



DEVONPORT
CITY COUNCIL



ANNUAL REPORT
2022/2023

CONTENTS

5

ABOUT COUNCIL

Mayor's Message
General Manager's Message
Mission, Vision, Values
The Council
Committee Representation
Councillor Expenses
Summary of Decisions Made by Council
Meeting Attendance
Integrated Planning Framework
Organisational Structure
Workforce Profile

15

GOAL 1

LIVING LIGHTLY ON OUR ENVIRONMENT

Highlights
Goal 1 - Annual Plan Action Summary

18

GOAL 2

BUILDING A UNIQUE CITY

Regulatory Services
LIVING CITY Highlights
Capital Works Program
Asset Management
Smart City Project: Devonport Live
Goal 2 - Annual Plan Action Summary

27

GOAL 3

GROWING A VIBRANT ECONOMY

Highlights
Christmas Celebrations
Goal 3 - Annual Plan Action Summary

32

GOAL 4

BUILDING QUALITY OF LIFE

Highlights
paranple arts centre & convention centre
Goal 4 - Annual Plan Action Summary

39

GOAL 5

PRACTICING EXCELLENCE IN GOVERNANCE

Good Governance
Financial Performance Snapshot
Key Financial Indicators
Performance Measures
Legislative Requirements
Contracts and Tenders
Public Health Statement
Community Grants
Highlights
Goal 5 - Annual Plan Action Summary

56

INDEPENDENT AUDITOR'S REPORT

Professional service providers

Auditors: Tasmanian Audit Office
Bankers: Commonwealth Bank of Australia
Insurance Broker: Jardine Lloyd Thompson
Valuers: Office of the Valuer-General

Photographers

The Devonport City Council thanks all photographers featured in this Annual Report including Jeffrey Sharman, Anna Halipilias, Kelly Slater, Danielle O'Brien, Keith Martin-Smith, It's a Kinda Magic and David Oldenhof.



ACKNOWLEDGEMENT OF COUNTRY

The City of Devonport acknowledges the Tasmanian Aboriginal people as the traditional owners and ongoing custodians of lutruwita, Tasmania. We pay our respects to all Aboriginal and Torres Strait Islander people, and to their elders past and present.





MAYOR'S MESSAGE

It is with great pride that I present the Devonport City Council's Annual Report to our community, my first as Mayor of Devonport.

It has been a year of change and many highlights, and one for which the City and Council as an organisation, can be proud of.

Following the Local Government elections in October 2022, a new Council was sworn in, which included a number of new faces. The Council welcomed a new Deputy Mayor, Cr Stacey Sheehan, and Councillors Steve Martin, Alison Moore, Damien Viney and Janene Wilczynski who joined myself, as the newly elected Mayor, with returning Councillors Gerard Enniss, Peter Hollister and Leigh Murphy.

I take this opportunity to also acknowledge former Councillors John Alexiou, Lynn Laycock, Sally Milbourne and Leon Perry, along with former Mayor, Annette Rockliff, who did not contest the 2022 elections. I thank them for their significant contributions to our community and local government more broadly.

The new Council has worked well together, with a cohesive and focused approach, and have and continue to work effectively in the pursuit of making Devonport the best place possible, for its residents, businesses and visitors alike.

To further define the goals and objectives of the new Council, a Term Plan 2022-2026 was adopted in April 2023. The Plan provides a direct lineage to Council's overarching Strategic Plan 2009-2030 (which was also reviewed this financial year) but has a more specific and defined focus on the goals and ambitions of the current Council over its four year term. The Term Plan objectives were determined by the elected members and provides for a united vision and clear direction for this Council to achieve its aspirations and commitments.

Once again, Council's finances were managed sustainably. Through responsible fiscal management, a strong underlying surplus was achieved. Council's Capital Works program for the financial year delivered significant road and asset renewals, which included major upgrades to William Street and Tarleton Street,

from the \$14 million invested in the Capital Works budget.

A highlight of the financial year was the opening of the Waterfront Precinct, as part of LIVING CITY. This was a landmark achievement and provides a major attraction for the City's residents and visitors, and contributes to the overall vibrancy of the City and enhances its visual appeal.

The Precinct was officially opened in February 2023, and played host to 5,000 patrons at the Novotel Devonport Symphony on the Waterfront event (with the Tasmanian Symphony Orchestra performing to the crowd). The area provides the City with a wonderful meeting place, incorporating assets such as the Novotel Hotel (opened in October 2022), an elevated walkway, children's playground, mist feature and outdoor amphitheatre. The Precinct represents the realisation of the long-standing aspiration of opening up and connecting the waterfront to the CBD.

To leverage further off the economic and commercial activity that has been generated by LIVING CITY, Council has partnered with the Devonport Chamber of Commerce & Industry to initiate proactive engagement activities with the City's retailers. The priorities of this engagement are to assist with promoting local businesses, and to ensure that businesses and retailers have a voice and collective buy-in and contribution towards the vision and strategies that relate to economic activity within the City.

Along with my thanks to my fellow Councillors for their ongoing support and commitment to the City, I would like to express my gratitude to Council staff for their efforts, whether it be through organising events, ensuring our parklands are maintained and beautifully presented, and that our streets are clean and well maintained, I thank them for all they do to make this City such a wonderful place.

It has been another successful year for Devonport, and I look forward in anticipation to the continued growth, prosperity and liveability of the City.


Cr Alison Jarman
Mayor



SPIRIT OF TASMANIA II

SPIRIT OF TASMANIA II
11000000

TASFREIGHT



GENERAL MANAGER'S MESSAGE

The 2022/23 Annual Report provides a summary of the achievements of Council in meeting its objectives, activities, and performance indicators against those outlined in the Annual Plan adopted in June 2022.

The highlight for the 2022/23 financial year was the completion of the LIVING CITY Waterfront Precinct signalling a major step in the transformation of Devonport. In each Annual Report since the Council launched the LIVING CITY Master Plan in 2014, progress on the ambitious strategy has been a regular topic, however, this year represents the most significant milestone to date. Opening the CBD to the beauty of the Mersey River has been a long-held dream and was officially realised and celebrated with a waterfront concert in February, being described in the editorial of the local newspaper as a 'moment in time for the city'. The year 2023 celebrated a special transformation that involved over a decade of hard work by successive Councils united in realising a bold new vision for the City and the broader region.

Whilst a major step has been taken in the transformation of the City, the newly elected Councillors are devoted to continuing to grow Devonport as a leading regional city, and within their first 9 months developed a 'Term Plan' outlining their aspirational goals for the next four years.

Financially, Council was able to deliver a total comprehensive result of \$9.17 million for the year ending 30 June 2023. The net operating result from ordinary activities was a \$4.67 million surplus, up \$1.42 million on the budget of \$3.1 million. This is the third consecutive year Council has achieved a strong underlying surplus, highlighting the solid financial position of the organisation.

Income for the year exceeded budget by \$1.9 million, primarily due to additional fees and charges and

the early payment of the Australian Government's Financial Assistance Grant. Expenditure was broadly in line with budget with the actual total of \$44.16 million, ending \$286,000 or 0.65% above budget.

\$14 million of capital expenditure was delivered during the year with nearly half this amount attributed to road and transport asset renewals, with the major projects being the renewal of William and Tarleton Streets and the ongoing construction of the Don to Leith shared pathway as part of the Coastal Pathway Project.

A full set of audited financial statements, along with an unqualified audit opinion, is provided as an attachment to this Annual Report.

A review of our organisational core values has occurred over a number of years, and with the most recent updates to Council's strategic planning framework, new values have been adopted as Council-wide values, and these are as follows:

- **Champion** and Respect One Another
- **Dedication** to our Customers and Community
- **Pioneer** Positive Improvement

The Council strives to be a values-based organisation, aiming to link its culture, decision-making, and actions to these three core values.

I would like to express my appreciation to the Mayor and Councillors for their support during the year and thank them for their contribution and commitment to the success of the Council and the City of Devonport. I would also like to thank all our staff for their ongoing commitment and tireless efforts, and express gratitude for their dedication to serving Devonport and its community.

Matthew Atkins
General Manager



MISSION

We are committed to excellence in leadership and service.

VALUES

Champion and respect one another

We respect and cheer on one another, working together to serve the community.

Dedication to our customers and community

We are driven to understand the needs of our customers so we can connect them to the right solutions.

Pioneer positive improvement

We chase innovation and improvement, so we can keep getting better.

VISION

Devonport will be a thriving and welcoming regional City, living lightly by river and sea.

Strong, thriving and welcoming

Devonport is a regional leader with a strong economy. It is a great place to live, work and play.

Valuing the past, caring for the present, embracing the future

We have been shaped by a rich cultural heritage and enthusiastically embrace present challenges and future opportunities.

Engaging with the world

We have an outward focus and send quality products and experiences to the world. We welcome all to share our beautiful City and all it offers.

Living lightly by river and sea

We live lightly on our valued natural environment of clean rivers, waterways and beaches, rich agricultural land, and coastal landscapes, so future generations can also enjoy this special place.

THE COUNCIL

The Devonport City Council is established under the provisions of the *Local Government Act 1993*. Council is made up of nine elected members who each serve a four-year term, with elections held on an ‘all-in-all-out’ basis. The term for the popularly elected Mayor and Deputy Mayor is also four years.



Alison Jarman
Mayor
Councillor



Stacey Sheehan
Deputy Mayor
Councillor



Gerard Enniss
Councillor



Peter Hollister
Councillor



Steve Martin
Councillor



Alison Moore
Councillor



Leigh Murphy
Councillor



Damien Viney
Councillor



Janene Wilczynski
Councillor

Local Government elections were held in October 2022. The following were Councillors from the period 1 July 2022 – 9 November 2022: Cr Annette Rockliff (Mayor), Cr Alison Jarman (Deputy Mayor), Cr John Alexiou, Cr Gerard Enniss, Cr Peter Hollister, Cr Lynn Laycock, Cr Sally Milbourne, Cr Leigh Murphy and Cr Leon Perry.

DECISION MAKING STRUCTURES OF COUNCIL

Decisions are made through Council meetings and a Planning Authority Committee established in accordance with section 23 of the *Local Government Act 1993* (the *Act*). Council meetings are held monthly and the Planning Authority Committee meets as required.

Meetings are open to the public, except where an item is considered to be of a confidential nature in accordance with the *Local Government (Meeting Procedures) Regulations 2015*. Meeting schedules are available on Council’s website and at the Council Offices. Meetings are recorded in line with Council’s Digital Recording Policy and streamed live on YouTube.

Members of the public can have input into Council decision making through community consultation and engagement, tabling of petitions and public question time at Council meetings. Delegations of authority also support effective decision making by Council. Under section 22 of the *Act*, Council may delegate its powers and functions to the General Manager, who may sub-delegate certain powers and functions to Council officers, in accordance with section 64 of the *Act*. Delegations allow for timely and efficient decision making at an operational level.

Council is further supported by an Audit Panel, which is an advisory committee to the Council, established in compliance with Part 8 of Division 4 of the *Act* and the *Local Government (Audit Panels) Order 2014*. The Audit Panel’s objective is to review the Council’s performance under section 85A of the *Act* and report its conclusions and recommendations. Current external Audit Panel members are Mr Robert Atkinson (Chair) and Mr Stephen Allen.

26,970

**POPULATION OF
DEVONPORT**

26,150 in 2021/22

ABOUT COUNCIL

COMMITTEE REPRESENTATION

Local Government	9 November 2022 - 30 June 2023	1 July - 8 November 2022
Local Government Association of Tasmania	Cr Jarman, Cr Sheehan (proxy)	Cr Rockliff, Cr Jarman (proxy)
Shareholdings in Corporations		
TasWater	Cr Jarman, Cr Sheehan (proxy)	Cr Rockliff, Cr Jarman (proxy)
Membership/Joint Authorities		
Dulverton Regional Waste Management Authority	Cr Jarman, General Manager	Cr Rockliff, General Manager, Cr Jarman (proxy)
Cradle Coast Authority Representatives Group	Cr Jarman, General Manager	Cr Jarman, General Manager, Cr Perry (proxy)
Controlling Authorities and Board Membership		
Maidstone Park Controlling Authority	Cr Enniss, Cr Martin, Cr Viney (proxy)	Cr Rockliff, Cr Milbourne
Tasmanian Arboretum Inc.	Cr Wilczynski	Cr Rockliff, Cr Milbourne
Section 23 Committees		
Planning Authority Committee	Cr Jarman, Cr Sheehan, Cr Enniss, Cr Hollister, Cr Murphy, Cr Viney	Cr Rockliff, Cr Alexiou, Cr Hollister, Cr Milbourne, Cr Murphy Cr Perry
Special Interest Groups/Working Groups		
Financial Assistance Working Group	Cr Hollister, Cr Martin, Cr Murphy	Cr Rockliff, Cr Hollister, Cr Murphy
Dame Enid Lyons' Trust Fund	Cr Jarman, Cr Sheehan, Cr Wilczynski	Cr Rockliff, Cr Laycock
Devonport Regional Gallery Advisory Committee	Cr Hollister, Cr Moore	Cr Alexiou, Cr Hollister
East Devonport Working Group	Cr Jarman, Cr Wilczynski, Cr Hollister (proxy)	Cr Jarman, Cr Alexiou, Cr Murphy
Public Art Committee	Cr Moore, Cr Viney	Cr Jarman, Cr Murphy
Access and Inclusion Working Group	Cr Jarman, Cr Martin	Cr Rockliff, Cr Jarman
General Manager's Performance Review Committee	Cr Jarman, Cr Sheehan, Cr Enniss, Cr Hollister, Cr Murphy	Cr Rockliff, Cr Jarman, Cr Hollister, Cr Laycock, Cr Perry
External Committees		
Cement Australia Community Liaison Committee	Cr Hollister	Cr Hollister
Mersey-Leven Emergency Management Committee	Cr Jarman, Cr Sheehan (proxy)	Cr Rockliff, Cr Jarman (proxy)
Statutory Council Committees		
Audit Panel	Cr Hollister, Cr Murphy	Cr Murphy, Cr Perry

COUNCILLOR EXPENSES

Allowances and Expenses	Mayor - \$	Deputy Mayor - \$	Councillors - \$	Total - \$
Councillor allowances	85,089	43,312	170,177	298,578
Vehicles	6,339	0	0	6,339
Other expenses	3,732	3,363	23,541	30,636
Total	95,160	46,675	193,718	335,553

SUMMARY OF DECISIONS BY COUNCIL

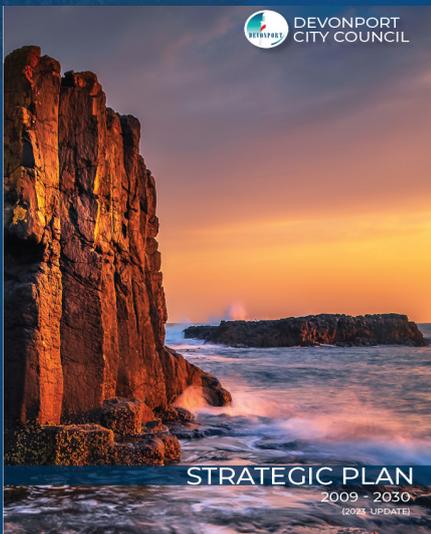
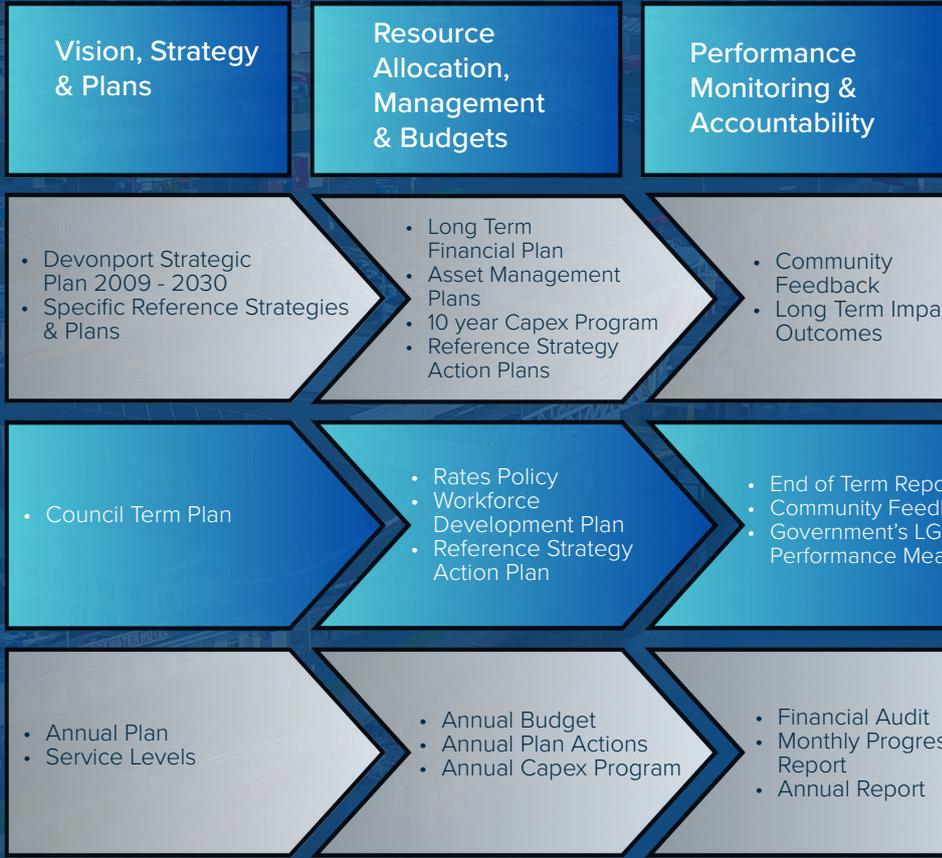
Meeting	No. of meetings	Open session items	Closed session items	Total	% Items dealt in closed session
Council*	13	202	15	217	6.9
Planning Authority Committee	4	12	0	12	0
TOTAL	17	214	15	229	6.9

This summary does not include the following Open Session items (Confirmation of Previous Minutes; Confirmation of s23 Committee Meeting Minutes; Moving into Closed Session); and the following Closed Session items (Confirmation of Previous Minutes; Leave of Absence; Confidential Attachments (these are for noting only); Joint Authority Minutes (provided to Council on the condition that they remain confidential); and Moving out of Closed Session).

MEETING ATTENDANCE

	Council	Planning Authority		Workshops
	Member	Member	Non Member	Member
Cr Jarman, Mayor	13	3	-	10
Cr Sheehan, Deputy Mayor	7	3	-	6
Cr Enniss	10	3	-	11
Cr Hollister	13	2	-	10
Cr Martin	7	-	2	8
Cr Moore	8	-	1	8
Cr Murphy	12	4	-	11
Cr Viney	7	2	-	8
Cr Wilczynski	8	-	3	7
Cr Rockliff, Mayor *	5	1	-	3
Cr Alexiou *	4	1	-	3
Cr Laycock *	5	-	1	3
Cr Milbourne *	3	0	-	0
Cr Perry *	5	1	-	3

INTEGRATED PLANNING FRAMEWORK



ORGANISATIONAL STRUCTURE



GENERAL MANAGER

MATTHEW ATKINS

- Councillor Support
- External Representation
- Strategic Planning
- Emergency Management
- Governance
- Communications



DEPUTY GENERAL MANAGER

JEFFREY GRIFFITH

INFRASTRUCTURE

- Engineering
- Technical Support
- Asset Management

WORKS

- Civil
- Parks and Reserves
- Building Maintenance
- Plant Maintenance
- Waste Management

CORPORATE SERVICES

- Records
- Information Technology
- Business Systems

FINANCE



EXECUTIVE MANAGER

MATTHEW SKIRVING

ECONOMIC DEVELOPMENT

- LIVING CITY
- Property Management

CONVENTION AND ARTS

- paranple arts centre
- paranple convention centre
- Bass Strait Maritime Centre
- Home Hill
- Tourism

COMMUNITY SERVICES

- Events
- Environmental Sustainability
- Community Development
- Volunteers
- Financial Assistance
- Sport and Recreation



EXECUTIVE MANAGER

KYLIE LUNSON

DEVELOPMENT SERVICES

- Environmental Health
- Statutory Planning
- Building/Plumbing

REGULATORY

- Risk
- Animal Control
- Compliance
- Workplace Health and Safety

HUMAN RESOURCES

CUSTOMER SERVICES

PARKING

WORKFORCE PROFILE

AS AT 30 JUNE 2023

Category	Full-time	Part-time	Casual
Male	83	9	9
Female	35	24	23
Total	126	35	23
General Manager	1	0	0
Deputy General Manager	1	0	0
Executive Managers	2	0	0
Administrative/Technical	56	15	14
Operations/Works	50	4	0
Facilities/Satellite Sites	8	14	18
Number of FTE	149.85		
% of female staff	44.81%		
% of male staff	55.19%		
Staff turn over rate	20.49%		
	2022/23	2021/22	2020/21
Absenteeism (sick leave, average number of days lost)	9.96 days	9.38 days	9.8 days
Lost Time Injury Frequency Rate (LTIFR)	34.90	17.07	13.42
Medical Treatment Injury Frequency Rate (MTIFR)	4.30	12.80	17.89

WORKERS COMPENSATION AS AT 30 JUNE 2023

Policy year ending 30 June	Number of workers compensation claims lodged with Council's insurer	Current open claims	Gross value incurred by the insurer \$
30/06/2023	8 claims	1	123,766.11
30/6/2022	7 claims	0	114,359.42
30/6/2021	7 claims	0	26,494.39
30/6/2020	6 claims	0	29,481.08
30/6/2019	12 claims	0	349,415.52
30/6/2018	6 claims	0	32,029.49

Senior Officer remuneration

Council is required to report on the total annual remuneration paid to employees who hold senior positions. For the purpose of this disclosure, all staff appointed to the Executive Leadership Team are included as Senior Officers. Details relating to Senior Officer remuneration are outlined in the Financial Report at note 10.1 (ii).

GOAL 1

LIVING LIGHTLY ON OUR ENVIRONMENT



HIGHLIGHTS

ELECTRIC VEHICLES

Council introduced the first electric vehicle into its fleet, marking a significant step toward a more sustainable and eco-friendly future. This initiative reflects Council's commitment to reducing carbon emissions and promoting environmental conservation, demonstrating the potential for impactful change through responsible choices.

Making this change not only reduces Council's carbon footprint, it also has economic benefits by savings on fuel costs and maintenance.



ENVIROMENTAL SUSTAINABILITY

- **Bat Discovery Nights, with Dr Lisa Cawthen:** 40 people attended Bat Discovery Nights at Don Reserve and Kelcey Tier Greenbelt held in April. Using a bat sound detector the groups found 6 out of the 8 species that are present in Tasmania, which was a very impressive result for small reserve areas.
- **Friends of Don Reserve:** 8 volunteers contributed in many ways throughout 2022/23 with activities including native species planting, rubbish collection and invasive weed control for a total of 138 hours. Whilst the group is small in number, they make a significant impact due to their extensive knowledge of the area.
- **Wildcare Tasmania - Friends of Devonport Reserves:** In the second year of the Swift Parrot Project at Kelcey Tier Greenbelt there were 22 volunteers contributing 210 hours, monitoring the presence of the Swift Parrots mainly in and around 100 nest boxes, as well as undertaking Sugar Glider control in the nest boxes.



191,939

LITRES DIESEL
CONSUMED

194,459 in 2021/2022

18,399

LITRES UNLEADED PETROL
CONSUMED

20,282 in 2021/2022

15,404

TONNES WASTE TAKEN
TO LANDFILL

16,203 in 2021/2022



GOAL 1 ANNUAL PLAN ACTION SUMMARY

Action	Outcome	Status
Conduct further research and implement monitoring program of the swift parrot habitat in the Kelcey Tier Greenbelt.	Monitoring continuing by the Wildcare - Friends of Devonport Reserves volunteers.	✓
Commence trial of electric vehicles within Council's light fleet.	New electric vehicle has been delivered and put into operation in Council's fleet.	✓
Review and update Council's Waste Strategy.	The Waste Strategy was issued for public consultation during March-April 2023. Public feedback was considered and the final Strategy document was adopted at the May Council meeting.	✓
Prepare for the introduction of a residential FOGO collection and upgrades to the Waste Transfer Station to maximise waste recovery.	Analysis of service delivery options for kerbside FOGO collection was completed during March-April 2023. A report was taken to the May 2023 Council Meeting, detailing the FOGO servicing options. Council endorsed its commitment to participate in the Cradle Coast Waste Management Group regional collection contract. The Waste Transfer Station upgrade design phase has substantially commenced and will continue into next financial year, with construction likely to commence late 2023.	✓

LEGEND Completed ✓ In progress → Ongoing → Deferred →

GOAL 2

BUILDING A UNIQUE CITY



REGULATORY SERVICES

ENFORCEMENT POLICY

Regulatory functions such as development and planning assessment, permit authority services, animal control, compliance and environmental health functions continue to be a core part of the services Council provides to the community.

Overall development and investment in Devonport is continuing to grow, with Council receiving 206 planning applications in the 2022/23 financial year.

Worth more than \$67 million - an approximate decrease of just over 22% from 2021/22. This 2021/22 figure is reflective of a number of large scale development applications that were received by Council.

Providing high-level customer service continues to be a focus for Council's Regulatory Team, with additional online booking systems added to provide access to Council staff and interactive dashboards added to Council's website to provide real-time data for planning, building and plumbing applications.

An overview of environmental health services is provided on page 48.

Council undertook an internal audit of Council's Permit Authority processes associated with compliance of its obligations under the *Building Act 2016* in January 2022. A recommendation for improvement from the audit was to adopt an Enforcement Policy, to communicate Council's approach to enforcement subject to the nature of the issue and to provide a clear, transparent process for all involved and support decision-making of Council. The Enforcement Policy was adopted by Council in December 2022.

The purpose of Council having an adopted Enforcement Policy is to ensure enforcement is carried out in the public interest and is transparent, fair, efficient and consistent.

The Enforcement Policy defines the standards and expectations set by Council, to exercise its duties, functions and responsibilities involved in carrying out any enforcement in the Devonport municipal area.

Although the requirements associated with enforcement have been in practice for many years, it is considered good governance to have an adopted policy.

The Policy is available on Council's website.

54
BUILDING PERMITS
ISSUED

64 in 2021/22

193
BUILDING CERTIFICATES
OF LIKELY COMPLIANCE
RECEIVED

152 in 2021/2022

60
PLUMBING PERMITS ISSUED

42 in 2021/2022

121
PLUMBING CERTIFICATES OF
LIKELY COMPLIANCE ISSUED

134 in 2021/2022

12
PLUMBING ON-SITE
WASTEWATER ISSUED

20 in 2021/2022

1306
PROPERTY CERTIFICATES
ISSUED

625 in 2021/2022

\$67.17M

ESTIMATED VALUE OF
DEVELOPMENT APPROVALS

\$86.58M in 2021/2022

206

DEVELOPMENT
APPLICATIONS APPROVED

224 in 2021/2022

LIVING CITY HIGHLIGHTS

The past year has marked significant milestones in the advancement of LIVING CITY, with the successful completion of Stage 2. Stage 2 of LIVING CITY is comprised of two components: public open space and a new hotel, both of which were completed and opened in 2022/2023.

The Waterfront Park is comprised of an elevated walkway stretching from Rooke Street to the Mersey River, a children's playground, a BBQ shelter and amenities, a riverfront esplanade, a rotunda, bus shelters, garden, outdoor amphitheater and mist feature.

In February 2023, the LIVING CITY Waterfront Precinct was officially opened, celebrated with a gathering of over 5,000 people listening to the Tasmanian Symphony Orchestra play the Novotel Devonport Symphony on the Waterfront. The newly completed parkland was the perfect place for the community to celebrate the new public open space areas completed as part of LIVING CITY.

The event's resounding success was an excellent demonstration of the parkland's aesthetics and adaptability, particularly its suitability for hosting large-scale outdoor events. Since the official opening, the public has utilised this space for a variety of organised and impromptu events.

Moreover, this year witnessed a significant milestone with the opening of the Novotel Hotel, the most substantial private sector investment in the LIVING CITY project thus far. In October 2022, the Novotel Hotel, boasting 187 rooms, opened its doors. The construction and inauguration of this hotel not only underscored a major success in private sector involvement within LIVING CITY but also signified a momentous opportunity for Devonport to attract an increased influx of business, conference and leisure travelers to our City.

Collectively, the harmonious integration of the parkland and the Novotel Hotel extends beyond the mere redevelopment of a city block. It embodies the realisation of Devonport's longstanding aspiration to connect the City to the Mersey River.

As we move forward, our sights are set on the future, with the commencement of master planning efforts for Stage 3 of the LIVING CITY initiative, an endeavour that took shape during the span of 2022/23. This steadfast commitment to progress and innovation reinforces our dedication to transforming Devonport into a thriving and inclusive urban hub into future years.





The next stage of the LIVING CITY initiative is underway, with the development of a state-of-the-art cycling hub along with inner city apartments in Devonport's CBD. In early 2021, part of 29 Fenton Way was listed as one of four development sites open for Expressions of Interest for future development.

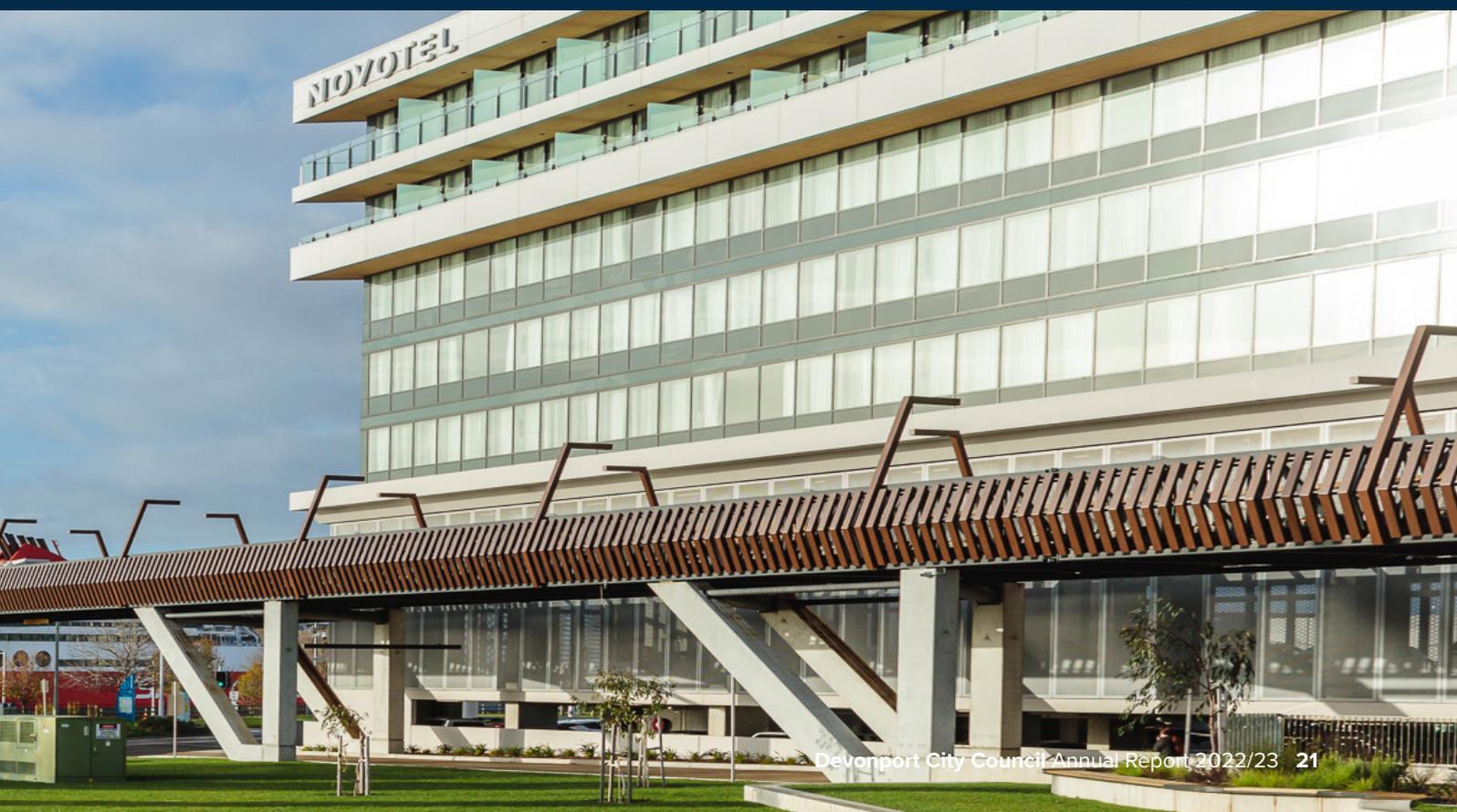
The Expressions of Interest process was designed to stimulate economic activity and growth within the City, providing opportunity for the private sector to participate in the ongoing development of the CBD as part of Council's LIVING CITY initiative.

With the LIVING CITY Waterfront Precinct now open, Council is focused on attracting further commercial and retail growth in our CBD.

Locally owned DOKS Developments will acquire the Fenton Way site, constructing a \$3 million development that consists of a Giant retail store, café, bike hire, shuttle bus zone for mountain bike tours and seven residential apartments.

The first contract Council secured for this location is with locals. Whilst LIVING CITY has attracted mainland and international investment in Devonport, it is also about creating confidence and momentum for local investors to grow their businesses.

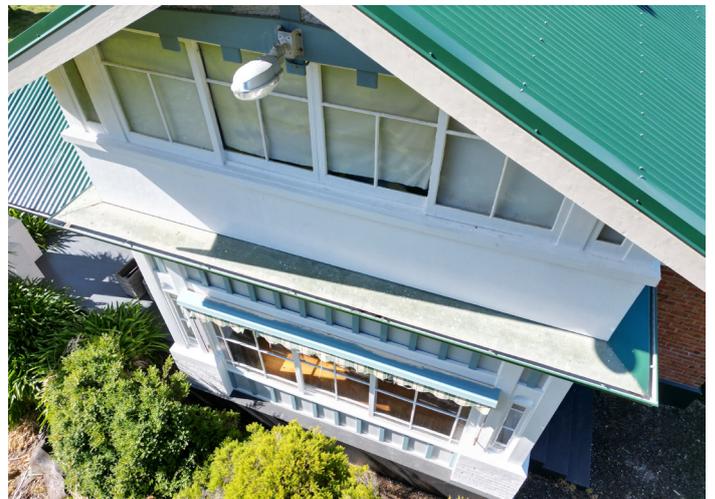
This two-storey development is the first commercial proposal for the old library site, with a view to further development occurring on the site, signalling the start to the next stage of LIVING CITY.



CAPITAL WORKS PROGRAM

BUILDING AND SPORTS GROUND UPGRADES INCLUDED:

- Splash Aquatic Centre pool hall concourse drainage grate
- Devonport City Council Works Depot's oil store containers
- Splash Aquatic Centre lifting equipment replacement
- Splash Aquatic Centre wet changeroom flooring
- Splash Aquatic Centre external painting
- Bass Strait Maritime Centre reception counter
- Bass Strait Maritime Centre roof restoration.



PLAYGROUND AND RECREATION UPGRADES INCLUDED:

- Horsehead Creek toilet & dump point
- Highfield Park play equipment
- Shade structure at Bluff Skate Park
- Highfield Park BBQs and shelters
- Don Reserve playground renewal project
- Musselrock fishing infrastructure.





\$14M
**CAPITAL WORKS
COMPLETED**
\$13M in 2021/2022

STORMWATER UPGRADES INCLUDED:

Highfield Road: One of the more challenging projects of the year was determining an innovative way to access a fully landscaped private property to upgrade Council's stormwater system capacity. Council's Engineering and Works Teams combined to meet the challenge.

Steele Street: A major upsizing of a critical stormwater line in the central business area involved closing an inbound lane of traffic to ensure the safe and efficient completion of this project.

MODERN BURIAL SYSTEM

Stage 3 installation of the Modern Burial System was completed during the financial year. 300 additional burial plots were created, which on current burial rates, will cater for burials for the next 3-4 years. An additional parking area was also constructed as part of this stage of the project.

FOOTPATH MISSING LINKS PROGRAM

Council's Footpath network stretches from Ambleside in the east to Don in the west. However, there are several gaps in the network that are progressively being closed with the construction of short sections of path. Priorities are based on the likely number of users who would access the link.

TARLETON STREET RENEWAL

This project involved replacing failing assets and strengthening the road on a high volume and critical freight route into and out of the State. Work included landscape improvements and undergrounding of powerline infrastructure as part of the State Vehicle Entry project. This section of Tarleton Street accommodates 60,000 vehicles per week including nearly 4,000 heavy transport vehicles.

WILLIAM STREET RENEWAL

The project involved replacing failing assets and strengthening the road for current and future traffic. Work included improvements to the shape of the traffic islands to accommodate bus turns and make it safer and easier for pedestrians in the vicinity. The project included pouring of half a kilometre of kerb and placing 1,100 tonnes of asphalt.

ASSET MANAGEMENT



270.5KM

ROADS

271.3KM in 2021/2022

14

SPORTS GROUNDS

14 in 2021/2022

280.8KM

**FOOTPATHS/PATHS
AND WALKWAYS**

268KM in 2021/2022

REVALUATION OF STORMWATER ASSETS

Council undertakes a scheduled revaluation of infrastructure assets which are valued in accordance with AASB 116: Property, Plant and Equipment and AASB 113: Fair Value Measurement.

Current replacement costs are calculated (except for land and buildings) using current construction costs, or detailed estimations provided by qualified or experienced staff. As part of the revaluation, asset useful lives are reviewed and amended as required.

Summary – Stormwater Assets	Pre-valuation \$M	Post-valuation \$M	Variance amount \$M	Variance %
Asset cost	168.665	180.580	11.915	7.1
Accumulated depreciation	77.697	82.202	4.505	5.8
Written down value	90.958	98.378	7.420	8.2



SMART CITY PROJECT: DEVONPORT LIVE

Throughout the 2022/23 period, Council advanced its Smart City endeavour, Devonport Live, demonstrating a continued commitment to innovation. The foundation of Smart Cities lies in the integration of a diverse array of sensor technologies known as IoT devices (Internet of Things), which seamlessly connect through a Low Power Wide Area Networking (LoraWAN) infrastructure.

Significant strides were achieved, resulting in the successful deployment of the following IoT devices and applications during the year:

1. Asset Tracking and Utilisation: Council embarked on comprehensive monitoring of its plant and equipment, including backhoes, excavators, and forklifts. This initiative aimed to optimise fleet utilisation, ensuring that the fleet size aligns effectively with operational demands for works and maintenance.

2. Don River Flood Monitoring: Critical water level monitoring in the Don River was established through dedicated sensors. These sensors are configured to trigger alerts should the water level exceed predefined high thresholds, enabling swift response measures.

3. Vaccine Fridge Monitoring: Ensuring precise temperature control within vaccine fridges is of paramount importance. To address this, sensors were deployed to actively monitor temperature conditions. Alerts are triggered if temperature thresholds veer beyond the acceptable range, safeguarding the integrity of stored vaccines.

4. Rooke Street Pedestrian Flow: Council harnessed the power of video surveillance and artificial intelligence to meticulously track traffic flow within the Rooke Street Mall. The resultant data carries valuable insights, potentially influencing future strategies for the Mall's development and providing invaluable insights for retailers.

Additionally, the Council continued to reap dividends from the sensor implementation initiated in the prior year, 2021/22. Notably, garbage bins located at the Bluff have been seamlessly integrated with Council's core business system, Technology One. This intelligent integration triggers automatic work orders for bin emptying as soon as a bin reaches 75% capacity. The success of this integration underscores the potential of merging sensor data with Council's business systems, paving the way for heightened efficiency and an elevated standard of service delivery. This development holds the promise of unlocking even greater opportunities in the pursuit of streamlined operations and enhanced community services.

STRATEGY UPDATES

The following Council strategies were adopted during the past financial year:

- Signage Strategy 2022-2027 (adopted August 2022)
- Devonport Open Space Strategy 2022-2023 (adopted September 2022)
- CCTV Strategy 2023-2027 (adopted March 2023)
- Living Well – Devonport Health & Well-Being Strategy 2022-2033 (adopted April 2023)
- Road Network Strategy 2023-2028 (adopted May 2023)
- Waste Strategy 2023-2028 (adopted May 2023).



GOAL 2 ANNUAL PLAN ACTION SUMMARY

Action	Outcome	Status
Develop and publish Plumbing Inspection Guidelines.	Council's website has been updated to include information from the Director's Determination relating to plumbing inspections.	✓
Update Bushfire Management Plans for Kelcey Tier and Don Reserve.	Consultant has completed the Draft Bushfire Management Plan.	✓
Undertake a feasibility study into a Bluff Beach ocean pool.	Workshop held during March with Councillors to review the content of the study, and report presented to the April Council Meeting to complete this action.	✓
Progress the development planning of the LIVING CITY precinct to the west of Market Square.	Design investigation and options analysis work for the future development of this area has now been completed. Master Plan for the precinct was presented to the June Workshop, with individual projects to be progressed during the next financial year.	✓

LEGEND Completed ✓ In progress → Ongoing → Deferred →

GOAL 3

GROWING A VIBRANT ECONOMY



HIGHLIGHTS



DEVONPORT JAZZ

The Devonport Jazz Festival was held from 28-31 July 2022. The four-day festival had 21 performances to an overall audience number of around 2,700.

Interstate artists included the multiple-ARIA Award winning musician Paul Grabowsky, Afro-Peruvian Jazz band ALLY featuring Gai Bryant and the Royal Australian Navy Band Melbourne Jazz Ensemble.

Talented musicians came from across the State to perform at 15 venues throughout Devonport and surrounding areas.

A celebration of local and emerging artists, Jazz in the Pavilion and Jazz MAD, again proved very popular, offering performance opportunities to students, choirs, dance schools and community bands.

In 2022, 18 Taskforce volunteers contributed 198.25 hours in the delivery of the festival.



INTERNATIONAL WOMEN'S WEEK

The Ambassador of this year's Diamonds of Devonport was former Mayor, Annette Rockliff. Annette promoted International Women's Day, Diamonds of Devonport and Share the Dignity in the lead up to International Women's Week in March. At the Diamonds of Devonport event, which was attended by 92 community members, 25 Diamonds of Devonport were celebrated across the categories of Young Achiever, Business Achievement, Personal Achievement and Community Achievement. A special tribute was paid to former Mayor, Mary Binks OAM who was awarded a posthumous Diamond of Devonport. The theme for International Women's Week 2023 was #EmbraceEquity and throughout the week, various local women, who are advocates and leaders in the community, were invited to contribute their thoughts on celebrating women and raising awareness around equity in the community.



EVE IN THE CITY 2022

Eve in the City was hugely popular, as community confidence rose after two years of COVID cancellations and scaled-down events. Over 10,000 patrons from across the North of the State converged on Aikenhead Point to ring in the New Year. Devonport hosted the only fireworks displays in the Northwest with the assistance of sponsor, SeaRoad.

The event was targeted towards families with activities on site such as carnival rides, laser tag, a silent disco, race car simulators, and lawn games, plus a large array of vendors.

Three local bands played live throughout the evening - Fred Said, The Cold Weather Band and Nine Lives Rock 'n' Soul Revue. There was also a special presentation by a group of seasonal workers to entertain the crowds.



HARMONY WEEK (20-26 MARCH 2023)

Harmony Day is an annual celebration of the diversity and co-existence of cultures in Australia.

The 2023 Harmony Day celebrations included a Citizenship Ceremony that welcomed 10 citizens. Celebrations were held in Market Square where a variety of cultures were showcased by dance and song. With nations such as Samoa, Tonga, Kiribati, Sri Lanka, Greece, China and Ireland celebrated.

As part of Harmony Week, the paranple convention centre was lit up in yellow and blue to show support for the people of Ukraine and as a reminder for the community to reflect and appreciate Australia's cultural diversity and freedom.



CHRISTMAS CELEBRATIONS

The Devonport Christmas Parade was held on Thursday 24 November, the day before the Show Day Public Holiday. After the success of the new route in 2019, around the Bass Strait Maritime Centre, Bluff and Devonport Oval, this area was used for the third time.

Marshalling was undertaken at Byard Park, utilising James Street for large trucks, Byard Park car park for smaller vehicles, and the park itself for walking groups.

Council staff controlled the marshalling area and were assisted by the SES for road closures and security during the event.

Approximately 34 floats participated in the Parade. There were three winners of the Mayor's Award for floats that best captured the Christmas spirit, which was split equally between M.A.C.E. North West (MACE - Motorcyclists Advocating Child Empowerment), Don Market and the City of Devonport Brass Band.

Spectator numbers were strong which was helped by good weather. The crowds spread out a little more this year to take advantage of the parklands around the precinct. Mobile food vendors were strategically placed to move families towards the Bluff Road areas.

A Christmas parade was also held in East Devonport and its surrounding suburbs to mark the festive season.

CHRISTMAS IN THE MALL

Eleven panels were painted by local children to decorate the base of the community Christmas Tree in the Rooke Street Mall. The children were from Devonport, East Devonport, Nixon Street, Miandetta, Hillcrest, and Spreyton Primary Schools, Our Lady of Lourdes, Devonport Christian School and the North West Support School, as well as East Devonport Child and Family Centre, Devonport Girl Guides, and Elanora Child Care Centre. Artwork subjects included Christmas Trees, Santa, Christmas carols, storybook characters, and native animals. The panels were displayed throughout December.



CAROLS BY CANDLELIGHT

After moving to the Valley Road Soccer Centre in 2021 to assist with the application of COVID procedures, the Carols by Candlelight organising committee utilised the same venue due to its onsite infrastructure, fencing, and large flexible space. Approximately 2,000 people attended the two-hour concert. The program was balanced with equal numbers of performance pieces and audience participation items. Performances included a wide variety of music, from Elvis' Blue Christmas to Oh, Holy Night sung in Samoan. A host of traditional carols was led by the 30+-strong community choir and the City of Devonport Brass Band to which everyone could sing along.





GOAL 3 ANNUAL PLAN ACTION SUMMARY

Action	Outcome	Status
Develop an Investment Prospectus for the Devonport region.	Final document authoring and graphic design is now complete, with final introductory statements from key partners to be incorporated into the final document. The new Prospectus document will be launched in the new Financial Year, along with a new Economic Development page on Council's website.	✓
Develop a feasibility study and outline potential future operational models to preserve and enhance the historic Home Hill property.	SGS Report has been finalised. Awaiting presentation to Council.	✓
Work with preferred proponents on selected CBD development sites to execute contracts and allow works to commence.	Contractual agreements have now been finalised for the Fenton Way site. A Development Application has been lodged with Council to progress this project towards construction.	✓

LEGEND Completed ✓ In progress → Ongoing → Deferred →

GOAL 4

BUILDING QUALITY OF LIFE



ACTIVE COMMUNITIES

Increasing the utilisation of sport and recreation facilities and multi-use open spaces in Devonport, is one of Council's key strategies under Goal 4 of its Strategic Plan 2009-2030. After the 2021 launch of the Council endorsed Devonport Sports Infrastructure Master Plan, a number of priority projects have been identified and planning commenced. These projects, highlighted in the Master Plan, work towards developing or enhancing public sports infrastructure to encourage wider community participation in sport, health, and wellbeing initiatives to 2035 and beyond.

Key projects that entered the formal planning stages or were completed in the 2022/23 FY are:

- Byard Park: Installation of training lights, widening of Cricket Pitch to a national standard and upgrades to change rooms, a club room expansion, and all access facilities.
- Maidstone Park: widening of Cricket Pitch to a national standard.
- Devonport Oval: Development of a new multi-use sports facility, including shared clubrooms and function space for major user groups
- Valley Road Soccer Grounds: Development of new grandstand.

Other Active Communities highlights from the year include:

- The Devonport City Strikers and the Australia Cup, bringing games to the Valley Road Soccer Complex in August 2022.
- Spirit of Tasmania Tour of Tasmania's Stage 2: Spreyton Cider to Sheffield, and Stage 3: Devonport Criterium as part of the November 2022 Event.
- The Statewide Schools Triathlon Challenge - the largest lifestyle event for schools in Tasmania with 2,000 students participating in Devonport every December.
- Devonport Junior Soccer Association Devonport Cup was its biggest event to date: a record 1200 participants with over 100 teams entering the three-day competition.
- Health and well-being programs at the Devonport Recreation Centre, including Ageing Stronger, Active Longer, continue to be very popular with consistent, regular participants and new participants joining on a regular basis.

47

**NEW CITIZENS
WELCOMED TO
DEVONPORT**

72 in 2021/2022

237,261

**ENTRIES TO
SPLASH AQUATIC
& LEISURE CENTRE**

243,171 in 2021/2022

AUSTRALIA DAY AWARD RECIPIENTS HONOURED

140 community members welcomed 19 new citizens and celebrated the Australia Day Awards at a ceremony at the paranapple convention centre on 26 January. Australia Day Awards were presented to:

- Citizen of the Year Award: Sylvia Sayers,
- Young Citizen of the Year: Kiara Digby, and
- Community Event of the Year: The Hudson 365 Night Light Glow Run/Walk.



ACCESS AND INCLUSION

The Access and Inclusion Working Group continued to meet on a regular basis with a focus on carrying out activities from the Devonport Disability Inclusion Plan, including providing advice on making Council information, services, and facilities available to all community members. With the input of the Working Group, good progress has been achieved during the year, delivering positive outcomes for the community as a whole.



SENIORS WEEK (17-23 OCTOBER 2022)

Council held their seventh annual 50+ year ratepayers' lunch in the paranapple convention centre which was attended by over 100 ratepayers. Council also held a Seniors morning tea at the Devonport Soccer Club with 22 in attendance with the Devonport Youth Advisory Group providing entertainment and serving light refreshments, tea, and coffee.

VOLUNTEER BREAKFAST

To celebrate International Volunteers Day, a community breakfast was held in Market Square on 6 December 2022 with over 100 volunteers in attendance. The breakfast was cooked by Councillors and staff for volunteers within the Devonport community.

DEVONPORT YOUTH ADVISORY GROUP (DEVYAG)

Council's Devonport Youth Advisory Group has been running for close to two years. The group was formed to promote youth issues and concerns in Devonport. The group is comprised of nine members from Devonport High School, Reece High School, Don College, and St Brendan Shaw College with all members being nominated by their respective Principals.

DEVYAG facilitated and hosted a music event on 18 November 'Music in the Square' (MISQ) which featured local musicians and was held in partnership with the Devonport Library. The event had over 200 attendees and showcased a range of talent within the City of Devonport.

To date, the members have been involved in Council's Health and Wellbeing Strategy, Volunteer Tasmania Workshop, Libraries Tasmania Workshop, Council's Budget Breakfast, Harmony Day, Devonport Jazz, Christmas Parade and the Senior's Morning tea in a volunteering capacity.

PARANAPLE ARTS CENTRE & CONVENTION CENTRE

The paranaple arts centre witnessed a remarkable turnaround in the face of challenges posed by the COVID pandemic. This serves as a testament to its enduring significance within the community. The substantial activity throughout the 2022/23 financial year underscores the intrinsic value of the Devonport Regional Gallery and Town Hall Theatre as vital cultural and event spaces within Devonport.

DEVONPORT REGIONAL GALLERY

Continuing its tradition, the Devonport Regional Gallery offered a robust program of contemporary Tasmanian visual arts during the 2022/23 period. The centrepiece of this program was the biennial tidal: City of Devonport Tasmanian Art Award, which took place in December 2022. The award garnered 141 high-quality entries for its 10th edition. A total of 49 works by 46 artists were preselected for the finalists' exhibition.

Sponsored by the Council and the Devonport Regional Gallery Friends Committee, the \$20,000 major acquisitive award was claimed by Hobart artist Sara Maher for her large ink on paper work, *Open Listening (Lunawanna-alonnah/Bruny Island)*. Ashley Bird, Senior Curator Visual Art and Design at QVMAG and a judge, remarked, "what makes it a worthy winner is its power. The work draws you into an emotional and liminal space - a location of the mind as well as the surface of something calm and wild in equal measure. The work is also relevant and sensitive to current Tasmanian experience, speaking to non-indigenous people's recalibration of personal relationship to this place. The artist is successful in viscerally capturing a sense of the ever-changing, tidal sea – responding strongly to the set theme."

Liam Ross Baker secured the people's choice award with his oil on canvas piece, "A Drinking Town with a Fishing Problem". Other notable highlights from the 2022/23 program encompassed:

- Women's Art Prize, Tasmania
- A Solo Commission exhibition by Nanna Bayer
- Terms, an exhibition curated by David mangenner Gough and Loise Daniels
- 50 Years of Collecting, a celebratory showcase of the Gallery's permanent collection spanning five decades.

The Gallery facilitated loans of works from its permanent collection to other institutions. The painting *W N Holmes Esq* is currently on loan to the Art Gallery of NSW, featured in the major national touring exhibition, *Archie 100 – A Century of the Archibald Prize*. The piece, originating from 1930, was created by Tasmanian artist Edith Holmes (1893 - 1973). Also, the painting *Antonio Departs Flores on the Whaling Tide*, 2016, winner of the tidal: City of Devonport Art Award in 2016, is on loan to the Perc Tucker Gallery in Townsville, Queensland, for the touring survey exhibition *Julie Fragar/Biograph*. The Queen Victoria Museum and Art Gallery lent two works for inclusion in separate survey exhibitions: an untitled mixed media drawing from 1983 by David Marsden and a photographic print, *Daniel*, from 2010 by Lisa Garland.

The Gallery's after-school hours education program, *Create and Make*, as well as the school holiday workshops, maintained strong attendance with classes consistently operating at full capacity. These sessions, presented in the Creative Space, were also frequently utilised by school groups as part of their exploration of the exhibitions.



NOVOTEL DEVONPORT SYMPHONY ON THE WATERFRONT WITH THE TASMANIAN SYMPHONY ORCHESTRA

On Saturday February 11, Council hosted *Symphony on the Waterfront*, a significant outdoor event commemorating the unveiling of the Waterfront Precinct. This complimentary event received backing from Novotel Devonport and the Tasmanian Symphony Orchestra, drawing an estimated attendance of 5,000 individuals. Attendees brought along picnic rugs and chairs to enjoy the revitalised Round House Park and Haines Park precincts.

Adding to the evening's charm, the local choir, *Right on Cue*, took the stage at the commencement of the event, paving the way for the audience to relish two sets performed by the TSO.

TOWN HALL THEATRE

Throughout the 2022/23 financial year, the Town Hall Theatre offered a diverse program encompassing national touring shows, Tasmanian creations, and performances by local schools and performing arts groups. The schedule boasted a range of entertainment, including theatre, music, comedy, and dance productions. This comprehensive program featured community organisations and commercial hirers, leading to a showcase of exceptional artists and performers.

The paranable arts centre also played host to an assortment of circus acts, music concerts, dramatic plays, and children's shows. These events brought distinctive experiences to the community, which might have otherwise remained beyond reach. Among these offerings, children's theatre performances fostered community engagement opportunities through workshops and post-show Q&A sessions.

Highlights of the events featured:

- 11 Presenter Season performances, including: Alphabet of Awesome Science, Prima Facie, Sparrows of Kabul and Wilfried Gordon McDonald Partridge.
- 45 Community performances, including: Ring of Fire – Cradle Coast Theatre, Freaky Friday – Devonport Choral Society, School of Rock – Don College and Festival of Voices
- 15 Commercial performances: Amy Shark, Ross Wilson, Ahn Do, Shake Rattle and Roll, and Ross Nobel.



CONVENTION CENTRE

In its fifth year of operation, the paranable convention centre was awarded Best Event Venue – Capacity Less Than 1,000, in Tasmania, and was a national finalist at the Meeting and Events Australia Awards.

Furthermore, the 2022/23 period saw the highest number of meeting and event bookings since the Centre's inauguration in 2018, at 987 room bookings. This record-high utilisation rate was fuelled by a diverse array of events, ranging from national conferences to trade shows and local community gatherings.

Key events in the period included: Dairy Industry Association of Australia, Unite in Yellow Gala, North-West Regional Tourism Forum, Tasmanian Energy Development Conference, Tasmanian Rural Health Conference, IGA Awards for Excellence, National Olive Association, Sustainable Economic Growth for Regional Australia Conference, and Tasmanian Mining, Manufacturing and Energy Council.

70

EVENTS HELD AT THE
TOWN HALL THEATRE

32 in 2021/2022

31

EXHIBITIONS HELD
AT THE DEVONPORT
REGIONAL GALLERY

24 in 2021/2022

987

BOOKINGS AT THE
PARANABLE CENTRE
AND PARANABLE
CONVENTION CENTRE

874 in 2021/2022

7,628

ENTRIES TO THE
BASS STRAIT MARITIME
CENTRE

4,934 in 2021/2022

48,241

VISITORS TO THE
PARANABLE ARTS
CENTRE

35,319 in 2021/2022

BASS STRAIT MARITIME CENTRE

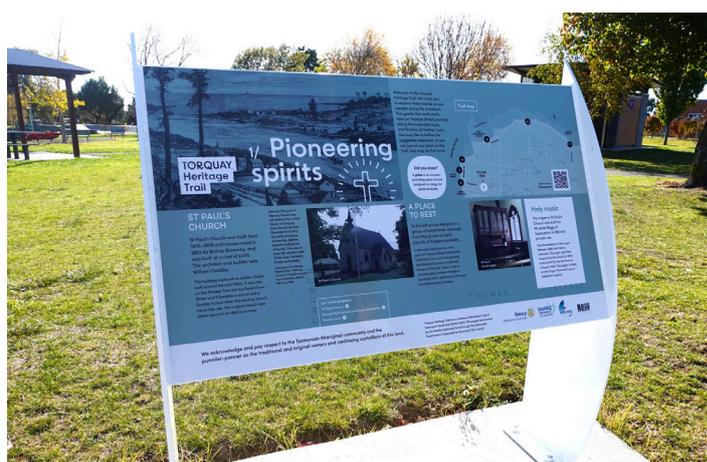
In its 50th year, the Bass Strait Maritime Centre experienced a resurgence in visitation and community engagement, alongside securing high-profile Commonwealth funding. The 2022/23 financial year witnessed a remarkable 55% increase in visitation to the Centre compared to 2021/22, an accomplishment that the team takes immense pride in. In September 2022, Council welcomed Joanna Gair as the BSMC Coordinator, bringing with her extensive experience in cultural tourism.

Over the course of 2022/23, the Centre presented the following four temporary exhibitions:

1. Instrumental: Navigating and communicating on the high seas
2. Remarkable: Stories of Australians and their boats
3. Ice in the Rigging: Voyage to the Antarctic
4. Strata: Metals, minerals, and mining along the Strait

The Centre's public talk series garnered significant attendance and featured several captivating speakers, including Elizabeth Nickols, Graeme Broxam and Peter Higgs, and Dr. Ben Arthur from CSIRO. Additionally, the Centre coordinated a major touring exhibition titled Bass Strait; Above, Below, and In-between, funded through the Maritime Museums of Australia Project Support Scheme and supported by Arts Tasmania. This collaborative project involved eight maritime and social history organisations from across the North-West region and is scheduled to tour throughout Tasmania and Victoria.

Other noteworthy achievements encompassed the installation of new road signs, advertising activities, and school engagement initiatives. The period also witnessed an increase in volunteer numbers, with five new volunteers joining the team to assist with activities such as maintaining the social history archive.



TORQUAY HERITAGE TRAIL

The Torquay Heritage Trail, a four-kilometre journey through the vibrant history of East Devonport, was officially opened on May 18, 2023. This trail serves as a testament to the community's strength and resilience, commemorating the past events that have shaped them.

The Devonport Soroptimist Club initially proposed the idea for the heritage trail, with the Rotary Club of Devonport South East leading the project. Funding and support were provided by Healthy Tasmania, Devonport City Council, and the Bass Strait Maritime Centre, showcasing the collaborative efforts of local organisations.

The trail offers walkers a captivating journey through the original settlement of Torquay in 1855, highlighting the individuals who have called this area home throughout the years. The opening of the Torquay Heritage Trail holds great significance for the community, providing an opportunity for all to deepen their understanding of the region's remarkable history.

The Rotary Club aims to provide walkers with a scenic and reflective experience, allowing them to appreciate the community's triumphs over adversity and draw inspiration from their heritage. Attendees are encouraged to engage with one another, fostering a sense of community pride and appreciation. The Torquay Heritage Trail stands as an important initiative for the East Devonport community, and the Rotary Club of Devonport South East eagerly anticipate welcoming locals and visitors to explore the trail and delve into its rich history.

GOAL 4 ANNUAL PLAN ACTION SUMMARY

Action	Outcome	Status
Complete planning for selected priority projects identified via the Sports Infrastructure Master Plan process.	At its June Meeting, Council resolved to confirm the Valley Road Redevelopment, and the Devonport Indoor Sports Centre project as the two high priority projects to be progressed from the Sports Infrastructure Master Plan. These projects will be progressed during the next Financial Year.	✓
Review and update Devonport Events Strategy and investigate new event opportunities.	Review to commence in the 2023/24 Financial Year.	➔
Assist in the development of the 'Steps in History' project.	The North West Steps in History Committee have signed an MoU with Council to form a Project Steering Group that is finalising the project scope for presentation to Council.	✓
Investigate Devonport's exhibition program, including opportunities to expand current programs and secure major touring exhibitions.	This project has not yet commenced.	➔
Develop an engagement plan for the Bass Strait Maritime Centre to increase participation.	Acorn Creative Group to provide finalised engagement plan in July 2023.	➔
Investigate storage options for Council's cultural assets.	A capital project is confirmed for 2023/24, to extend the current storage facility at Lawrence Drive.	✓
Develop a Community Health and Wellbeing Strategy.	The Living Well: Devonport Health and Wellbeing Strategy 2023-2033 was adopted by Council at its April meeting.	✓

LEGEND Completed ✓ In progress ➔ Ongoing ➔ Deferred ➔

PRACTICING EXCELLENCE IN GOVERNANCE



GOOD GOVERNANCE CHECKLIST

GOOD GOVERNANCE ELEMENT

ACCOUNTABLE

TRANSPARENT

LAW-ABIDING

RESPONSIVE

EQUITABLE

PARTICIPATORY AND INCLUSIVE

EFFECTIVE AND EFFICIENT

CONSENSUS ORIENTED

3,774

DOGS REGISTERED

3,839 in 2021/2022

20,093

PARKING INFRINGEMENTS ISSUED

16,903 in 2021/2022

HOW DOES COUNCIL ACHIEVE THE GOOD GOVERNANCE ELEMENTS?

- Council policies
- Public Interest Disclosures
- Integrity Commission training and awareness
- Audit Panel
- Community consultation
- Special Interest Groups
- Declarations of Interest
- Related Party Disclosures
- Workshops
- Active disclosures
- Delegations Register
- Legislative Compliance Register
- Gifts and Donations Register
- Declaration of Interest Register
- Reporting compliance
- Planning compliance
- Budget and estimates
- Meeting procedures
- Common law
- Strategic Plan
- Reports, policies and Annual Plan actions linked to Strategic Plan
- Long-term plans and strategies
- Annual Plan
- Annual Report
- Term Plan
- KPIs (financial and non-financial)
- Regular review of policies and strategies
- Public questions/notices
- Surveys
- Expressions of interest
- Public question time
- Feedback opportunities
- Petitions
- Continuous improvement and lean activities
- Induction and targeted ongoing training and development opportunities (Councillor and employee)

RELATED/SUPPORTIVE RESOURCES FOR ADDRESSING GOVERNANCE ELEMENTS

LEGISLATIVE FRAMEWORK

(includes but not limited to):

- *Building Act 2016*
- *Burial and Cremation Act 2019*
- *Dog Control Act 2000*
- *Environmental Management and Pollution Control Act 1994*
- *Food Act 2003*
- *Land Use Planning and Approvals Act 1993*
- *Local Government Act 1993*
- *Local Government (General) Regulations 2015*
- *Local Government (Meeting Procedures) Regulations 2015*
- *Public Health Act 1997*
- *Public Interest Disclosures Act 2002*
- *Right to Information Act 2009*
- *Roads and Jetties Act 1935*
- *Tasmanian Civil & Administrative Tribunal Act 2020*
- *Vehicle and Traffic Act 1999*

INTERNAL DOCUMENTS

(includes but not limited to):

- Community Engagement Policy
- Election Caretaker Period Policy
- Enforcement Policy
- Fraud and Corruption Control Policy
- Gifts & Donations Policy
- Governance Policy
- Information Disclosure and Right to Information Policy
- Personal Information Protection Policy
- Public Question Time Policy
- Rates and Charges Policy
- Related Party Disclosure Policy
- Whistleblower Policy
- Annual Plan
- Annual Report
- Asset Management Strategy
- Code of Conduct (Councillor and Employee)
- Code for Tenders and Contracts
- Council By-Laws
- Financial Management Strategy
- Long Term Asset Management Plans (Transport; Stormwater)
- Long Term Financial Management Plan
- Risk Management Framework
- Strategic Plan 2009-2030
- Term Plan 2022-2026

FINANCIAL PERFORMANCE SNAPSHOT

FINANCIAL SUMMARY

A summary of key elements of Council's finances are outlined below.

Full details on Council's financial performance can be found in the Annual Financial Statements which are provided as an appendix to this Annual Report.

The Annual Financial Statements meet the requirements of the *Local Government Act 1993* and relevant Australian Accounting Standards and have been audited by the Tasmanian Office.

With the inclusion of all items, Council achieved a total comprehensive result of \$9.17 million for the year ending 30 June 2023.

The result from ordinary activities was more favourable than budget, with a surplus result of \$4.7 million against a budget surplus position of \$3.1 million.

The net worth of Council assets increased by \$39.1 million to \$657 million.

FINANCIAL RESULTS (000)	2021/22 ACTUAL \$000	2022/23 BUDGET \$000	2022/23 ACTUAL \$000
Total income	45,067	46,973	48,852
Total expenses	41,344	43,870	44,156
Net operating result	3,723	3,103	4,696
Comprehensive result	12,288	7,749	39,146
Total assets	673,844	673,482	711,519
Total liabilities	56,207	52,082	54,736
Net assets	617,637	621,400	656,783
Cash balance	18,945	7,251	21,500

INCOME

Council's total operating income for 2022/23 was \$49 million, \$1.9 million more than budget, due to an increase in grant funds received in advance and fees and charges.

Income source (\$m)	2021/22 Actual \$000	2022/23 Budget \$000	2022/23 Actual \$000	% of Total Operating Income
Rates and service charges	30,310	31,671	31,714	64.9%
Fees and charges	6,785	6,527	7,631	15.6%
Operating grants	3,504	2,834	4,387	9.0%
Contributions	63	22	168	0.3%
Investments revenue*	3,075	4,821	3,769	7.7%
Other income	1,330	1,098	1,183	2.4%

*includes share of profit of associates

EXPENSES

Council's total operating expenditure for 2022/23 was \$44.1 million, or 0.65% higher than budget. Increases in materials and services and financial costs were partially offset by savings in employee benefits and depreciation.

Expenses (\$m)	2021/22 Actual \$000	2022/23 Budget \$000	2022/23 Actual \$000	% of Total Operating Expenses
Employee benefits	13,354	14,161	13,931	31.5%
Materials and services	16,045	17,293	17,691	40.1%
Depreciation	9,969	10,200	9,940	22.5%
Financial costs	917	900	1,253	2.8%
Other expenses	1,059	1,316	1,341	3.0%

CAPITAL EXPENDITURE

Council delivered \$14 million in capital expenditure during 2022/23, with the majority spent on roads and the continuation of Council's LIVING CITY initiatives.

	\$000
Open space and recreation	1,886
Facilities	884
Stormwater	394
Roads	6,275
Plant and fleet*	985
Equipment/other	460
LIVING CITY	3,081

Expenditure amounts as per WIP Acquisitions see note 6.1

*Does not include trade in.

\$45.6M

**SPENT ON MATERIALS,
CONTRACTS AND WAGES**

\$42.3M in 2021/2022

\$23.4M

**TOTAL GENERAL RATE
REVENUE RECEIVED**

\$22.7M in 2021/2022

12,695

**NUMBER OF RATEABLE
PROPERTIES**

12,626 in 2021/2022

\$1,350

**AVERAGE GENERAL
RESIDENTIAL RATE**

\$1,199 in 2021/2022

KEY FINANCIAL INDICATORS

The table below provides a selection of the key indicators:

Indicator	Council Target	2023 Actual	2022 Actual
Financial operating performance			
Underlying surplus ratio	0%	3.42%	3.49%
Liquidity position			
Current ratio	1:1 or greater	2.99:1	2.72:1
Cash reserves \$000	6,000	21,500	18,945
Net financial liabilities \$000		(28,820)	(32,936)
Net financial liabilities ratio	0% to (50%)	(60.52%)	(74.03%)
Net interest cost	below 7%	0.80%	1.90%
Asset management performance			
Asset consumption ratio – roads	40-60%	45.02%	43.68%
Asset sustainability ratio	100%	78.37%	67.21%



PERFORMANCE MEASURES

		Target	Result
GOVERNANCE	Council decisions made during closed session of Council meetings.	<10%	6.9%
	Councillor attendance at Council meetings.	>90%	91.45%
PERMIT AUTHORITY	Time taken to assess building applications (maximum # days from receipt to decision).	7 days	4 days
	Time taken to assess plumbing applications (maximum # days from receipt to decision).	14 days	7 days
	Building and Plumbing applications decided within required time frame (% decided).	100%	100%
STATUTORY PLANNING	Discretionary planning applications (maximum # days).	42 days	42 days
	Permitted planning applications (maximum # days).	28 days	26 days
	Planning applications decided within required time frame (% decided).	100%	100%
ANIMAL MANAGEMENT	Animal complaints actioned within five days.	100%	100%
FOOD SAFETY	Food Complaints actioned within five days.	100%	100%
	Food safety assessments undertaken in accordance with the Tasmanian Food Business Risk Classification System.	100%	100%
ASSET MANAGEMENT	Capital works projects/expenditure completed.	90%	61%
	Work requests completed for the year (internal and external).	3,000	13,300
WASTE COLLECTION	Cost of domestic kerbside garbage bin collection service - excluding landfill disposal charges (per week per property).	\$2.50	\$2.79
	Domestic resource recovery rate.	20%	19%
CEMETERY MANAGEMENT	Number of available plots/interment sites available (excluding reservations).	500	418
TURNOVER	Resignations and terminations as a % of average staff numbers.	<10%	20.49%
WORK HEALTH AND SAFETY	Lost time injury frequency rate.	0	34.90

\$44M

OPERATIONAL EXPENDITURE

\$41M in 2021/2022

\$49M

OPERATIONAL REVENUE RECEIVED

\$45M in 2021/2022

275

ITEMS CONSIDERED BY COUNCIL

238 in 2021/2022

LEGISLATIVE REQUIREMENTS

CODE OF CONDUCT COMPLAINTS

In accordance with section 72 (1) (ba) of the *Local Government Act 1993*, there was one code of conduct complaint partially upheld (one part with the remainder dismissed) by the Local Government Code of Conduct Panel, and one that was dismissed during 2022/23.

In accordance with section 72 (1) (bb) of the Act, the total costs met by Council during 2022/23 in respect of all Code of Conduct complaints dealt with under Division 3A or Part 3 during 2022/23 was \$7,595.35 (inc. GST).

PUBLIC INTEREST DISCLOSURE STATEMENT

Council is committed to the aims and objectives of the *Public Interest Disclosures Act 2002*. Council also recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, involving substantial mismanagement of public resources, or conduct involving substantial risk to public health and safety of the environment. In accordance with the *Public Interest Disclosures Act 2002*, Council provides information pertaining to the Act on Council's website – devonport.tas.gov.au/Council/council-Policies. The mandatory disclosures under section 86(b)(i) of the *Public Interest Disclosure Act 2002* are:

The number and types of disclosures made to the relevant public body during the year and the number of disclosures determined to be a public interest disclosure	0
--	---

The number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year	0
---	---

The number and types of disclosed matters referred to the public body during the year by the Ombudsman to investigate	0
---	---

The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	0
---	---

The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year	0
--	---

The number and types of disclosed matters that the relevant public body has declined to investigate during the year	0
---	---

The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0
---	---

COMPLAINTS IN ACCORDANCE WITH CUSTOMER SERVICE CHARTER

During 2022/23 there were a total of 11 complaints made in accordance with Council's Customer Service Charter:

- seven complaints related to staff behaviour;
- two complaints related to a failure to adhere to Council's service standards; and
- two complaints related to decisions of Council Officers because due process was not followed and/or not all information considered.

LAND DONATIONS

In accordance with section 72 (1)(da) of the *Local Government Act 1993*, there was no land donated by Council in accordance with section 177 of the Act in 2022/23.

JOINT AUTHORITIES

Section 30 (1) *Local Government Act 1993* - Devonport City Council participates in two joint authorities - the Cradle Coast Authority and Dulverton Waste Management Authority.

ENTERPRISE POWERS

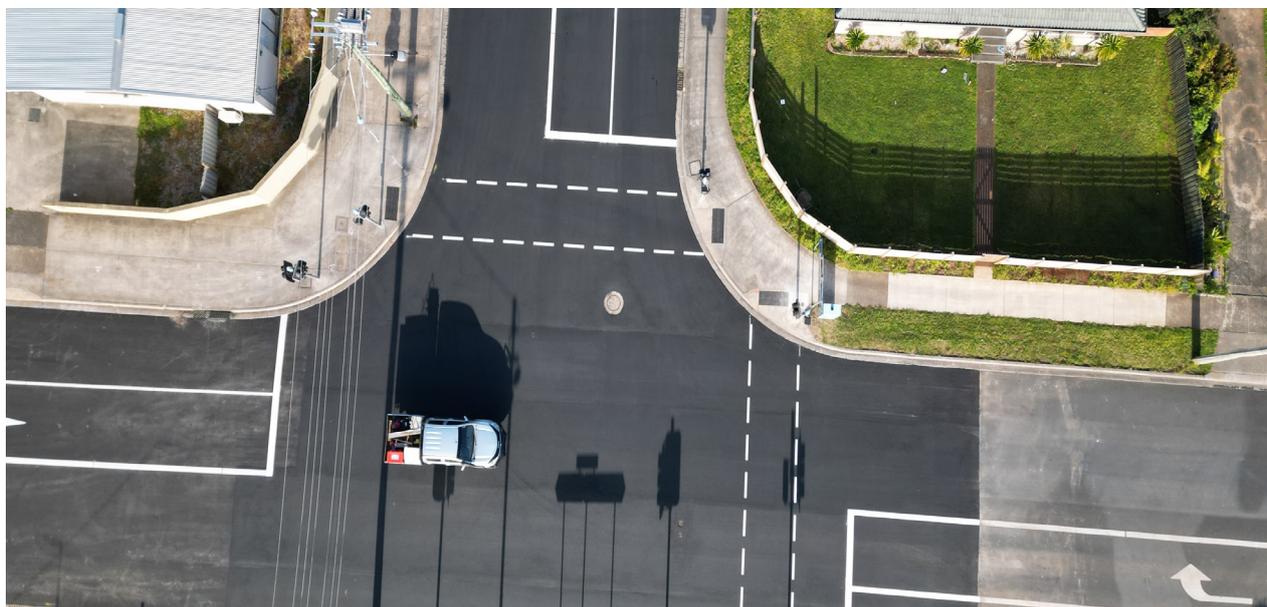
Council did not undertake any activities pursuant to section 21 of the *Local Government Act 1993*.

CONTRACTS AND TENDERS

For the purposes of section 72(1)(e) of the *Local Government Act 1993*, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$250,000 (excluding GST), that is entered into, or extended under regulation 23(5)(b), in the financial year to which the annual report relates:

Contract number	Contractor/supplier	Description of contract	Contract or supply period (plus options)	\$ Value exc GST
CP0219	Buildrite Construction	Pedestrian Bridge Figure of 8 Creek	March 2023 – September 2023	446,951
CT0322	Kentish Construction & Engineering Company Pty Ltd	William Street renewal	July 2022 – February 2023	1,267,012
CT0325	Walters Contracting Pty Ltd	North Fenton Street renewals	January 2022 – August 2022	366,787
CT0321	Walters Contracting Pty Ltd	Steele Street Footpath renewal	October 2022 – March 2023	330,133
CP0226	Hardings Hotmix	Modern Burial System Stage 3	October 2022 – March 2023	874,382
CT0333-02	Hardings Hotmix	Supply, Delivery and Placement of Sprayed Bituminous Surfacing Services	September 2022 – March 2023	303,787
CT0333-01	Roadways	Supply, Delivery and Placement of Hotmix Asphalt Sealing Services	September 2022 – May 2023	399,711
CT0310	Hardings Hotmix	Tugrah Road Safety Improvements	March 2023 – June 2023	405,452
CT0337	Treloar Transport	Tarleton Street renewal	February 2023 – June 2023	1,168,756.70
CB0120	AJR Construction	Theatre Ceiling, Lights, Painting & Carpet	May 2023 – January 2024	406,687
CT0332	Hardings Hotmix	George Street/William Street Roadworks	August 2022 – June 2023	302,687

In accordance with section 23(5)(b) there was no instances of extending a contract (entered into by tender, where the contract does not specify extensions) by an absolute majority.



For the purposes of section 72(1)(e) of the Act, a council is to report the following in its annual report in relation to any contract, for the supply or provision of goods or services valued at or exceeding \$100,000 (excluding GST) but less than \$250,000, that is entered into, or extended, in the financial year to which the annual report relates:

Contract number	Contractor/supplier	Description of contract	Contract or supply period (plus options)	\$ Value exc GST
CS0104	Walters Contracting	Webberleys Road stormwater drainage	January 2022 - July 2022	240,570
CT0275	Pitt & Sherry	Professional Services – State Vehicle Entry Point Project	November 2022 – 2023	188,334
1346	A1 Tree Services	RFQ Tree & Stump Removal Services	May 2023 – April 2024	Schedule of Rates
CB0114	Tasmanian Consulting Services	Provision of Professional Services – Resource Recovery Centre	July 2022 – June 2024	199,950

For the purposes of section 72(1)(e) of the Act, there were no instances where regulation 27(a) and (i) have been applied.



PUBLIC HEALTH STATEMENT

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

Staff resources throughout 2022/23:

- One full-time Environmental Health Officer
- One part-time Environmental Health Officer
- One casual Environmental Health Officer
- One part-time Administration Officer.

School Immunisation Clinics were administered by Council staff and contract Immunisation Nurses.

Functions of the Environmental Health Department include:

- Food Safety
- Disease prevention and control
- Public health education and promotion
- Assessment of public events
- Public health risk activities
- Immunisations
- Exhumations
- On-site waste disposal systems
- Water carters and private suppliers
- Cooling towers and warm water systems
- Recreational and bathing water quality
- Public health nuisances
- Air, water and soil pollution
- Public health emergency management
- By-law compliance
- Environmental complaints

Summary of 2022/23 Outcomes

Administered school-based immunisation program in conjunction with the Department of Health.

Food premise and other licence applications were determined with high-quality and responsive processes.

Inspections, licensing and registration of relevant businesses and temporary food stalls were undertaken and education programs for food handlers were promoted.

Monitoring of water quality in recreational water was conducted and concerns were investigated.

Sharps disposal containers were provided in Council's public amenities and the community sharps disposal unit was supported.

Complaints relating to environmental and public health issues were responded to in a timely manner.

Public education of health and environmental matters was supported where appropriate.

Public Health advice was promoted through Council's communication channels.

KEY PUBLIC HEALTH STATISTICS:

- 297 Food Premises permits issued
- 229 Food Inspections carried out
- 5 Improvement Notices issued
- 59 New Premises Permits issued
- 39 Temporary Premises Permits issued
- 13 Food related complaints received and investigated

COMMUNITY GRANTS

COMMUNITY PARTNERSHIPS AND AGREEMENTS

Organisations	Description	Amount \$
Devonport Brass Band	3 year Agreement – 30 June 2025	10,000 pa
Devonport Community House	3 year Agreement – 30 June 2025	18,000 pa
Devonport Men's Shed	3 year Agreement – 1 July 2025	8,000 pa
Devonport Motor Show	5 year Agreement – 29 January 2024	2,500 pa
National Trust of Australia – Home Hill operations	3 year Agreement – June 2025	28,000 pa
RANT Arts	5 year Agreement – November 2026 – Subsidised rent for property at 45-47 Stewart Street, for provision of delivery of arts and cultural services to the community.	Partnership Agreement/Arts and Cultural services/in-kind funding
Tasmanian Arboretum	3 year Agreement – 30 June 2025	20,000 pa
Youth and Family and Community Connections	5 year Agreement – 29 January 2024 – Subsidised rent for property at 62 and 64 Stewart Street for the delivery of service to support young people and families; marketing and promotion; and assistance in funding applications	Rental agreement/ Youth services/ in-kind funding
Carols by Candlelight	2 year Agreement – 1 July 2023	3,500 pa
City of Devonport Eisteddfod	3 year Agreement - 2022	10,000 pa
Julie Burgess Inc	5 year Agreement – 30 January 2025	40,000 pa
Ten Days on the Island	mapali event	25,000
Devonport Chamber of Commerce and Industry	3 year Agreement – 2022-24	40,000 pa



MAJOR GRANTS

Organisations	Description	Amount \$
Devonport Gymnastics Club	Safety Mats	6,000
Spreyton Cricket & Community Club	Install Solar Power System at Clubrooms	4,255
Devonport Apex Regatta Association Inc	Devonport Apex Regatta	23,465
Devonport City Soccer Club	Media Tower	15,000
Devonport Senior Citizens Club Inc	Furniture Replacement	3,000
Spreyton Football Club	Clubroom Upgrade	8,500
Parakaleo Ministries Inc T/A Choose Life Services	External Building Repairs	5,000
Spreyton Scout Group	Spreyton Scout Centre	7,500
Mersey Rowing Club Incorporated	Roof Repairs - Mersey Rowing Club	5,979
Spreyton Cricket & Community Club	Install Deck, Seating and Steps for Improved Access of Site	5,000
Devonport Country Club Ltd	Accessible Pathway to Toilets for Bowling Greens 2 & 3	12,500

MINOR GRANTS

Organisations	Description	Amount \$
Scouts Tasmania	22nd Australian National Rover Moot, Apple Isle Moot	4,760
ParaQuad	Wheelchair Sports Carnival	1,152
Devonport Orions Cricket Club	Resurfacing the Indoor Centre Artificial Turf	1,250
East Devonport Bowls	Replace Existing Furniture	3,828
TANA (Trauma Awareness Network Australia)	TANA Awareness and Fundraiser	2,000
Devonport Devils Masters Swimming Club	Coaching and Training Equipment Application	2,000
Bowls Tasmania Inc.	9th National Bowling Arm Sides Championships – 2023	3,000

SPORT AND RECREATION – GRANTS AND SPONSORSHIP

Organisations	Description	Amount \$
Devonport Basketball Council	Devonport Warriors Primary School Tournament	2,000
Touch Football Australia	Cold Climate Classic	25,000
Devonport Junior Soccer Association	Devonport Cup	3,000
GTR Tours	Spirit of Tasmania Tour of Tasmania	20,000
Everyday Lions Events	Bluff to Boat Ramp/ RUN Devonport	10,000
Devonport Triathlon Tasmania Inc	Devonport Triathlon	35,000
Squash Tasmania	Tasmanian Squash Open / Aus National Championships	12,000
Football Federation Tasmania	National SAP Festival	15,000
Futsal Tasmania	Islanders Cup	2,000
Devonport Athletics Club	Devonport Christmas Carnival	8,000
Devon Netball Association	Devon Netball Association State-wide Club and Mixed Carnival	3,000

COMMUNITY DONATIONS

Organisations	Description	Amount \$
Reece High School	End of Year Award	50
Nixon Street Primary School	End of Year Award	50
Spreyton Primary School	End of Year Award	50
East Devonport Primary School	End of Year Award	50
Devonport Primary School	End of Year Award	50
Devonport High School	End of Year Award	50
Hillcrest Primary School	End of Year Award	50
Devonport Lapidary Club	Jewellery, Gem and Mineral Fair	250
Devonport Orchid Society	Spring Show	250
Tasmanian Special Children's Christmas Party	2023 Christmas Party	250

INDIVIDUAL DEVELOPMENT GRANTS

Number	Description	Amount \$
11	Approved and paid	1,050

RATE REMISSIONS– NOT-FOR-PROFIT ORGANISATIONS

Organisations	Description	Amount \$
Mersey Community Care Association Inc.	Rate remission	5,448
East Devonport Tennis Club	Rate remission	1,045
Mersey Rowing Club Inc.	Rate remission	1,631
Cancer Council Tasmania	Rate remission	2,606
Mersey District Scout Association	Rate remission	3,247
Pathway	Rate remission	1,708
Girl Guides Tasmania, Devonport	Rate remission	1,454
Devonport Country Club	Rate remission	11,199
Pathway Church Inc	Rate remission	250
Van Diemen Light Railway Society t/a Don River Railway	Rate remission	7,580

OTHER PECUNIARY BENEFITS

Organisations	Description	Amount \$
Mersey Bluff Caravan Park*	Rent	29,421

*The Lessee at the Mersey Bluff Caravan Park is undertaking capital improvements at the park, in lieu of paying rent as agreed by Council, resolution no. 218/17.

SUMMARY OF GRANTS AND BENEFITS

Description	Amount \$
paranapple centre, convention centre and art centre room hire subsidies	91,941
Community partnership and agreements	205,000
Major grants	96,199
Minor grants	17,990
Sport and recreation grants and sponsorship	135,000
Community donations	1,100
Individual development grants	1,050
Rate remissions – not-for-profit organisation	36,168
Other pecuniary benefits	29,421
TOTAL	613,869



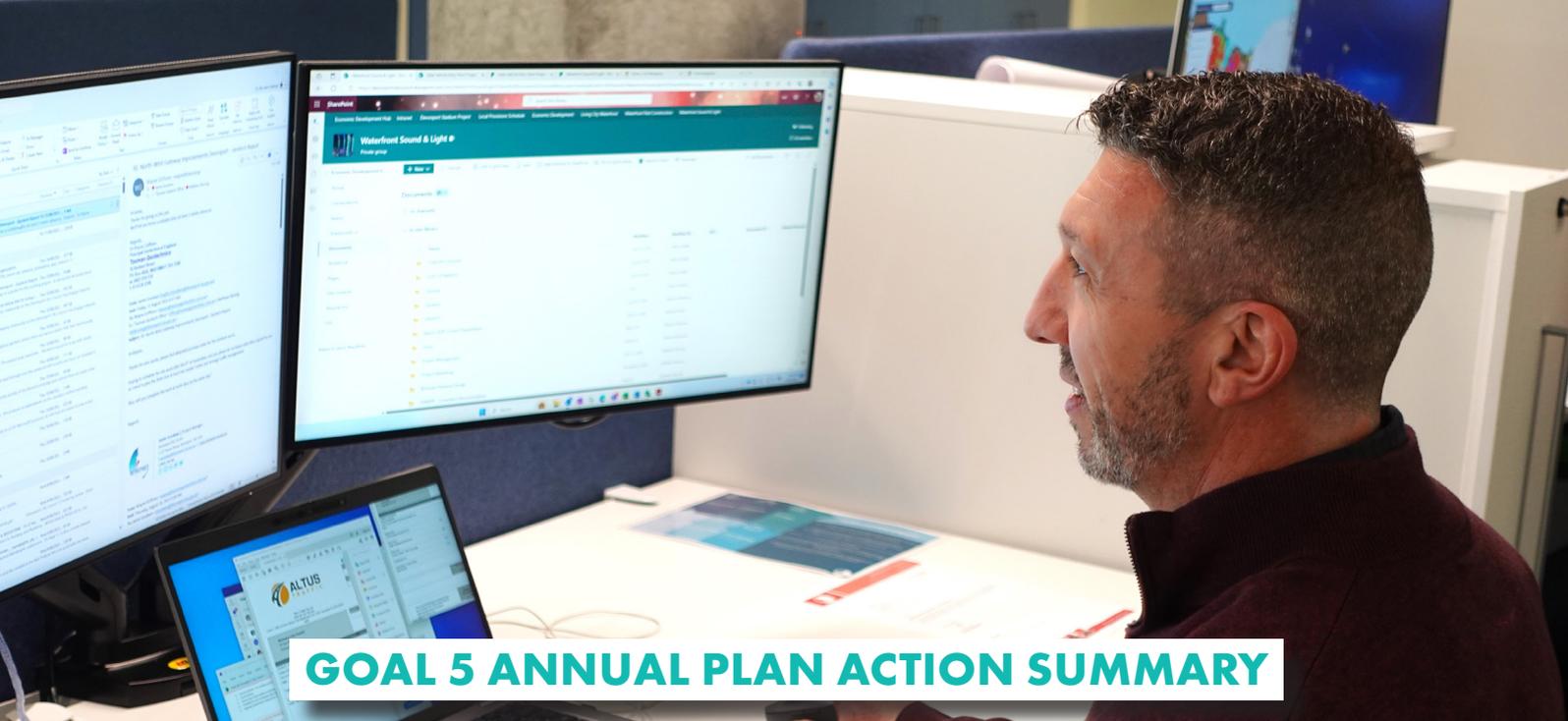
HIGHLIGHTS

DIGITAL TRANSFORMATION

Council's commitment to fostering innovation and continuous improvement remains deeply ingrained. Rather than a definitive endpoint, our digital transformation embodies an ongoing ethos of seeking avenues to enhance the Council's efficiency, effectiveness, and service delivery to the community. Throughout the 2022/23 period, significant strides were made, yielding positive outcomes across various initiatives:

1. Through the utilisation of Microsoft Power Apps and Power Automate, the Council successfully introduced a Food Inspection solution. This innovative tool empowers Environmental Health Officers to execute inspections of Devonport's nearly 300 food businesses with greater efficiency. Notably, this initiative is estimated to save approximately 150 hours of administrative work annually.
2. Employing Microsoft Power Apps, Power Automate, and Microsoft Bookings, the Council launched a fresh Cemetery Management System, coupled with an online Funeral Home booking portal. This integrated solution seamlessly connects with the Council's core business System, Technology One, alleviating substantial administrative burdens tied to cemetery management and burials.
3. By harnessing the potential of Microsoft Power Automate and Harbour Software's Doc Assembler, the Council achieved full automation of the 337 Certificate request process. Previously a labour-intensive endeavour, this process saw up to 10 requests per week. Innovatively, existing resources were repurposed to enable nearly complete automation of the 337 certificate generation, resulting in considerable time savings and expedited response times for solicitors seeking certificates.
4. A significant achievement came in the form of the Cloud Year End solution, which notably streamlined the delivery of Year End financials by the Finance Team. This enhancement not only bolstered efficiency but also maintained the quality of reporting standards.
5. The Council brought transparency and timeliness to reporting with the introduction of publicly accessible Microsoft Power BI dashboards on the Council's website. These dashboards, displaying real-time information across various Council functions, have garnered popularity and regular engagement from the community, as evidenced by Google analytics.
6. Enhancing user support, the Council introduced Live Chat as a complement to our website's Chatbot, Rose. This integration allows seamless handover of conversations from the Chatbot to a Council Customer Service Officer when additional assistance is needed.
7. Empowering our employees, the Council introduced Artificial Intelligence (AI) alongside practical use cases for existing solutions. This endeavour has empowered Council staff to leverage AI for tasks such as policy and procedure creation, as well as image generation to support design and development efforts. As our team gains deeper familiarity with AI's capabilities and potential applications, we anticipate its integration into daily operations to yield increasingly substantial benefits.





GOAL 5 ANNUAL PLAN ACTION SUMMARY

Action	Outcome	Status
Increase service delivery on digital platforms, including implementation of a Live Chat handover function and Develop a Digitisation Plan for Council Legacy Records.	The Cemetery Management System was released into production. Funeral Homes have commenced using the new booking platform. The Cemetery Management System is being used by Council officers.	✓
Develop an Enforcement Policy.	The Enforcement Policy was adopted by Council at the December 2022 meeting and is available from Council's website.	✓
Deliver a fully automated knowledge management system for Customer Service staff.	The TechnologyOne Customer Request Management System was placed on hold due to availability of resources to commit to the project. The existing Customer Request system was improved to include SMS progress updates for customers, commencing July 2023.	✓
Implement the use of purchase cards across the organisation to streamline procurement.	TechOne DXP will not be available until 2023/24 - therefore the project will be delayed until the next financial year.	➔
Develop a Workforce Development Strategy.	A Workforce Development Plan has been developed and the implementation of the actions from the plan will commence in 2023/24.	✓
Reduce parking meter infrastructure by increasing EasyPark utilisation.	EasyPark utilisation is exceeding 60% of all parking fee payments each month. This will allow for a continued reduction of parking meter infrastructure where appropriate.	✓
Revise and update Council's CCTV strategy in accordance with requirements of Devonport Police.	The CCTV Strategy was adopted by Council at the March meeting.	✓

LEGEND Completed ✓ In progress ➔ Ongoing ➔ Deferred ➔

Devonport City Council

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2023



Annual Financial Report

for the year ended 30 June 2023

Contents	Page
Audit Office Opinion	3
Financial Statements	
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to Financial Statements	
Note 1 Overview	11
1.1 Reporting entity	11
1.2 Basis of accounting	11
1.3 Use of estimates and judgements	11
1.4 Functions/Activities of the Council	13
Note 2 Revenue	15
2.1 Rates and charges	15
2.2 User fees	16
2.3 Grants	17
2.4 Contributions	19
2.5 Other Investment Income	19
2.6 Other income	20
2.7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	20
2.8 Investment revenue from water corporation	20
Note 3 Expenses	21
3.1 Employee benefits	21
3.2 Materials and services	21
3.3 Depreciation and amortisation	22
3.4 Finance costs	23
3.5 Other expenses	23
3.6 Additional Income Statement items – Expense	24
Note 4 Current assets	25
4.1 Cash and cash equivalents	25
4.2 Trades and other receivables	26
4.3 Assets held for sale	27
4.4 Other Assets	27
Note 5 Other investments	28
5.1 Investments in associates	28
5.2 Investment in water corporation	29
Note 6 Non-current assets	30
6.1 Property, infrastructure, plant and equipment	30
6.2 Right-of-use assets	38
Note 7 Current liabilities	39
7.1 Trade and other payables	39

Annual Financial Report

for the year ended 30 June 2023

Contents	Page
7.2 Provisions	39
7.3 Lease Liabilities	41
7.4 Contract liabilities	42
Note 8 Non-current liabilities	43
8 Interest-bearing loans and borrowings	43
Note 9 Other financial information	44
9.1 Reserves	44
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	45
9.3 Reconciliation of liabilities arising from financing activities	47
9.4 Reconciliations of cash and cash equivalents	47
9.5 Financing arrangements	47
9.6 Superannuation	48
9.7 Commitments	50
9.8 Contingent assets and liabilities	50
9.9 Financial instruments	51
9.10 Fair value measurement	56
Note 10 Other matters	61
10.1 Related party transactions	
10.2 Interest in other entities	67
10.3 Other significant accounting policies and pending accounting standards	68
10.4 Significant business activities	70
10.5 Management indicators	71
 Additional Council disclosures (unaudited)	
Certification of the Financial Report	75

Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Devonport City Council

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 11 September 2023
Council has the power to amend and reissue these financial statements.

Independent Auditor's Report
To the Councillors of Devonport City Council
Devonport City Council
Report on the Audit of the Financial Report

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, 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 notes 6.1 & 9.10</i></p>	
<p>At 30 June 2023, Council's assets including land, land under roads, buildings, parks and open space, cultural and heritage assets and infrastructure assets, such as roads and stormwater assets were valued at fair value totalling \$569.86 million. The fair values of these assets are based on market value or current replacement cost.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations, Council considers the application of indexation to ensure the carrying values reflect fair values.</p> <p>During 2022-23, Council undertook a full revaluation of stormwater assets. Indexation was applied to land, buildings, roads, parks and open space, and cultural and heritage, assets. The valuations were determined by experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts involved in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessed assumptions and other key inputs into the valuation model. • Testing, on a sample basis, the mathematical accuracy of the valuation model calculations. • Evaluating indexation applied to assets between formal valuations. • Evaluating 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 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

11 September 2023
Hobart

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	Budget 2023 \$ '000	Actual 2023 \$ '000	Actual 2022 \$ '000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	31,671	31,714	30,310
User fees	2.2	6,527	7,631	6,785
Grants	2.3	2,834	4,387	3,504
Contributions - cash	2.4	22	168	63
Other Investment Income	2.5	411	1,229	531
Other income	2.6	1,098	1,183	1,330
Investment revenue from water corporation	2.8,5.2	1,310	1,310	1,310
		<u>43,873</u>	<u>47,622</u>	<u>43,833</u>
Capital income				
Grants - capital	2.3	5,277	4,041	5,760
Contributions - non monetary assets	2.4	–	2,690	3,117
Share of net profits of associates and joint ventures accounted for by the equity method	5.1	3,100	1,230	1,234
		<u>8,377</u>	<u>7,961</u>	<u>10,111</u>
Total income from continuing operations		<u>52,250</u>	<u>55,583</u>	<u>53,944</u>
Expenses from continuing operations				
Employee benefits	3.1	14,161	13,931	13,354
Materials and services	3.2	17,293	17,691	16,045
Depreciation and amortisation	3.3	10,200	9,940	9,969
Finance costs	3.4	900	1,253	917
Other expenses	3.5	1,316	1,341	1,059
Net loss on disposal of property, infrastructure, plant and equipment	2.7	631	1,924	1,593
Capital works completed on assets not owned by Council	3.6	–	334	51
Donated assets	3.6	–	–	424
Total expenses from continuing operations		<u>44,501</u>	<u>46,414</u>	<u>43,412</u>
Result from continuing operations		<u>7,749</u>	<u>9,169</u>	<u>10,532</u>
Net result for the year		<u>7,749</u>	<u>9,169</u>	<u>10,532</u>
Other comprehensive income:				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.2,9.1	–	2,679	2,325
Net asset revaluation increment/(decrement)	9.1	–	27,298	(569)
Total items which will not be reclassified subsequently to the operating result		<u>–</u>	<u>29,977</u>	<u>1,756</u>
Total other comprehensive income		<u>–</u>	<u>29,977</u>	<u>1,756</u>
Total comprehensive result		<u>7,749</u>	<u>39,146</u>	<u>12,288</u>

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

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	4.1	21,500	18,945
Trade and other receivables	4.2	4,416	4,326
Non-current assets classified as held for sale	4.3	270	897
Other assets	4.4	504	416
Total current assets		26,690	24,584
Non-current assets			
Trade and other receivables	4.2	282	310
Investments in associates accounted for using the equity method	5.1	12,584	11,235
Investment in water corporation	5.2	87,972	85,293
Property, infrastructure, plant and equipment	6.1	583,221	551,695
Right-of-use assets	6.2	770	727
Total non-current assets		684,829	649,260
Total assets		711,519	673,844
Liabilities			
Current liabilities			
Trade and other payables	7.1	3,322	4,014
Provisions	7.2	2,552	2,637
Lease liabilities	7.3	48	26
Contract liabilities	7.4	1,901	1,621
Interest-bearing loans and borrowings	8	1,103	1,089
Total current liabilities		8,926	9,387
Non-current liabilities			
Provisions	7.2	394	336
Lease liabilities	7.3	745	710
Interest-bearing loans and borrowings	8	44,671	45,774
Total non-current liabilities		45,810	46,820
Total liabilities		54,736	56,207
Net assets		656,783	617,637
Equity			
Accumulated surplus		245,591	236,422
Reserves	9.1	411,192	381,215
Total Equity		656,783	617,637

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

Statement of Changes in Equity

for the year ended 30 June 2023

Note	Accumulated surplus \$ '000	Asset revaluation reserves \$ '000	Fair value reserve \$ '000	Total equity \$ '000
2023				
Balance at beginning of the financial year	236,422	372,319	8,896	617,637
Net result for the year	9,169	–	–	9,169
Other comprehensive income				
Fair value adjustments on equity investment assets	5.2,9.1 –	–	2,679	2,679
Net asset revaluation increment/(decrement)	9.1 –	27,298	–	27,298
Other comprehensive income	–	27,298	2,679	29,977
Total comprehensive income	9,169	27,298	2,679	39,146
Balance at end of the financial year	245,591	399,617	11,575	656,783
2022				
Balance at beginning of the financial year	225,890	372,888	6,571	605,349
Net result for the year	10,532	–	–	10,532
Other comprehensive income				
Fair value adjustments on equity investment assets	5.2,9.1 –	–	2,325	2,325
Net asset revaluation increment/(decrement)	9.1 –	(569)	–	(569)
Other comprehensive income	–	(569)	2,325	1,756
Total comprehensive income	10,532	(569)	2,325	12,288
Balance at end of the financial year	236,422	372,319	8,896	617,637

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

Statement of Cash Flows

for the year ended 30 June 2023

		2023	2022
	Notes	Inflows/ (Outflows) \$ '000	Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and service charges (inclusive of GST)		31,630	29,628
Statutory fees and Charges including fines(inclusive of GST)		8,301	7,885
Grants (inclusive of GST)		4,302	3,678
Contributions (inclusive of GST)		178	65
Interest received		857	24
Other receipts (inclusive of GST)		3,145	1,473
Payments to suppliers (inclusive of GST)		(20,024)	(17,215)
Payments to employees		(13,970)	(13,135)
Finance costs paid		(1,253)	(910)
Other payments		(1,710)	(905)
Net cash provided by/(used in) operating activities	9.2	11,456	10,588
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(14,411)	(12,647)
Proceeds from sale of property, infrastructure, plant and equipment		220	350
Capital grants		4,423	5,860
Investment revenue from water corporation	2.8	1,310	1,310
Proceeds from investments		371	524
Loans and advances to community organisations		28	26
Distribution from Associate		287	287
Net cash provided by/(used in) investing activities		(7,772)	(4,290)
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		(1,088)	(1,073)
Repayment of lease liabilities (principal repayments)		(41)	-
Net cash flow provided by/(used in) financing activities	9.3	(1,129)	(1,073)
Net Increase (decrease) in cash and cash equivalents		2,555	5,225
Cash and cash equivalents at the beginning of the financial year		18,945	13,720
Cash and cash equivalents at the end of the financial year	9.4	21,500	18,945

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 1. Overview

1.1 Reporting entity

(a) The Devonport City Council was established in 1908 and is a body corporate with perpetual succession and a common seal.

Council's main office is located at 137 Rooke Street, Devonport.

(b) The purpose of the Council is to:

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

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated.

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

All entities controlled by Council that have material assets or liabilities, such as special committees of management, and material subsidiaries or joint ventures, have been included in this financial report. Where relevant, all transactions between these entities and Council have been eliminated in full.

1.3 Use of estimates and judgements

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 7.2.

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 1. Overview (continued)

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.2.

Notes to Financial Statements

for the year ended 30 June 2023

Note 1. Overview (continued)

1.4 Functions/Activities of the Council

1.4a Revenue, expenditure and assets attributable to each function

	Grants \$ '000	Other \$ '000	Total revenue \$ '000	Total ex- penditure \$ '000	Surplus / (deficit) \$ '000	Assets \$ '000
Corporate						
2022 - 2023	4,101	32,242	36,343	(9,445)	26,898	89,662
2021 - 2022	3,317	29,861	33,178	(8,986)	24,192	88,871
Community, Cultural & Recreation						
2022 - 2023	299	1,957	2,256	(9,000)	(6,744)	19,093
2021 - 2022	192	2,721	2,913	(7,999)	(5,086)	18,700
Parking						
2022 - 2023	–	2,894	2,894	(2,033)	861	21,159
2021 - 2022	–	2,695	2,695	(1,838)	857	20,040
Economic development						
2022 - 2023	2,544	–	2,544	(818)	1,726	4,084
2021 - 2022	2,507	–	2,507	(440)	2,067	12,655
Roads						
2022 - 2023	1,309	722	2,031	(7,750)	(5,719)	156,126
2021 - 2022	2,326	590	2,916	(7,889)	(4,973)	143,750
Stormwater						
2022 - 2023	–	605	605	(2,348)	(1,743)	100,216
2021 - 2022	–	871	871	(2,366)	(1,495)	93,208
Waste management						
2022 - 2023	76	5,982	6,058	(5,270)	788	1,738
2021 - 2022	11	5,388	5,399	(4,920)	479	1,672
Parks & Gardens						
2022 - 2023	84	(679)	(595)	(4,883)	(5,478)	219,156
2021 - 2022	911	(452)	459	(4,585)	(4,126)	210,396
Buildings						
2022 - 2023	–	–	–	(396)	(396)	95,980
2021 - 2022	–	3	3	(404)	(401)	80,434
Infrastructure Administration						
2022 - 2023	15	394	409	(473)	(64)	4,154
2021 - 2022	–	93	93	(304)	(211)	3,957
Regulatory Services						
2022 - 2023	–	780	780	(1,740)	(960)	151
2021 - 2022	–	842	842	(1,613)	(771)	161
Total						
2022 - 2023	8,428	44,897	53,325	(44,156)	9,169	711,519
2021 - 2022	9,264	42,612	51,876	(41,344)	10,532	673,844

continued on next page ...

Notes to Financial Statements

for the year ended 30 June 2023

Note 1. Overview (continued)

	2023 \$ '000	2022 \$ '000
1.4b Reconciliation of assets		
Current assets	26,690	24,584
Non-current assets	684,829	649,260
	711,519	673,844

1.4c Analysis of Council results by program

The activities relating to the Programs in Note 1.4(a) are as follows:

CORPORATE

This Program includes the following activities

- Executive Management
- Receptions & Functions
- Communication
- Emergency Management
- Corporate Services
- Governance
- Property Management
- Customer Services
- Records Management
- Elected Members Support
- Human Resource Management
- Payroll Services
- Information Technology
- Accounting & Finance
- Corporate Revenue

COMMUNITY, CULTURAL AND RECREATION

This Program includes the following activities

- Community Development
- Community Financial Assistance
- paranaple Arts Centre
- paranaple Convention Centre
- Recreational Development
- Devonport Aquatic Centre
- Devonport Recreation Centre
- East Devonport Recreation Centre
- Marketing & Events
- Bass Strait Maritime Centre
- Home Hill

ECONOMIC DEVELOPMENT

This Program includes the following activities

- LIVING CITY Project
- Economic Development

PARKING

- Parking

ROADS

This Program includes the following activities

- Roads Maintenance

STORMWATER

This Program includes the following activities

- Stormwater Maintenance

WASTE MANAGEMENT

This Program includes the following activities

- Waste Management Operations

PARKS & GARDENS

This Program includes the following activities

- Parks & Open Space Maintenance
- Cemetery Operations

BUILDINGS

This Program includes the following activities

- Building Maintenance

INFRASTRUCTURE ADMINISTRATION

This Program includes the following activities

- Project Management
- Engineering Services
- Plant Services
- Asset Management

REGULATORY SERVICES

This Program includes the following activities

- Town Planning & Development
- Building Permit Authority
- Plumbing Assessment & Inspections
- Environmental Health Services
- Animal Control
- Emergency Management

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue

	2023	2022
	\$ '000	\$ '000
2.1 Rates and charges		
Council uses Assessed Annual Value (AAV) as the basis of valuation, for rating purposes, of all properties within the municipal area. AAV is an assessment of the indicative rental value of a property for a 12 month period or a 4% minimum of capital value, at a specific date and in accordance with legislation. The Valuer-General determines the AAV under the Valuation of <i>Land Act 2001</i> .		
General rates	23,442	22,713
Penalty income from overdue rates and charges	123	108
Waste management rates & charges	4,877	4,378
Fire Service Levy	3,272	3,111
Total rates and charges	31,714	30,310

The date of the last general revaluation of land for rating purposes within the municipal area was 1 July 2021, this valuation was first applied in the rating year commencing 1 July 2022.

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue (continued)

	2023 \$ '000	2022 \$ '000
2.2 User fees		
Admission charges	65	47
Animal registrations	87	88
Cemetery fees	252	223
Certificate charges	186	222
Development fees	494	518
Equipment hire fees	107	67
Facility hire	648	507
Fines	711	651
Licences	76	70
Parking fees	1,983	1,859
Property leases & rental	1,194	1,051
Sales of goods	859	661
Waste management fees	969	821
Total user fees	7,631	6,785

Accounting policy

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

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.

Where an upfront fee is charged such as membership fees for the leisure centre, the fee is recognised on a straight-line basis over the expected life of the membership.

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue (continued)

	Note	2023 \$ '000	2022 \$ '000
2.3 Grants			
(a) Grants - recurrent			
Commonwealth government financial assistance grants - General purpose ¹		2,189	1,720
Commonwealth government financial assistance grants - roads ¹		1,833	1,518
Arts		118	133
Community projects		168	48
Roads		79	85
Total recurrent grants		4,387	3,504
(b) Capital grants			
Capital grants received specifically for new or upgraded assets			
Roads to recovery		506	507
Other		138	–
Community Projects		13	27
State Government - Road Projects		503	986
State Government - Bus Stop Infrastructure		15	14
Urban Renewal - 'LIVING CITY' Project		2,545	2,507
Sports Infrastructure		21	641
Federal Government - Local Roads and Community Infrastructure Projects		–	934
Federal Government - Drought Communities Projects		300	144
Total capital grants received specifically for new or upgraded assets		4,041	5,760
Total capital grants		4,041	5,760
(c) Unspent grants and contributions			
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:			
Operating			
Balance of unspent funds at 1 July		60	68
Add: Funds received and not recognised as revenue in the current year		–	60
Less: Funds received in prior year but revenue recognised and funds spent in current year		(60)	(68)
Balance of unspent funds at 30 June		–	60
Capital			
Balance of unspent funds at 1 July		1,391	1,290
Add: Funds received and not recognised as revenue in the current year		1,083	1,336
Less: Funds received in prior year but revenue recognised and funds spent in current year		(573)	(1,235)
Balance of unspent funds at 30 June		1,901	1,391
Total unspent funds	7.4	1,901	1,451

Accounting policy

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue (continued)

The performance obligations are varied based on the agreement, but include improvements to existing infrastructure and construction of new infrastructure.

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

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

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

(1) In June 2022 the Commonwealth made early payment of 75% of Financial Assistance Grants for the 2022-23 financial year. In June 2023 the Commonwealth made early payment of 100% of Financial Assistance Grants for the 2023-24 financial year. The early receipt of the untied grant funds resulted in Financial Assistance Grants being above the original budgeted amount in 2022-23 by \$1.3M, (2021-22 \$443K). This impacted the Statement of Comprehensive Income resulting in the Net result for the year being higher by the same amount.

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue (continued)

	2023 \$ '000	2022 \$ '000
2.4 Contributions		
(a) Cash		
Training contributions	115	(2)
Sundry	30	20
Developer Contribution	23	45
Total	168	63
(b) Non-monetary assets		
Land under roads	–	170
Roads	1,695	826
Stormwater	909	933
Other	86	–
Cultural & Heritage	–	1,188
Total	2,690	3,117
Total contributions	2,858	3,180

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.

2.5 Other Investment Income

Interest received from investments	857	68
Tax equivalent payment received	372	463
Interest and Tax Equivalents	1,229	531

Accounting policy**Interest income**

Interest is recognised progressively as it is earned.

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 2. Revenue (continued)

	2023 \$ '000	2022 \$ '000
2.6 Other income		
Commission	211	172
Recoverables	350	430
Sundry Income	273	381
Bad Debts Recovered	214	237
Insurance Recoveries	135	110
Total other income	1,183	1,330

Accounting policy

Other income is recognised progressively as it is earned.

Income treated as other income includes recovered utility charges and insurance claim refunds.

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

Proceeds of sale	220	350
Written down value of assets disposed	(2,144)	(1,943)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,924)	(1,593)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,924)	(1,593)

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 or when the asset is no longer useable.

In 2023 assets disposed due to renewal and upgrades included \$839,000 relating to the Waterfront precinct and \$242,000 relating to the Devonport Football Club changeroom upgrade.

2.8 Investment revenue from water corporation

Dividend revenue received	1,310	1,310
Total Investment revenue from water corporation	1,310	1,310

Accounting policy**Investment revenue**

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 3. Expenses

	2023 \$ '000	2022 \$ '000
3.1 Employee benefits		
Wages and salaries	10,389	9,936
Annual and long service leave entitlements	1,392	1,299
Superannuation	1,434	1,374
Workers compensation and payroll tax	919	948
Other employee related expenses	184	162
	14,318	13,719
Less amounts capitalised	(387)	(365)
Total employee benefits	13,931	13,354

Accounting policy**Employee benefits**

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

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

3.2 Materials and services

Advertising, printing & other office costs	247	180
Computer services and maintenance	917	776
Consultants	300	212
Contractors	6,297	5,549
General - services & materials	2,029	1,800
Low-value leases	127	124
Insurance	417	403
Levies & taxes	4,412	4,000
Memberships - organisations	279	272
Plant expenses	610	521
Professional services	131	347
Telephone & postage services	220	182
Utilities	1,705	1,679
Total materials and services	17,691	16,045

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 3. Expenses (continued)

	2023 \$ '000	2022 \$ '000
3.3 Depreciation and amortisation		
Buildings	2,299	2,295
Plant	561	530
Furniture and fittings	443	503
Roads	3,984	4,175
Stormwater	1,660	1,549
Parks and open space	938	888
Right-of-use of assets	55	29
Total	9,940	9,969

Accounting policy

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

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 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:

	Basis of Depreciation	Useful Life
Buildings	Straight line	20 - 135 years
Plant	Straight line	2 - 50 years
Furniture and Fittings	Straight line	1 - 50 years
Roads	Straight line	15 - 100 years
Stormwater	Straight line	15 - 100 years
Parks and open space	Straight line	2 - 50 years
Cultural and Heritage	Straight line	5 years - Unlimited life
Right-of-use assets	Straight line	Term of lease

Notes to Financial Statements

for the year ended 30 June 2023

Note 3. Expenses (continued)

	2023 \$ '000	2022 \$ '000
3.4 Finance costs		
Interest - Borrowings	1,223	909
Interest - lease liabilities	30	8
Total finance costs	1,253	917

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.

3.5 Other expenses

External auditors' remuneration	60	71
Internal auditors' remuneration	21	12
General expenses	178	11
Bank fees	69	66
Bad and doubtful debts	219	142
Councillors' remuneration	310	291
Grants and community benefits	484	466
Total other expenses	1,341	1,059

Accounting policy

Audit fees including travel expenses paid or payable to the Tasmanian Audit Office to audit the financial statements for 2022/23 total \$55,000 (2021/22: \$49,460). Other audit services performed were the audits relating to the grant acquittal for LRCI funding 2022/23: \$5,017 and Roads to Recovery funding 2022/23: \$1,925 (2021/22: \$1,922).

Councillors' remuneration represents allowances payable in accordance with Section 340A of the *Local Government Act 1993*, Regulation 42 of the *Local Government (General) Regulations 2005* and Council's "Payment of Councillor' Allowances, Expenses and Provision of Facilities Policy".

Bad and doubtful debts have been calculated as per analysis in Note 4.2.

Notes to Financial Statements

for the year ended 30 June 2023

Note 3. Expenses (continued)

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

3.6 Additional Income Statement items - Expense

Capital works completed on assets not owned by Council

Capital works on assets not owned by Council	334	51
Total	334	51

Capital works completed on assets not owned by Council includes works on State Government road assets such as traffic signals.

Donated assets

Donated assets	–	424
Total	–	424

In the 2021/22 financial year Council transferred 108 Tarleton Street, East Devonport for no cost to not for profit organisation Housing Choices Tasmania Limited. Housing Choices is an independent, not-for-profit housing provider. The value of donated land and buildings was \$424,000.

Notes to Financial Statements

for the year ended 30 June 2023

Note 4. Current assets

	Note	2023 \$ '000	2022 \$ '000
4.1 Cash and cash equivalents			
Current			
Cash at bank and on hand		894	1,535
Investments		20,606	17,410
Total current cash and cash equivalents		21,500	18,945
Council's cash and cash equivalents are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:			
Restricted funds			
(i) Trust funds and deposits	7.1	208	234
(ii) Unspent grant funds with conditions	2.3	1,901	1,451
		2,109	1,685
Internal committed funds			
iv) Leave provisions	7.2	2,552	2,637
Committed funds		4,661	4,322
Total uncommitted cash and cash equivalents		16,839	14,623
Total uncommitted funds		16,839	14,623

Accounting policy**Cash and cash equivalents**

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

Restricted and internally committed funds include:

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 4. Current assets (continued)

	2023 \$ '000	2022 \$ '000
4.2 Trades and other receivables		
Current		
Rates	748	689
Infringement debtors	118	137
Sundry debtors	2,773	2,836
Planning & health debtors	33	24
Net GST receivable	456	322
Loans and advances	28	28
Accrued revenue	316	320
Provision for expected credit loss	(56)	(30)
Total current trade and other receivables	4,416	4,326
Non-Current		
Loans and advances	282	310
Total non-current trade and other receivables	282	310
Total trade and other receivables	4,698	4,636
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	(30)	–
(Increase) / decrease in provision recognised in profit or loss	(26)	(30)
Carrying amount at 30 June	(56)	(30)

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

Accounting policy**Trade and other receivables**

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

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 maintains a Sundry Debtor Management Policy which outlines the approach to debtor collection and management. Council writes off receivables after all reasonable attempts to recover the debt have been taken, there is no realistic prospect of recovery or it is uneconomic to recover the debt.

Notes to Financial Statements

for the year ended 30 June 2023

Note 4. Current assets (continued)

	2023 \$ '000	2022 \$ '000
4.3 Assets held for sale		
Current		
Internal transfer from land	270	897
Total assets held for sale	270	897

Council has determined that it will sell the following property:

Land located at 29 Fenton Way

In 2022, land located at 16-20 Edward Street was recognised as being held for sale, however as the property is no longer actively marketed, it is no longer included as an asset held for sale.

Accounting policy**Assets held for sale**

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

	2023 \$ '000	2022 \$ '000
4.4 Other Assets		
Current		
Prepayments	475	368
Other deposits	29	48
Total	504	416

Accounting policy

Prepayments are expenses paid in advance. The portion of the expense not consumed in the accounting period is treated as a current asset .

Notes to Financial Statements

for the year ended 30 June 2023

Note 5. Other investments

	2023 \$ '000	2022 \$ '000
5.1 Investments in associates		
Investments in associates accounted for by the equity method are:		
Dulverton Regional Waste Management Authority	12,584	11,235
Total investments in associates and joint arrangements	12,584	11,235
Dulverton Regional Waste Management Authority		
The Council is a member of the Dulverton Regional Waste Management Joint Authority established under the <i>Local Government Act 1993</i> (as amended).		
Other members in the Dulverton Regional Waste Management Joint Authority are the Central Coast, Latrobe, and Kentish Councils.		
The primary activity of the Authority is to operate a regional landfill site at Dulverton. As at 30 June 2023 the ownership share for Devonport was 43.45%.		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	7,969	7,022
Report surplus (deficit) for year	1,231	1,234
Distributions for the year	(287)	(287)
Council's share of accumulated surplus(deficit) at end of year	8,913	7,969
Council's share of reserves		
Council's share of reserves at start of year	2,816	1,700
Transfers (to) from reserves	405	1,116
Council's share of reserves at end of year	3,221	2,816
Movement in carrying value of specific investment		
Carrying value of investment at start of year	11,235	9,172
Share of surplus(deficit) for year	1,231	1,234
Share of asset revaluation	405	1,116
Distributions for year	(287)	(287)
Carrying value of investment at end of year	12,584	11,235

The Authority's assets, liabilities and revenue for the relevant financial years were:

Total Assets	67,761	58,053
Total Liabilities	38,799	32,233
Revenue	14,154	13,162

The investment value in Dulverton Regional Waste Management Authority recognised in the 2023 financial year is based on draft financial results, as provided to Council for inclusion in its financial report. Any final adjustments to 2023 draft financial results will be recognised by Council in the 2024 financial year.

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 5. Other investments (continued)

	Note	2023 \$ '000	2022 \$ '000
5.2 Investment in water corporation			
Opening balance		85,293	82,968
Fair Value adjustments on equity investment assets		2,679	2,325
Total Investment in water corporation		87,972	85,293

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

Accounting policy**Equity Investment**

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2023, Council holds a 5.02% ownership interest in TasWater (2022, 5.15%) which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets

	2023 \$ '000	2022 \$ '000
6.1 Property, infrastructure, plant and equipment		
Summary		
at cost	22,662	33,709
Less accumulated depreciation	(9,298)	(8,681)
	<u>13,364</u>	<u>25,028</u>
at fair value as at 30 June	911,522	849,087
Less accumulated depreciation	(341,664)	(322,420)
	<u>569,858</u>	<u>526,667</u>
Total	<u>583,222</u>	<u>551,695</u>
(a) Property		
Land		
at fair value as at 30 June	76,884	68,572
	<u>76,884</u>	<u>68,572</u>
Land under roads		
at fair value as at 30 June	103,157	103,157
	<u>103,157</u>	<u>103,157</u>
Total land	<u>180,041</u>	<u>171,729</u>
Buildings		
at fair value as at 30 June	144,869	135,561
Less accumulated depreciation	(48,888)	(44,704)
	<u>95,981</u>	<u>90,857</u>
Total buildings	<u>95,981</u>	<u>90,857</u>
Total property	<u>276,022</u>	<u>262,586</u>
(b) Plant and equipment		
Plant		
at cost	8,386	8,089
Less accumulated depreciation	(4,879)	(4,836)
	<u>3,507</u>	<u>3,253</u>
Cultural and heritage		
at fair value as at 30 June	4,832	4,626
Less accumulated depreciation	(12)	(10)
	<u>4,820</u>	<u>4,616</u>
Furniture and fittings		
at cost	7,155	6,524
Less accumulated depreciation	(4,417)	(3,845)
	<u>2,738</u>	<u>2,679</u>
Total plant and equipment	<u>11,065</u>	<u>10,548</u>

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	2023 \$ '000	2022 \$ '000
(c) Infrastructure		
Roads		
at fair value as at 30 June	346,787	324,217
Less accumulated depreciation	(190,661)	(182,585)
	<u>156,126</u>	<u>141,632</u>
Parks and open space		
at fair value as at 30 June	52,577	44,456
Less accumulated depreciation	(19,905)	(18,716)
	<u>32,672</u>	<u>25,740</u>
Stormwater		
at fair value as at 30 June	182,416	168,498
Less accumulated depreciation	(82,201)	(76,405)
	<u>100,215</u>	<u>92,093</u>
Total infrastructure	<u>289,013</u>	<u>259,465</u>
(d) Works in progress		
Parks and Open Space	1,659	12,927
Buildings	439	2,232
Plant	136	54
Furniture and Fittings	511	650
Roads	4,051	2,118
Stormwater	325	1,115
Total works in progress	<u>7,121</u>	<u>19,096</u>
<u>Total property, infrastructure, plant and equipment</u>	<u>583,221</u>	<u>551,695</u>

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	as at 30/06/22	Asset class movements					as at 30/06/23
	Balance at beginning of financial year \$ '000	Acquisition of assets \$ '000	Revaluation increments (decrements) \$ '000	Depreciation and amortisation \$ '000	Written down value of disposals \$ '000	Transfers ¹ \$ '000	Balance at end of financial year \$ '000
2023							
Property, infrastructure, plant and equipment							
Reconciliation of property, infrastructure, plant and equipment							
Property							
Land	68,612	-	7,738	-	(65)	639	76,924
Land under roads	103,117	-	-	-	-	-	103,117
Total land	171,729	-	7,738	-	(65)	639	180,041
Buildings	90,857	-	5,171	(2,299)	(274)	2,526	95,981
Total buildings	90,857	-	5,171	(2,299)	(274)	2,526	95,981
Total property	262,586	-	12,909	(2,299)	(339)	3,165	276,022
Plant and equipment							
Plant	3,253	-	-	(561)	(77)	892	3,507
Furniture and Fittings	2,679	81	-	(443)	(19)	440	2,738
Cultural and heritage	4,616	-	172	-	-	32	4,820
Total plant and equipment	10,548	81	172	(1,004)	(96)	1,364	11,065
Infrastructure							
Roads	141,632	1,080	5,347	(3,984)	(844)	12,895	156,126
Stormwater	92,093	909	7,417	(1,660)	(314)	1,770	100,215
Parks and open space	25,740	-	1,048	(938)	(551)	7,373	32,672
Total infrastructure	259,465	1,989	13,812	(6,582)	(1,709)	22,038	289,013
Works in progress							
Parks and Open Space	12,928	5,039	-	-	-	(16,307)	1,659
Buildings	2,232	905	-	-	-	(2,697)	439
Plant	53	985	-	-	-	(902)	136
Furniture and Fittings	650	460	-	-	-	(599)	511
Roads	2,118	6,183	-	-	-	(4,250)	4,052

continued on next page ...

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	as at 30/06/22					as at 30/06/23				
	Balance at beginning of financial year \$ '000	Acquisition of assets \$ '000	Revaluation increments (decrements) \$ '000	Depreciation and amortisation \$ '000	Written down value of disposals \$ '000	Transfers ¹ \$ '000	Balance at end of financial year \$ '000			
Stormwater	1,115	394	-	-	-	(1,185)	324			
Total works in progress	19,096	13,966	-	-	-	(25,940)	7,121			
Total property, infrastructure, plant and equipment	551,695	16,036	26,893	(9,885)	(2,144)	627	583,221			

(1) Transfers of Land includes \$627,000 from Assets held for resale see Note 4.3

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	as at 30/06/21	Asset class movements					as at 30/06/22
	Balance at beginning of financial year \$ '000	Acquisition of assets \$ '000	Revaluation increments (decrements) \$ '000	Depreciation and amortisation \$ '000	Written down value of disposals \$ '000	Transfers \$ '000	Balance at end of financial year \$ '000
2022							
Reconciliation of property, infrastructure, plant and equipment							
Property							
Land	76,389	-	(7,120)	-	(657)	-	68,612
Land under roads	102,947	170	-	-	-	-	103,117
Total land	179,336	170	(7,120)	-	(657)	-	171,729
Buildings	92,939	-	(862)	(2,295)	(305)	1,380	90,857
Total buildings	92,939	-	(862)	(2,295)	(305)	1,380	90,857
Total property	272,275	170	(7,982)	(2,295)	(962)	1,380	262,586
Plant and equipment							
Plant	3,294	-	-	(530)	(168)	657	3,253
Furniture and Fittings	3,507	-	-	(503)	(433)	108	2,679
Cultural and heritage	3,316	1,187	113	-	-	-	4,616
Total plant and equipment	10,117	1,187	113	(1,033)	(601)	765	10,548
Infrastructure							
Roads	139,069	826	1,161	(4,175)	(378)	5,129	141,632
Stormwater	87,892	933	4,309	(1,549)	(62)	570	92,093
Parks and open space	25,740	-	712	(888)	(364)	540	25,740
Total infrastructure	252,701	1,759	6,182	(6,612)	(804)	6,239	259,465
Works in progress							
Parks and Open Space	8,147	5,259	-	-	-	(479)	12,928
Buildings	2,006	1,552	-	-	-	(1,325)	2,232
Plant	365	346	-	-	-	(657)	53
Furniture and Fittings	279	546	-	-	-	(175)	650
Roads	2,836	3,998	-	-	-	(4,715)	2,118
Stormwater	888	1,259	-	-	-	(1,033)	1,115
Total works in progress	14,521	12,960	-	-	-	(8,384)	19,096

Notes to Financial Statements
for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	Asset class movements						as at 30/06/22	
	as at 30/06/21	Balance at beginning of financial year \$ '000	Acquisition of assets \$ '000	Revaluation increments (decrements) \$ '000	Depreciation and amortisation \$ '000	Written down value of disposals \$ '000	Transfers \$ '000	Balance at end of financial year \$ '000
2022								
<u>Total property, infrastructure, plant and equipment</u>	549,614		16,076	(1,687)	(9,940)	(2,367)	-	551,695

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

Accounting policy**Recognition and measurement of assets**

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

Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$
Land	0
Land under roads	0
Buildings	5,000
Plant	1,000
Furniture and Fittings	1,000
Cultural and heritage	0
Infrastructure assets	
Roads	5,000
Stormwater	2,000
Parks and Open Space	2,000

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

Revaluation

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

Land	Fair Value
Land under roads	Fair Value
Parks and Open Space	Fair Value
Buildings	Fair Value
Plant	Cost
Furniture and Fittings	Cost
Cultural and Heritage	Fair Value
Roads	Fair Value
Stormwater	Fair Value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and office furniture, 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. For 2023, Land, parks, cultural and heritage and roads were revalued utilising relevant indices.

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets (continued)

	Property \$ '000	Total \$ '000
6.2 Right-of-use assets		
a) Right-of-use assets		
2023		
Balance at 1 July	727	727
Additions	144	144
Depreciation expense	(55)	(55)
Modification of existing leases	(46)	(46)
Balance at 30 June	770	770
2022		
Balance at 1 July	756	756
Additions	–	–
Depreciation expense	(29)	(29)
Balance at 30 June	727	727

Accounting policy**Leases - Council as Lessee**

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 7.3 for details on accounting policy of lease liability.

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

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

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 7. Current liabilities

	2023 \$ '000	2022 \$ '000
7.1 Trade and other payables		
Current		
Trade creditors & accruals	2,495	3,177
Rates and charges in advance	578	603
Trust funds	208	234
Other	41	–
Total current trade and other payables	3,322	4,014

Accounting policy**Trade and other payables**

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

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

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

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

	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
2023			
Balance at the beginning of the financial year	1,292	1,681	2,973
Additional provisions	1,203	157	1,360
Amounts used	(1,135)	(252)	(1,387)
Balance at the end of the financial year	1,360	1,586	2,946
Current	1,360	1,192	2,552
Non-current	–	394	394
Total	1,360	1,586	2,946
2022			
Balance at the beginning of the financial year	1,252	1,501	2,753
Additional provisions	1,016	503	1,519
Amounts used	(976)	(323)	(1,299)
Balance at the end of the financial year	1,292	1,681	2,973
Current	1,292	1,345	2,637
Non-current	–	336	336
Total	1,292	1,681	2,973

Notes to Financial Statements

for the year ended 30 June 2023

Note 7. Current liabilities (continued)

	2023 \$ '000	2022 \$ '000
(a) Employee entitlements		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.00%	2.50%
Weighted average discount rates	4.35%	2.00%
Employee Numbers	145	151

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 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.

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 7. Current liabilities (continued)

	2023 \$ '000	2022 \$ '000
7.3 Lease Liabilities		
Current		
Lease liabilities	48	26
Total current lease liabilities	48	26
Non-current		
Lease liabilities	745	710
Total non-current lease liabilities	745	710
Total Lease Liabilities	793	736

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

	Minimum lease payments due						Total \$ '000
	Within 1 Year \$ '000	1-2 Years \$ '000	2-3 Years \$ '000	3-4 Years \$ '000	4-5 Years \$ '000	After 5 Years \$ '000	
As at 30 June 2023							
Lease payments	73	73	73	73	41	726	1,059
Finance charges	(24)	(22)	(20)	(19)	(18)	(180)	(283)
Net present value	49	51	53	54	23	546	776
As at 30 June 2022							
Lease payments	33	33	33	33	33	667	832
Finance charges	(7)	(7)	(7)	(7)	(7)	(61)	(96)
Net present value	26	26	26	26	26	606	736

Accounting policy**Leases - Council as Lessee**

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

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

Short-term leases and leases of low-value assets

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 7. Current liabilities (continued)

	2023 \$ '000	2022 \$ '000
7.4 Contract liabilities		
Current		
Grants received in advance:		
Funds received to acquire or construct an asset controlled by Council	1,772	1,390
Funds received prior to performance obligation being satisfied (Upfront payments)	129	231
Total grants received in advance	1,901	1,621
Total current contract liabilities	1,901	1,621

Accounting policy

Council recognised the following contractual liabilities:

i) Grants received in advance includes funding for the construction of improvements to existing sporting facilities to accommodate the increased number of female participants. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

ii) Upfront payments of funds from contracts with customers are recognised as a contract liability until performance obligations are satisfied. Revenue is recognised as performance obligations are progressively fulfilled.

Notes to Financial Statements

for the year ended 30 June 2023

Note 8. Non-current liabilities

	2023 \$ '000	2022 \$ '000
Interest-bearing loans and borrowings		
Current		
Borrowings - secured	1,103	1,089
	<u>1,103</u>	<u>1,089</u>
Non-current		
Borrowings - secured	44,671	45,774
	<u>44,671</u>	<u>45,774</u>
Total	<u>45,774</u>	<u>46,863</u>
a) The maturity profile for Council's borrowings is:		
Not later than one year	1,103	1,089
Later than one year and not later than five years	31,120	31,310
Later than five years	13,551	14,464
Total	<u>45,774</u>	<u>46,863</u>

Accounting policy**Interest bearing liabilities**

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

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

Loans as at 30 June 2023 include a variable rate loan with a facility limit of \$11.6M, a fixed interest loan of \$19.2M that matures in 2026 and a fixed interest loan of \$15M that matures in 2041 with a residual balance of \$6.7M.

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information

	Balance at beginning of reporting period \$ '000	Increment \$ '000	Decrement \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves				
(a) Asset revaluation reserves				
2023				
Property				
Land	50,420	7,738	–	58,158
Buildings	6,523	5,171	–	11,694
	56,943	12,909	–	69,852
Plant and equipment				
Cultural and heritage	735	172	–	907
	735	172	–	907
Infrastructure				
Roads	271,031	5,347	–	276,378
Stormwater	31,000	7,417	–	38,417
Parks and open space	9,794	1,048	–	10,842
	311,825	13,812	–	325,637
Other				
Associate	2,816	405	–	3,221
	2,816	405	–	3,221
Total asset revaluation reserves	372,319	27,298	–	399,617
2022				
Property				
Land	57,540	(7,120)	–	50,420
Buildings	7,385	(862)	–	6,523
	64,925	(7,982)	–	56,943
Plant and equipment				
Cultural and heritage	622	113	–	735
	622	113	–	735
Infrastructure				
Roads	269,870	1,161	–	271,031
Stormwater	26,691	4,309	–	31,000
Parks and open space	9,082	712	–	9,794
	305,643	6,182	–	311,825
Other				
Associate	1,700	1,116	–	2,816
	1,700	1,116	–	2,816
Total asset revaluation reserves	372,890	(571)	–	372,319

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

	Balance at beginning of reporting period \$ '000	Increment \$ '000	Decrement \$ '000	Balance at end of reporting period \$ '000
(b) Fair value reserve				
2023				
Equity Investment assets				
Investment in water corporation	8,896	2,679	–	11,575
Total fair value reserve	8,896	2,679	–	11,575
2022				
Equity Investment assets				
Investment in water corporation	6,571	2,325	–	8,896
Total fair value reserve	6,571	2,325	–	8,896
			2023	2022
			\$ '000	\$ '000
Total reserves			411,192	381,215

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

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.

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

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

Result from continuing operations	9,169	10,532
Depreciation/amortisation	9,885	9,940
Depreciation of right-of-use assets	55	29
Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,924	1,593
Contributions - Non-monetary assets	(2,690)	(3,116)
Net share of net profits of associates and joint ventures	(1,230)	(1,234)
Capital grants received specifically for new or upgraded assets	(4,041)	(5,760)
Investment revenue from Taswater	(1,310)	(1,310)
Derecognition of assets	–	424
Other investments	(371)	(524)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(62)	81
Decrease/(increase) in other assets	(88)	(197)
Increase/(decrease) in trade and other payables	344	(89)
Increase/(decrease) in provisions	(27)	219

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

	2023	2022
	\$ '000	\$ '000
Increase/(decrease) in contract liabilities	(102)	–
Net cash provided by/(used in) operating activities	11,456	10,588

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

9.3 Reconciliation of liabilities arising from financing activities

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

	Interest-bearing loans and borrowings	Lease liabilities
	\$ '000	\$ '000
2023		
Balance as at 30 June	46,863	736
Changes from financing cash flows:		
Cash repayments	(1,088)	–
Modification of existing leases	–	57
Balance as at 30 June	45,775	793
2022		
Balance as at 30 June	47,936	762
Changes from financing cash flows:		
Cash repayments	(1,073)	–
Modification of existing leases	–	(26)
Balance as at 30 June	46,863	736
	2023	2022
Note	\$ '000	\$ '000

9.4 Reconciliations of cash and cash equivalents

Cash and cash equivalents	4.1	21,500	18,945
		21,500	18,945
Total Reconciliations of Cash & Cash Equivalents		21,500	18,945

9.5 Financing arrangements

Bank overdraft	100	100
Credit card facilities	70	70
Total facilities	170	170
Used facilities	24	24
Used facilities	24	24
Unused facilities	146	146

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

9.6 Superannuation

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

For the year ended 30 June 2023 the Council contributed 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 15.2 of the Spirit Super Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit. However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions.

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

- The application of Fund assets on Spirit Super being wound-up is set out in Rule 20.2. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators). The Trust Deed does not contemplate the Fund withdrawing from Spirit Super. However it is likely that Rule 15.2 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.

- The Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.

During the reporting period the amount of superannuation contributions paid to defined benefits schemes was \$0 (2021-22, \$0), and the amount paid to accumulation schemes was \$1,483,869 (2021-22, \$1,362,144).

- During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$1,549,241.

- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.

- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2022, showed that the Fund had assets of \$49.53 million and members' Vested Benefits were \$40.79 million. These amounts represented 0.20% and 0.17% respectively of the corresponding total amounts for Spirit Super.

- As at 30 June 2022 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2022 were \$780,908 and \$229,521 respectively.

	2023 \$ '000	2022 \$ '000
Accumulation funds		
Accumulation Schemes	1,484	1,374
	<u>1,484</u>	<u>1,374</u>

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

	2023	2022
	\$ '000	\$ '000

9.7 Commitments

Contractual commitments

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

Purchase commitments for material supplies & equipment	2,694	4,177
Total contractual commitments	2,694	4,177

Accounting Policy

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

9.8 Contingent assets and liabilities

(a) Contingent liabilities

There are no known claims pending against Council which would exceed current insurance arrangements held at 30 June 2023.

Accounting Policy

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

9.9 Financial instruments

9.9a Interest rate risk

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

	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		
2023							
Financial assets							
Cash and cash equivalents	3.85%	20,606	–	–	–	894	21,500
Trade and other receivables	0.00%	–	28	140	132	4,398	4,698
Investment in water corporation		–	–	–	–	87,972	87,972
Total financial assets		20,606	28	140	132	93,264	114,170
Financial liabilities							
Trade and other payables		–	–	–	–	3,114	3,114
Trust funds and deposits		–	–	–	–	208	208
Interest-bearing loans and borrowings	2.70%	11,600	1,103	19,520	13,551	–	45,774
Total financial liabilities		11,600	1,103	19,520	13,551	3,322	49,096
Net financial assets (liabilities)		9,006	(1,075)	(19,380)	(13,419)	89,942	65,074
2022							
Financial assets							
Cash and cash equivalents	0.40%	18,945	–	–	–	–	18,945
Trade and other receivables	0.00%	–	28	118	192	4,006	4,344
Investment in water corporation		–	–	–	–	85,293	85,293
Total financial assets		18,945	28	118	192	89,299	108,582
Financial liabilities							
Trade and other payables		–	–	–	–	3,177	3,177
Trust funds and deposits		–	–	–	–	234	234
Interest-bearing loans and borrowings	1.92%	11,600	1,089	19,710	14,464	–	46,863
Total financial liabilities		11,600	1,089	19,710	14,464	3,411	50,274
Net financial assets (liabilities)		7,345	(1,061)	(19,592)	(14,272)	85,888	58,308

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

9.9b Fair value

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

	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000
Financial instruments				
Financial assets				
Cash and cash equivalents	21,500	18,945	21,500	18,945
Trade and other receivables	4,472	4,314	4,472	4,314
Investment in water corporation	87,972	85,293	87,972	85,293
Total financial assets	113,944	108,552	113,944	108,552
Financial liabilities				
Trade and other payables	3,322	3,177	3,322	3,177
Interest-bearing loans and borrowings	45,774	46,863	45,774	46,863
Total financial liabilities	49,096	50,040	49,096	50,040

9.9c 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.

9.9d 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 exposure to market risk is 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,

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

- benchmarking of returns and comparison with budget.

Credit risk

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

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

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

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

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

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

	Financial Institutions (AAA credit rating) \$ '000	Government agencies (BBB credit rating) \$ '000	Other (min BBB credit rating) \$ '000	Not Rated \$ '000	Total \$ '000
2023					
Cash and cash equivalents	13,476	–	8,024	–	21,500
Trade and other receivables	–	–	–	4,246	4,246
Investments and other financial assets	–	–	–	–	–
Total contractual financial assets	13,476	–	8,024	4,246	25,746
2022					
Cash and cash equivalents	18,945	–	–	–	18,945
Trade and other receivables	–	–	–	4,314	4,314
Investments and other financial assets	–	–	–	–	–
Total contractual financial assets	18,945	–	–	4,314	23,259

Comment

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

	2023 \$ '000	2022 \$ '000
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:		
Current (less than 1 year)	4,224	4,163
Past due by over 1 year	17	87
Past due by over 2 years	3	11
Past due by over 3 years	–	6
Past due by over 4 years	2	47
Total trade and other receivables	4,246	4,314

Ageing of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$4,245,942 (2021-22: \$4,343,632) were owing. The amount of the provision raised against these debtors was \$56,337 (2021-22: \$30,380). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

	2023 \$ '000	2022 \$ '000
The ageing of trade and other receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	–	–
Past due by up to 30 days	–	–
Past due between 31 and 180 days	6	–
Past due between 181 and 365 days	20	–
Past due by more than 1 year	30	30
Total trade and other receivables	56	30

Liquidity risk

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

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

To help reduce these risks we:

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

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The table below lists the contractual maturities for non-lease Financial Liabilities. For lease liabilities refer to note 7.3.

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

	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
Financial liabilities							
2023							
Trade and other payables	3,114	–	–	–	–	3,114	3,114
Trust funds and deposits	–	208	–	–	–	208	208
Interest-bearing loans and borrowings	548	552	1,116	19,565	24,267	46,048	45,774
Total financial liabilities	3,662	760	1,116	19,565	24,267	49,370	49,096
2022							
Trade and other payables	3,177	–	–	–	–	3,177	3,177
Trust funds and deposits	–	234	–	–	–	234	–
Interest-bearing loans and borrowings	1,056	1,112	2,234	32,857	19,582	56,841	46,863
Total financial liabilities	4,233	1,346	2,234	32,857	19,582	60,252	50,040

9.9e Sensitivity disclosure analysis

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

- A parallel shift of + 2% and -1% in market interest rates (AUD)

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% -100 basis points		Interest rate risk +2% +100 basis points	
	\$ '000	Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
2023					
Financial assets:					
Cash and cash equivalents	21,500	(215)	(215)	430	430
Financial liabilities:					
Interest-bearing loans and borrowings	45,774	458	458	(915)	(915)
2022					
Financial assets:					
Cash and cash equivalents	18,945	(189)	(189)	379	379
Financial liabilities:					
Interest-bearing loans and borrowings	11,600	469	469	(937)	(937)

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

9.10 Fair value measurement

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

Investment in water corporation

Property, infrastructure plant and equipment

- Land
- Land under roads
- Buildings
- Roads, including footpaths and cycleways
- Stormwater
- Parks & open space
- Cultural & heritage

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These assets are disclosed in note 4.3. A description of the valuation techniques and the inputs used to determine the fair value these assets is included below under the heading 'Assets held for sale'.

Council measures other financial liabilities at fair value on a recurring basis.

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

a) Fair Value Hierarchy

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

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

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

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

	Note	Level 2 \$ '000	Level 3 \$ '000	Total \$ '000
As at 30 June 2023				
Recurring fair value measurements				
Investment in water corporation	5.2	–	87,972	87,972
Land	6.1	76,884	–	76,884
Land under roads	6.1	103,157	–	103,157
Buildings	6.1	69,214	26,767	95,981
Roads, including footpaths & cycleways	6.1	–	156,126	156,126
Stormwater	6.1	–	100,215	100,215
Parks & open space	6.1	–	32,672	32,672
Cultural and heritage	6.1	4,820	–	4,820
		254,075	403,752	657,827
Non-recurring fair value measurements				
Assets held for sale	4.3	173	97	270
		173	97	270
As at 30 June 2022				
Recurring fair value measurements				
Investment in water corporation	5.2	–	85,293	85,293
Land	6.1	68,572	–	68,572
Land under roads	6.1	103,157	–	103,157
Buildings	6.1	65,468	25,389	90,857
Roads, including footpaths & cycleways	6.1	–	141,632	141,632
Stormwater	6.1	–	92,093	92,093
Parks & open space	6.1	–	25,740	25,740
Cultural and heritage	6.1	4,616	–	4,616
		241,813	370,147	611,960
Non-recurring fair value measurements				
Assets held for sale	4.3	800	97	897
		800	97	897

(b) Highest and best use

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

(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 determined by the office of the Valuer General as at 1 July 2021 with values being adopted as of 30 June 2022.

Subsequent adjustment factors by class issued by the office of the Valuer General in 2023 have been applied as at 30 June 2023.

Residential	1.25
Commercial	1.10
Industrial	1.10
Primary Production	1.35
Community Services	1.10
Other	1.10

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 fair value is based on valuations determined by the office of 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.

The most significant input into this valuation approach is price per square metre.

Land under roads has been categorised as either urban residential land or rural land in accordance with Council data. The relevant square metre rates have then been applied to the land area.

Buildings

Where there is a market for Council building assets, fair value has been determined by applying the statutory values assigned by the office of the Valuer General as at 1 July 2021 with values being adopted as at 30 June 2022. Since that date to ensure the current values represent fair value, Council applied an index of 5.8% as at 30 June 2023 which is the five year average for Non-Residential Building & Construction Index (Tasmania).

Fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre. These buildings have been classified as level 2 in the Table above.

Buildings of a specialised nature were subject to full revaluation in 2022. Since that date to ensure the current values represent fair value, Council applied an index of 5.8% as at 30 June 2023 which is the five year average for Non-Residential Building & Construction Index (Tasmania).

Where Council buildings are of a specialist nature (e.g. public amenities) and there is no active market for the assets, fair value was determined on the basis of replacement with a new asset having similar service potential. The gross current values were derived from reference to market data for comparable projects and costing guides. These buildings have been classified as level 3 in the Table above.

In determining the level of accumulated depreciation, significant building assets have been disaggregated into components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component.

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

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

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost (CRC). This valuation comprises the asset's gross replacement cost (GRC) 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 GRC of an asset or asset component were generally based on a "Brownfield" assumption meaning that the GRC was determined as the cost of replacement with a new asset excluding 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. Depreciation is applied on a straight line basis. Estimated useful lives are disclosed in Note 3.3.

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The methods for calculating CRC are described under individual asset categories below.

Roads, including footpaths & cycleways

A full valuation of road infrastructure was undertaken by Council staff effective 30 June 2022. Since that date to ensure the current values represent fair value, Council applied an index of 3.8% as at 30 June 2023, which is a five year average of the Road & Bridge Construction Index (Australia) of 3.7% and the Heavy Civil Engineering Construction Index (Australia) of 3.9%.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban and rural roads are generally managed in segments from intersection to intersection. All road segments are then componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Pavements constructed post 1993 have longer asset lives as they require more stringent quality assurance on material selection and pavement design.

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 uses known pavement thickness for most assets and applies a 350mm default when unknown. 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.

Stormwater

A full valuation of stormwater was undertaken by Council staff effective 30 June 2023.

Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials for each pipe depth.

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 (including pipe diameter) as well as the depth the pipe is laid.

Parks & Open Space

A full valuation of parks & open space was undertaken by Council staff effective 30 June 2021. Since that date to ensure the current values represent fair value, Council applied an index of 3% as at 30 June 2022 and 4.2% as at 30 June 2023. As

Notes to Financial Statements

for the year ended 30 June 2023

Note 9. Other financial information (continued)

the Parks and Open Space asset class incorporates a large variety of items with a range of material types and locations it is considered appropriate to adopt an indexation based of the general average of the relevant indexes.

Cultural & Heritage

The collections held in this asset class relates to the Devonport Regional Gallery art collection, public art assets, Bass Strait Maritime Centre Collection and Sister Cities Collections.

The Devonport Regional Gallery art collection and public art assets were independently valued effective 30 June 2021 and the Bass Strait Maritime Centre Collection and Sister Cities collections were independently valued effective 30 June 2022. Since those dates to ensure the current values represent fair value, Council applied an index of 3% as at 30 June 2022 to the Devonport Regional Gallery art collection and public art assets and 3.7% to all asset in this class as at 30 June 2023, which is the five year average of the Hobart Consumer Price Index.

Assets held for sale

Assets classified as held for sale during the reporting period were valued at the lower of carrying amount or fair value less costs to sell at the time of reclassification. Market value was used to determine fair value.

(d) Changes in recurring level 3 fair value measurements

The changes in assets and liabilities with recurring fair value measurements are detailed in Note 6.1.

(e) Valuation processes

Council's valuation policies and procedures are determined by the Asset Management Team, the Infrastructure Manager and Finance Manager. An Asset Revaluation Paper is prepared each year that is approved by the General Manager and referred to the Audit Panel for review.

Council's current policies for the valuation of property, infrastructure, plant and equipment, investments in associates, right of use assets and investment in water corporation are set out in Note 5.1, Note 5.2, Note 6.2 and 6.1.

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer Note 9.9)

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

Notes to Financial Statements
for the year ended 30 June 2023

Note 10. Other matters

10.1 Related party transactions

(i) Councillor remuneration

Name	Position	Period	Short term employee benefits				Total allowances and expenses section 72
			Allowances	Vehicles ¹	Compensation AASB 124	Expenses ²	
			\$	\$	\$	\$	\$
2023							
A. Jarman	Deputy Mayor / Mayor	Deputy Mayor to 09/11/2022, Mayor from 10/11/2022		2,466	71,269	3,363	74,632
S. Sheehan	Deputy Mayor	10/11/2022 - 30/06/2023	68,803	-	26,428	2,128	28,556
A. Rockliff	Mayor	01/07/2022 - 9/11/2022	33,170	3,873	37,043	1,604	38,647
G. Enniss	Councillor	Full Year	24,311	-	24,311	3,363	27,674
L. Murphy	Councillor	Full Year	24,311	-	24,311	3,363	27,674
P. Hollister	Councillor	Full Year	24,311	-	24,311	3,363	27,674
D. Viney	Councillor	10/11/2022 - 30/06/2023	14,834	-	14,834	2,128	16,962
S. Martin	Councillor	10/11/2022 - 30/06/2023	14,834	-	14,834	2,128	16,962
J. Wilczynski	Councillor	10/11/2022 - 30/06/2023	14,834	-	14,834	2,128	16,962
A. Moore	Councillor	10/11/2022 - 30/06/2023	14,834	-	14,834	2,128	16,962
L. Perry	Councillor	01/07/2022 - 9/11/2022	9,477	-	9,477	1,235	10,712
J. Alexiou	Councillor	01/07/2022 - 9/11/2022	9,477	-	9,477	1,235	10,712
L.Laycock	Councillor	01/07/2022 - 9/11/2022	9,477	-	9,477	1,235	10,712
S. Milbourne	Councillor	01/07/2022 - 9/11/2022	9,477	-	9,477	1,235	10,712
Total			298,578	6,339	304,917	30,636	335,553

Notes to Financial Statements
for the year ended 30 June 2023

Note 10. Other matters (continued)

Name	Position	Period	Short term employee benefits				Total allowances and expenses section 72
			Allowances	Vehicles ¹	Compensation AASB 124	Expenses ²	
			\$	\$	\$	\$	\$
2022							
A. Jarman	Deputy Mayor	Full Year	42,169	–	42,169	3,566	45,735
A. Rockliff	Mayor	Full Year	82,844	6,339	89,183	4,220	93,403
G. Enniss	Councillor	Full Year	23,669	–	23,669	3,566	27,235
L. Murphy	Councillor	Full Year	23,669	–	23,669	3,566	27,235
P. Hollister	Councillor	Full Year	23,669	–	23,669	3,566	27,235
L. Perry	Councillor	Full Year	23,669	–	23,669	3,566	27,235
J. Alexiou	Councillor	Full Year	23,669	–	23,669	3,566	27,235
L. Laycock	Councillor	Full Year	23,669	–	23,669	3,566	27,235
S. Milbourne	Councillor	Full Year	23,669	–	23,669	3,566	27,235
Total			290,696	6,339	297,035	32,748	329,783

(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)cb of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors. The expenses include a notional parking benefit of \$3,075 (2021/22 : \$3,075) per annum.

Notes to Financial Statements
for the year ended 30 June 2023

Note 10. Other matters (continued)

(ii) Key management personnel remuneration

Name	Position	Period	Short term employee benefits			Post employment benefits					Total
			Salary ¹	Short-term incentive payments	Vehicles ²	Other allowances and benefits ³	Superannuation ⁴	Termination benefits ⁵	Non-monetary benefits		
			\$	\$	\$	\$	\$	\$	\$	\$	\$
2023											
M. Atkins	General Manager	Full Year	253,747	-	26,511	1,140	25,658	-	18,645		325,701
J. Griffith	Deputy General Manager	Full Year	195,503	-	21,552	1,608	24,438	-	2,667		245,768
K. Peebles	Executive Manager	01/07/2022 - 27/10/2022	40,368	-	984	-	9,321	36,856	(34,385)		53,144
M. Skirving	Executive Manager	Full Year	149,199	-	20,268	460	18,650	-	4,404		192,981
K. Lunson	Executive Manager	22/10/2022 - 30/06/2023	93,318	-	6,450	297	11,964	-	(1,824)		110,205
Total			732,135	-	75,765	3,505	90,031	36,856	(10,493)		927,799
2022											
M. Atkins	General Manager	Full Year	239,509	-	27,221	912	23,951	-	1,954		293,547
J. Griffith	Deputy General Manager	Full Year	189,231	-	23,160	1,608	23,654	-	10,061		247,714
K. Peebles	Executive Manager	Full Year	106,777	-	1,200	-	25,047	-	978		134,002
M. Skirving	Executive Manager	Full Year	144,231	-	20,268	-	18,029	-	7,572		190,100
Total			679,748	-	71,849	2,520	90,681	-	20,565		865,363

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

(2) 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).

(3) 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.

(4) Superannuation means the contribution to the superannuation fund to the individual and salary sacrificed amounts.

Notes to Financial Statements for the year ended 30 June 2023

Note 10. Other matters (continued)

(5) Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

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

(iii) Remuneration principles

Councillors

Councillors receive an allowance from Council in accordance with S340A of the Local Government Act 1993. Regulation 42(2) of the Local Government (General) Regulations 2005 specifies the amount payable to mayors, deputy mayors and Councillors.

Executives

Remuneration levels for key management personnel are set with regard to current market expectations considering the qualifications, skills and experience required for each role.

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

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

(iv) Transactions with related parties

A party is related to an entity if directly or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity

The Council is a member of the Dulverton Regional Waste Management Joint Authority (DRWMA) established under the *Local Government Act 1993* (as amended). Other members of the Dulverton Regional Waste Management Joint Authority are the Central Coast, Latrobe, and Kentish Councils. The primary activity of the Authority is to operate a regional landfill site at Dulverton. Council engaged Synectic Audit & Assurance Pty Ltd (Synectic) to provide internal audit services during the year. A director of Synectic is a close family member of a KMP. The close family member did not have any direct involvement with the work undertaken.

Council makes membership contributions to Cradle Coast Authority. Cradle Coast Authority is deemed to be a related party due to the General Manager and Mayor having authority and responsibility for directing and controlling the activities of the entity indirectly.

Cradle Coast Authority has project managed the construction of the Coastal Pathway which Council has contributed to.

The following transactions occurred with related parties. All transactions were subject to normal terms and conditions:

Receipts from related parties

	2023 \$ '000	2022 \$ '000
DRWMA - Commercial office space supplied by Council (subject to lease)	16	17
DRWMA - Utilities and other sundry reimbursements	1	1
DRWMA - Parking	3	3
DRWMA - paranaple Convention Centre - hire and catering	-	1
DRWMA - Distribution received	287	287
CCA - paranaple Convention Centre - hire	1	-
CCA - IT Support Services	-	15
Payments to related parties		
DRWMA - Tax equivalents received	372	464
DRWMA - Cost of transfer of waste to the regional facility maintained by DRWMA	3,191	2,394
Synectic - Payment for Internal Audit services	21	11
CCA - Coastal Pathway Contribution	250	410
CCA - Membership Contributions	226	222

continued on next page ...

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

Receivable from and payable to related parties

The following balances are outstanding as at 30 June 2023 in relation to transactions with related parties:

Receivable from: DRWMA	1	83
Payable to: DRWMA	226	161

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

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

- Payment of rates on a primary residence
- Dog registration
- 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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

10.2 Interest in other entities

10.2.1 Controlling Authorities

	2023 \$ '000	2022 \$ '000
Maidstone Park Management Controlling Authority		
The Council has established a controlling authority under section 29 of the <i>Local Government Act 1993</i> to manage Council facilities on its behalf. This Controlling Authority does not have a 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.		
Summarised statement of profit and loss and other comprehensive income		
Revenue	14	14
Expenses	(13)	(10)
Profit / (loss)	1	4

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods.

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

This Standard modifies AASB 13 *Fair Value Measurement* for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

generate cash inflows. This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value. The Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

	Parking 2023 \$ '000	Parking 2022 \$ '000	Waste Management 2023 \$ '000	Waste Management 2022 \$ '000	paranaple Arts Centre and Convention Centre 2023 \$ '000	paranaple Arts Centre and Convention Centre 2022 \$ '000
--	----------------------------	----------------------------	--	--	--	--

10.4 Significant business activities

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

Revenue

Fees and charges	1,983	1,859	5,845	5,198	1,217	813
Other	911	856	137	190	116	53
Grants and contributions	–	–	–	–	89	112
Total revenue	2,894	2,715	5,982	5,388	1,422	978

*Expenditure**Direct*

Employee costs	370	337	621	671	1,433	1,289
Materials and Contacts	937	806	4,297	4,196	1,991	1,416
Levies and taxes	233	253	303	3	63	81
Total expenses	1,540	1,396	5,221	4,870	3,487	2,786

Capital costs

Depreciation expense	251	262	48	50	560	623
Opportunity cost of capital	556	387	47	38	388	317
(Gain) / loss on sale of non-current assets	2	22	–	–	–	–
Total capital costs	809	671	95	88	948	940

Calculated surplus/(deficit)

	545	648	666	430	(3,013)	(2,748)
--	------------	------------	------------	------------	----------------	----------------

Competitive neutrality costs

Taxation equivalent	164	194	200	129	–	–
Tax equivalent rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%

Total competitive neutrality costs

	164	194	200	129	–	–
--	------------	------------	------------	------------	----------	----------

Accounting policy

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 Parking, Waste Management, the paranaple Art Centre and the paranaple Convention Centre are considered significant business activities. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- the opportunity cost of capital is calculated at 2.70% (2021/22 1.92%) of assets; and
- income tax equivalents are calculated using the company tax rate

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

10.5 Management indicators

	2023	2022	2021	2020
(a) Underlying surplus or deficit				
Net result for the year	9,169	10,532	15,168	(837)
Less non-operating income				
Contributions - non-monetary assets	(2,690)	(3,117)	(5,352)	(8)
Adjusted for timing on Financial Assistance Grants	(1,141)	(578)	(297)	140
Grants capital	(4,041)	(5,760)	(9,277)	(2,505)
Add non-operational expenses				
Capital works completed on assets not owned by Council	334	51	61	93
Donated assets	–	424	942	1,320
Underlying surplus/deficit	1,631	1,552	1,245	(1,797)

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

	Benchmark	2023	2022	2021	2020
(b) Underlying surplus ratio					
Underlying surplus or deficit		1,631	1,552	1,245	(1,797)
Recurrent income*		47,622	44,489	40,741	40,584
Underlying surplus ratio %	0%	3.42%	3.49%	3.06%	(4.43)%

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

The ratio reflects Council's goal to break-even and is reasonably consistent with the benchmark for the period reported.

(c) Net financial liabilities

Current trade and other receivables	4,416	4,326	4,407	–
Liquid assets	25,916	23,271	18,127	16,088
less:				
total liabilities	(54,736)	(56,207)	(56,741)	(61,586)
Net financial liabilities	(28,820)	(32,936)	(38,614)	(45,498)

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.

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

	Benchmark	2023	2022	2021	2020
(d) Net financial liabilities ratio					
Net financial liabilities		(28,820)	(32,936)	(38,614)	(45,498)
Recurrent income*		47,622	44,489	40,741	40,584
Net financial liabilities ratio %	0% - 50%	(60.52)%	(74.03)%	(94.78)%	(112.11)%

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

The result over the reported period is outside the benchmark, and reflects the higher level of borrowings in recent years in relation to the LIVING CITY project. As stated above, Council actively manage debt levels and repayment schedules through the Long Term Financial Plan.

	2023	2022	2021	2020
(e) Asset consumption ratio				
An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
Buildings				
Fair value (Carrying amount)	95,981	90,857	92,939	98,817
Current replacement cost (Gross)	144,869	135,561	143,805	147,561
Asset consumption ratio %	66.25%	67.02%	65.00%	67.00%
Transport infrastructure				
Fair value (Carrying amount)	156,126	141,632	139,069	135,405
Current replacement cost (Gross)	346,787	324,217	317,621	308,980
Asset consumption ratio %	45.02%	43.68%	44.00%	44.00%
Stormwater				
Fair value (Carrying amount)	100,215	92,093	87,892	85,137
Current replacement cost (Gross)	182,416	168,498	158,334	153,019
Asset consumption ratio %	54.94%	54.66%	56.00%	56.00%
Parks and open space				
Fair value (Carrying amount)	32,672	25,740	25,740	15,954
Current replacement cost (Gross)	52,577	44,456	43,571	27,549
Asset consumption ratio %	62.14%	57.90%	59.00%	58.00%

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

Council have set a benchmark for this ratio of between 40% and 60% in the Long Term Financial Plan. This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

	Benchmark	2023	2022	2021	2020
(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.					
Buildings					
Projected capital funding outlays**		41,174	10,159	12,434	9,218
Projected capital expenditure funding***		41,174	10,159	4,700	4,700
Asset renewal funding ratio %	90-100%	100.00%	100.00%	265.00%	196.00%
Transport Infrastructure					
Projected capital funding outlays**		44,547	42,410	39,031	35,225
Projected capital expenditure funding***		44,547	42,410	42,208	36,916
Asset renewal funding ratio %	90-100%	100.00%	100.00%	92.00%	95.00%
Stormwater					
Fair value (Carrying amount)		4,766	6,395	4,378	7,778
Current replacement cost (Gross)		4,766	6,395	313	313
Asset renewal funding ratio %	90-100%	100.00%	100.00%	1,399.00%	2,485.00%
Parks and open space					
Fair value (Carrying amount)		9,285	11,132	6,335	2,361
Current replacement cost (Gross)		9,285	11,132	5,279	9,871
Asset renewal funding ratio %	90-100%	100.00%	100.00%	120.00%	24.00%

** 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, by comparing the budgeted renewal expenditure to the projected capital expenditure requirements in the Asset Management Plans. This ratio should be considered over a longer period of time, at least 10 years to assess if Council is adequately funding the renewal of its assets. Council adopted a Financial Management Strategy in June 2022 which included a Long Term Financial Plan to 30 June 2032. That Plan included data that demonstrated Council has, on average over the 10 year life of the Plan, provided funding to renew assets in accordance with the Strategic Asset Management Plan.

As well as adopting a Strategic Asset management Plan in 2022, Council prepared a 10 year Forward Works Program which was adopted as part of the 2022/23 budget process. All renewal expenditure identified in the 10 year Forward Works Program is funded in the Financial Management Strategy. A progressive condition assessment for all asset classes is currently underway and this information will be reflected in future Asset Management Plans.

The 10 year Forward Works program was subsequently updated and adopted during the 2023/24 budget process and the updated long term financial plan will be put forward for adoption by Council together with the reviewed Financial Management Strategy after finalisation the 2022/23 Financial Statements.

Projected capital funding outlays for buildings includes the construction of a sport stadium which was identified as a priority in the Sports Infrastructure Master Plan and is intended to be substantially funded through external grants.

This ratio is not subject to audit.

Notes to Financial Statements

for the year ended 30 June 2023

Note 10. Other matters (continued)

	Benchmark	2023	2022	2021	2020
(g) Asset sustainability ratio					
Capex on replacement/renewal of existing assets		7,790	6,700	8,119	7,135
Annual depreciation expense		9,940	9,969	10,284	10,624
Asset sustainability ratio %	100%	78.37%	67.21%	79.00%	67.00%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. Council has experienced a period of investment in new assets and this is reflected in the result for this indicator in the period reported. Council will continue to monitor its performance through the Long Term Financial Plan and manage assets in accordance with the Asset Management Plans.

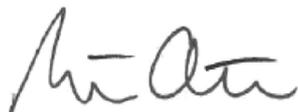
	Capital renewal expenditure \$ '000	Capital new /upgrade expenditure \$ '000	Total Capital Expenditure \$ '000
2023			
Parks and Open Space	2,204	3,574	5,778
Buildings	588	438	1,026
Plant	265	681	946
Furniture and Fittings	166	123	289
Roads	4,307	1,675	5,982
Stormwater	260	131	391
Total	7,790	6,622	14,412
2022			
Parks and Open Space	2,088	3,485	5,573
Buildings	790	589	1,379
Plant	66	260	326
Furniture and Fittings	271	200	471
Roads	2,980	1,159	4,139
Stormwater	505	254	759
Total	6,700	5,947	12,647

Notes to Financial Statements

for the year ended 30 June 2023

Certification of the Financial Report

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



Matthew Atkins

General Manager

11 September 2023



137 Rooke Street,
Devonport TAS 7310

03 6424 0511
council@devonport.tas.gov.au
www.devonport.tas.gov.au

Postal address
PO Box 604 Devonport TAS
7310

Office hours
8:45am–4:45pm, Mon–Fri

After hours emergency
03 6423 3074

