
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		45,701	114,156	446	160,303
Net result for the year		967	-	-	967
Other Comprehensive Income:					
Fair Value adjustment on equity investment assets	5.2			166	166
Net asset revaluation increment/(decrement)	9.1		18,364		18,364
Share of other comprehensive income of associates & joint ventures accounted for by the equity method			225		225
Total comprehensive income		46,668	132,745	612	180,025
Transfers between reserves		-	-	-	-
Balance at end of the financial year		46,668	132,745	612	180,025
2021		2021	2021	2021	2021
		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		43,974	114,156	(113)	158,017
Adjustment due to IFRIC interpretation change - cloud systems		(334)	-	-	(334)
Restated opening balance		43,640	114,156	(113)	157,683
Net result for the year		2,061	-	-	2,061
Other Comprehensive Income:					
Fair Value adjustment on equity investment assets	5.2	-	-	559	559
Total comprehensive income		45,701	114,156	446	160,303
Transfers between reserves		-	-	-	-
Balance at end of the financial year		45,701	114,156	446	160,303

The above statement should be read 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		5,911	5,501
Statutory fees and fines		330	373
User charges and other fines		434	419
Grants		3,872	2,618
Interest Received		53	62
Investment revenue from water corporation	2.9	106	44
Other receipts		1,096	1,195
Dividends received from associate		56	56
Net GST refunds received		742	1,147
Payments to suppliers		(4,655)	(5,406)
Payments to employees		(3,298)	(2,817)
Finance costs Paid		(114)	(64)
Other payments		(1,556)	(806)
Net cash provided by (used in) operating activities	9.2	2,977	2,322
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(4,169)	(9,163)
Payments for intangibles		-	-
Proceeds from sale of property, infrastructure, plant and equipment		107	177
Capital grants		1,793	2,280
Capital contributions		6	5
Net payments for investments		(1,400)	(740)
Net cash provided by (used in) investing activities		(3,663)	(7,441)
Cash flows from financing activities			
Payments from trust funds and deposits		24	1
Repayment of interest bearing loans and borrowings	9.3	(124)	(118)
Proceeds of interest bearing loans and borrowings	9.3	-	5,100
Net cash provided by (used in) financing activities		(100)	4,983
Net increase (decrease) in cash and cash equivalents		(786)	(136)
Cash and cash equivalents at the beginning of the financial year		1,724	1,860
Cash and cash equivalents at the end of the financial year	9.4	938	1,724
Restrictions on cash assets	4.1		
Financing arrangements	9.5		

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

Note 1 Overview

1.1 Reporting entity

- (a) The Kentish Council was established in 1907 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 69 High Street Sheffield Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

These financial statements are a general purpose financial report that consists of a Statement 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. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 4.4, 5.2, 6.1, 7.3 and 8.1.

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.

Special Committees of Management have been included in this financial report. All transactions for these committees have been incorporated. Details of committees included in this financial report are detailed in note 10.2.

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, 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 5.2.

1.4 Change in accounting policy - configuration and customisation of cloud based computer software systems

In previous financial years, Council has classified cost of configuring and customising its cloud-based software systems as intangible assets and has amortised these costs over the expected life of the relevant software-as-a-service (saas) agreement. Following a decision issued in December 2021 by the International Financial Reporting Standards Interpretations Committee (IFRIC), Council has changed its accounting treatment of such costs.

Costs of configuring and customising cloud-based software systems are now expensed upfront if they are a distinct service separate from the services provided in accordance with the saas agreement or if they are provided by Council staff or a third-party supplier.

Where cloud-based configuration and customisation is not a distinct service from the services provided in accordance with the saas agreement, they are recognised initially as a prepaid asset and then amortised over the term of the saas agreement.

This change in accounting policy has been applied retrospectively and the impact of the change is summarised in note 11.1

1.5 Functions/Activities of the Council

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

	Grants \$'000	Other \$'000	Total Revenue \$'000	Total Expenditure \$'000	Surplus/ (Deficit) \$'000	Assets \$'000
Governance and administration						
2021 - 2022	1,968	5,425	7,393	(1,472)	5,921	21,057
2020 - 2021	1,418	5,149	6,567	(958)	5,609	19,911
Roads, streets and bridges						
2021 - 2022	3,040	27	3,067	(5,330)	(2,263)	129,961
2020 - 2021	2,889	27	2,916	(4,960)	(2,044)	118,869
Stormwater/ Drainage						
2021 - 2022	-	-	-	(123)	(123)	4,004
2020 - 2021	-	-	-	(81)	(81)	3,294
Waste management						
2021 - 2022	7	1,054	1,061	(1,029)	32	2,193
2020 - 2021	-	1,055	1,055	(853)	202	1,812
Environmental health/ environmental management						
2021 - 2022	-	5	5	(118)	(113)	-
2020 - 2021	-	27	27	(114)	(87)	-
Development and regulatory services						
2021 - 2022	10	929	939	(1,472)	(533)	-
2020 - 2021	-	850	850	(1,249)	(399)	-
Buildings and community amenities						
2021 - 2022	35	214	249	(1,190)	(941)	17,606
2020 - 2021	-	182	182	(955)	(773)	14,370
Economic and community development						
2021 - 2022	604	7	611	(1,066)	(455)	10
2020 - 2021	591	5	596	(518)	78	9
Parks and reserves						
2021 - 2022	-	6	6	(570)	(564)	13,115
2020 - 2021	-	2	2	(445)	(443)	8,819
Operations						
2021 - 2022	-	-	-	6	6	1,197
2020 - 2021	-	-	-	-	-	1,291
Total						
2021 - 2022	5,664	7,666	13,330	(12,363)	967	189,142
2020 - 2021	4,897	7,297	12,194	(10,133)	2,061	168,374

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

	2022	2021
Current assets	13,958	13,034
Non-current assets	175,184	155,340
	<hr/>	<hr/>
	189,142	168,374

(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.

Stormwater/ Drainage

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

Waste management

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

Environmental health/environmental management

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.

Development and regulatory services

Administration of the town planning scheme, subdivisions and urban and rural renewal programs, building permit authority operations, animal control and other regulatory services

Building and community amenities

Operation and maintenance of buildings owned or operated by Council.

Economic and community development

Economic development, visitor information, youth services, community engagement, community grants, cultural events and festivals.

Parks and reserves

Operation and maintenance of public parks and reserves.

Operations

Unallocated operations/ works depot and management costs

	2022	2021
	\$'000	\$'000

Note 2 Revenue

Note 2.1 Rates and charges

Council uses Assessed Annual Value (AAV) valuation to calculate the rates applied on all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO).

The AAV used to calculate general rates for 2021-2022 was \$54.0 million (2020-2021 \$53.3million). The 2021-2022 rate in the dollar of assessed annual value was 6.012 cents (2020-2021, 5.831 cents).

Residential	853	780
Rural residential	1,907	1,758
Commercial	422	393
Community services	104	101
Industrial	165	161
Mining	7	6
Recreation	15	15
Primary production	1,264	1,224
Vacant	216	206
Sundry rates adjustments	(11)	21
Fire Levy	224	215
Garbage charge	718	660
Less discount for early payment	(17)	(21)
Total rates and charges	<u>5,867</u>	<u>5,519</u>

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 July 2014, and the valuation was first applied in the rating year commencing 1 July 2015. Since that time Council has applied adjustment factors provided by the Office of the Valuer General (OVG), usually every two years. The OVG recently revalued land within the municipal district as at 1 July 2021, however, these updated valuations will first be applied for rating purposes during the 2022-2023 financial year.

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.

	2022	2021
	\$'000	\$'000
Note 2.2 Statutory fees and fines		
Animal control	57	70
Building fees	136	150
Health fees and fines	(1)	19
Land information certificates	50	48
Town planning fees	88	85
Total statutory fees and fines	<u>330</u>	<u>372</u>

Accounting policy

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

Note 2.3 User fees		
Rental/ hire - buildings and facilities	114	117
Other fees and hire charges	15	13
Total user fees	<u>129</u>	<u>130</u>

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.

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

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 depreciated current replacement cost.

	2022	2021
	\$'000	\$'000
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	4,828	4,521
State funded grants	836	376
Total	<u>5,664</u>	<u>4,897</u>
Grants - recurrent		
Commonwealth Government Financial Assistance Grants - General Purpose (Untied)	1,968	1,418
Commonwealth Government Financial Assistance Grants - Roads (Untied)	1,801	1,121
Heavy Vehicle Motor Tax distribution	59	59
Youth and Community	16	3
Economic development	10	16
Planning	10	-
Waste Management	7	-
Total recurrent grants	<u>3,871</u>	<u>2,617</u>

	2022	2021
	\$'000	\$'000
Accounting policy		
Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.		
The performance obligations are varied based on the agreement, but include completion of infrastructure upgrade projects.		
Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.		
For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.		
Capital grants received specifically for new or upgraded assets		
Economic development grants	578	571
Roads	464	1,221
Bridges	248	-
Road safety	-	20
Railton Neighbourhood Centre improvements	35	-
Total capital grants specifically for new or upgraded assets	1,325	1,812
Capital grants received specifically renewal of assets		
Roads to Recovery	468	468
Total capital grants specifically for renewal of assets	468	468
Total capital grants	1,793	2,280

Conditions on grants

Council had no non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions.

	2022	2021
	\$'000	\$'000
Note 2.5 Contributions		
(a) Cash		
Capital Contributions - Roads	6	-
Capital Contributions - Sport & Recreation	-	5
Total capital contributions	<u>6</u>	<u>5</u>

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

Note 2.6 Interest		
Interest on cash and cash equivalents	53	55
Total	<u>53</u>	<u>55</u>

Accounting policy
Interest income
Interest is recognised progressively as it is earned.

	2022	2021
	\$'000	\$'000
Note 2.7 Other income		
Commission income	538	382
Sundry refunds and reimbursements	143	82
Insurance recoveries	22	27
Retail sales	47	42
Tax equivalents - Dulverton Waste Management	91	89
Sundry income	67	207
Total other income	<u>908</u>	<u>829</u>

Accounting policy
Commission income
Commissions are recognised as revenue when the service to which the commission relates has been provided. Commissions received in advance are recognised as a prepayment until they are due.

Dulverton tax equivalents
Dulverton income tax equivalent revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

Note 2.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale	107	177
Write down value of assets disposed	(164)	(179)
Additional disposal costs	(8)	(9)
Total	<u>(65)</u>	<u>(11)</u>

Accounting policy
Gains and losses on asset disposals
The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Note 2.9 Investment revenue from water corporation		
Dividend revenue received	106	44
Total investment revenue from water corporation	<u>106</u>	<u>44</u>

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

	2022	2021
	\$'000	\$'000
Note 3 Expenses		
Note 3.1 Employee costs		
Wages and salaries	2,587	2,032
Annual leave and long service leave	219	299
Superannuation	218	212
Fringe benefits tax	17	28
Payroll Tax	123	106
Training	9	14
Professional development	2	1
Protective clothing	11	11
Workers compensation insurance	61	45
Contract employee costs	169	222
Other employment related expenses	21	19
Total employee costs	<u>3,437</u>	<u>2,989</u>
Less capitalised wages	108	218
Net wages	<u>3,329</u>	<u>2,771</u>

Accounting policy

Employee costs

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.

Kentish Council and Latrobe Council have a formal resource sharing agreement. The labour hire cost of Latrobe employees resource shared with Kentish Council is included in wages and salaries above.

Note 3.2 Materials and services		
General materials	337	480
Contracts - general	2,739	2,006
Fuel	136	86
Fleet maintenance	232	206
Repairs & maintenance	20	4
Minor equipment purchases	18	18
Property holding costs	71	55
Property maintenance costs	44	108
Communications costs	51	44
Marketing and Advertising	47	84
Legal costs	48	15
Levies, Licences etc	63	61
Consultants	157	102
General expenses	660	428
IT maintenance	225	185
Internal Cost Allocation	(665)	(771)
Total materials and services	<u>4,183</u>	<u>3,111</u>

	2022	2021
	\$'000	\$'000

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 Depreciation and amortisation

Property

Land improvements	49	44
Buildings	336	331

Plant and Equipment

Plant and Equipment	190	199
Computers, furniture and fittings	54	34

Infrastructure

Roads, bridges and footpaths	2,355	2,443
Drainage	65	62

Total	3,049	3,113
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	2022	2021
	\$'000	\$'000
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 Years
Property		
Land improvements		5-100
Buildings		
buildings		20-120
building improvements		20-120
leasehold building improvements		20-120
Plant and Equipment		
plant, machinery and equipment		5-20
fixtures, fittings and furniture		2-20
computers and telecommunications		3-5
Infrastructure		
Roads		
road surface - unsealed roads		3-7
road pavement - sub-base		138-204
road pavement - sealed basecourse		69-102
road surface - sealed roads		12-30
road kerb and channel		80
Bridges		20-80
Other Infrastructure		
footpaths and cycleways		20-80
drainage		50-80

	2022	2021
	\$'000	\$'000
Note 3.4 Finance costs		
Interest - Borrowings	114	64
Total	<u>114</u>	<u>64</u>

Accounting policy

Finance expense

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

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period.

Finance costs are expensed as incurred. Borrowing costs include interest on bank overdrafts, and interest on borrowings.

Note 3.5 Other expenses		
External auditors' remuneration (Tasmanian Audit Office)	45	20
Adjustment - change in accounting methods for configuration of cloud-based software system	138	183
Audit panel costs	4	4
Councillors' allowances	141	139
Councillors' expenses	1	5
Councillors training expenses	4	2
Bank Fees	37	27
Election and electoral role expenses	3	3
Electricity & Gas	58	61
Fire levies	226	214
Insurance	153	83
Contributions to community organisations and events	90	130
Wild Mersey Grant Funds transferred to Latrobe Council	531	-
Registrations and licenses	-	1
Revaluation decrement - investments	11	-
Subscriptions	90	86
Land tax	35	31
Total	<u>1,567</u>	<u>989</u>

Accounting policy

Other expenses

Expenses are recognised in the Statement of Profit or Loss and Other 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.

	2022	2021
	\$'000	\$'000
Note 4 Current Assets		
Note 4.1 Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	259	361
Special Committee bank accounts	158	142
Trust bank accounts	4	4
Money market call account	516	1,216
Total cash and cash equivalents	<u>938</u>	<u>1,724</u>

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)	69	45
Restricted funds	<u>69</u>	<u>45</u>
Total unrestricted cash and cash equivalents	<u>869</u>	<u>1,679</u>

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 six 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.

Note 4.2 Trade and other receivables

Current

Rates debtors	101	145
Other debtors	54	82
Resource sharing debtor - Latrobe Council	-	117
Net GST receivable / (payable)	100	116
Total	<u>255</u>	<u>460</u>

Non-current

Loans and advances to community organisations	14	17
Total	<u>14</u>	<u>17</u>
Total trade and other receivables	<u>269</u>	<u>477</u>

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

2022
\$'000

2021
\$'000

Accounting policy

Trade and other receivables

Accounting policy

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

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

Note 4.3 Investments

Current		
Term Deposits	12,000	10,600
Total	12,000	10,600
<i>Non-current</i>		
Investment - Community Bank	7	18
Total	7	18

Accounting policy

Financial assets

Council's investment in term deposits are held to maturity for principle and interest and are measured at amortised cost.

Council's investment in the Sheffield and Railton Community Bank is classified and measured at fair value through profit or loss.

Note 4.4 Inventories

Inventories held for distribution	38	-
Inventories held for sale	10	9
Total	48	9

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.

Note 4.5 Other assets

<i>Current</i>		
Prepayments	431	207
Accrued income	286	34
Total	717	241

* Accrued income only includes items that are reciprocal in nature.

	2022 \$'000	2021 \$'000
Note 5 Investments		
Note 5.1 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Dulverton Regional Waste Management Authority	2,192	1,812
Total	<u>2,192</u>	<u>1,812</u>
Dulverton Regional Waste Management Authority		
<i>Background</i>		
Council is a partner in the Dulverton Regional Waste Management Authority, a joint Authority established under the Local Government Act 1993. The primary activity of the Authority is to operate regional landfill site at Dulverton. Other partners in this Joint Authority are Devonport City, Central Coast and Latrobe Councils.		
Council's ownership interest in the Authority at 30 June 2022 was 8.48% (2021: 8.48%). The proportion of voting power held in the Authority is 25%.		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	1,396	1,183
Reported surplus(deficit) for year	211	269
Distributions for the year	(56)	(56)
Council's share of accumulated surplus(deficit) at end of year	<u>1,551</u>	<u>1,396</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	324	324
Transfers (to) from reserves	225	-
Council's share of reserves at end of year	<u>549</u>	<u>324</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,812	1,599
Share of profit/(loss) after tax	211	269
Share of asset revaluation	225	-
Distributions received	(56)	(56)
Prior year adjustments	-	-
Carrying value of investment at end of year	<u>2,192</u>	<u>1,812</u>

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Comprehensive Income.

Note 5.2 Investment in water corporation

Opening balance	6,620	6,061
Fair Value adjustments on equity investment assets	166	559
Total investment in water corporation	<u>6,786</u>	<u>6,620</u>

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

Accounting policy

Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated at fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2022, Council holds 0.41% 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
<i>Summary</i>		
at cost	5,227	9,620
Less accumulated depreciation	<u>(3,199)</u>	<u>(3,036)</u>
	<u>2,028</u>	<u>6,584</u>
at fair value as at 30 June	254,780	217,890
Less accumulated depreciation	<u>(90,623)</u>	<u>(77,601)</u>
	<u>164,157</u>	<u>140,289</u>
Total	<u>166,185</u>	<u>146,873</u>
<i>Property</i>		
<i>Land</i>		
at fair value as at 30 June	<u>8,291</u>	<u>5,079</u>
	<u>8,291</u>	<u>5,079</u>
Land under roads		
at fair value as at 30 June	<u>4,495</u>	<u>4,495</u>
	<u>4,495</u>	<u>4,495</u>
Land improvements		
at fair value as at 30 June	5,391	3,463
Less accumulated depreciation	<u>(683)</u>	<u>(635)</u>
	<u>4,708</u>	<u>2,828</u>
<i>Total Land</i>	<u>17,494</u>	<u>12,402</u>
Buildings		
at fair value as at 30 June	36,293	28,584
Less accumulated depreciation	<u>(18,725)</u>	<u>(15,143)</u>
	<u>17,568</u>	<u>13,441</u>
<i>Total Buildings</i>	<u>17,568</u>	<u>13,441</u>
<i>Total Property</i>	<u>35,062</u>	<u>25,843</u>
<i>Plant and Equipment</i>		
Plant, machinery and equipment		
at cost	3,276	3,261
Less accumulated depreciation	<u>(2,079)</u>	<u>(1,970)</u>
	<u>1,197</u>	<u>1,291</u>
Fixtures, fittings and furniture		
at cost	1,439	1,289
Less accumulated depreciation	<u>(1,120)</u>	<u>(1,066)</u>
	<u>319</u>	<u>223</u>
<i>Total Plant and Equipment</i>	<u>1,516</u>	<u>1,514</u>
<i>Infrastructure</i>		
Roads, Bridges and Footpaths		
at fair value as at 30 June	194,135	171,078
Less accumulated depreciation	<u>(68,760)</u>	<u>(59,726)</u>
	<u>125,375</u>	<u>111,352</u>
Drainage		
at fair value as at 30 June	6,175	5,191
Less accumulated depreciation	<u>(2,455)</u>	<u>(2,097)</u>
	<u>3,720</u>	<u>3,094</u>
<i>Total Infrastructure</i>	<u>129,095</u>	<u>114,446</u>

<i>Works in progress</i>		
Land at cost	-	5
Land improvements at cost	116	907
Buildings at cost	37	929
Fixtures, fittings and furniture at cost	22	8
Roads, bridges and footpaths at cost	53	3,022
Drainage at cost	284	199
<i>Total Works in progress</i>	<u>512</u>	<u>5,070</u>
<i>Total property, infrastructure, plant and equipment</i>	<u>166,185</u>	<u>146,873</u>

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 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>							
Land	5,079	-	3,230	-	(18)	-	8,291
Land under roads	4,495	-	-	-	-	-	4,495
Land improvements	2,828	-	-	(49)	-	1,928	4,708
Total land	12,402	-	3,230	(49)	(18)	1,928	17,494
Total buildings	13,441	-	2,917	(336)	-	1,547	17,568
Total property	25,843	-	6,147	(385)	(18)	3,475	35,062
<i>Plant and Equipment</i>							
Plant, machinery and equipment	1,291	-	-	(190)	(28)	125	1,197
Fixtures, fittings and furniture	223	-	-	(54)	-	150	319
Total plant and equipment	1,514	-	-	(244)	(28)	275	1,516
<i>Infrastructure</i>							
Roads, bridges and footpaths	111,352	-	11,805	(2,355)	(118)	4,691	125,375
Drainage	3,094	-	412	(65)	-	279	3,720
Total infrastructure	114,446	-	12,217	(2,420)	(118)	4,970	129,095
<i>Works in progress</i>							
Land at cost	5	179	-	-	-	(184)	-
Land improvements at cost	907	969	-	-	-	(1,760)	116
Buildings at cost	929	655	-	-	-	(1,547)	37
Plant, machinery & equipment at cost	-	138	-	-	-	(138)	-
Fixtures, fittings and furniture at cost	8	151	-	-	-	(137)	22
Roads, bridges and footpaths at cost	3,022	1,979	-	-	-	(4,948)	53
Drainage at cost	199	91	-	-	-	(6)	284
Other	-	-	-	-	-	-	-
Total works in progress	5,070	4,162	-	-	-	(8,720)	512
Total property, infrastructure, plant and equipment	146,873	4,162	18,363	(3,049)	(164)	-	166,185

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 9.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Property</i>							
Land	5,153	-	-	-	(74)	-	5,079
Land under roads	4,495	-	-	-	-	-	4,495
Land improvements	1,590	-	-	(44)	-	1,282	2,828
Total land	11,238	-	-	(44)	(74)	1,282	12,402
Total buildings	13,367	-	-	(331)	-	405	13,441
Total property	24,605	-	-	(375)	(74)	1,687	25,843
<i>Plant and Equipment</i>							
Plant, machinery and equipment	961	-	-	(199)	(54)	583	1,291
Fixtures, fittings and furniture	124	-	-	(34)	-	133	223
Total plant and equipment	1,085	-	-	(233)	(54)	716	1,514
<i>Infrastructure</i>							
Roads, bridges & footpaths	110,864	-	-	(2,443)	(51)	2,983	111,352
Drainage	2,907	-	-	(62)	-	249	3,094
Total infrastructure	113,771	-	-	(2,505)	(51)	3,232	114,446
<i>Works in progress</i>							
Land at cost	2	3	-	-	-	-	5
Land improvements at cost	1,031	1,082	-	-	-	(1,206)	907
Buildings at cost	87	1,287	-	-	-	(445)	929
Plant, machinery & equipment at cost	34	549	-	-	-	(583)	-
Fixtures, fittings and furniture at cost	14	123	-	-	-	(129)	8
Roads, bridges and footpaths at cost	188	6,057	-	-	-	(3,223)	3,022
Drainage at cost	197	47	-	-	-	(45)	199
Other	-	-	-	-	-	-	-
Total works in progress	1,553	9,148	-	-	-	(5,631)	5,070
Total property, infrastructure, plant and equipment	141,014	9,148	-	(3,113)	(179)	4 *	146,873

*The 2021 balance of transfers out of property, infrastructure, plant and equipment assets of \$4,000 is due to a transfer to Fixtures, fittings and furniture from Intangibles works in progress.

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

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	10
Land under roads	10
Land improvements	10
Buildings	
Buildings	10
Building improvements	10
Leasehold building improvements	10
Heritage buildings	10
Plant and Equipment	
Plant, machinery and equipment	5
Fixtures, fittings and furniture	5
Computers and telecommunications	5
Leased plant and equipment	5
Roads	
Road pavements and seals	10
Road substructure	10
Road formation and earthworks	10
Road kerb, channel and minor culverts	10
Road other	10
Bridges	
Bridges deck	10
Bridges substructure	10
Bridges other	10
Other Infrastructure	
Footpaths and cycleways	10
Drainage	10
Recreational, leisure and community facilities	10
Waste management	10
Parks, open space and streetscapes	10
Off street car parks	10
Other infrastructure	10

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

Revaluation

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

Land and land under roads	fair value
Land improvements	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
Buildings	fair value
Investment in water corporation	fair value
Work in progress	cost

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

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

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

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

Impairment of assets

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

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

Land under roads

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

	2022	2021
Note 7.1 Trade and other payables		
Trade payables	229	237
Accrued expenses	1,100	756
Resource sharing payables - Latrobe Council	742	20
Payments received in advance	321	281
Rates and charges in advance	260	243
Total trade and other payables	<u>2,652</u>	<u>1,537</u>

Accounting policy

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 60 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		
Refundable bonds and deposits	69	45
Total trust funds and deposits	<u>69</u>	<u>45</u>
Bonds are lodged by developers pending satisfactory hand-over of public infrastructure constructed by the developer at which time they are repaid to the developer or retained to fund costs to remedy any defects.		

	2022			2021
	Annual leave	Long service leave	Other Leave	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Note 7.3 Provisions				
2022				
Balance at beginning of the financial year	229	251	20	500
Additional provisions	149	152	129	429
Amounts used	(218)	(59)	(122)	(397)
Balance at the end of the financial year	160	344	27	531
Current	160	269	27	456
Non-current	-	75	-	75
Total	160	344	27	531
2021				
Balance at beginning of the financial year	262	254	30	546
Additional provisions	183	56	112	351
Amounts used	(216)	(59)	(122)	(397)
Balance at the end of the financial year	229	251	20	500
Current	229	229	20	478
Non-current	-	22	-	22
Total	229	251	20	500
			2022	2021
Employee Numbers			32.3	32.4

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

	2022 \$'000	2021 \$'000
Note 8 Non-current		
Note 8.1 Loans and borrowings		
<i>Current</i>		
Commonwealth Bank	134	125
	<u>134</u>	<u>125</u>
<i>Non-current</i>		
Commonwealth Bank	631	764
Tascorp - Covid Stimulus Loans	5,100	5,100
	<u>5,731</u>	<u>5,864</u>
Total	<u>5,865</u>	<u>5,989</u>
<i>Borrowings</i>		
The maturity profile for Council's borrowings is:		
Not later than one year	134	125
Later than one year and not later than five years	5,731	4,691
Later than five years	-	1,173
Total	<u>5,865</u>	<u>5,989</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 a charge over the general rates of the Council.

Note		Balance at beginning of reporting year	Opening adjustment	Increment	(Decrement)	Balance at end of reporting year
Note 9	Other financial information					
Note 9.1	Reserves	\$'000		\$'000	\$'000	\$'000
	(a) Asset revaluation reserve					
	2022					
	Associate - Dulverton Waste Management Authority (note 5.1)	324	-	225	-	549
	Infrastructure, land and buildings	113,832	-	18,364	-	132,196
	Total asset revaluation reserve	114,156	-	18,589	-	132,745
	2021					
	Associate - Dulverton Waste Management Authority (note 5.1)	324	-	-	-	324
	Infrastructure, land and buildings	113,832	-	-	-	113,832
	Total asset revaluation reserve	114,156	-	-	-	114,156

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	446	-	166	-	612
Total fair value reserve	446	-	166	-	612

2021

Equity Investment assets					
Investment in water corporation	(113)	-	559	-	446
Total fair value reserve	(113)	-	559	-	446

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.

	2022	2021
	\$'000	\$'000
Total Reserves	133,357	114,602
Note 9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Result from continuing operations	967	2,200
Depreciation/amortisation	3,049	3,157
(Profit)/loss on disposal of property, infrastructure, plant and equipment	65	11
Capital grants	(1,793)	(2,280)
Capital contributions	(6)	(5)
Share of Associates Profit/ Loss	(155)	(213)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	208	197
Decrease/(increase) in other assets	(476)	4
Decrease/(increase) in inventories	(39)	9
Increase/(decrease) in trade and other payables	1,115	(715)
Increase/(decrease) in provisions	31	(46)
Increase/(decrease) in other liabilities	11	-
Net cash provided by/(used in) operating activities	2,977	2,321

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.

	Trust funds, interest- bearing loans and borrowings
	\$'000
Balance as at 1 July 2021	6,034
Cash received	-
Cash repayments	(100)
Balance as at 30 June 2022	<u>5,934</u>
Balance as at 1 July 2020	1,051
Cash received	5,100
Cash repayments	(117)
Balance as at 30 June 2021	<u>6,034</u>

	2022 \$'000	2021 \$'000
Note 9.4 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	938	1,724
Total reconciliation of cash and cash equivalents	<u>938</u>	<u>1,724</u>
Note 9.5 Financing arrangements		
Bank overdraft	25	25
Unused facilities	<u>25</u>	<u>25</u>

Note 9.6 Superannuation

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

For the year ended 30 June 2022 the Council contributed 0.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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

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

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

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

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

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

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

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

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- **The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.**
- During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2020-21, \$3,639), and the amount paid to accumulation schemes was \$217,667 (2020-21, \$208,790).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$0 and the amount to be paid to accumulation schemes is \$288,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at **30 June 2021, showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.**
- As at 30 June 2021 the Fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

	2022	2021
	\$'000	\$'000
Fund		
Defined benefits fund		
Employer contributions	-	4
Accumulation funds		
Employer contributions	218	209

	2022 \$'000	2021 \$'000
Note 9.7 Commitments		
<i>Capital Expenditure Commitments</i>		
Buildings	43	302
Plant and equipment	392	184
Roads	37	854
Drainage	38	299
Intangibles	-	100
Land Improvements	-	423
Total Capital expenditure commitments	510	2,162
<i>Operating commitments estimated for the next 12 months</i>		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Garbage collection, disposal and recycling	-	447
Information systems and Technology	122	131
Municipal Revaluations	54	-
General Materials and Contracts	274	-
Total contractual commitments	450	578
Note 9.8 Contingent liabilities and contingent assets		
Contingent liabilities		
The Council presently has no significant contingent liabilities.		
Guarantees for loans to other entities		
The Council does not have any guarantees for loans to other entities.		
Contingent assets		
The Council does not have any significant contingent assets.		

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.

2022

	Weighted Average Interest Rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<i>Financial assets</i>							
Cash and cash equivalents	0.80%	938	-	-	-	-	938
Investments	1.01%	-	12,000	-	-	7	12,007
Trade and other receivables		-	-	-	-	269	269
Investment in water corporation		-	-	-	-	6,786	6,786
<i>Total financial assets</i>		938	12,000	-	-	7,062	20,000
<i>Financial liabilities</i>							
Trade and other payables	0.00%	-	-	-	-	2,652	2,652
Trust funds and deposits	0.00%	-	-	-	-	69	69
Interest-bearing loans and borrowings	1.87%	-	134	5,731	-	-	5,865
<i>Total financial liabilities</i>		-	134	5,731	-	2,721	8,586
Net financial assets (liabilities)		938	11,866	(5,731)	-	4,341	11,414

2021

	Weighted Average Interest Rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<i>Financial assets</i>							
Cash and cash equivalents	0.05%	1,724	-	-	-	-	1,724
Investments	0.31%	-	10,600	-	-	18	10,618
Trade and other receivables		-	-	-	-	477	477
Investment in water corporation		-	-	-	-	6,620	6,620
<i>Total financial assets</i>		1,724	10,600	-	-	7,115	19,439
<i>Financial liabilities</i>							
Trade and other payables	0.00%	-	-	-	-	1,537	1,537
Trust funds and deposits	0.00%	-	-	-	-	45	45
Interest-bearing loans and borrowings	6.64%	-	125	4,691	1,173	-	5,989
<i>Total financial liabilities</i>		-	125	4,691	1,173	1,582	7,572
Net financial assets (liabilities)		1,724	10,475	(4,691)	(1,173)	5,533	11,867

Note 9.9 Financial Instruments (cont.)

(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 Statement of Financial Position		Aggregate Net Fair Value	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	938	1,724	938	1,724
Other financial assets	7	18	7	18
Trade and other receivables	269	477	269	477
Investment in water corporation	6,786	6,620	6,786	6,620
Investments	12,000	10,600	12,000	10,600
<i>Total financial assets</i>	<u>20,000</u>	<u>19,439</u>	<u>20,000</u>	<u>19,439</u>
<i>Financial liabilities</i>				
Trade and other payables	2,652	1,537	2,652	1,537
Trust funds and deposits	69	45	69	45
Interest-bearing loans and borrowings	5,865	5,989	5,865	5,989
<i>Total financial liabilities</i>	<u>8,586</u>	<u>7,572</u>	<u>8,586</u>	<u>7,572</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.

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	Government agencies	Other	Total
2022				
Cash and cash equivalents	937	-	1	938
Trade and other receivables	-	-	269	269
Investments and other financial assets	12,000	-	7	12,007
Total contractual financial assets	12,937	-	277	13,214
2021				
Cash and cash equivalents	1,723	-	1	1,724
Trade and other receivables	-	-	477	477
Investments and other financial assets	10,600	-	18	10,618
Total contractual financial assets	12,323	-	496	12,819

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)	153	281
Past due by up to 30 days	5	2
Past due between 31 and 180 days	-	132
Past due between 181 and 365 days	4	122
Past due by more than 1 year	237	59
Total Trade & Other Receivables	267	477

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 Council's Financial Liabilities.

These amounts represent the discounted cash flow payments (i.e. 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	2,652	-	-	-	-	2,652	2,652
Trust funds and deposits	69	-	-	-	-	69	69
Interest-bearing loans and borrowings	67	67	1,433	4,298	-	5,865	5,865
Total financial liabilities	2,788	67	1,433	4,298	-	8,586	8,586

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	1,537	-	-	-	-	1,537	1,537
Trust funds and deposits	45	-	-	-	-	45	45
Interest-bearing loans and borrowings	63	63	1,173	3,518	1,173	5,989	5,989
Total financial liabilities	1,645	63	1,173	3,518	1,173	7,571	7,571

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates.

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

		Interest rate risk			
		-1%		1%	
		-100 basis points		+100 basis points	
2022	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	938	(9)	(9)	9	9
Investments	12,000	(120)	(120)	120	120
Financial liabilities:					
Interest-bearing loans and borrowings	5,865	(59)	(59)	59	59

		Interest rate risk			
		-1%		1%	
		-100 basis points		+100 basis points	
2021	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	1,724	(17)	(17)	17	17
Investments	10,600	(106)	(106)	106	106
Financial liabilities:					
Interest-bearing loans and borrowings	5,989	(60)	(60)	60	60

Note 9.10 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure, plant and equipment
 - Land, land under roads, land improvements
 - Buildings
 - Roads, bridges and footpaths
 - Drainage

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

(a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 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	5.2	-	-	6,786	6,786
Land	6.1	-	8,291	-	8,291
Land under roads	6.1	-	-	4,495	4,495
Land improvements	6.1	-	-	4,708	4,708
Buildings	6.1	-	372	17,196	17,568
Roads, bridges, footpaths & cycleways	6.1	-	-	125,375	125,375
Drainage	6.1	-	-	3,720	3,720
		-	8,663	162,280	170,943

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	5.2	-	-	6,620	6,620
Land	6.1	-	5,079	-	5,079
Land under roads	6.1	-	-	4,495	4,495
Land improvements	6.1	-	-	2,828	2,828
Buildings	6.1	-	372	13,069	13,441
Roads, bridges, footpaths & cycleways	6.1	-	-	111,352	111,352
Drainage	6.1	-	-	3,094	3,094
		-	5,451	141,458	146,909

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.

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

(b) Highest and best use

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

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

Investment in water corporation

Refer to Note 5.2 for details of valuation techniques used to derive fair values.

Land

Land fair values were revalued as at 1 July 2021 based on fresh valuations issued by the Valuer-General. Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes, which is restricted in use under current planning provisions. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Land under roads

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

Land improvements

A revaluation of land improvement assets was undertaken by Council Engineering Officers effective 1 July 2019. The valuations are based on standard replacement rates determined by known purchase and installation costs for each type of land improvement.

Buildings

Building assets were revalued as at 1 July 2019 by Council Engineering Officers. Council applied the Australian Bureau (ABS) Non-residential Building Construction Index for Tasmania as at 30 June 2022 to increase the value of special purpose buildings without a market value by 22.7%.

Where there is a market for Council building assets, fair value has been revalued as at 30 June 2022 based on fresh valuations as at 1 July 2021 issued by the Valuer-general. These valuations were derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

Where Council buildings are of a specialist nature and there is no active market for the assets, the 2020 fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values in 2020 were derived from reference to market data for recent projects and costing guides.

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). These other inputs are not significant to the overall valuation.

Infrastructure assets

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

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

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

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

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The 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. Sealed roads are managed in segments according to changes in key characteristics such as road width or date of sealing. All road segments are then componentised into formation, sub-pavement, pavement and surface. Except for assessment of CRC of formation costs, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

Roads, footpaths & cycleways were revalued as at 1 July 2019 by Council Engineering Officers following the method described below. Council applied the Australian Bureau (ABS) Road and Bridge Construction Index for Australia as at 30 June 2022 to increase the value of these assets by 10.8%.

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 a minimum 300mm (150mm sub-base plus 150mm base-course). 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. Where similar projects have not been recently undertaken, unit costs of neighbouring Councils is considered where appropriate.

Bridges

A full valuation of bridges assets was undertaken in 2020 by Council Engineering Officers. 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. Council applied the Australian Bureau (ABS) Road and Bridge Construction Index for Australia as at 30 June 2022 to increase the value of these assets by 10.8%.

Drainage

A full valuation of drainage assets was undertaken in 2020 by Council Engineering Officers. Similar to roads, stormwater and drainage assets are managed in segments: pits and pipes being the major components. Council applied the Australian Bureau (ABS) Other heavy and civil engineering constructio Index for Australia as at 30 June 2022 to increase the value of these assets by 13.6%.

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.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of 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	\$6,786	Refer to note 5.2 for a description of the valuation basis.		

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 6 (Property, infrastructure, plant and equipment). 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, (recurring fair value measurements) is set out in note 6.1 and 5.2.

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.

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) There were no subsequent events that have impacted the financial position and results of operations of Council as at and for the year ended 30 June 2022.

(b) There was a significant rainfall and flooding event throughout the Kentish municipality in October 2022 that resulted in extensive damage to Council roads and associated infrastructure. The estimated cost of recovery from this flood event is \$1.98 million, with \$1.48 million expected to be recovered through the National Disaster Relief and Recovery Arrangements, leaving Council to fund an estimated net cost of \$500,000 during the 2022-23 financial year from its accumulated cash reserves.

- Note 10 Other matters
Note 10.1 Related party transactions
(i) Responsible Persons

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

Councillors Councillor Tim Wilson (Mayor November 2018 to current, Deputy Mayor November 2009 to October 2018)
Councillor Don Thwaites (Deputy Mayor November 2018 to current, Mayor November 2007 to October 2018)
Councillor Penny Lane (Councillor November 2007 to current)
Councillor Rodney Blenkhorn (Councillor November 2014 to current)
Councillor Linda Cassidy (Councillor November 2014 to current)
Councillor Kate Haberle (Councillor November 2014 to current)
Councillor Phillip Richards (Councillor November 2014 to current)
Councillor Steve Mawer (Councillor November 2018 to current)
Councillor Nicole Meijer (Councillor November 2018 to current)

General Manager Gerald Monson - April 2010 to current

- (ii) Councillor Remuneration
2022

Position	Period	Short term benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$	\$	\$	\$
<i>Mayor</i>	<i>Full Year</i>	39,576	-	39,576	232	39,808
<i>Deputy Mayor</i>	<i>Full Year</i>	22,616	-	22,616	-	22,616
<i>Councillors</i>	<i>Full Year</i>	79,195	-	79,195	1,033	80,228
Total		141,387	-	141,387	1,265	142,652

2021

Position	Period	Short term benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
		Allowances	Vehicles ¹			
		\$	\$	\$	\$	\$
<i>Mayor</i>	<i>Full Year</i>	38,783	-	38,783	1,173	39,956
<i>Deputy Mayor</i>	<i>Full Year</i>	22,151	-	22,151	-	22,151
<i>Councillors</i>	<i>Full Year</i>	77,250	-	77,250	294	77,544
Total		138,184	-	138,184	1,467	139,651

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.

(iii) Key Management Personnel Remuneration

2022	Number of employees	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		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	
\$140,001 - \$160,000	1	122,855	-	8,749	-	12,027	-	1,949	145,580
\$180,001 - \$200,000	1	143,053	-	9,217	-	18,565	-	15,472	186,307
Total		265,908	-	17,966	-	30,592	-	17,421	331,887

Less key management personnel hired to Latrobe Council (est 1.1 FTE)	(182,538)
Add key management personnel services hired from Latrobe Council (est 1.35 FTE)	274,092
Net total cost of key management personnel 2022	<u>423,441</u>

2021	Number of employees	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		
Remuneration band		\$	\$	\$	\$	\$	\$	\$	
\$40,001 - \$60,000	1	32,308	-	-	-	4,038	-	3,899	40,245
\$140,001 - \$160,000	1	115,651	-	9,979	-	10,948	-	6,424	143,002
Total		147,959	-	9,979	-	14,987	-	10,323	183,247

Less key management personnel hired to Latrobe Council (est 1.1 FTE)	(100,786)
Add key management personnel services hired from Latrobe Council (est 0.9 FTE)	181,910
Net total cost of key management personnel 2021	<u>264,372</u>

Employee in band \$40,001 - \$60,000 had been employed by Council in a Key Management role starting 29 March 2021. The benefits disclosed are from 29 March 2021 to 30 June 2021.

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary. [This includes such items as retention bonuses in culmination with termination.]

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 (such as housing, subsidised goods or services etc).

(iv) Remuneration Principles

Councillors

Regulation 42(2) of the *Local Government (General) Regulations 2015* (the Regulations) specifies the allowances payable to councillors and mayors and deputy mayors following the last review in 2008. The allowances payable from 1 November 2014 are set out in Schedule 4 of the Regulations.

Executives

Remuneration levels for key management personnel are set in accordance with market based salaries relative to the responsibilities and accountability of the position

The employment terms and conditions of senior executives are contained either in Council's Enterprise Agreement or 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.

(v) Transactions with subsidiaries, associates and joint ventures

Council's interests in, associates is detailed in note 5.1

Transactions with associates

<i>Nature of the transaction</i>	<i>Amount of the transactions during the year</i>	<i>Outstanding balances, including commitments at year end</i>	<i>Terms and conditions</i>	<i>Provisions for doubtful debts related outstanding balances</i>	<i>The expense recognised during the period relating to bad or doubtful debts due from related parties</i>
<i>Waste disposal services¹</i>	\$402,356	\$35,135	<i>30-day terms on invoices</i>	-	-
<i>National Taxation Equivalent Regime (NTER) receipts²</i>	\$90,577	<i>Council recorded accrued revenue of \$16,162</i>	<i>As per section 71 of the Government Business Enterprises Act 1995</i>	-	-
<i>Dividends³</i>	\$55,968	-	<i>As determined by the Board of Dulverton Waste management Authority</i>	-	-

¹ Council incurs gate fees for disposal of waste collected as part of its kerbside waste collection services and disposal of waste transferred from its waste transfer stations. Amounts are payable monthly.

² As part owner of Dulverton Waste Management Authority, Council receives quarterly income tax equivalent payments from the authority.

³ As part owner of Dulverton Waste Management Authority, Council receives dividend payments from time to time as declared by the board of the authority.

(iv) Transactions with related parties

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

Note	Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
1	Sheffield General repair and vehicle maintenance	\$12,697	-	7- day Terms	-	-
2	Caltex Gas Refill , fuel and oil	\$490	-	30 - day Terms	-	-

¹ Sheffield Mechanical and Tyre is generally used for care service and repairs, towing of abandoned vehicles identified by the council and general repairs to vehicles and trailers and is owned by a Councillor and their spouse.

² Caltex Sheffield is owned by a Councillor and is used for the purchase of daily consumables that includes gas, fuel and oil.

(v) Loans and guarantees to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are nil.

(vi) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are nil.

(vii) 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
- Dog registration
- Use of Council's swimming pool

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

Note 10.2 Special committees and other activities

The council has established a number of Special Committees under section 24 of the Local Government Act 1993 to manage Council facilities on behalf of Council. These Special Committees do not have separate legal identity to council and their income, expenditure, assets and liabilities are included in Council's Statement of Comprehensive Income and Statement of Financial Position. In accordance with Section 84(2)(d) of the Local Government Act the following statement shows the revenue and expenditure of these special committees.

2022

Special Committee	Opening Bank Balance	Revenue	Expenditure	Balance Sheet Transfers	Closing Bank Balance
Barrington Hall Committee	24,232	872	1,076	1,850	25,878
Beulah Hall Committee	13,388	-	2,245	1,850	12,993
Claude Road Hall Committee	18,886	-	-	-	18,886
Kentish Museum	11,064	-	-	-	11,064
Railton Community Facilities Committee	16,970	1,349	4,399	(1,990)	11,930
Railton Recreation Ground Committee	2,764	-	-	-	2,764
Working Art Space Sheffield	4,107	42,410	39,561	1,850	8,806
Wilmot Memorial Hall Committee	26,780	4,121	4,165	1,850	28,586
Wilmot Rec Ground Committee	14,578	-	-	1,850	16,428
Railton Neighbourhood Centre	4,891	12,168	10,844	1,850	8,065
Railton Squash Committee	4,809	634	1,631	1,850	5,662
Railton Recreation and Community Centre	-	1,553	802	5,690	6,441
	<u>142,469</u>	<u>63,107</u>	<u>64,723</u>	<u>16,650</u>	<u>157,503</u>

2021

Special Committee	Opening Bank Balance	Revenue	Expenditure	Balance Sheet Transfers	Closing Bank Balance
Barrington Hall Committee	21,858	1,424	900	1,850	24,232
Beulah Hall Committee	12,060	-	522	1,850	13,388
Claude Road Hall Committee	20,053	6,119	9,136	1,850	18,886
Kentish Museum	8,994	48	4,578	6,600	11,064
Railton Community Facilities Committee	22,769	2,580	10,229	1,850	16,970
Railton Recreation Ground Committee	3,504	15	2,605	1,850	2,764
Working Art Space Sheffield	(7,365)	30,375	20,752	1,850	4,107
Wilmot Memorial Hall Committee	24,891	4,439	4,401	1,850	26,780
Wilmot Rec Ground Committee	12,728	-	-	1,850	14,578
Railton Neighbourhood Centre	3,921	7,641	8,676	2,005	4,891
Railton Squash Committee	4,001	1,238	2,280	1,850	4,809
	<u>127,414</u>	<u>53,879</u>	<u>64,079</u>	<u>25,255</u>	<u>142,469</u>

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

- (f) Budget
The estimated revenue and expense amounts in the Statement of Other Comprehensive Income represent revised budget amounts and are not audited.
- (g) Adoption of new and amended accounting standards
In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:
- (i) AASB 2018-7 **Amendments to Australian Accounting Standards – Definition of Material**
The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.
- (h) Pending Accounting Standards
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods. Council's
- (i) AASB 2017-5 **Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction**, applicable to annual reporting periods beginning on or after 1 January 2022.
The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
Council does not anticipate the occurrence of a sale or contribution of assets with its associate therefore no Impact is anticipated.

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

Note 10.4 Significant Business Activities

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

	O'Neill's Creek Overnight Camping	
	2022	2021
<i>Revenue</i>		
User Charges	3,339	2,281
Total Revenue	3,339	2,281
<i>Expenditure</i>		
<i>Direct</i>		
Employee Costs	853	497
Materials and Contacts	1,616	1,928
Total Expenses	2,469	2,425
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	473	187
Opportunity cost of capital	1,105	120
Total Capital Costs	1,578	307
<i>Competitive neutrality adjustments</i>		
Rates and land tax	1,200	
	1,200	-
<i>Calculated Surplus/(Deficit)</i>	(803)	(331)
Tax Equivalent rate	30%	30%
Taxation equivalent	(241)	(99)
Competitive neutrality costs	959	(99)

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 activities 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:

The income tax rate is 30%

The return on capital is 5% (2021 2.5%)

Note	10.5 Management indicators	Benchmark	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
(a)	Underlying surplus or deficit					
	Net result for the year		967	2,061	1,992	1,469
	Less non-operating income					
	National disaster relief grants received		-	-	(2)	-
	Grants specifically for new/ upgraded assets		(1,325)	(1,812)	(1,246)	(318)
	Grants for renewal of assets		(468)	(468)	(187)	(489)
	Grants received in advance - current year		(2,286)	(1,313)	(1,493)	(1,346)
	Rates received in advance - current year		-	-	-	(233)
	Capital contributions - cash		(6)	(5)	(25)	-
	Grants received in advance - prior year		1,313	1,493	1,346	1,384
	Rates received in advance - prior year		-	-	-	202
	Add non-operational expenses					
	Disaster relief and recovery expenditure		261	-	-	-
	Grant funds transferred to Latrobe Council		531	-	-	-
	Underlying surplus/deficit		<u>(1,013)</u>	<u>(44)</u>	<u>385</u>	<u>669</u>

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					
	<u>Underlying surplus or deficit</u>		<u>(1,013)</u>	<u>(44)</u>	<u>385</u>	<u>669</u>
	Recurrent income*		10,502	10,015	9,911	10,430
	Underlying surplus ratio %	0%	-10%	0%	4%	6%

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

Council's underlying surplus ratio trend is above the benchmark ratio of 0%. This indicates that Council is generating recurrent income in excess of that needed to fund recurrent expenditure.

(c)	Net financial liabilities					
	Liquid assets less		13,527	12,827	12,433	11,031
	total liabilities		(9,117)	(8,071)	(3,666)	(3,209)
	Net financial liabilities	0	<u>4,410</u>	<u>4,756</u>	<u>8,767</u>	<u>7,822</u>

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

(d)	Net financial liabilities ratio					
	<u>Net financial liabilities</u>		<u>4,410</u>	<u>4,756</u>	<u>8,767</u>	<u>7,822</u>
	Recurrent income*		10,502	10,015	9,911	10,430
	Net financial liabilities ratio %	0% - (50%)	42%	47%	88%	75%

This ratio indicates the net financial obligations of Council compared to its recurrent income. As the trend of the ratio is higher than the 0% benchmark the ratio indicates that Council is generating more than sufficient funds to meet total liabilities.

(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.

Transport Infrastructure

<u>Depreciated replacement cost</u>	125,375	111,352	110,863	92,062
Current replacement cost	194,135	171,078	168,461	141,630
Asset consumption ratio %	65%	65%	66%	65%

Buildings

<u>Depreciated replacement cost</u>	17,568	13,441	13,366	13,550
Current replacement cost	36,293	28,584	28,179	23,875
Asset consumption ratio %	48%	47%	47%	57%

Drainage

<u>Depreciated replacement cost</u>	3,720	3,094	2,907	2,439
Current replacement cost	6,175	5,191	4,942	4,319
Asset consumption ratio %	60%	60%	59%	56%

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

Note 10.5 Management indicators (cont.)	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'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.

Transport Infrastructure

<u>Projected capital funding outlays**</u>	16,306	17,191	21,392	19,341
Projected capital expenditure funding***	18,313	19,015	21,464	10,740
Asset renewal funding ratio %	90-100%	89%	90%	100%

Buildings

<u>Projected capital funding outlays**</u>	872	556	489	17
Projected capital expenditure funding***	0	0	17	17
Asset renewal funding ratio %	90-100%	0%	0%	2876%

Drainage

<u>Projected capital funding outlays**</u>	246	310	345	7
Projected capital expenditure funding***	7	7	7	7
Asset renewal funding ratio %	90-100%	3663%	4702%	4929%

** 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.

Where the ratio is above the benchmark of 90-100% it indicates that Council is intending to expend more capital expenditure than is indicated as required within the long term strategic asset plan.

(g) Asset sustainability ratio

<u>Capex on replacement/renewal of existing assets</u>		<u>1,483</u>	<u>3,773</u>	<u>2,426</u>	<u>1,146</u>
Annual depreciation expense		3,049	3,113	2,960	2,543
Asset sustainability ratio %	100%	49%	121%	82%	45%

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

Where the ratio is less than the 100% benchmark it indicates that council is not expending sufficient funds to replace existing assets as measured by the depreciation expense.

2022	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$'000	\$'000	\$'000
Roads and Bridges	1,264	715	1,979
Stormwater Assets	6	84	90
Buildings	16	703	719
Land	-	181	181
Land Improvements	-	969	969
Office Furniture and Equipment	125	26	151
Plant and Equipment	72	66	138
Total	1,483	2,744	4,227
2021	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$'000	\$'000	\$'000
Roads and Bridges	2,932	3,125	6,057
Stormwater Assets	45	3	48
Buildings	134	1,153	1,287
Land	9	3	12
Land Improvements	-	1,082	1,082
Office Furniture and Equipment	104	18	122
Plant and Equipment	549	-	549
Intangibles	-	187	187
Other	-	-	-
Total	3,773	5,571	9,344

Note 11.1 Change in accounting policy - configuration and customisation of cloud based computer software systems
Comparative figures have been restated in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity. These changes are a result of a change in accounting policy relating to configuration and customisation of cloud based computer software systems as described in note 1.4.

In December 2021 the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a decision clarifying its interpretation of the application of international accounting standards to costs of configuration and customisation of cloud-based software systems. This decision rejected the approach Council has taken in the past of recognising the customisation and configuration costs as an intangible asset to be amortised over the life of the software-as-a-service (SaaS) agreement.

The impact of this change in accounting policy on Council's opening position at 1 July 2020 and on the comparative figures for 2020-21 is outlined below:

Opening position 1 July 2020

Write off \$333,000 of intangible assets to retained earnings.

Reclassify \$147,000 of intangible assets to Prepayments

Comparative figures for 2020-21

Statement of Comprehensive Income

Amortisation expense (note 3.4) was reduced by \$44,000

Other expenses (note 3.6) was increased by \$184,000

Total comprehensive result was decreased by \$140,000

Statement of Financial Position

Other Assets (note 4.4) - Prepayments were increased by \$146,000

Total current assets were increased by \$146,000

Intangible Assets (2021 note 6.2) were decreased by \$619,000

Total non-current assets were increased by \$619,000

Total assets were decreased by \$473,000

Net assets were decreased by \$473,000

Total equity was decreased by \$473,000

Statement of Changes in Equity

Opening retained earnings were decreased by \$334,000

Total comprehensive income was increased by \$139,000

Balance at end of the financial year was increased by \$473,000

Certification of the Financial Report

The financial report presents fairly the financial position of the Kentish 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.



Gerald Monson
General Manager
B.Bus (Public Adm); FLGMA

Date : 14/02/2023