ANNUAL REPORT 2022/23

CONTENTS

KING ISLAND 1

MAYOR'S MESSAGE 2

GENERAL MANAGER'S REPORT 3

COUNCILLORS 5

SENIOR COUNCIL STAFF FY22/23 6

ARTIST IN RESIDENCE PROGRAM 10

DEVELOPMENT SERVICES 12

CUSTOMER SERVICE REQUESTSANDCOMPLAINTS 13

STATUTORY REPORTING REQUIREMENTS 14

GRANTS 15

PROCUREMENT REPORTING 16

LOCALGOVERNMENTACT1993 17

LOCALGOVERNMENTACT1993 17

LOCAL GOVERNMENT ACT 1993 18

PUBLIC INTEREST DISCLOSURE ACT2002 18

RIGHT TO INFORMATION ACT 2009 19

MISCELLANEOUS 19

ANNUAL PLAN 2022/23 20

ANNUAL PLAN 21

ANNUAL FINANCIALREPORT 34

KING ISLAND

At the western entrance to Bass Strait lies an idyllic place known as King Island. An Island rich in history, with shipwrecks, lighthouses and jagged reefs, bountiful with long stretching sandy beaches and lush green pasture.

Midway between Victoria and mainland Tasmania, 120 kilometres or forty-five minutes flying in either direction, the Island has become an ideal destination for a weekend escape.

The Island, which is 64 kilometres north to south, and 27 kilometres east to west, has a population of approximately 1,600 permanent residents, of which 800 reside in the township of Currie which is situated on the west coast. There are two other towns, Naracoopa on the east coast, and Grassy to the south east.

From our little paradise, some of Australia's finest natural foods are produced. We are probably best known for the production of fine beef, superior dairy produce, magnificent seafood and premium rain water products. King Island Dairies, with its award-winning cheeses, the abundant seafood and King Island Beef have all helped to establish King Island's reputation for fine foods.

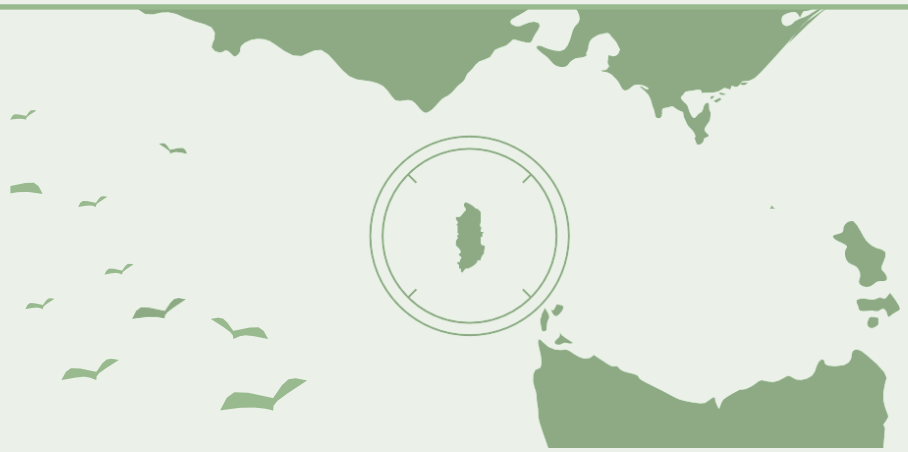
Tourism is thriving with the two new internationally recognised golf courses at Ocean Dunes and Cape Wickham.

The Kelp Industry is a major part of the Island economy with tourism becoming the growth industry in recent times.

The Island offers a great number of attractions and activities which include visits to the museum, lighthouses, Sealers' Wall, Calcified Forest, pheasant shooting and mutton bird seasons, horse racing, the King Island Imperial 20 - a 32 kilometre coast to coast foot race, the Festival of King Island, the King Island Long Table Festival, recreational fishing, diving, bushwalking, beachcombing and much more.

Tourists appreciate the Island's natural attractiveness, exquisite cuisine, the surfing, fishing, challenging golf, maritime history and the relaxed way of life.

King Island has an interesting history, commencing with its discovery in 1798. Its geographic location in Bass Strait has resulted in a rich maritime history associated often with shipwrecks and tragedies that are well documented.



MAYOR'S MESSAGE

Let me commence by acknowledging the previous Council under 2nd time Mayor Vernon Philbey. At the time of Local Government elections in Tasmania (October 22) they handed over a Council in very sound financial shape with all of our long-term planning documents updated. Job well done.

King Island Council had several significant achievements during 2022-23 and facilitated significant growth which I will elaborate further on below.

Our new Council was sworn in on 8 Nov 22 and true to my personal commitment I commenced working full-time in the Mayor role, which continues. We welcomed back the vast experience of Vernon Philbey as Deputy Mayor, as well as a very experienced group of Councillors reelected, eager to continue to serve. Aside from myself, Anna Hely was the other newly elected to Council.

All of our big events returned over the past summer, notably the horse racing carnival, FOKI, Golf Opens, Imperial 20, and King Island Show which attracted the biggest tourist numbers we have ever seen. This, however, highlighted capacity shortcomings and growing pains that we as a Council need to work on, perhaps good problems to have. This has precipitated the welcome return of private enterprise development and investment in King Island which bodes excitingly well for our future.

King Island attracted an unprecedented spate of VIP visits during 22-23, most notably the Deputy Prime Minister Richard Marles (during which time he was Acting PM) and His Excellency the Governor-General of Australia, General David Hurley for an official visit, only the second Governor-General visit in King Island History.

During 2022-23, Council continued to capitalize on the various large project grants we have generously received from the State and Federal Governments. As a result, work has now physically commenced on the Hub, Community Gym and Airport runway lighting upgrade projects.

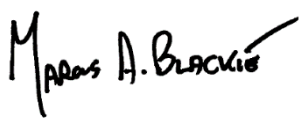
After winning the Keep Australia Beautiful, Australia Sustainable Communities Tidy Towns Awards in 2022, King Island did a superb job hosting the national awards in May 2023, with the Governor-General present. It was a great promotion for King Island and most attendees from around the country were visiting us for the first time.

In June 23 Council passed the biggest ever budget in our long 116-year history. Although the budget was significantly bolstered by federal and state grant funding it was still investment that King Island has inspired and contributes directly to our bottom line. The bold aspirations we hold for the future of King Island are being funded. Similarly, our population is again increasing which brings a demand driven justification to much of current works priorities.

In June 23 Council extended Kate Mauric as our General Manager for a further 2 years to underpin our management continuity and stability. Although she has much experience working around Australia, we still consider her our home grown champion and shining example.

I would like to thank our dedicated Councillors for their ongoing service and commitment, particularly with our very frequent workshops and the specific detailed work required on Council Working Groups. I would like to thank our hard-working Council employees, contractors and volunteers. We are a small Council by national standards but are self-sufficient and autonomous because of our geographical isolation and punch well above our weight. Lastly and most importantly, as a cohesive Council team we all work for you, the ratepayers and King Island constituents.

OUR STRENGTH IS OUR PRIDE



Marcus Blackie
Mayor

GENERAL MANAGER'S REPORT

I am pleased to present the King Island Council Annual Report for FY22/23, which signifies the return to delivering council services, programs, projects, and events post-COVID-19 restrictions.

The sustainability of services has been dramatically affected by COVID-19; with the changing economic climate and cost of living pressures, the impacts have been far-reaching and significant to the communities' health, wellbeing, social connection, businesses, industries, and education.

Council has felt those impacts acutely through project and service delivery cost increases, resourcing challenges, and subsequent scheduling delays, necessitating the need to adapt and change where required.

Local Government Elections occurred in October 2022, which saw the inclusion of two newly elected members to the council team, Mayor Marcus Blackie and Cr Anna Hely. Seven councillors from the prior term were re-elected, which enabled the continuity of service and retained the knowledge base to benefit the council and community.

Thank you to outgoing Mayor Julie Arnold and Cr Thor Clemons for their service to the King Island community and for acknowledging Mayor Vernon Philbey's contribution from August 2022 until October 2022.

Telstra continued its island-wide telecommunications upgrade, which was made possible through the Commonwealth Regional Connectivity Grants Program. This will see an increase in bandwidth to the Island from 600mb to 3.9gbs, introduce a second microwave link connecting King Island to the Victorian telecommunications network, extend the in-ground cable from the King Island Dairy up to Cape Wickham, and introduce new mobile towers across the Island. The new infrastructure will deliver up to six times more capacity onto the Island, bringing faster speeds and connectivity for King Islanders.

The project is supported and co-funded by King Island Council, Telstra, the Tasmanian Government, and the Federal Government as part of the Regional Connectivity Program, with King Island Council's contribution of more than $813,000 to the $9.8 million project. The project will be completed in FY23/24.

Two major council projects commenced in FY22/23: the $5m "Hub" and the $1m "Community Gym," funded by the Community Development Grants Program. The King Island Hub's purpose is to provide a range of community and visitor services from one location, and the Community Gym's purpose is to develop a community gym and wellbeing facility and improve the existing outdoor courts.

Work has begun on developing a communications and engagement plan that outlines levels of public participation and decision-making of the Council. Researching possible frameworks and building connections with other local government engagement officers, alongside staff training, will assist in creating the plan.

In May 2023, King Island Council began a series of conversations with local young people to identify, generate, work on, and then support local activities that they ultimately help to develop. This work is in partnership with King Island District High School and is expected to extend for the best part of 2023 and into 2024. This work aims to develop a local mechanism for young people to have ongoing input into the health and wellbeing of the local community.

This work has been resourced through the Healthy Tasmania & Local Government Association of Tasmania *Lift Local* program and facilitated by the Council.

Council has heavily engaged in the Future of Local Government Review process, involving submissions, hearings, and presentations to the Local Government Review Board. The final report will be presented to local councils in late 2023.

At a special meeting held on 4 September 2022, the Council endorsed the submission of the draft King Island Local Provision Schedule (KILPS)to the Tasmanian Planning Commission(TPC). The draft KILPS was prepared after consultation with the sections of the community, which resulted in the inclusion of a particular Purpose Zone for the rural areas of the Island. Under delegation, the Council's planning staff met with the TPC delegates for a post-lodgement conference on 1 March 2023. Council staff continue working with the TPC on drafting matters and hope to have approval soon to place the draft KILPS on public exhibition.

The Council's financial position remains strong, with ample cash reserves on hand. The level of cash and investments held has increased by $2.1m in the 2022/23 financial year. However, of this increase, some $0.55m is attributable to the early receipt of Financial Assistance Grants and another $0.634m in other capital grants that have been received prior to the expenditure of those funds on the project that is being funded.

After adjusting for the impact of the prepayment of the Commonwealth Government's Financial Assistance Grants, which occurred in both the current and prior year, the Net result for the year would have been a positive of $355,000. This result is broadly comparable to the prior year after adjusting for significant "one-off" items that were incurred in the prior financial year.

The financial report contains more explanation of the variances in actual performance to budget at note 1.4 Material Budget Variations.

A reinvigoration of the Artist in Residency program, offered by the King Island Council, has resulted in a national residency program, providing artists with valuable creative time and space to further their practice and an opportunity to experience King Island's unique environment, history, and lifestyle. Equally important, the residency aims to encourage the artistic growth of King Island artists, enhance the community's cultural life, and build the reputation of King Island.

The number of applications for the 2023 program doubled from the previous period, and the overall quality of applicants has significantly increased. The program is now attracting strong attention and recognition amongst the arts community across Australia.

Council secured funding for an upgrade to the airport runway lighting through the Remote Airstrip Upgrade Program Round 9, which is set to commence in late 2023.

Work continues on business improvements within the organisation, including developing a project management framework, embedding sustainable governance systems new customer service frameworks, and developing workforce plans and communications strategies.

A huge thank you to the staff, volunteers, and contractors for your ongoing dedication and commitment to delivering key services, programs, and projects for your community in FY22/23.

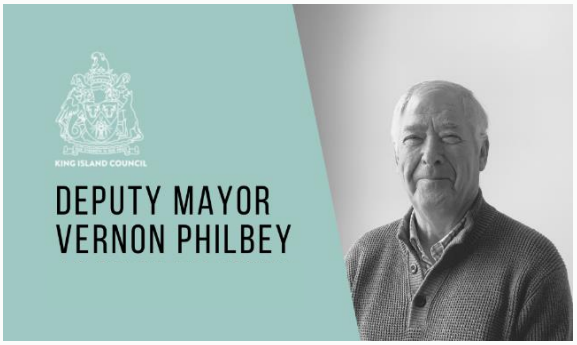
I would like to recognize the drive of the council team to make our community great, which is evident through their hard work, enthusiasm, and collaborative spirit.

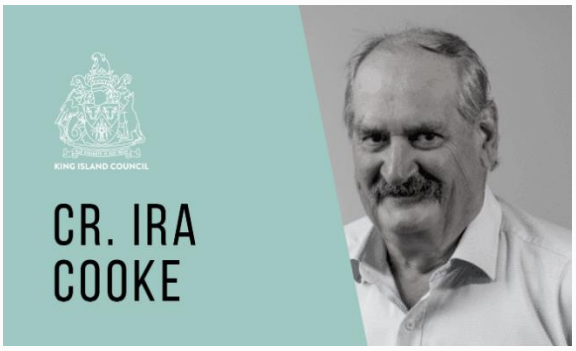
I want to extend my appreciation to Mayor Marcus Blackie and the councillors for your advocacy, contribution and service to the organization and the community.

Kate Mauric
General Manager

COUNCILLORS

INCOMING FY 2022/23





Mayor Julie Arnold
Resigned 12 Aug 2022

Cr Thor Clemons
Did not re stand for
Election 2022.

SENIOR COUNCIL STAFF FY22/23

PROGRAM AREA	TITLE		NAME	START DATE	FINISH DATE
Airport, Operations, Culture & Communications, Growth & Strategy, Finance & Community Services, Health, Safety & Environment	General Manager	Substantive	Kate Mauric	13/12/2021	Current
Airport	Airport Manager	Substantive	Andrew Tabrett	28/03/2022	20/01/2023
	Airport Manager	Substantive	Colin Fort	29/5/2023	Current
Operations	King Island Council Engineer (part time)	Contractor	Glen Walker	24/06/19	4/7/2023
	Works Manager	Substantive	Dave Muir	11/06/2022	6/6/2023
	King Island Council Engineer (part time)	Contractor	Mick Gray	10/05/2021	Current
Growth & Strategy	Growth & Strategy Manager	Substantive	Helen Thomas	01/05/17	Current
Community Development	Community Development Manager	Substantive	Mark Wishnat	13/06/22	Current
Finance & Community Services	Finance Manager	Contractor	Malcom Stevens	06/11/2018	Current
Development Services	Development Services Coordinator	Substantive	Robyn Barwick	22/08/2016	Current
Administration & Corporate Services	Administration Manager	Substantive	Leah Martin	1/02/2021	Current

King Island Council Departments

General Manager

- Managing Council Operations
- Operations and Teams
- Emergency Mgmt. - Municipal Emergency Coordinator

Works & Services

- Capital Works Program
- HSE & WHS Protection
- Risk Management
- Ranger Services
- Asset mgmt.
- Town & Parks Maintenance
- Waste
- Fleet Mgmt.
- Gravel
- Property Maintenance
- Traffic & Transport
- Stormwater & Drainage
- Quarries
- Roads
- Plant Equipment & Stores

Airport

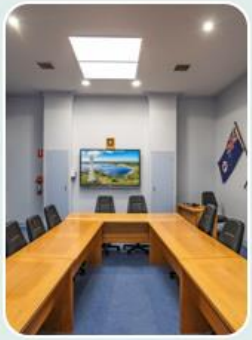
- Airport Services
- Supervise ARO's
- Manage Airport Stakeholders
- CASA Compliance
- Facility Management

Community Development Services

- Community Development Services
- Cultural Development Services
- Events – Australia Day

Administration & Corporate Services

- Community Relations
- Customer Service
- Administration
- Human Resource Management
- Governance
- Publications
- Service Requests
- Community Assistance Grants
- Sponsorship
- Australian Citizen Services
- IT & Software Management
- Records Management
- Corporate Services
- Payroll Advisory
- Legal Documents
- Emergency Mgmt.
- Committees
- Risk Mgmt.
- Sport and Recreation



Finance

- Accounting Standards
- Finance Services
- Australian Taxation Office
- Tasmania Audit Office
- Payroll Processing
- Grants & Subsidies
- Rates & Valuations

Development Services

- Development Services
- Compliance
- Environment Health
- Public Health
- Land Use Planning
- Infringement Law Enforcement

Growth & Strategy

- Economic Development
- Tourism
- Telecomms Project
- Business Employment
- Assist with Grant Programs
- Brand

KEY ACHIEVEMENTS

Youth:
In May 2023, King Island Council began a series of conversations with local young people to identify and then work on local activities that young people could support to develop. This work is occurring in partnership with King Island District High School and is expected to extend for the best part of 2023 and maybe even into 2024. The overall aim of this work is to develop a local mechanism for young people to have ongoing input to the health and wellbeing of the local community.

This work has been resourced through the Healthy Tasmania & Local Government Association of Tasmania *Lift Local* program.

Artist Residency Program:
In 2020 the Artist Residency program offered by the King Island Council underwent a significant overhaul. Since then, the reinvigorated program has been offered as a national artist residency program providing artists with valuable creative time and space to further their practice and an opportunity to experience the unique environment, history and lifestyle of King Island. Equally important, the residency aims to encourage the artistic growth of King Island artists, enhance the cultural life of the community and build the reputation of King Island.

The number of applications for the 2023 program doubled from the previous period and the overall quality of applicants has significantly raised. The program is now attracting strong attention and recognition amongst the arts community across Australia.

Hub:
The King Island Hub project is a $5M construction project funded by the Community Development Grants Program. The activity to be undertaken by Council in acquitting this grant is the design and construction of a Hub which includes a visitor information and community lounge with free WiFi, co-working space, small meeting/training rooms, a business services area, online access centre, gallery shop, multi-purpose space for meetings and events, with public toilet and shower facilities on site.

During FY2022-23, Council confirmed the design and obtained a planning permit for the Lighthouse Street site, as well as negotiating works at the Town Hall building to improve its functionality as an emergency management control and recovery centre.

Gym:
Development of the King Island Recreation Strategy in FY2019-20 identified unmet demand for a publicly accessible indoor exercise facility and improvement to existing outdoor tennis and netball courts at the Currie Oval precinct. Consultation with the Councillor Parks & Recreation Working Group and community in August and September 2022 informed a concept design developed by our architect. Council has subsequently committed to allocate funding from the Local Roads & Community Infrastructure Fund to increase the project budget and assure an outcome that will provide long term benefit to our community

King Island Local Provision Schedule:
Council, at a special meeting, held 4 September 2022 endorsed the submission of the draft King Island Local Provision Schedule (KILPS)to the Tasmanian Planning Commission(TPC). The draft KILPS was prepared after consultation with the sections of community which resulted in the inclusion of a particular Purpose Zone for the rural areas of the island. Under delegation Council's planning staff met with the TPC delegates for a post lodgement conference on 1 March 2023. Council staff are continuing to work with the TPC on drafting matters and hope to have approval soon to place the draft KILPS on public exhibition.

Telecommunications:
A successful grant application to the Commonwealth's Regional Connectivity Grants Program has enabled Telstra to undertake an upgrade of King Islands telecommunications. This will see an increase bandwidth to the island from 600mb to 3.9gbs, introduce a second microwave link connecting King Island into the Victorian telecommunications network, extending the in-ground cable from the King Island Dairy up to Cape Wickham, and introducing new mobile towers across the Island. The new infrastructure will deliver up to six times more capacity onto the island, bringing faster speeds and connectivity for King Islanders.

The project is supported and co-funded by King Island Council, Telstra, the Tasmanian Government, and the Federal Government as part of the Regional Connectivity Program, with King Island Council's contribution more than $800,000 to the $9.8 million project.

King Island Airport:
King Island Airport continues to service the needs of the community with three airlines and various freight services operating to Tasmania and Victoria. The number of services and demand continues to grow as tourism opportunities continue to develop. The airline services provide residents and visitors the opportunity to fly to the island 7 days per week with flexibility on timing and destinations. The airport Café has been vacant for some time and a new operator has been selected. We are looking forward to them commencing trading. The airport is working through the installation of low power LED lighting and approach lighting to help aircraft operating into the airport at night. We continue to work closely with the charter operators that are supporting the golf course on the island and the other tourism operators.

Works Department:
The Councils Works Department delivered a number of projects during the year, on top of the business-as-usual tasks. Our team has a Culvert Replacement Program that spans across the island, and includes various sizes. The roads maintenance program continued throughout the year and included a number of activities, including signage, flushing and clearing stormwater drains and various patching and pot holing. There are a number of playgrounds that are maintained by Council and there were several repairs and equipment replacement as part of the annual maintenance program. There was a gardens beautification initiative that included Corner Huxley and Main Road, Grassy Park and Lighthouse St corner. Other projects include the continued support for the Grassy Oval improvement to have the oval ready for next season and the installation of a new roof on the Race Course pavilion.

Team Training:
Council is committed to provide training opportunities for staff to enhance their skills and qualifications. Throughout the year Council supported the following training:

- Certificate IV in Project Management
- Diploma of Project Management
- Certificate IV in Leadership and Management
- First Aid training and certification

Artist in Residence Program

Gabrielle Nankivell & Harrison Elliot

Gabrielle Nankivell is an Australian director and performer working independently and commissioned by leading dance companies and training institutions.

In 2021 Gabrielle presented *Wonder Grit* (commissioned by The Mill & Adelaide Festival Centre for The Move) and *Future History*, a full length solo performance born from her 2019 Arts South Australia Fellowship research. She is also developing *Sightings*, a site-specific performance making model in collaboration with Vitalstatistix.

Gabrielle Nankivell is an Australian director and performer working independently and commissioned by leading dance companies and training institutions.

Harrison Elliot

Harrison Elliott studied dance at The Western Australian Academy of Performing Arts from 2012-2013.

In 2019 Harrison was nominated for an Australian Dance Award for Outstanding Performance by a MaleDancer for his performance in ADT's work *South*. Harrison has trained in circus aerial silks, parkour and has experience as an Assistant Stage Manager. He has worked with various Australian and international choreographers / directors such as Shona Erskine, Alice Lee Holland, Isabella Stone, Laura Boynes, Lucas Jervies, John Sheedy, Tyrone Robinson, Kynan Hughes, James O'Hara, Anton Anton, Brooke Leeder, Emily Bowman, Rachel Arianne Ogle, Danielle Micich, Ruth Osborne, Gabrielle Nankivell, Ina Christel Johannessen, Jo Stone and Alison Currie.

Harrison has also had his poetry published by The New River

Kirstie Rae

Having established her studio in 1987, Kirstie has over the past three decades continued to develop her practice to become one of Australia's most influential, successful and respected artists working in glass. Her work is included in international collections such as the Victoria and Albert Museum, London, the National Gallery of Australia and the Alexander Tutsek-Stiftung Foundation in Munich, Germany.
Over Kirstie's career, whilst the forms may have radically changed, the work has always been inspired by her love of outdoor spaces, in particular looking at the details within those landscapes. Memories, especially from her childhood, inform the work and she continues to be intrigued about the space between herself and these outside spaces.

Shelley is a Tasmanian-born writer and teacher. She holds a PhD in Pre-Raphaelite
poetry from the University of Tasmania and has published two books: a collection of short stories *Dying for Beauty* (Montpelier Press) and a collection of poetry, *If I Had a Wooden Ruler* (The People's Library). She has also published many study guides for adults (CAE) and senior secondary students (NEAP, Cambridge University Press et al), and poems and stories in literary quarterlies and national newspapers.

Shelley has recently been the Arts Tasmania writing residency at New Norfolk High School, and curator of The Poetry in Motion Project supported by the City of Hobart. She has also been involved as a curator, organiser and writer in many community-writing events in Melbourne and Hobart.

King Island Artist in Residence 2023 _ updated July

20 Feb - 2 April

Caroline Huf is a contemporary artist based in Canberra. She studied sculpture at Australian national University then completed a Masters in Art at the UNSW College of Fine Arts where she began making stop-motion animations. Her experimental animations with found materials and plasticine have screened in Australia and Europe.
https://carolinehuf.myportfolio.com/work

- Meet the Artist - Friday 24th Feb from 5:30 at Cultural Centre
- Animation Workshop - 4th and 11th March
- Screening night - Saturday 25th March at Cultural Centre

3 April - 12 May

Michelle Cahill is an award winning novelist from Sydney. Michelle is currently in the process of researching and writing a novel around lascars and the historical possibility that through shipwrecks on King Island lascars and Maria (John Scots 'wife') were one of Australia's early examples of multi-ethnicity cooperation. She hopes her novel will encourage better understanding of lascars as human visitors in our early history as a nation.
https://linktr.ee/michellecahill

- Youth Writing Workshop Saturday 29 April at Cultural Centre

15 May - 25 June

George Kennedy is an emerging visual artist, who completed his Bachelor of Fine Arts at the University of Tasmania in 2020. He has won local, state, and national prizes for emerging artists. Kennedy is interested in Tasmanian places and people. He is particularly drawn to lines and the vastness of information they can contain.
www.despard-gallery.com.au/artistprofiles/george-kennedy

- Weekly expressive drawing sessions in May & June, and Open Studio

DEVELOPMENT SERVICES

DEVELOPMENT APPLICATIONS

33 development applications were accepted during the financial year, with 31 approvals* granted and one application refused. Approvals ranged from new dwellings to farm sheds, telecommunications infrastructure to mining infrastructure and visitor accommodation. Application numbers are down slightly on average with applications for commercial uses down.

The total value of approvals was $16.7 million. This included and application for $3.4M ad a solar farm $5M

A comparison of development application use classes received during the 2021/22 and 2022/23 financial years is provided below:

APPLICATION TYPE	2021/22	2022/23
Dwelling and Dwelling Additions		
General Residential Zone	1	0
Low Density, Rural Living, Environmental Living & Village zones	6	3
Rural Resource	5	4
Residential Outbuildings		
General Residential Zone	0	0
Low Density, Rural Living, Environmental Living & Village zones	0	1
Rural Resource	0	1
Other Development		
Agricultural Sheds	4	3
Subdivision and Boundary Adjustments	4	6
Multiple Dwelling Developments	0	0
Commercial	1	3
Tourism (including visitor accommodation)	6	6
Industrial and Utilities	5	6
Other	2	1
Total Applications	36	34

**Applications may be received in one financial year and approved in another, resulting in a variance between applications received and approved for the financial year.*

BUILDING APPLICATIONS

The number of building applications and notifications for the financial year was 27.

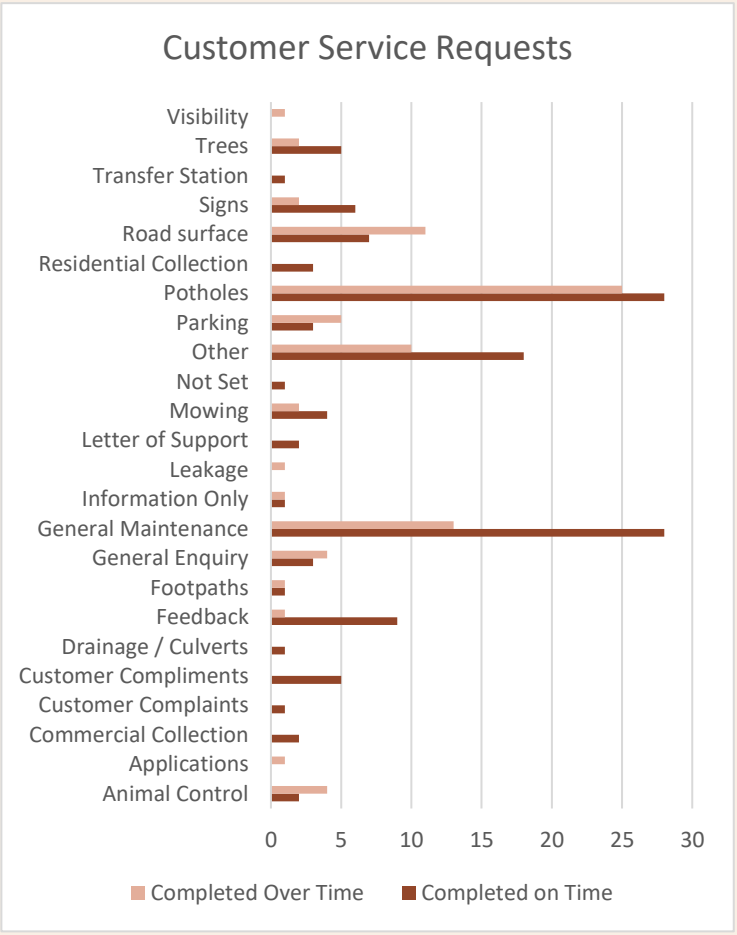
APPLICATION TYPE	2021/22	2022/23
Dwelling	9	7
Dwelling Additions & Alterations	3	0
Outbuildings	3	8
Farm Buildings	5	1
Visitor Accommodation	3	0
Commercial/Industrial	5	7
Solar Panels	4	4
Total	32	27

CUSTOMER SERVICE REQUESTS AND COMPLAINTS

FY22/23

A total of 222 service requests were received, with 131 being completed on time and 84 completed over time, which can include (not limited to), weather related events, human resourcing and budget constraints.

Category	Customer Service Requests
Animal Control	6
Applications	1
Commercial Collection	2
Customer Complaints	1
Customer Compliments	5
Damage/Culverts	1
Feedback	10
Footpaths	2
General Enquiry	7
General Maintenance	41
Information Only	2
Leakage	1
Letter of Support	2
Mowing	6
Not Set	1
Other	28
Parking	8
Potholes	53
Residential Collection	3
Road surface	18
Signs	8
Transfer Station	1
Trees	7
Visibility	1
TOTAL	222



STATUTORY REPORTING REQUIREMENTS

MEETING ATTENDANCE - SECTION 72(1) (CC)

	Ordinary Meeting Total Held 12	Closed Council Total Held 10	Council Workshop Total Held 24	Special Meeting Total Held 3	Closed Special Meeting Total Held 0	AGM Total Held 1	Total Attendance Total Held
Cr M Blackie**	8 (8)	7 (7)	14 (15)	2 (2)		1	31
Cr V Philbey	11	9	18	2		1	44
Cr A Hely**	6 (8)	5 (7)	13 (15)	0 (2)		1	24
Cr I Allan	11	9	23	2		1	43
Cr S Laidler	9	8	17	1		1	34
Cr G Green	11	10	21	3		1	45
Cr D McFie	11	9	22	3		1	43
Cr I Cooke	10	9	23	2		1	42
Cr D Bowden	10	8	18	2		1	36
Cr T Clemons*	4 (4)	3 (3)	7 (9)	0 (1)			14 (16)
Cr J Arnold*	1 (1)	1 (1)	2				6 (7)

* Cr J Arnold resigned in August 2022 and Cr T Clemons in October 2022.

** Cr M Blackie and Cr A Hely elected to Council in November 2022.

ELECTED MEMBERS - SECTION 72 (1) (CB)

Total allowances paid to Mayor, Deputy Mayor and Councillors during the FY22/23 were $125,609.

Under the Local Government Act Section 72 1(ba) & (bb) there were 0 code of conduct complaints during FY 22/23, all of which were dismissed. The total cost met by the Council during the preceding financial year in respect to all code of conduct complaints was $0.00

GRANTS AND BENEFITS

Section 77

King Island Council allocates annual funding to support community projects and programs that have a clear community benefit which may vary from sporting organisations, volunteer organisations to environmental organisations. Council determines its allocations during its budget deliberations, with applications open all year round.

A number of organisations also receive substantial in-kind support from Council.

A total of $47,178 (see annual Financial Report) was made available in FY22/23 for the following projects that benefit or support the community.

Recipients of funding included the following community organisations:

- King Island Natural Resources Management Group ($16,500)
- King Island Imperial 20
- King Island RSL
- St Vincent De Pauls
- Swimming Association of King Island
- King Island Pastoral, Horticultural & Agricultural Show
- King Island Community Radio
- King Island Field Naturalists
- King Island Council Bursary
- Christmas Street Decorations
- King Island Boat Club
- King Island Childcare
- King Island Dressage

PROCUREMENT REPORTING

The following tenders and requests for quote for supply of goods or services valued above $50,000 excluding GST were issued and / or closed during FY 2022/23.

REF:	DESCRIPTION	TERM	ESTIMATED VALUE EX GST	PROCUREMENT PROCESS
RFQ2023-002	Mobile Garbage Bins	N/A	$50,000	RFQ via LGAT Vendor Panel
RFQ 2022-002	Roadside Recyclables Vehicle	N/A	$320,000	Request for Tender via LGAT Vendor Panel
EOI 2023-005	Managing Contractor – King Island Hub	1 year	$2.5m - $3m	Public Tender

Under sections 13 and 17 of the Code for Tenders and Contracts adopted 15 September 2015 and the subsequent decision of Council 191/18 made on 16 October 2018, Council is required to report details of any contract for the supply or provision of goods or services valued above $150,000 excluding GST, and details of any extension of a contract whereby Council agreed to extend a contract by an absolute majority and the pre-existing contract did not specify extensions.

The table below shows all such engagements during FY 2022/23

DATE OF AWARD:	DESCRIPTION	TERM	VALUE EX GST	CONTRACTOR	PROCUREMENT PROCESS
17.5.23	Materials Recovery Facility (MRF) plant	N/A	$250,000	Waste Initiatives	RFQ
30.3.23	3 x 3-ton Tipper Trucks	N/A	$71,590 x3	CJD Equipment	Request for Tender via LGAT Vendor Panel
14.2.23	Replacement light vehicles x2 (utilities)	N/A	$95,569	JMC Group	RFQ
1.07.22	Community Gym Design Brief Consultant	18 months	$88,000	Dock4 Architects	RFQ
1.07.22	Insurance premiums	12 months	$58,821	MAV	RFQ
1.07.22	Insurance premiums	12 months	$298,758	Jardine Lloyd Thompson	RFQ

LOCAL GOVERNMENT ACT 1993

Section 72A

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

LOCAL GOVERNMENT ACT 1993

Sections 72(1) (cd), 72(4) and 72(5)

Public Health Statement

The King Island Council recognises the importance and is committed to protecting the health and safety of its residents and visitors. Council is required to undertake numerous inspections and monitoring programs to ensure compliance with the Public Health Act 1997, Food Act 2003 and associated regulations and guidelines.

Council continued the engagement of a contracted Environmental Health Officer (EHO) who visited the island throughout the year as well as being available via phone, email or once through development services staff. This equated to 0.08 full time equivalent for the EHO and approximately 5% of a full-time employee's time providing coordination and support services. Council's core Environmental Health functions are:

- Food safety, including registration and inspection of food businesses and education through an online training via Council's web site;
- Disease prevention and control; including immunisation programs through the local medical practice and notifiable disease investigations;
- Registration of private water suppliers;
- Licencing and inspection of public health risk activities.

The Environmental Health Officer is also responsible for on-site waste water management and level 1 activities such as quarries, sand pits and offal pits under the Building Act 2016 and Environmental Management and Pollution Control Act 1994.

The following summarises the activities carried out during FY 22/23:

Public Health Act 1997

- 1 water carter and 7 private water suppliers were registered.

Food Act 2003

- 35 fixed food premises and 5 mobile food vans were registered;
- 12 notify only food businesses were listed;
- 32 inspections were completed for food premises registered or notified;
- 1 improvement notices were issued
- 4 temporary food stall application were registered.

In addition, 14 assessments were undertaken for new or works to existing on-site wastewater management systems.

LOCAL GOVERNMENT ACT 1993

Sections 72(1) (cd), 72(4) and 72(5) cont.

Remuneration

Council is to include within its Annual Report a statement relating to the total remuneration paid to employees of the Council who hold positions designated by it as being senior positions. Total remuneration includes the salary paid, contributions to superannuation, fringe benefits and any other allowances.

Senior management total remuneration for FY 22/23 can be viewed in Note 10.1 of the Audited Financial Report.

PUBLIC INTEREST DISCLOSURE ACT 2002

King Island Council's procedures for dealing with matters under the Public Interest Disclosure Act 2002 can be viewed on the website:

www.kingisland.tas.gov.au/council/access-to-information/ or by requesting a copy from staff on 03 6462 9000.

Public Interest Disclosures FY22/23

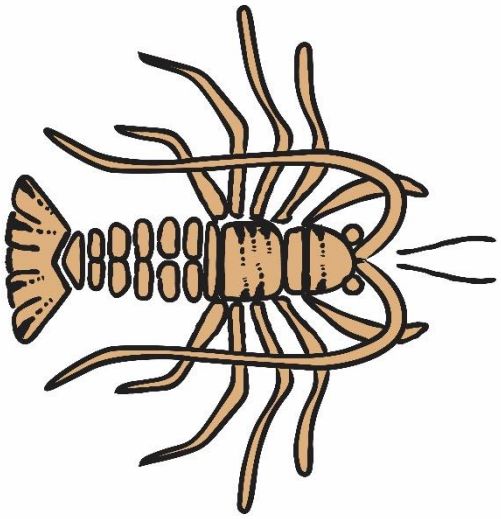
The number and types of disclosures made to King Island Council during the year.	0
The number of those disclosures determined to be public interest disclosures.	0
The number of disclosures determined by King Island Council to be public interest disclosures that it investigated during the year.	0
The number and types of disclosed matters referred to King Island Council during the year by the Ombudsman	0
The number and types of disclosures referred during the year by King Island Council to the Ombudsman to investigate.	0
The number and types of investigations taken over by the Ombudsman from the King Island Council during the year.	0
The number and types of disclosed matters that the King Island Council has decided not to investigate during the year.	0
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	0
Any recommendations made by the Ombudsman that relate to the King Island Council.	0

RIGHT TO INFORMATION ACT 2009

Number of applications for assessed disclosure of information received during FY22/23	0
Number of applications for assessed disclosure accepted for decision	0
Number of applications accepted for assessed disclosure during FY22/23 and decided during FY22/23	0
Number of applications accepted for assessed disclosure during FY21/22 and decided during FY22/23	0
The number of accepted applications decided during FY22/23 where the information was requested to be provided in full	0
The number of accepted applications decided during FY22/23 where the information was requested to be provided in part	0
The number of accepted applications decided during FY22/23 where none of the information requested was provided	0
Number of external reviews that were requested	0
For the external reviews decided in FY22/23, number where the original decision was upheld	0

MISCELLANEOUS

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



ANNUAL PLAN 2022/23

INFRASTRUCTURE & FACILITIES

Support our population and future growth through public infrastructure, services, land use and development strategies that create a connected, sustainable and accessible community

TOURISM, MARKETING & EVENTS

Sustainably promote, develop and support the growth of King Island's tourism

ECONOMIC DEVELOPMENT

Achieve economic viability through facilitating economic development that supports appropriate and sustainable growth

COMMUNITY WELLBEING

Create a sustainable, resilient and adaptable community; through utilizing community development strategies

GOVERNANCE & ORGANISATIONAL DEVELOPMENT

Provide high quality professional governance, advocacy and leadership together with effective administration of Council resources

NATURAL ENVIRONMENT

Our Island's unique natural and built environment are sustainably respected and cared for

ANNUAL PLAN

2022-23

Progress definitions:

Completed: Discrete events/activities finished – Drops off next year
In progress: Discrete events/activities underway – Drops off once complete
Ongoing: Continuous effort, not time specific, rolls over year to year
Discontinued: Discrete event/activity that is not going ahead
Under review: Matter subject to be reviewed by Council
COVID: Work was underway or planned, but progress halted as a direct result of reallocation of resources/re-prioritising due to COVID.
Deferred: Work was underway or planned, but progress halted due to reallocation of resources/re-prioritising, for reasons other than COVID.

Note: Below are the strategies that have been identified as key focus areas for the Annual Plan 2022/23. Strategies not identified as a focus for the year 2022/23 have not been included in the Annual Report Progress update.

1. PROVISIONS OF ESSENTIAL INFRASTRUCTURE

LOCAL ROADS, BRIDGES, FOOTPATHS/WALKING TRACKS AND ASSOCIATED ASSETS

STRATEGY	PROGRESS UPDATE
Continue a program of regular road network and asset condition inspections and preventative maintenance and repairs to road surfaces, bridges, roadside drainage, and vegetation.	Ongoing
Continue a program of improving Council's strategic asset management capability through regular asset condition monitoring and management review, in order to: • Effectively manage asset and public safety risks and implement suitable control measures within the resources available, and in conjunction with the Department of State Growth. • Ensure expenditure on asset upgrades, renewal, and preventative maintenance programs is put to best use. • Support long-term financial planning, asset accounting, and financial reporting requirements. and • Maintain asset information, including periodic valuations, to meet compliance requirements in state legislation and submit data returns to the Local Government Division, the State Grants Commission, and the Tasmanian Audit Office.	Ongoing
Investigate and respond to service requests made by the community in a timely	Ongoing

manner.	
Regularly review and update the long-term asset management plan for the maintenance and upgrading of roads, bridges, drainage, footpaths/walking tracks, street lighting and street furniture.	Ongoing
Prioritise allocations of revenue from government grants and other sources in the long-term financial and asset management plans to progressively seal major local gravel roads, improve local roads used by heavy vehicles and upgrade roadside drainage and footpaths.	Ongoing
Maintain a list of 'shovel-ready' road, bridge, drainage, and footpath/walking track projects suitable for funding under State or Commonwealth Government grant programs.	Ongoing

KING ISLAND AIRPORT

STRATEGY	PROGRESS UPDATE
Continue regular monitoring and management of airport operations, including annual technical inspections and reporting requirements, to meet safety and security compliance standards.	Ongoing
Update the emergency management and recovery plan as per legislation, and be prepared to implement the plan, as and when required.	Ongoing
Undertake regular asset condition inspections and implement preventative maintenance programs and repairs.	Ongoing
Monitor and maintain commercial lease agreements and support the delivery of customer-driven and efficient business services at the Airport.	Ongoing
Maintain professional working relationships with the regular passenger transport and charter operators, the Royal Flying Doctor Service, general aviation, the King Island Aeroclub and businesses and agencies operating at the airport.	Ongoing
Strengthen financial management systems and debt recovery.	Ongoing
Strive to manage airport operations on a financial cash-neutral basis.	Ongoing
Finalise the drainage master plan and update the airport master plan.	In progress
Continue to implement drainage improvements prioritised in the drainage master plan	Ongoing
Implement the long-term asset and financial management plan for the airport and prioritise allocation of external grants and other available funds for future asset renewals and upgrades.	
Maintain a list of 'shovel-ready' projects suitable for funding under State or Commonwealth Government grant programs.	Ongoing

WASTE MANAGEMENT

STRATEGY	PROGRESS UPDATE
Continue to provide an efficient and affordable waste collection service for residents and businesses.	Under Review
Comply with operational conditions and requirements in Environment Protection Notices (EPN) for the Parenna and Charles Street landfill sites, including environmental monitoring and reporting to the Environment Protection Authority (which includes pest management, monitoring and capping – directed by the EPN & EPA).	Ongoing
Continue to minimise waste going to landfill and maximise the capacity of both landfills to extend their useful life.	In Progress
Continue to implement glass, tyre and investigate other on-island recycling and reuse initiatives, such as cardboard processing/compaction	Ongoing
Collaborate with the King Island District High School Green Team, the Lions Club, residents, businesses, and industry to further promote and develop island-based, sustainable recycling, reuse, and waste processing solutions.	In Progress
Respond to service requests made by the community.	Ongoing
Develop Charles Street as a waste handling, recycling and reuse facility for the community and businesses.	In Progress
Work with the State Government, its agencies, and contractors to ensure state-wide waste management reforms are cost effective, workable, and affordable for King Island.	Ongoing
Implement the long-term asset and financial management plan for waste management and prioritise allocation of external grants and other available funds to improve reuse and recycling services.	Ongoing

PARKS AND RECREATION FACILITIES

STRATEGY	PROGRESS UPDATE
Conduct annual audits of Council's parks, recreation and sporting facilities and areas to identify and address any non-compliance with safety standards.	Ongoing
Support recreation activities, sporting groups and events that encourage healthy active participation by the community.	Ongoing
Manage and maintain grounds and facilities in conjunction with lessees and agreed maintenance, budget, and safety programs.	Ongoing

Monitor and maintain lease agreements.	Ongoing
Maintain lease and user fees at an affordable level to maximise participation.	Ongoing
Respond to service requests made by the community.	Ongoing
Implement projects funded through external grants to upgrade the Currie oval and Grassy oval precincts and sporting facilities to a contemporary standard.	In Progress
Continue to develop playground and recreational facilities in Currie, Grassy and Naracoopa that offer experience play areas, which engage and provide diverse spaces.	Ongoing
Monitor as required, and update master plans for each of Council's parks, playgrounds, skate and bike facilities, sports ovals, and facilities in consultation with users and the community.	Ongoing
Support investment by State and Commonwealth Governments, the private sector and off- island stakeholders to improve the island's sporting and recreation facilities, coastal and in-land walking tracks and toilet and visitor facilities Island wide.	Ongoing
Provide small grants program to support community-based organisations with facility improvements, activities, and events.	Ongoing
Actively progress the Community Sports Facility Redevelopment, which is the construction of a new community facility, upgrade of courts and carpark.	In progress

COMMUNITY BUILDINGS, AMENITIES AND STRUCTURES

STRATEGY	PROGRESS UPDATE
Continue regular building condition inspections and implement preventative maintenance programs.	Ongoing
Maintain cleaning programs to protect the health of users.	Ongoing
Monitor, manage and as required, update building leases.	Ongoing
Maintain clear, consistent, and fair provisions in leases across different properties and tenants.	Ongoing

Set rents and hire fees at levels which promote community use of Council-owned properties and recognises the financial savings achieved by community groups delivering services and activities, which Council would otherwise provide.	Ongoing
Implement the long-term asset and financial management plan for Council's buildings, amenities, and structures.	Ongoing
Prioritise allocation of external grants and other available funds to upgrade existing facilities and, if feasible and sustainable, develop new facilities.	Ongoing
Periodically review Council property holdings to ensure they are fit-for-purpose and efficiently managed.	Ongoing

2. ADMINISTRATION OF STATUTORY, REGULATORY AND COMPLIANCE SERVICES

STATUTORY LAND USE PLANNING AND DEVELOPMENT ASSESSMENT

STRATEGY	PROGRESS UPDATE
Maintain efficient, timely and transparent systems to receive and process development applications consistent with Council's role as a statutory Planning Authority, planning legislation and the planning scheme.	Ongoing
Inform those initiating development applications and those potentially impacted by such applications, of the statutory rules and processes that govern planning decision making and appeal systems (where warranted include on-island assessments of biodiversity impacts associated with development proposals, such as advocating for sustainable development considerations such as inclusions of appropriate buffers between development and natural areas).	Ongoing
Maintain good working relationships with applicants and those members of the community with an interest in particular development applications.	Ongoing
Monitor development construction works to ensure compliance with planning permits and, if necessary, commence enforcement procedures.	Ongoing
Work with the State Government to finalise a compliant draft King Island Local Provisions Schedule as part of the Tasmanian Planning Scheme and assist the Tasmanian Planning Commission with its assessment and community consultation.	Ongoing
Monitor development trends and as required, update Council's King Island Land Use Strategy to support future amendments to the planning scheme.	Ongoing
Participate in the development of Tasmanian Planning Policies by the State Government and the review of the Cradle Coast Regional Land Use Strategy to ensure compatibility with the island's land use and development circumstances.	

BUILDING AND PLUMBING

STRATEGY	PROGRESS UPDATE
Maintain and administer systems to receive, process and file applications and associated documentation related to building and plumbing works.	Ongoing
Administer building and plumbing systems in accordance with statutory processes and requirements.	Ongoing

Maintain good working relationships with builders, plumbers, building surveyors and relevant stakeholders in administering building and plumbing permit systems.	Ongoing
Inform those initiating building and plumbing work of the statutory processes and requirements.	Ongoing
Support the Permit Authority with continual progress in order to meet licencing obligation.	Ongoing

PUBLIC AND ENVIRONMENTL MANAGEMENT

STRATEGY	PROGRESS UPDATE
Develop and implement strategies to promote and improve public health: and	Ongoing
Ensure that the provisions of the Public Health Act 1997 are complied with: and	Ongoing
Carry our any other function for the purpose of this Act the Minister or Director determines	Ongoing
Continue to carry out any function under the Public Health Act 1997 in accordance with any relevant guidelines	Ongoing

DOG AND ANIMAL CONTROL

STRATEGY	PROGRESS UPDATE
Provide ranger services to respond to dog and animal control complaints and issues in accordance with legislative requirements.	Ongoing
Continue to implement Council's dog management plan.	Deferred
Inform dog and stock owners of their responsibilities and communicate authorised information provided by relevant state government authorities, professionals, and community organisations.	Ongoing
Maintain good working relationships with state government authorities and community organisations regulatory stakeholders, including, DPAC, NRE, CCA, PWS and BT	Ongoing
Maintain an up-to-date dog management policy and plan in consultation with the community.	In Progress
Council will investigate the feasibility of creating a management strategy of cats on the Island.	Ongoing

EMERGENCY MANAGEMENT

STRATEGY	PROGRESS UPDATE
Administer and maintain compliance with emergency management structures, systems and requirements in State and Commonwealth government legislation.	Ongoing
Maintain a strong network with state government authorities and community volunteers to coordinate emergency management planning, resource allocation, training, and services.	Ongoing
Inform the community of authorised emergency management information and encourage residents and businesses to prepare and act when an emergency event occurs.	Ongoing
Identify and raise awareness of the island's remoteness and the need for appropriate emergency management plans and resources.	Ongoing
Maintain up-to-date emergency management plans.	In Progress
Develop the Town Hall as a fit-for-purpose evacuation centre.	In Progress
Council develop a program for planning and on-going maintenance of firebreaks, particularly in the town areas.	In Progress

ENVIONMENT RISKS AND CLIMATE CHANGE

STRATEGY	PROGRESS UPDATE
Investigate and support mitigation measures and controls to be applied to minimise negative environmental impacts associated with Council assets	Ongoing
Provide mechanisms for compliance and applicable policies, approval, licences, permits and legislation, where applicable	Ongoing
Council will work together with Landcare, Industry groups and relevant State Departments to address the threats to the natural environment on King Island, such as climate change initiatives, waterways, public space and weed management	Ongoing
Advocate to off-island agencies for funding and increased resources for King Island Landcare	Ongoing
Council will continue to support King Island Landcare	Ongoing

3. FACILITATION OF SUSTAINABILITY

COMMUNITY AND SOCIAL DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Support and engaged actively with community of all ages, interests, and abilities.	In progress
Actively facilitate the engagement of the community in setting council policy and strategic direction to inform decision making.	In progress
In all community consultation, consider the range of stakeholders and implement consultation processes that responds to the different needs of each group.	In progress
Continue the annual community assistance and sponsorship program to support community-based development activities and events.	Ongoing
Develop a Community Development and Social Wellbeing Plan for strengthening and connecting with the community.	In progress
Develop a Communications and Engagement Plan which outlines levels of public participation and decision-making of Council.	In progress
Work collaboratively with government and non-government agencies to address dynamic and emerging needs for social support structures, services and programmes for all demographics of the community.	Ongoing

HERITAGE, ARTS AND CULTURAL EVELOPMENT

STRATEGY	PROGRESS UPDATE
To facilitate partnerships with other agencies to bring arts and cultural resources to King Island	Ongoing
To support a community-driven program of arts and cultural activities and events	Ongoing
Nurturing the Islands dynamic and creative resources while raising awareness and inclusion for all abilities and age groups	Ongoing
Provide appropriate support to community and volunteer-led arts and culture activities, including the King Island Cultural Centre, King Island Historical Society, King Island Dramatic Society and the King Island Boathouse	Ongoing
Facilitate the use of arts, culture and heritage in developing individual and community wellbeing by Council agencies and third-party organisations	Ongoing

ENVIRONMENTAL AND RESOURCE MANAGEMENT

STRATEGY	PROGRESS UPDATE
Continue environment protection and compliance, with quarry, Environmental Protection Notices (EPNs) and Environmental Management Plans (EMPs)	Ongoing
Continue asset management and maintenance for quarry life plans, operations, including end of life and rehabilitation planning	Ongoing
Working with the community and stakeholders to maintain requirements of rock and aggregate products to inform Council's forward planning and commercial services	In Progress
Co-operative negotiate with the Dolphin Tungsten Mine, formerly the King Island Scheelite Mine (prior to operational) an agreement which outlines for both parties, the safe, effective, and efficient provision and supply of aggregate supply and crushing for construction.	Completed

ECONOMIC DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Gather and review data on economic drivers for King Island to identify priority areas for actions	Ongoing
Continue to lobby state and federal government for the provision of a fair and equitable standard of telecommunications and internet service across King Island	In Progress
Advocate and make connections with relevant state and federal bodies to develop an island housing strategy	In Progress
Increase access to on-island skills, training and development	In Progress
Promote, support and investigate opportunities to seek private sector investment opportunities on the island.	Ongoing
Support the development of King Island as a destination for visitors	Ongoing
Advocate for improvement to sea, air, logistics and state roads on King Island	Ongoing
Continue to progress the Regional Connectivity Program (RCP) for Telecommunications Infrastructure upgrades on King Island, through stakeholder /partnership relationships.	In Progress

SPORT AND RECREATION DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Develop strategies and infrastructure for sustainable service provision	Ongoing
Advocate for adequate resourcing for recreation opportunities on Island	Ongoing
Through Council policies improve participation and sports development opportunities	Ongoing
Provide access to quality information and promotion of existing facilities and activities	Ongoing
Deliver a network of well managed tracks and trails	Ongoing
Incorporate high quality landscape amenity and functionality of streetscape and public spaces in future plans	Ongoing

4. ADMINISTRATION OF, COUNCIL GOVERNANCE, MANAGMENT AND OPERATIONS

GOVERNANCE, MANAGEMENT AND OPERATIONS

STRATEGY	PROGRESS UPDATE
Provide high quality professional governance, advocacy and leadership together with effective administration of Council's resources	Ongoing
Provide consistent, accountable, transparent and effective governance of the King Island Council	Ongoing
Work on the long-term financial viability planning for the municipality	Ongoing
Support, develop and employ skilled, experienced, accountable, community-minded motivated staff members	Ongoing
Provide a succession plan for staff to ensure continuity of service	Ongoing
Utilise all communication mediums to deliver and inform the community and visitors	Ongoing
Align strategic priorities with staff member's workplans	Ongoing

KING ISLAND COUNCIL

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2023

Statement of Comprehensive Income
For the Year Ended 30 June 2023

	Note	Budget 2023 $	Actual 2023 $	Actual 2022 $
Income from continuing operations				
Recurrent income				
Rates and charges	2.01	2,856,476	2,884,503	2,717,008
Statutory fees and fines	2.02	99,996	119,551	97,852
User fees	2.03	662,408	859,435	828,482
Grants	2.04	465,520	2,879,435	2,990,009
Private Works	2.06	1,005,984	720,519	1,507,621
Interest	2.07	135,996	303,584	64,316
Other income	2.08	695,508	584,374	941,419
Investment revenue from Water Corporation	2.10, 5.1	60,000	79,200	79,200
		5,981,888	**8,430,601**	**9,225,907**
Capital income				
Capital grants received specifically for new or upgraded assets	2.04	3,826,167	1,249,074	1,275,400
Contributions - non-monetary assets	2.05	-	24,379	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.09	-	-	(437,061)
		3,826,167	**1,273,453**	**838,339**
Total income from continuing operations		**9,808,055**	**9,704,054**	**10,064,246**
Expenses from continuing operations				
Employee benefits	3.1	(3,259,392)	(2,784,979)	(2,642,022)
Materials and services	3.2	(2,662,781)	(2,789,111)	(3,634,140)
Depreciation and amortisation	3.3	(2,077,104)	(2,054,477)	(2,060,869)
Finance costs	3.4	(26,676)	(26,672)	(31,330)
Other expenses	3.5	(1,114,538)	(1,136,158)	(1,798,104)
Total expenses from continuing operations		**(9,140,491)**	**(8,791,397)**	**(10,166,465)**
Result from continuing operations		**667,564**	**912,657**	**(102,219)**
Net result for the year		**667,564**	**912,657**	**(102,219)**
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1,9.01	-	152,679	132,504
Net asset revaluation increment/(decrement)	9.01	-	8,033,500	1,613,510
Total Other Comprehensive Income		**-**	**8,186,179**	**1,746,014**
Total Comprehensive result		**667,564**	**9,098,836**	**1,643,795**

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

Statement of Financial Position
As at 30 June 2023

	Note	2023	2022
		$	$
Assets			
Current assets			
Cash and cash equivalents	4.1	5,321,740	4,151,394
Trade and other receivables	4.2	271,651	421,086
Investments	4.3	5,048,619	4,130,128
Inventories	4.4	338,468	395,551
Other assets	4.5	145,847	40,470
Total current assets		**11,126,325**	**9,138,629**
Non-current assets			
Investment in water corporation	5.1	5,013,112	4,860,433
Property, infrastructure, plant and equipment	6.1	78,360,226	70,485,639
Total non-current assets		**83,373,338**	**75,346,072**
Total assets		**94,499,663**	**84,484,701**
Liabilities			
Current liabilities			
Trade and other payables	7.1	1,147,281	888,981
Trust funds and deposits	7.2	19,553	16,584
Provisions	7.3	525,333	452,364
Contract liabilities	7.4	633,729	-
Interest-bearing loans and borrowings	8.1	48,552	46,782
Total current liabilities		**2,374,448**	**1,404,711**
Non-current liabilities			
Provisions	7.3	1,475,500	1,480,559
Interest-bearing loans and borrowings	8.1	632,407	680,959
Total non-current liabilities		**2,107,907**	**2,161,518**
Total liabilities		**4,482,355**	**3,566,229**
Net Assets		**90,017,308**	**80,918,472**
Equity			
Accumulated surplus		29,477,517	29,957,939
Reserves	9.01	60,539,791	50,960,533
Total Equity		**90,017,308**	**80,918,472**

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

Statement of Changes in Equity
For the Year Ended 30 June 2023

2023	Note	Accumulated Surplus $	Asset Revaluation Reserve $	Fair Value Reserve $	Other Reserves $	Total Equity $
Balance at beginning of the financial year		29,957,939	46,111,511	312,220	4,536,802	80,918,472
Net result for the year		912,657	-	-	-	912,657
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.01	-	-	152,679	-	152,679
Net asset revaluation increment/(decrement)	9.01	-	8,033,500	-	-	8,033,500
Total comprehensive income		**912,657**	**8,033,500**	**152,679**	**-**	**9,098,836**
Transfers between reserves		(1,393,079)	-	-	1,393,079	-
Balance at end of the financial year		**29,477,517**	**54,145,011**	**464,899**	**5,929,881**	**90,017,308**

2022		Accumulated Surplus $	Asset Revaluation Reserve $	Fair Value Reserve $	Other Reserves $	Total Equity $
Balance at beginning of the financial year		30,491,261	44,498,001	179,716	4,105,699	79,274,677
Net result for the year		(102,219)	-	-	-	(102,219)
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.01	-	-	132,504	-	132,504
Net asset revaluation increment/(decrement)	9.01	-	1,613,510	-	-	1,613,510
Total comprehensive income		**(102,219)**	**1,613,510**	**132,504**	**-**	**1,643,795**
Transfers between reserves		(431,103)	-	-	431,103	-
Balance at end of the financial year		**29,957,939**	**46,111,511**	**312,220**	**4,536,802**	**80,918,472**

The above statement should be read with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 Inflows/ (Outflows) $	2022 Inflows/ (Outflows) $
Cash flows from operating activities			
Rates		2,928,929	2,696,681
Statutory fees and fines		119,551	97,852
User charges and other fines (inclusive of GST)		1,050,388	860,333
Grants (inclusive of GST)		3,513,164	2,830,479
Private Works		792,571	1,658,383
Interest received		214,434	57,498
Investment revenue from water corporation	2.10	79,200	79,200
Other receipts (inclusive of GST)		594,562	978,854
Net GST refund/(payment)		264,788	315,230
Payments to suppliers (inclusive of GST)		(3,985,622)	(4,343,974)
Payments to employees		(2,717,069)	(2,707,628)
Finance costs paid		(26,672)	(31,330)
Other payments		(73,463)	(53,494)
Net cash provided by (used in) operating activities	9.02	**2,754,761**	**2,438,084**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(1,871,185)	(2,855,016)
Capital grants		1,249,074	1,275,400
Investment in term deposits		(918,491)	(1,492,811)
Net cash provided by (used in) investing activities		**(1,540,602)**	**(3,072,427)**
Cash flows from financing activities			
Proceeds from trust funds and deposits		2,969	1,841
Repayment of interest bearing loans and borrowings		(46,782)	(159,225)
Net cash provided by (used in) financing activities	9.03	**(43,813)**	**(157,384)**
Net increase (decrease) in cash and cash equivalents		**1,170,346**	**(791,727)**
Cash and cash equivalents at the beginning of the financial year		4,151,394	4,943,121
Cash and cash equivalents at the end of the financial year	9.04	**5,321,740**	**4,151,394**
Restrictions on cash assets	4.1		
Financing arrangements	9.05		

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

King Island Council
Financial Report
Table of Contents

Page

Notes to the Financial Statements

	Note		Page
Overview	1.1	Reporting entity	40
	1.2	Basis of accounting	40
	1.3	Use of judgements and estimates	40
	1.4	Material Budget Variations	41
	1.5	Functions/Activities of the Council	42
Revenue	2.01	Rates and charges	44
	2.02	Statutory fees and fines	44
	2.03	User fees	44
	2.04	Grants	45
	2.05	Contributions	46
	2.06	Private Works	46
	2.07	Interest	46
	2.08	Other income	46
	2.09	Net gain/(loss) on disposal of property, infrastructure, plant and equipment.	47
	2.10	Investment revenue from water corporation	47
Expenses	3.1	Employee benefits	47
	3.2	Materials and services	47
	3.3	Depreciation and amortisation	48
	3.4	Finance costs	49
	3.5	Other expenses	49
Current Assets	4.1	Cash and cash equivalents	50
	4.2	Trade and other receivables	50
	4.3	Investments	51
	4.4	Inventories	51
	4.5	Other assets	51
Non-current assets	5.1	Investment in water corporation	51
	6.1	Property, infrastructure, plant and equipment	52
Current liabilities	7.1	Trade and other payables	57
	7.2	Trust funds and deposits	57
	7.3	Provisions	57
	7.4	Contract Liabilities	58
	8.1	Interest-bearing loans and borrowings	59
Non-current liabilities	7.3	Provisions	57
	8.1	Interest-bearing loans and borrowings	59
Other financial information	9.01	Reserves	60
	9.02	Reconciliation of cash flows from operating activities to surplus (deficit)	62
	9.03	Reconciliation of liabilities arising from financing activities	62
	9.04	Reconciliation of cash and cash equivalents	62
	9.05	Financing arrangements	62
	9.06	Superannuation	63
	9.07	Commitments	64
	9.08	Contingent liabilities and contingent assets	64
	9.09	Financial Instruments	65
	9.10	Fair Value Measurements	70
	9.11	Events occurring after balance date	72
Other matters	10.1	Related party transactions	73
	10.2	Special committees and other activities	77
	10.3	Other significant accounting policies and pending accounting standards	78
	10.4	Significant Business Activities	79
	10.5	Management indicators	80

Note 1 Overview

1.1 Reporting entity

(a) King Island Council was established on 19 December 1907 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 10 George Street Currie Tasmania.

(b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- provide for the peace, order and good government in the municipality.

1.2 Basis of accounting

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

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

All amounts are presented in Australian dollars.

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

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

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

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

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 9.06.

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

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

Note 1 Overview (continued)

1.3 Use of judgements and estimates (continued)

Landfill / Quarry Rehabilitation

Assumptions and judgements are utilised in determining the value of Council's obligations to rehabilitate its landfill and quarry sites. These are discussed in note 7.3 (b)

1.4 Material Budget Variations

Council's original budget was adopted by the Council on 21 June 2022. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions, changing economic activity, the weather, and by decisions made by the Council. Material variations are explained below:

Revenues

(a) User fees

This over budget revenue was generated principally from activity at the Airport which exceeded expectations. There was also a contribution from higher than expected waste management fees.

(b) Grants

The variation for recurrent was up $2,413,915 on budget. This is due to the early receipt of Commonwealth funding. The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2011-12 the Commonwealth has been making early payment of approximately 50% of the total grant for the following year. In 2021-22 it was 75%. In this financial year, Council received an amount that is approximately 100% of the total grant. As a general grant that is untied and without performance obligations, Council recognises this revenue when received. The effects of the early receipt of this income each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2022-23 by $2,213,554 and 2021-22 by $1,655,665. This has impacted the Statement of Comprehensive Income resulting in the surplus being higher in 2022-23 and the deficit being less in 2021-22, by these amounts. With fewer instalments due to be received next year, the reverse effect may occur, however, future payments remain at the Commonwealth's discretion.

The variation for capital grants is predominantly related to longer than anticipated timeframes to progress the King Island Hub and Community Gym projects. We have not received any funding and combined this contributes $2.9m to the shortfall. These are multi-year major projects and all expected funding should ultimately be received. The deficit on these projects is offset by funding that had been expected to be received in the prior year but which was received this year. This was referred to in the financial report for that year.

(c) Privste works

Constraints on workforce and raw material supply have led to lower levels of private works being undertaken.

(d) Interest

The higher interest rate environment has produced this additional revenue.

(e) Other revenues

Council has received lower than expected levies on the export of sand.

Expenses

(a) Employee benefits

This positive variance reflects that across the year there were a number of positions that were vacant for significant periods of time. These vacanies were compensated for in part by the engagment of consultants and contractors. The cost of these is reflected in the material and services category.

Note 1.5 Functions/Activities of the Council

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

	Grants $	Other $	Total Revenue $	Total Expenditure $	Surplus/ (Deficit) $	Assets $
Government and administration						
2022 - 2023	1,964,602	396,841	2,361,443	1,601,911	759,532	15,543,610
2021 - 2022	1,797,815	365,838	2,163,653	1,486,070	677,583	13,647,336
Roads, streets and bridges						
2022 - 2023	1,909,201	482,499	2,391,700	2,135,514	256,186	56,932,358
2021 - 2022	2,047,493	567,073	2,614,566	2,180,566	434,000	49,212,899
Waste management						
2022 - 2023	-	737,449	737,449	1,092,135	(354,686)	1,194,404
2021 - 2022	-	632,422	632,422	1,183,112	(550,690)	1,179,843
Building, Planning and Environmental health						
2022 - 2023	40,000	87,135	127,135	242,455	(115,320)	-
2021 - 2022	-	55,649	55,649	161,985	(106,336)	-
Community amenities						
2022 - 2023	20,000	6,668	26,668	647,508	(620,840)	1,237,557
2021 - 2022	-	27,966	27,966	1,122,930	(1,094,964)	1,254,753
Community services						
2022 - 2023	129,224	19,033	148,257	578,585	(430,328)	838,885
2021 - 2022	10,571	29,017	39,588	345,529	(305,941)	842,500
Recreation facilities						
2022 - 2023	-	-	-	-	-	3,950,145
2021 - 2022	409,530	-	409,530	-	409,530	4,050,656
Other - not attributable						
2022 - 2023	65,482	3,845,920	3,911,402	2,493,289	1,418,113	14,802,704
2021 - 2022	-	4,120,872	4,120,872	3,686,273	434,599	14,296,714
Total						
2022 - 2023	**4,128,509**	**5,575,545**	**9,704,054**	**8,791,397**	**912,657**	**94,499,663**
2021 - 2022	**4,265,409**	**5,798,837**	**10,064,246**	**10,166,465**	**(102,219)**	**84,484,701**

Note 1.5 Functions/Activities of the Council (continued)

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

	2023	2022
Current assets	11,126,325	9,138,629
Non-current assets	83,373,338	75,346,072
	94,499,663	**84,484,701**

(c) *Governance and administration*

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

Roads, streets and bridges

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

Waste Management

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

Environmental Health/Environmental Management

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

Community services

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation and support of the performing arts, museum and the presentation of festivals. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

Recreation facilities

Operation and maintenance of sporting facilities (includes active and passive recreation and recreation centres).

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2023	2022
	$	$

Note 2 Revenue

Note 2.01 Rates and charges

Council uses Adjusted Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipality. The AAV of a property is the amount of annual rental it is assessed to earn by the Valuer-General of Tasmania.

The valuation base used to calculate general rates for 2022-23 was $42.966 million (2021-22 $28.487 million). The 2022-23 rate in each dollar of the AAV was 5.5644 cents, (2021-22, 7.6118 cents).

General rate	2,303,100	2,191,034
Fire levy	126,883	118,408
Non-commercial waste collection charge	454,520	407,566
Total rates and charges	**2,884,503**	**2,717,008**

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

Accounting policy

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

Note 2.02 Statutory fees and fines

Building fees	16,155	18,524
Planning and development fees	61,086	26,946
Rates and land information certificates	18,297	24,889
Animal control registrations and fees	14,119	17,314
Licence and permit fees	9,894	10,179
Total statutory fees and fines	**119,551**	**97,852**

Accounting policy

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

Note 2.03 User fees

Airport user fees	565,066	584,878
Refuse disposal fees	274,869	218,830
Cemetery fees	14,793	16,548
Hall and facility hire	4,707	8,226
Total user fees	**859,435**	**828,482**

Accounting policy

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

	2023	2022
	$	$

Note 2.04 Grants

Grants were received in respect of the following:

Summary of grants		
Federally funded grants	3,953,509	3,850,879
State funded grants	155,000	414,530
Others	20,000	-
Total	**4,128,509**	**4,265,409**
Grants - Recurrent		
Commonwealth government financial assistance grants - general purpose (untied)	1,215,540	1,096,476
Commonwealth government financial assistance grants - roads (untied)	1,494,670	1,632,962
Tasmanian government - Lighthouse painting	-	250,000
Tasmanian government - tourism support	95,000	-
Tasmanian government - planning system support	40,000	-
Tasmanian government - youth services	20,000	-
Commonwealth government - Australia Day	14,225	5,571
Tasmanian government - arts event	-	5,000
Total recurrent grants	**2,879,435**	**2,990,009**
Capital grants received specifically for new or upgraded assets		
Commonwealth government - Roads to recovery	414,531	414,531
Commonwealth government - Local roads and community infrastructure programme	524,062	701,339
Commonwealth government - sporting facilities	225,000	-
Commonwealth government - Airport	65,481	-
Tasmanian government - sporting facilities	-	159,530
Other - sporting facilities	20,000	-
Total capital grants	**1,249,074**	**1,275,400**

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:

Recurrent		
Balance of unspent funds at 1 July	-	-
Add: Funds received and not recognised as revenue in the current year	108,000	-
Balance of unspent funds at 30 June	**108,000**	**-**
Capital		
Balance of unspent funds at 1 July	**-**	**159,530**
Add: Funds received and not recognised as revenue in the current year	525,729	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	(159,530)
Balance of unspent funds at 30 June	**525,729**	**-**
Total unspent funds	**633,729**	**-**

Accounting policy

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

The performance obligations are varied based on the agreement, but include undertaking the construction and development of specific infrastructure assets or conducting events on agreed terms.

	2023	2022
	$	$

Note 2.04 Grants (Continued)

Accounting policy (continued)

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.

The Commonwealth has made an early payment of approximately 100% (2022: 75%) of the annual amount of the untied financial assistance grants for the following year. The early receipt of this amount resulted in this item being above that originally budgeted in 2022-23 by $2,213,554 (2021-22, $1,655,665). This has impacted the Statement of comprehensive income resulting in the Net result for the year being higher by the same amount.

Note 2.05 Contributions

Non-monetary assets		
Other	24,379	-
Total contributions	**24,379**	**-**

Accounting policy

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

Note 2.06 Private Works

Works performed for Tasmanian government	586,215	909,776
Works performed for other entities	134,304	597,845
Total Private Works	**720,519**	**1,507,621**

Accounting policy

Private Works

Private Works income is recognised as revenue when the service has been provided or when the payment is received, whichever occurs first.

Note 2.07 Interest

Interest on rates	46,858	37,891
Interest on cash, cash equivalents and investments	256,726	26,425
Total	**303,584**	**64,316**

Accounting policy

Interest is recognised progressively as it is earned.

Note 2.08 Other income

Motor Tax refund	482,499	567,073
Rental/Lease income	31,464	62,191
Reimbursements	3,696	7,871
Commission	3,483	6,903
Royalties	35,064	246,573
Other income	2,063	18,761
Fuel tax credit	26,105	32,047
Total other income	**584,374**	**941,419**

Accounting policy

Rental income

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

Motor Tax refund income

Motor Tax refund income is recognised as revenue when the payment is due or the payment is received, whichever occurs first.

		2023	2022
		$	$
Note 2.09	**Net gain/(loss) on disposal of property, infrastructure, plant and equipment.**		
	Written down value of assets disposed	-	(437,061)
	Total	**-**	**(437,061)**

Accounting policy

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

Note 2.10	**Investment revenue from water corporation**		
	Dividend revenue received	79,200	79,200
	Total investment revenue from water corporation	**79,200**	**79,200**

Accounting policy

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

Note 3 Expenses

Note 3.1	**Employee benefits**		
	Wages and salaries	2,419,283	2,285,321
	Workers compensation	48,877	39,375
	Personal/carers/sick leave	56,672	79,426
	Superannuation	261,491	269,490
	Fringe benefits tax	9,142	12,491
	Payroll tax	79,245	84,761
	Redundancy/Termination	16,191	41,433
	Other employee costs	13,276	35,313
		2,904,177	2,847,610
	Less amounts capitalised	(119,198)	(205,588)
	Total employee benefits	**2,784,979**	**2,642,022**

Accounting policy

Employee benefits

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

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

Note 3.2	**Materials and services**		
	Consultants	699,373	372,451
	Contractors	1,208,527	2,109,045
	Materials (including Inventory)	730,563	958,042
	Freight	36,315	100,727
	Printing	19,691	13,574
	Utilities	94,642	80,301
	Total materials and services	**2,789,111**	**3,634,140**

Accounting policy

Materials and services expense

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

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

		2023	2022
		$	$
Note 3.3	**Depreciation and amortisation**		
	Property		
	Buildings	100,073	72,235
	Jetties	14,756	14,756
	Heritage buildings	335	335
	Plant and Equipment		
	Plant, machinery and equipment	407,633	387,450
	Fixtures, fittings and furniture	3,899	4,371
	Computers and telecommunications	13,552	13,220
	Infrastructure		
	Roads	866,595	843,493
	Bridges	155,230	155,230
	Airport	207,126	468,131
	Drainage	18,968	18,968
	Recreational, leisure and community facilities	133,935	42,913
	Waste management	130,125	39,767
	Quarry	2,250	-
	Total	**2,054,477**	**2,060,869**

Accounting policy

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

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

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

Land, heritage, artwork and road earthwork assets are not depreciated as they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

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

	Period
Buildings	
buildings	20-100 years
building improvements	20-100 years
jetties	40 years
heritage buildings	50-100 years
Plant and Equipment	
plant, machinery and equipment	5-20 years
fixtures, fittings and furniture	5-20 years
computers and telecommunications	3-5 years
Roads	
road pavements and seals	6-80 years
road formation	80-100 years
road footpath, kerb, channel and minor culverts	50-80 years
Bridges	
bridge decks	30-60 years
bridge substructures	20-80 years
Other Infrastructure	
drainage	70-80 years
recreational, leisure and community facilities	20-60 years
waste management	15-40 years
airport infrastructure	10-50 years
quarry	2-60 years

		2023	2022
		$	$
Note 3.4	**Finance costs**		
	Interest - borrowings	26,672	31,330
	Total finance costs	**26,672**	**31,330**

Accounting policy

Finance costs are expensed as incurred using the effective interest rate method. Borrowing costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

Note 3.5	**Other expenses**		
	Advertising	17,992	18,463
	Audit Panel Fees	5,048	8,462
	Bank Fees	8,601	7,450
	Change in rehabilitation provision	-	895,000
	Commissions Paid	28,362	30,240
	Community Grants and sponsorship expenses	47,178	43,210
	Conferences and training	20,416	12,046
	Council rates	22,101	27,024
	Councillors' allowances	125,609	115,215
	Election expenses	10,773	1,675
	External auditors' remuneration (Tasmanian Audit Office)	32,602	33,877
	Fire Service Levy	120,129	112,612
	Insurance and registration	325,565	217,380
	Land Tax	27,033	22,303
	Licences and permits	75,718	25,729
	Subscriptions and memberships	72,953	64,907
	TasWater charges	50,878	40,355
	Telecommunications and internet	25,773	23,060
	Travel and accommodation	45,512	54,308
	Low-value leases	12,084	13,988
	Other expenses	61,831	30,800
	Total	**1,136,158**	**1,798,104**

Accounting policy

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

		2023	2022
		$	$
Note 4	**Current Assets**		
Note 4.1	**Cash and cash equivalents**		
	Cash on hand	300	300
	Cash at bank	529,452	600,760
	Cash invested at call	4,791,988	2,523,668
	Term deposits - 3 months or less	-	1,026,666
	Total cash and cash equivalents	**5,321,740**	**4,151,394**

Council's cash and cash equivalents and, term deposits are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. The internal commitments are created by Council's Reserves Policy. Amounts committed in accordance with the policy are supported by specific investment accounts. Refer to Note 9.01 for details of the Policy.

Total funds subject to restrictions and commitments		
Cash and cash equivalents	5,321,740	4,151,394
Term deposits - more than 3 months (note 4.3)	5,048,619	4,130,128
Total Funds	**10,370,359**	**8,281,522**
Restricted funds		
i)Trust funds and deposits (note 7.2)	19,553	16,584
Internally committed funds		
i) Discretionary reserves (note 9.01)	2,496,764	2,363,213
ii) Employee entitlements reserves (note 9.01)	585,833	517,923
iii) Other reserve - restricted funds (note 9.01)	2,847,284	1,655,666
Committed funds	**5,929,881**	**4,536,802**
Total unrestricted and uncommitted cash and cash equivalents and investments	**4,420,925**	**3,728,136**

Accounting policy

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.

Note 4.2	**Trade and other receivables**		
	Current		
	Rates debtors	100,670	145,096
	Other receivables	230,981	335,990
	Provision for expected credit loss - other debtors	(60,000)	(60,000)
	Total trade and other receivables	**271,651**	**421,086**
	Reconciliation of movement in expected credit loss		
	Carrying amount at 1 July	60,000	60,000
	Carrying amount at 30 June	**60,000**	**60,000**

For ageing analysis of the financial assets, refer to 9.09, (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 uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

		2023	2022
		$	$
Note 4.3	**Investments**		
	Current		
	Term deposits - more than 3 months	5,048,619	4,130,128
		5,048,619	**4,130,128**

Accounting policy

Investments in term deposits are measured at cost.

Note 4.4	**Inventories**		
	Inventories held for distribution	338,468	395,551
	Total inventories	**338,468**	**395,551**

Accounting policy

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 4.5	**Other assets**		
	Current		
	Prepayments	45,863	29,636
	Accrued income	99,984	10,834
	Total	**145,847**	**40,470**

Note 5	**Other Investments**		
Note 5.1	**Investment in water corporation**		
	Opening balance	4,860,433	4,727,929
	Fair Value adjustments on equity investment assets	152,679	132,504
	Total investment in water corporation	**5,013,112**	**4,860,433**

Council has derived returns from the water corporation as disclosed at note 2.10.

Accounting policy

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated 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 9.01 (b) Fair value reserve) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 0.29% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6 Non-current assets

Note 6.1 Property, infrastructure, plant and equipment

	2023	2022
	$	$
Summary		
at cost	9,186,049	8,879,589
Less accumulated depreciation	(4,802,882)	(4,230,667)
	4,383,167	**4,648,922**
at fair value as at 30 June	119,222,921	104,612,122
Less accumulated depreciation	(45,245,862)	(38,775,405)
	73,977,059	**65,836,717**
Total	**78,360,226**	**70,485,639**
Property		
Land		
at fair value as at 30 June	5,644,200	5,644,200
	5,644,200	**5,644,200**
Land under roads		
at fair value at 30 June	2,534,000	2,534,000
	2,534,000	**2,534,000**
Total Land	**8,178,200**	**8,178,200**
Buildings		
at fair value as at 30 June	9,046,555	9,046,555
Less accumulated depreciation	(4,808,428)	(4,708,355)
	4,238,127	**4,338,200**
Jetties		
at cost	930,706	930,706
Less accumulated amortisation	(204,869)	(190,113)
	725,837	**740,593**
Heritage buildings		
at fair value as at 30 June	56,500	56,500
Less accumulated depreciation	(33,320)	(32,985)
	23,180	**23,515**
Total Buildings	**4,987,144**	**5,102,308**
Total Property	**13,165,344**	**13,280,508**
Plant and Equipment		
Plant, machinery and equipment		
at cost	5,076,274	4,614,581
Less accumulated depreciation	(3,461,969)	(3,054,335)
	1,614,305	**1,560,246**
Fixtures, fittings and furniture		
at cost	114,161	110,529
Less accumulated depreciation	(94,929)	(91,031)
	19,232	**19,498**
Computers and telecommunications		
at cost	196,733	195,075
Less accumulated depreciation	(182,616)	(169,064)
	14,117	**26,011**
Total Plant and Equipment	**1,647,654**	**1,605,755**

Note 6.1 Property, infrastructure, plant and equipment (continued)	2023 $	2022 $
Infrastructure		
Roads		
at fair value as at 30 June	69,596,045	57,895,240
Less accumulated depreciation	(20,644,790)	(16,649,765)
	48,951,255	**41,245,475**
Bridges		
at fair value as at 30 June	11,994,240	9,321,820
Less accumulated depreciation	(7,874,993)	(5,859,998)
	4,119,247	**3,461,822**
Airport		
at fair value as at 30 June	12,626,000	12,626,000
Less accumulated depreciation	(7,364,126)	(7,157,000)
	5,261,874	**5,469,000**
Drainage		
at fair value as at 30 June	2,164,868	2,164,868
Less accumulated depreciation	(843,637)	(824,669)
	1,321,231	**1,340,199**
Recreational and community facilities		
at fair value as at 30 June	5,560,513	5,322,939
Less accumulated depreciation	(3,676,568)	(3,542,633)
	1,883,945	**1,780,306**
Waste Management		
at cost	1,646,466	1,646,466
Less accumulated depreciation	(834,249)	(704,124)
	812,217	**942,342**
Quarries		
at cost	135,000	135,000
Less accumulated depreciation	(24,250)	(22,000)
	110,750	**113,000**
Total Infrastructure	**62,460,519**	**54,352,144**
Works in progress		
Buildings at cost	446,664	53,248
Computers and Telecommunications at cost	30,581	-
Roads at cost	6,625	631,403
Airport at cost	125,590	40,624
Recreation and community facilities at cost	332,563	521,957
Waste management at cost	144,686	-
Total Works in progress	**1,086,709**	**1,247,232**
Total property, infrastructure, plant and equipment	**78,360,226**	**70,485,639**

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

Reconciliation of property, infrastructure, plant and equipment

2023	Balance at beginning of financial year	Acquisition of assets	Contribution of assets	Revaluation increments (decrements) (note 9.01)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	$	$	$	$	$	$	$	$
Property								
Land	5,644,200	-	-	-	-	-	-	5,644,200
Land under roads	2,534,000	-	-	-	-	-	-	2,534,000
Total land	8,178,200	-	-	-	-	-	-	8,178,200
Buildings	4,338,200	-	-	-	(100,073)	-	-	4,238,127
Jetties	740,593	-	-	-	(14,756)	-	-	725,837
Heritage buildings	23,515	-	-	-	(335)	-	-	23,180
Total buildings	5,102,308	-	-	-	(115,164)	-	-	4,987,144
Total property	13,280,508	-	-	-	(115,164)	-	-	13,165,344
Plant and Equipment								
Plant, machinery and equipment	1,560,246	437,313	24,379	-	(407,633)	-	-	1,614,305
Fixtures, fittings and furniture	19,498	3,633	-	-	(3,899)	-	-	19,232
Computers and telecommunications	26,011	1,658	-	-	(13,552)	-	-	14,117
Total plant and equipment	1,605,755	442,604	24,379	-	(425,084)	-	-	1,647,654
Infrastructure								
Roads	41,245,475	720,127	-	7,220,845	(866,595)	-	631,403	48,951,255
Bridges	3,461,822	-	-	812,655	(155,230)	-	-	4,119,247
Airport	5,469,000	-	-	-	(207,126)	-	-	5,261,874
Drainage	1,340,199	-	-	-	(18,968)	-	-	1,321,231
Recreational and community facilities	1,780,306	10,517	-	-	(133,935)	-	227,057	1,883,945
Waste management	942,342	-	-	-	(130,125)	-	-	812,217
Quarries	113,000	-	-	-	(2,250)	-	-	110,750
Total infrastructure	54,352,144	730,644	-	8,033,500	(1,514,229)	-	858,460	62,460,519
Works in progress								
Buildings	53,248	393,416	-	-	-	-	-	446,664
Bridges	-	-	-	-	-	-	-	-
Computers and Telecommunications	-	30,581	-	-	-	-	-	30,581
Roads	631,403	6,625	-	-	-	-	(631,403)	6,625
Airport	40,624	84,966	-	-	-	-	-	125,590
Recreation and community facilities	521,957	37,663	-	-	-	-	(227,057)	332,563
Waste management	-	144,686	-	-	-	-	-	144,686
Total works in progress	1,247,232	697,937	-	-	-	-	(858,460)	1,086,709
Total property, infrastructure, plant and equipment	**70,485,639**	**1,871,185**	**24,379**	**8,033,500**	**(2,054,477)**	**-**	**-**	**78,360,226**

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

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

2022	Balance at beginning of financial year	Acquisition of assets	Contribution of assets	Revaluation increments (decrements) (note 9.01)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Transfers	Balance at end of financial year
	$	$	$	$	$	$	$	$
Property								
Land	4,457,600	233,547	-	953,053	-	-	-	5,644,200
Land under roads	2,534,000	-	-	-	-	-	-	2,534,000
Total land	6,991,600	233,547	-	953,053	-	-	-	8,178,200
Buildings	1,971,597	15,266	-	2,401,188	(72,235)	-	22,384	4,338,200
Jetties	755,349	-	-	-	(14,756)	-	-	740,593
Heritage buildings	23,850	-	-	-	(335)	-	-	23,515
Total buildings	2,750,796	15,266	-	2,401,188	(87,326)	-	22,384	5,102,308
Total property	9,742,396	248,813	-	3,354,241	(87,326)	-	22,384	13,280,508
Plant and Equipment								
Plant, machinery and equipment	1,517,782	434,914	-	-	(387,450)	(5,000)	-	1,560,246
Fixtures, fittings and furniture	21,402	2,467	-	-	(4,371)	-	-	19,498
Computers and telecommunications	39,231	-	-	-	(13,220)	-	-	26,011
Total plant and equipment	1,578,415	437,381	-	-	(405,041)	(5,000)	-	1,605,755
Infrastructure								
Roads	41,094,315	994,653	-	-	(843,493)	-	-	41,245,475
Bridges	3,503,890	31,249	-	-	(155,230)	-	81,913	3,461,822
Airport	8,332,900	12,885	-	(2,408,654)	(468,131)	-	-	5,469,000
Drainage	1,359,167	-	-	-	(18,968)	-	-	1,340,199
Recreational and community facilities	827,032	9,445	-	667,923	(42,913)	-	318,819	1,780,306
Waste management	869,023	538,820	-	-	(39,767)	(432,061)	6,327	942,342
Quarries	-	113,000	-	-	-	-	-	113,000
Total infrastructure	55,986,327	1,700,052	-	(1,740,731)	(1,568,502)	(432,061)	407,059	54,352,144
Works in progress								
Buildings	23,504	52,128	-	-	-	-	(22,384)	53,248
Bridges	81,913	-	-	-	-	-	(81,913)	-
Roads	135,649	495,754	-	-	-	-	-	631,403
Airport	6,016	34,608	-	-	-	-	-	40,624
Recreation and community facilities	434,496	406,280	-	-	-	-	(318,819)	521,957
Waste management	6,327	-	-	-	-	-	(6,327)	-
Total works in progress	687,905	988,770	-	-	-	-	(429,443)	1,247,232
Total property, infrastructure, plant and equipment	**67,995,043**	**3,375,016**	**-**	**1,613,510**	**(2,060,869)**	**(437,061)**	**-**	**70,485,639**

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

Accounting policy

Recognition and measurement of assets

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

Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation. 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.

Revaluation

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

Land	fair value
Land under roads	fair value
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Computers and telecommunications	cost
Roads	fair value
Bridges	fair value
Buildings	fair value
Recreational and community facilities	fair value
Jetties	cost
Airport	fair value
Drainage	fair value
Heritage buildings	fair value
Waste management	cost
Quarries	cost

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

In addition, Council undertakes a formal revaluation of: land; roads; land under roads; bridges; buildings; recreational, leisure and community facilities; airport; drainage; and, heritage buildings on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

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

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

Impairment of assets

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

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

		2023	2022
		$	$
Note 7	**Current liabilities**		
Note 7.1	**Trade and other payables**		
	Trade payables	444,900	303,351
	Rates and charges in advance	171,319	199,426
	Net GST payable	12,924	20,968
	Accrued expenses	518,138	365,236
	Total trade and other payables	**1,147,281**	**888,981**

Accounting policy

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

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

For ageing analysis of trade and other payables refer to Financial Instruments

Note 7.2	**Trust funds and deposits**		
	Refundable building deposits	10,823	10,823
	Other refundable deposits	8,730	5,761
	Total trust funds and deposits	**19,553**	**16,584**

Note 7.3 Provisions

2023	Annual leave	Long service leave	Land Fill & quarry rehabilitation	Total
	$	$	$	$
Balance at beginning of the financial year	314,720	203,203	1,415,000	1,932,923
Additional provisions	206,416	36,179	-	242,595
Amounts used	(164,815)	(9,870)	-	- 174,685
Balance at the end of the financial year	**356,321**	**229,512**	**1,415,000**	**2,000,833**
Current	356,321	169,012	-	525,333
Non-current	-	60,500	1,415,000	1,475,500
Total	**356,321**	**229,512**	**1,415,000**	**2,000,833**

2022				
Balance at beginning of the financial year	292,342	291,187	-	583,529
Additional/(reduction in) provisions	195,372	(63,905)	1,415,000	1,546,467
Amounts used	(172,994)	(24,079)	-	- 197,073
Balance at the end of the financial year	**314,720**	**203,203**	**1,415,000**	**1,932,923**
Current	314,720	137,644	-	452,364
Non-current	-	65,559	1,415,000	1,480,559
Total	**314,720**	**203,203**	**1,415,000**	**1,932,923**

Accounting policy

(a) Employee benefits

i) Short term obligations

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

	2023	2022
	$	$

Note 7.3 Provisions (continued)

Accounting policy (continued)

(a) Employee benefits (continued)

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.

(b) Land fill and quarry rehabilitation

The Council operates refuse disposal areas and quarries which imposes obligations for rehabilitation in the future. Provision is made for rehabilitation costs to be incurred in future years by estimating the future costs based on current legislative requirements. Periodically, the liability is reassessed to ensure the provision represents a reasonable estimate of the future costs. Where there is an asset revaluation reserve available these changes are taken directly to equity. If there is no revaluation reserve available they are expensed in the year they are incurred.

Council does not expect to receive reimbursement from a third party.

Note 7.4 Contract Liabilities

Current

Funds received to acquire on construct an asset controlled by Council	633,729	-
	633,729	**-**

Accounting policy

Council recognised the following contractual liabilities:

i) Grant funds received in advance includes the upgrade of sporting facilities. The funds received are under an enforceable contract which requires 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. Revenue is expected to be recognised in the next 12 months.

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.

		2023	2022
		$	$
Note 8	**Non-current**		
Note 8.1	**Interest-bearing loans and borrowings**		
	Current		
	Borrowings - secured	48,552	46,782
		48,552	**46,782**
	Non-current		
	Borrowings - secured	632,407	680,959
		632,407	**680,959**
	Total	**680,959**	**727,741**

Borrowings

Under the terms of its Deed of Charge with the Tasmanian Public Finance Corporation, Council's borrowings are secured by a floating charge over its property.

The maturity profile for Council's borrowings is:		
Not later than one year	48,552	46,782
Later than one year and not later than five years	632,407	680,959
Total	**680,959**	**727,741**

Accounting policy

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

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period.

		2023	2022
		$	$
Note 9	**Other financial information**		
Note 9.01	**Reserves**		
	Asset revaluation reserve	54,145,011	46,111,511
	Fair value reserve	464,899	312,220
	Discretionary reserves	2,496,764	2,363,213
	Other reserves	3,433,117	2,173,589
	Total	**60,539,791**	**50,960,533**

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	$	$	$	$
2023 Property				
Land	4,881,819	-	-	4,881,819
Buildings and Recreational and community facilities	3,430,675	-	-	3,430,675
	8,312,494	**-**	**-**	**8,312,494**
Infrastructure				
Roads and Bridges	32,908,385	8,033,500	-	40,941,885
Drainage	1,126,231	-	-	1,126,231
Airport	3,764,401	-	-	3,764,401
	37,799,017	**8,033,500**	**-**	**45,832,517**
Total asset revaluation reserve	**46,111,511**	**8,033,500**	**-**	**54,145,011**
2022 Property				
Land	3,928,766	953,053	-	4,881,819
Buildings and Recreational and community facilities	361,564	3,069,111	-	3,430,675
	4,290,330	**4,022,164**	**-**	**8,312,494**
Infrastructure				
Roads and Bridges	32,908,385	-	-	32,908,385
Drainage	1,126,231	-	-	1,126,231
Airport	6,173,055	-	(2,408,654)	3,764,401
	40,207,671	**-**	**(2,408,654)**	**37,799,017**
Total asset revaluation reserve	**44,498,001**	**4,022,164**	**(2,408,654)**	**46,111,511**

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

(b) Fair value reserve

2023	**Equity Investment assets**			
	Investment in water corporation	312,220	152,679	-	464,899
	Total fair value reserve	**312,220**	**152,679**	**-**	**464,899**
2022	**Equity Investment assets**			
	Investment in water corporation	179,716	132,504	-	312,220
	Total fair value reserve	**179,716**	**132,504**	**-**	**312,220**

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.

Note 9.01 Reserves (continued)

(c) Other reserves	Balance at beginning of reporting year $	Increment $	(Decrement) $	Balance at end of reporting year $
2023 Discretionary Reserves				
Lighthouse Reserve	161,310	26,282	(28,588)	159,004
Community Reserve	1,601,203	134,255	(47,356)	1,688,102
Naracoopa Jetty Reserve	166,570	48,773	(14,756)	200,587
Grassy Mine Infrastructure Reserve	9,995	348	-	10,343
Housing Reserve	424,135	14,593	-	438,728
Total discretionary reserves	**2,363,213**	**224,251**	**(90,700)**	**2,496,764**
Other Reserves				
Employee Entitlement Reserve	517,923	67,910	-	585,833
Restricted Funds	1,655,666	2,847,283	(1,655,665)	2,847,284
Total other reserves	**2,173,589**	**2,915,193**	**(1,655,665)**	**3,433,117**
2022 Discretionary Reserves				
Lighthouse Reserve	164,017	524,495	(527,202)	161,310
Community Reserve	1,547,369	83,873	(30,039)	1,601,203
Naracoopa Jetty Reserve	285,310	43,623	(162,363)	166,570
Grassy Mine Infrastructure Reserve	9,954	41	-	9,995
Housing Reserve	422,866	1,269	-	424,135
Total discretionary reserves	**2,429,516**	**653,301**	**(719,604)**	**2,363,213**
Other Reserves				
Employee Entitlement Reserve	583,529	-	(65,606)	517,923
Restricted Funds	1,092,654	1,655,665	(1,092,653)	1,655,666
Total other reserves	**1,676,183**	**1,655,665**	**(1,158,259)**	**2,173,589**

Discretionary Reserves
Council's Financial Reserves Policy identifies a number of specific strategic purposes for which funds are set aside for future use. These funds are invested in term deposits in line with the Policy. Council approves transactions into and out of these term deposits as required under the Policy.

Lighthouse Reserve
Ownership of the Currie Lighthouse was transferred to Council from the Federal Government. Council received an initial capital grant to be used for the ongoing maintenance of the Lighthouse.

Community Reserve
In return for transferring water and sewer assets to Cradle Mountain Water (now TasWater) in 2009, Council received payment of a capital sum. The funds are reserved to finance discretionary projects to benefit the King Island community.

Naracoopa Jetty
Ownership of the jetty was transferred to Council in 2008. Council received an initial capital grant for its upgrading and ongoing maintenance.

Grassy Mine Infrastructure Reserve
A reserve was established and managed under conditions prescribed in a Part V Agreement attached to the planning permit issued to King Island Scheelite. The purpose of the reserve is to provide infrastructure to benefit the Grassy community.

Housing Reserve
Council established a separate reserve in 2018 after the sale of a Council-owned house. The purpose of the reserve is to contribute to future accommodation needs. This reserve is not specifically identified in Council's Financial Reserves Policy.

Other Reserves
Discretionary Reserves are reserves that provide capital for the expansion of Council's infrastructure or capital base. Statutory reserves are maintained for employee entitlements and restricted funds for unexpended grant revenue.

Restricted Funds
Restricted Funds relate to grants and subsidies that span two or more financial years and have specific restrictions in the funding agreement or grant deed. Grants and subsidies are determined as restricted if the funds are not available to be used in any other manner and may be repayable if these requirements are not met.

		2023	2022
		$	$
Note 9.02	**Reconciliation of cash flows from operating activities to surplus (deficit)**		
	Result from continuing operations	912,657	(102,219)
	Contributions - non-monetary assets	(24,379)	-
	Depreciation/amortisation	2,054,477	2,060,869
	(Profit)/loss on disposal of property, infrastructure, plant and equipment	-	437,061
	Capital grants received specifically for new or upgraded assets	(1,249,074)	(1,275,400)
	Change in assets and liabilities:		
	Decrease/(increase) in trade and other receivables	149,435	(71,324)
	Decrease/(increase) in other assets	(105,377)	(6,762)
	Decrease/(increase) in inventories	57,083	302,392
	Increase/(decrease) in trade and other payables	258,300	423,603
	Increase/(decrease) in provisions	67,910	829,394
	Increase/(decrease) in other liabilities	633,729	(159,530)
	Net cash provided by/(used in) operating activities	**2,754,761**	**2,438,084**

Note 9.03 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		
Balance at beginning of the financial year	727,741	886,966
Cash repayments	(46,782)	(159,225)
Balance at the end of the financial year	**680,959**	**727,741**

Note 9.04 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 4.1)	5,321,740	4,151,394
Total reconciliation of cash and cash equivalents	**5,321,740**	**4,151,394**

Note 9.05 Financing arrangements

Bank overdraft	220,000	220,000
Unused facilities	**220,000**	**220,000**

Note 9.06 Superannuation

Council has made superannuation contributions for certain 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 had no need to contribute 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.

- 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 Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

  The Trust Deed does not contemplate the Fund withdrawing from Spirit Super. However it is likely that Rule 15.2 would be applied in this case (as detailed above).

Note 9.06 Superannuation (Continued)

- 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.
- 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	2022
Fund	**$**	**$**
Accumulation funds		
Employer contributions to all employees' funds	261,491	269,490
	261,491	**269,490**

Note 9.07 Commitments

Capital Expenditure Commitments		
Plant and equipment	320,019	136,148
Recreational, leisure and community facilities	304,270	481,590
Airport	256,561	-
Intangible assets	17,398	-
Total Capital expenditure commitments	**898,248**	**617,738**

Note 9.08 Contingent liabilities and contingent assets

Contingent liabilities

Council is not aware of any matters, claims, pending legal actions or issues that may give rise to a material financial liability.

Note 9.09 Financial Instruments

(a) Interest Rate Risk

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

2023

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
		$	$	$	$	$	$
Financial assets							
Cash and cash equivalents	4.26%	5,321,740	-	-	-	-	5,321,740
Investments	4.42%	-	5,048,619	-	-	-	5,048,619
Trade and other receivables	9.85%	100,670	-	-	-	170,981	271,651
Investment in water corporation		-	-	-	-	5,013,112	5,013,112
Total financial assets		**5,422,410**	**5,048,619**	**-**	**-**	**5,184,093**	**15,655,122**
Financial liabilities							
Trade and other payables		-	-	-	-	1,147,281	1,147,281
Trust funds and deposits		-	-	-	-	19,553	19,553
Interest-bearing loans and borrowings	3.79%	-	48,552	632,407	-	-	680,959
Total financial liabilities		**-**	**48,552**	**632,407**	**-**	**1,166,834**	**1,847,793**
Net financial assets (liabilities)		**5,422,410**	**5,000,067**	**(632,407)**	**-**	**4,017,259**	**13,807,329**

2022

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
		$	$	$	$	$	$
Financial assets							
Cash and cash equivalents	0.77%	2,523,668	1,026,666	-	-	601,060	4,151,394
Investments	0.99%	-	4,130,128	-	-	-	4,130,128
Trade and other receivables	8.13%	145,096	-	-	-	275,990	421,086
Investment in water corporation		-	-	-	-	4,860,433	4,860,433
Total financial assets		**2,668,764**	**5,156,794**	**-**	**-**	**5,737,483**	**13,563,041**
Financial liabilities							
Trade and other payables		-	-	-	-	888,981	888,981
Trust funds and deposits		-	-	-	-	16,584	16,584
Interest-bearing loans and borrowings	3.79%	-	46,782	680,959	-	-	727,741
Total financial liabilities		**-**	**46,782**	**680,959**	**-**	**905,565**	**1,633,306**
Net financial assets (liabilities)		**2,668,764**	**5,110,012**	**(680,959)**	**-**	**4,831,918**	**11,929,735**

Note 9.09 Financial Instruments (continued)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2023	2022	2023	2022
	$	$	$	$
Financial assets				
Cash and cash equivalents	5,321,740	4,151,394	5,321,740	4,151,394
Other financial assets	5,048,619	4,130,128	5,048,619	4,130,128
Rates	100,670	145,096	100,670	145,096
Trade and other receivables	170,981	275,990	170,981	275,990
Investment in water corporation	5,013,112	4,860,433	5,013,112	4,860,433
Total financial assets	**15,655,122**	**13,563,041**	**15,655,122**	**13,563,041**
Financial liabilities				
Trade and other payables	1,147,281	888,981	1,147,281	888,981
Trust funds and deposits	19,553	16,584	19,553	16,584
Interest-bearing loans and borrowings	680,959	727,741	666,750	719,691
Total financial liabilities	**1,847,793**	**1,633,306**	**1,833,584**	**1,625,256**

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from the Tasmanian Public Finance Corporation (Tascorp). The overdraft is arranged with a major Australian bank. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

Note 9.09 Financial Instruments (continued)

(d) Risks and mitigation (continued)

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has 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 balances 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 9.08.

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

	Financial Institutions (AAA credit rating)	Other (min BBB credit rating)	Total
2023			
Cash and cash equivalents	5,321,740	-	5,321,740
Trade and other receivables	-	271,651	271,651
Investments and other financial assets	5,048,619	-	5,048,619
Total contractual financial assets	**10,370,359**	**271,651**	**10,642,010**
2022			
Cash and cash equivalents	4,151,394	-	4,151,394
Trade and other receivables	-	421,086	421,086
Investments and other financial assets	4,130,128	-	4,130,128
Total contractual financial assets	**8,281,522**	**421,086**	**8,702,608**

Ageing of Trade and Other Receivables

	2023	2022
	$	$
Current (not yet due)	152,555	260,236
Past due by up to one month	32,774	31,402
Past due between one and six months	109,460	141,083
Past due by more than six months	36,862	48,365
General provision for expected credit losses	(60,000)	(60,000)
Total Trade & Other Receivables	**271,651**	**421,086**

Note 9.09 Financial Instruments (continued)

(d) Risks and mitigation (continued)

Credit risk (Continued)

Individually impaired Trade and Other Receivables

At balance date, trade and other receivables with a nominal value of $271,651 (2021-22: $421,086) were assessed as being impaired. The amount of the provision for expected credit losses raised against these debtors was $60,000 (2021-22: $60,000). 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.

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:
- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

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

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

The table below lists the contractual maturities for non-lease Financial Liabilities.

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

2023	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	$	$	$	$	$	$	$
Trade and other payables	1,147,281	-	-	-	-	1,147,281	1,147,281
Trust funds and deposits	8,730	10,823	-	-	-	19,553	19,553
Interest-bearing loans and borrowings	24,051	24,501	347,250	285,157	-	680,959	680,959
Total financial liabilities	**1,180,062**	**35,324**	**347,250**	**285,157**	**-**	**1,847,793**	**1,847,793**

2022	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	$	$	$	$	$	$	$
Trade and other payables	888,981	-	-	-	-	888,981	888,981
Trust funds and deposits	5,761	10,823	-	-	-	16,584	16,584
Interest-bearing loans and borrowings	23,174	23,608	48,552	632,407	-	727,741	727,741
Total financial liabilities	**917,916**	**34,431**	**48,552**	**632,407**	**-**	**1,633,306**	**1,633,306**

Note 9.09 Financial Instruments (continued)

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months:

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

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

		Interest rate risk			
		-1.00%		1.00%	
		Profit	Equity	Profit	Equity
2023	$	$	$	$	$
Financial assets:					
Cash and cash equivalents	5,321,740	(53,217)	(53,217)	53,217	53,217
Investments	5,048,619	(50,486)	(50,486)	50,486	50,486
Financial liabilities:					
Interest-bearing loans and borrowings	680,959	6,810	6,810	(6,810)	(6,810)

		Interest rate risk			
		-1.00%		1.00%	
		Profit	Equity	Profit	Equity
2022	$	$	$	$	$
Financial assets:					
Cash and cash equivalents	4,151,394	(41,514)	(41,514)	41,514	41,514
Investments	4,130,128	(41,301)	(41,301)	41,301	41,301
Financial liabilities:					
Interest-bearing loans and borrowings	727,741	7,277	7,277	(7,277)	(7,277)

Note 9.10 Fair Value Measurements

(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.

As at 30 June 2023

	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		$	$	$	$
Investment in water corporation	5.1	-	-	5,013,112	5,013,112
Land	6.1	-	5,644,200	-	5,644,200
Land under roads	6.1	-	2,534,000	-	2,534,000
Buildings and Heritage buildings	6.1	-	4,261,307	-	4,261,307
Roads	6.1	-	-	48,951,255	48,951,255
Bridges	6.1	-	-	4,119,247	4,119,247
Drainage	6.1	-	-	1,321,231	1,321,231
Airport	6.1	-	-	5,261,874	5,261,874
Recreational and community facilities	6.1	-	1,883,945	-	1,883,945
		-	**14,323,452**	**64,666,719**	**78,990,171**

As at 30 June 2022

	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		$	$	$	$
Investment in water corporation	5.1	-	-	4,860,433	4,860,433
Land	6.1	-	5,644,200	-	5,644,200
Land under roads	6.1	-	2,534,000	-	2,534,000
Buildings and Heritage buildings	6.1	-	4,361,715	-	4,361,715
Roads	6.1	-	-	41,245,475	41,245,475
Bridges	6.1	-	-	3,461,822	3,461,822
Drainage	6.1	-	-	1,340,199	1,340,199
Airport	6.1	-	-	5,469,000	5,469,000
Recreational and community facilities	6.1	-	1,780,306	-	1,780,306
		-	**14,320,221**	**56,376,929**	**70,697,150**

Transfers between levels of the hierarchy

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Highest and best use

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

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

Investment in water corporation

Refer to Note 5.1 for details of valuation technique used to derive fair value.

Land

Valuation of land (excluding land under roads) was undertaken by the Valuer General (VG) as at 1 July 2016. This valuation of land was at fair value, being market value based on highest and best use permitted by relevant land planning provisions. In the financial year ended 30 June 2022 these values were indexed by between 40% to 90%, depending on the classification of the respective property. The indexation factors were taken from the adjustment factors for the municipal area, as gazetted by the VG during the year.

Land under roads

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

Note 9.10 Fair Value Measurements (continued)

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

Buildings and Recreational and community facilites

Valuation of these categories was undertaken by the Valuer General (VG) as at 1 July 2016. This valuation was at fair value, being market value based on highest and best use permitted by relevant land planning provisions. In the financial year ended 30 June 2022 these values were indexed by between 40% to 90%, depending on the classification of the respective property. The indexation factors were taken from the adjustment factors for the municipal area, as gazetted by the VG during the year. The fair value for each property, as calculated from the valuation and adjustment factors sourced from the VG, represent its written down value (WDV). The gross value of each property was determined by Council's consulting engineer based on its estimated replacement cost. Accumulated depreciation for each property was derived by deducting the WDV from the estimated gross replacement cost. For assets constructed after 1 July 2016 an indexation factor relevant to the period of time since construction has been used.

Infrastructure assets

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

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

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

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

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

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

Roads, including footpaths, cycleways & culverts

Roads have been valued by Moloney Asset Management Systems (MAMS) during the year ended 30 June 2020. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

In the financial year ended 30 June 2023 the carrying values of roads were revalued by applying indexation factors. The indexation factors were derived from the Australian Bureau of Statistics 6427.0 Producer Price Index, Index number 3101 Road and bridge construction Australia. The roads valued by MAMS as at 30 June 2020 increased by 18%. Expenditure on roads that occured post the MAMS valuation were increased according to the financial year that the expenditure was incurred. They are: 30 June 2021, 16%; 30 June 2022, 6%; and, 30 June 2023, 0%.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Agreement. Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

The valuation of culverts is consistent with the method described for drainage assets

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Auspan, during the year ended 30 June 2023. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's consulting engineers, effective 30 June 2021. 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.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Airport

A full valuation of the Airport was undertaken by Council's consulting engineers, effective 30 June 2022. Similar to other categories, the airport is managed in segments, the airstrip, taxiways and buildings being the major components. Each component was individually assessed. The valuation comprises the asset's current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

Note 9.10 Fair Value Measurements (continued)

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 property plant and equipment assets with recurring fair value measurements are detailed in note 6.1 (Property, infrastructure, plant and equipment). Investment in water corporation, which is classified as level 3, has been separately disclosed in note 5.1.

	2023	2022
	$	$
Balance at beginning of reporting period	**56,376,929**	**59,018,201**
Gain/(loss) recognised in other comprehensive income		
Fair value adjustments on equity investment assets	152,679	132,504
Net asset revaluation increment/(decrement)	8,033,500	(2,408,654)
Purchases	1,351,530	1,120,700
Depreciation and amortisation	(1,247,919)	(1,485,822)
Closing balance	**64,666,719**	**56,376,929**

(e) Valuation processes

Council's current policy for the valuation of the investment in the water corporation and property, infrastructure, plant and equipment (recurring fair value measurements) is set out in notes 5.1 and 6.1 respectively.

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

(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.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 8.1 is provided by Tascorp (level 2).

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

Note 9.11 Events occurring after balance date

No matters or circumstances have arisen since the end of the reporting period which require disclosure in the financial report.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration

Name	Position	Period	Short term employee benefits		Total Compensation AASB 124	Expenses[1]	Total allowances and expenses section 72
			Allowances $	Vehicles $	$	$	$
2023							
Cr Marcus Blackie	*Mayor*	*1.11.22-30.6.23*	23,990	-	23,990	7,709	31,699
Cr Julianne (Julie) Arnold	*Mayor*	*1.7.22-12.8.22*	4,043	-	4,043	1,589	5,632
Cr Vernon Philbey	*Deputy Mayor*	*1.7.22-12.8.22*	24,085	-	24,085	-	24,085
	Acting Mayor	*12.8.22-1.11.22*					
	Deputy Mayor	*1.11.22-30.6.23*					
Cr Alistair (Duncan) McFie	*Deputy Mayor*	*16.8.22-1.11.22*	12,370	-	12,370	-	12,370
	Councillor	*1.7.22-16.8.22*					
	Councillor	*1.11.22-30.6.23*					
Cr Ian Allan	*Councillor*	*Full Year*	10,187	-	10,187	136	10,323
Cr David Bowden	*Councillor*	*Full Year*	10,187	-	10,187	-	10,187
Cr Thor Clemons	*Councillor*	*1.7.22-1.11.22*	3,331	-	3,331	-	3,331
Cr Robert (Ira) Cooke	*Councillor*	*Full Year*	10,187	-	10,187	-	10,187
Cr Gina Green	*Councillor*	*Full Year*	10,187	-	10,187	-	10,187
Cr Anna Hely	*Councillor*	*1.11.22-30.6.23*	6,855	-	6,855	774	7,629
Cr Sarina Laidler	*Councillor*	*Full Year*	10,187	-	10,187	-	10,187
Total			**125,609**	**-**	**125,609**	**10,208**	**135,817**
2022							
Cr Julianne (Julie) Arnold	*Mayor*	*Full Year*	34,724	-	34,724	3,112	37,836
Cr Henry (Jim) Cooper	*Deputy Mayor*	*1.7.21-3.12.21*	-	-	-	308	308
Cr Vernon Philbey	*Deputy Mayor*	*21.12.21-30.6.22*	15,508	-	15,508	-	15,508
	Councillor	*1.7.21-21.12.21*					
Cr David Bowden	*Councillor*	*15.12.21-30.6.22*	5,454	-	5,454	-	5,454
Cr Ian Allan	*Councillor*	*Full Year*	9,922	-	9,922	-	9,922
Cr Thor Clemons	*Councillor*	*Full Year*	9,922	-	9,922	1,249	11,171
Cr Robert (Ira) Cooke	*Councillor*	*Full Year*	9,922	-	9,922	1,845	11,767
Cr Gina Green	*Councillor*	*Full Year*	9,922	-	9,922	1,249	11,171
Cr Sarina Laidler	*Councillor*	*Full Year*	9,922	-	9,922	-	9,922
Cr Alistair (Duncan) McFie	*Councillor*	*Full Year*	9,922	-	9,922	1,249	11,171
Total			**115,218**	**-**	**115,218**	**9,012**	**124,230**

1 Section 72(1)cb of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors. Expenses reimbursed relate to Councillors travelling on Council-authorised business and are governed by Council's Policy.

Note 10.1 Related party transactions (continued)

(ii) Key Management Personnel Remuneration

Name	Position	Period	Remuneration band	Short term employee benefits				Post employment benefits			Total
				Salary[1]	Short-term Incentive Payments[2]	Vehicles[3]	Other Allowances and Benefits[4]	Super-annuation[5]	Termination Benefits[6]	Non-monetary Benefits[7]	
				$	$	$	$	$	$	$	$
2023											
Ms Kate Mauric	General Manager	*Full Year*	$240,000 - $260,000	184,757	-	5,615	16,461	24,074	-	23,036	253,943
Former KMP[8]			$0 - $20,000	-	-	-	-	-	11,697	-	11,697
Sub-total				**184,757**	**-**	**5,615**	**16,461**	**24,074**	**11,697**	**23,036**	**265,640**
Non-employee remuneration											
Non-employee KMP[9]	2 roles			322,304	-	-	-	-	-	-	322,304
Total				**507,061**	**-**	**5,615**	**16,461**	**24,074**	**11,697**	**23,036**	**587,944**
2022											
Ms Kate Mauric	General Manager	*13.12.21-30.6.22*	$180,000 - $200,000	169,709	-	4,090	14,960	20,374	-	(21,194)	187,939
	Acting General Manager	*27.9.21-12.12.21*		9,657	-			1,159	-		10,816
				179,366	-	4,090	14,960	21,533	-	(21,194)	198,755
Former KMP[8]		1.7.21-10.6.22	$180,000 - $200,000	134,562			15,309	18,710	23,190	(9,512)	182,259
Former KMP[8]		1.7.21-8.10.21	$60,000 - $80,000	38,834	-	2,673	14,462	6,395	3,522	3,581	69,467
Sub-total				**352,762**	**-**	**6,763**	**44,731**	**46,638**	**26,712**	**(27,125)**	**450,481**
Non-employee remuneration											
Non-employee KMP[9]	1 role			160,750	-	-	-	-	-	-	160,750
Total				**513,512**	**-**	**6,763**	**44,731**	**46,638**	**26,712**	**(27,125)**	**611,231**

Note 10 Other matters

Note 10.1 Related party transactions (continued)

(ii) Key Management Personnel Remuneration (Continued)

1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts. Values include all payments for the entire year, even if the person was not a member of key management for the entire year.

2 Employment contracts for key management personnel do not provide for short term incentives.

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

4 Other allowances and benefits includes all other forms of employment allowances (excluding reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable. Subsidised housing is provided to some key management personnel according to the provisions of their respective employment contracts. If subsidisded housing is not available, a cash equivalent payment is made and included here.

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

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

7 Non-monetary benefits include annual and long service leave movements and non-monetary benefits. Non-monetary benefits includes subsidised housing provided, either at no cost or net of any rent contribution paid by the KMP.

8 Former KMP are individuals who are no longer employed by Council and do not meet the definition of a KMP at any time in the current financial year.

9 Non-employee Remuneration includes external contractors filling KMP roles during the year for longer than four weeks at a time. Payments to these are charged to Contractors and Consultants rather than Employee Costs. Council's contract arrangements with these contractors excludes payments of superannuation, accrual of leave and termination benefit but may include provision of subsidised housing for the contract period.

(iii) Remuneration Principles

Councillors

Allowances for Councillors, Mayor and Deputy Mayor are set by the Department of Premier and Cabinet (Local Government Division). Allowances were last indexed on 1 November 2022.

Executives

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

The performance of the General Manager is reviewed annually which includes a review of their remuneration package. The terms of employment of the General Manager contain a resignation clause that requires the General Manager to provide a minimum notice period of four weeks prior to termination of the contract. Longer periods of notice apply if Council terminates the contract for specified reasons. Whilst not automatic, contracts can be extended.

The terms of employment of other senior managers contain similar clauses but are subject to minimum notice periods of up to 4 - 8 weeks if the executive resigns prior to termination of the contract by Council.

Short term incentive payments

The Council sets fixed performance targets for the General Manager, with goals and indicators aligned to achievement of its approved Annual Plan and Budget Estimates each year. No short term incentive payments were assessed or awarded during the year.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(iv) Transactions with subsidiaries, associates and joint ventures

Council does not hold any interests in subsidiaries, associates or joint ventures.

Note 10.1 Related party transactions (continued)

(v) Transactions with related parties

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

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provision for doubtful debts related to outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Hire of motor vehicles [1]	$535	-	Normal commercial terms		-
Rental of airport terminal space [2]	$8,011	-	Normal commercial terms		-
Supply of construction materials and related services [3]	$6,770	-	As per Council's Approved Fees and Charges	-	-
Supply of Council venues and commercial waste services. Lodgement of development application fees [4]	$1,538	-	As per Council's Approved Fees and Charges		-
Purchase of catering for community and Council events [5]	$228	-	Normal commercial terms	-	-
Commercial waste services [6]	$396		As per Council's Approved Fees and Charges		
Supply of food services [7]	$2,143		Normal commercial terms		
Hire of Council facilities [8]	$47	`	As per Council's Approved Fees and Charges	-	-
Lodgement of Development application fees [9]	$344	`	As per Council's Approved Fees and Charges		-
Commercial waste services [10]	$157	-	As per Council's Approved Fees and Charges	-	-

1 *Council rented motor vehicles on a short-term basis from King Island Car Rental. King Island Car Rental is a fim controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

2 *Council rents space in its Airport terminal to King Island Car Rental. King Island Car Rental is a fim controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

3 *Council supplied aggregate and other raw materials and charged tip fees for waste disposal to King Island Constructions Pty Ltd which is controlled by parties related to members of Council's KMP. Amounts billed were based on Council's approved Fees and Charges.*

4 *Council hired venues, provided waste disposal services and received development application fees with Phoenix House. Phoenix House is a related party as a member of its management committee is also a member of Council's KMP. Amounts billed for facilities hire were based on Council's approved Fees and Charges.*

5 *Council purchased catering for Council and staff events from Salt & Thyme. Salt & Thyme is controlled by a party related to a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

6 *Council supplied commercial waste services to King Island Lift and Tilt. Amounts billed for waste services supplied were based on Council's approved Fees and Charges.*

7 *Council purchased drinking water equipment and supplies for Airport passengers and patrons from Bloop Bloop. Bloop Bloop is controlled by a member of Council's KMP. Amounts paid were based on normal rates for such undertakings and payable on normal payment terms.*

8 *Council hired venues to Foundation to Flourish during the year. Council's General Manager is a committee member of Foundations to Flourish. Amounts billed were based on Council's approved Fees and Charges.*

9 *A development application was submitted and the corresponding fee paid by Wongi Pastoral. A member of Wongi Pastoral's management is also a Council KMP. The fee paid was based on Council's approved Fees and Charges.*

10 *Council provided commercial waste services to Wongi Pastoral. A member of Wongi Pastoral's management is also a Council KMP. Amounts billed were based on Council's approved Fees and Charges.*

Note 10.1 Related party transactions (continued)

(v) Transactions with related parties (continued)

NOTE: Several elected members, who qualify as key management personnel of Council, are family members of Council employees. The employees involved are not key management personnel. Financial transactions related to family member employees include payroll and reimbursement of expenses incurred for business purposes. These are typically approved by the General Manager, not Council, and are assessed under Council's registered industrial award(s) and approved policies.

(vi) Loans and guarantees to/from related parties

The Council has no loans with, nor any guarantees or security in relation to loans to or by a related party.

(vii) Commitments to/from related parties

The Council has no commitments at balance date to make, guarantee or secure any transaction or loans to, from or on behalf of a related party.

(viii) 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 community facilities, including hire of venues in accordance with Council's Fees and Charges Policy

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

Note 10.2 Special committees and other activities

	2023	2022
King Island Youth Centre Management Committee	**$**	**$**
Opening Balance	1,519	1,519
Cash Receipts	-	-
Cash Payments	-	-
Closing Balance	**1,519**	**1,519**
King Island Historical Society		
Opening Balance	39,610	28,737
Cash Receipts	28,944	23,173
Cash Payments	(25,242)	(12,300)
Closing Balance	**43,312**	**39,610**

Special committees are not seen to be material and therefore are not included in Council's financial statements.

The King Island Youth Centre Management Committee was not active during the year.

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax, Land 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) 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.

(e) Budget

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

(f) 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.

(g) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) 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 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.

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

Note 10.4 Significant Business Activities

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

	Roads, Streets & Bridges		Airport	
	2023	2022	2023	2022
	$	$	$	$
Revenue				
Reimbursements	-	-	2,086	6,495
User Charges	-	-	565,067	584,878
Grants	1,909,201	2,047,493	65,481	-
Other	482,499	567,073	12,440	24,068
Total Revenue	**2,391,700**	**2,614,566**	**645,074**	**615,441**
Expenditure				
Employee Costs	358,579	293,487	351,040	347,615
Materials and Contacts	736,142	869,388	269,009	291,693
Interest	-	-	11,760	12,348
Utilities	-	-	106,743	104,693
Total Expenses	**1,094,721**	**1,162,875**	**738,552**	**756,349**
Notional cost of free services received				
Capital Costs				
Depreciation and amortisation	1,040,793	1,017,691	207,126	468,131
Opportunity cost of capital	2,571,145	2,359,338	256,512	332,700
Total Capital Costs	**3,611,938**	**3,377,029**	**463,638**	**800,831**
Calculated Surplus/(Deficit)	1,296,979	1,451,691	(93,478)	(140,908)
Tax Equivalent rate	30%	30%	30%	30%
Taxation equivalent	389,094	435,507	(28,043)	(42,272)
Competitive neutrality costs	**389,094**	**435,507**	**(28,043)**	**(42,272)**

Accounting policy

Significant business activities

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above.

Council has determined, based upon materiality that roads, streets and bridges and operation of the Airport as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- Council rates and land tax are included in direct expenditure.
- opportunity cost of capital is calculated using a rate of return of 5% (2021-22, 5%)

Note 10.5 Management indicators	Benchmark	2023	2022	2021	2020
		$	$	$	$
(a) Underlying surplus or deficit					
Net result for the year		912,657	(102,219)	698,392	1,738,203
Less non-operating income					
Grants specifically for new or upgraded assets		(1,249,074)	(1,275,400)	(574,732)	(441,136)
Capital contributions - and recognition of assets		(24,379)	-	(205,000)	(2,534,000)
Financial Assistance Grants:					
Received in the current financial year but referable to the subsequent financial year		(2,213,554)	(1,655,665)	(985,628)	(1,007,710)
Received in the prior financial year but referable to the current financial year		1,655,665	985,628	1,007,710	979,492
Add non-operational expenses					
Change in rehabilitation provision and associated adjustments		-	1,327,061	-	-
Underlying surplus/deficit	0	**(918,685)**	**(720,595)**	**(59,258)**	**(1,265,151)**

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

(b) Underlying surplus ratio					
Underlying surplus or deficit		(918,685)	(720,595)	(59,258)	(1,265,151)
Recurrent income		7,872,712	8,555,870	7,573,599	7,103,554
Underlying surplus ratio %	0%	-12%	-8%	-1%	-18%

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

(c) Net financial liabilities					
Liquid assets less		10,642,010	8,702,608	7,930,200	7,234,910
total liabilities		(4,482,355)	(3,566,229)	(2,110,146)	(2,254,579)
Net financial liabilities	0	**6,159,655**	**5,136,379**	**5,820,054**	**4,980,331**

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

(d) Net financial liabilities ratio					
Net financial liabilities		6,159,655	5,136,379	5,820,054	4,980,331
Recurrent income		7,872,712	8,555,870	7,573,599	7,103,554
Net financial liabilities ratio %	0% - (50%)	78%	60%	77%	70%

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

Note 10.5 Management indicators (continued)

	Benchmark	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)	4,987,144	5,102,308	2,750,796	2,463,690
Current replacement cost (Gross)	10,033,761	10,033,761	4,404,155	3,803,798
Asset consumption ratio %	50%	51%	62%	65%

Plant, machinery and equipment

Fair value (Carrying amount)	1,647,654	1,605,755	1,578,415	2,078,053
Current replacement cost (Gross)	5,387,168	4,920,185	4,667,696	4,781,107
Asset consumption ratio %	31%	33%	34%	43%

Roads

Fair value (Carrying amount)	48,951,255	41,245,475	41,094,315	41,390,805
Current replacement cost (Gross)	69,596,045	57,895,240	56,900,587	56,393,002
Asset consumption ratio %	70%	71%	72%	73%

Bridges

Fair value (Carrying amount)	4,119,247	3,461,822	3,503,890	3,271,361
Current replacement cost (Gross)	11,994,240	9,321,820	9,208,658	7,627,707
Asset consumption ratio %	34%	37%	38%	43%

Airport

Fair value (Carrying amount)	5,261,874	5,469,000	8,332,900	8,727,896
Current replacement cost (Gross)	12,626,000	12,626,000	26,394,778	26,322,395
Asset consumption ratio %	42%	43%	32%	33%

Drainage

Fair value (Carrying amount)	1,321,231	1,340,199	1,359,167	674,698
Current replacement cost (Gross)	2,164,868	2,164,868	2,164,868	2,109,112
Asset consumption ratio %	61%	62%	63%	32%

Recreational and Community Facilities

Fair value (Carrying amount)	1,883,945	1,780,306	827,032	695,402
Current replacement cost (Gross)	5,560,513	5,322,939	1,327,579	1,050,857
Asset consumption ratio %	34%	33%	62%	66%

Waste Management

Fair value (Carrying amount)	812,217	942,342	869,023	846,300
Current replacement cost (Gross)	1,646,466	1,646,466	1,064,086	1,008,504
Asset consumption ratio %	49%	57%	82%	84%

Note 10.5 Management indicators (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. As the plan was adopted during the 2021-22 financial year there is no comparative information available for prior periods.

Buildings			
Projected capital funding outlays[1]		649,000	649,000
Projected capital expenditure funding[2]		1,099,000	1,099,000
Asset renewal funding ratio %	90-100%	59%	59%
Plant, machinery and equipment			
Projected capital funding outlays[1]		3,056,000	3,056,000
Projected capital expenditure funding[2]		3,056,000	3,056,000
Asset renewal funding ratio %	90-100%	100%	100%
Roads			
Projected capital funding outlays[1]		7,024,200	7,024,200
Projected capital expenditure funding[2]		7,686,000	7,686,000
Asset renewal funding ratio %	90-100%	91%	91%
Bridges & Drainage			
Projected capital funding outlays[1]		1,374,000	1,374,000
Projected capital expenditure funding[2]		1,328,000	1,328,000
Asset renewal funding ratio %	90-100%	103%	103%
Airport			
Projected capital funding outlays[1]		2,000,000	2,000,000
Projected capital expenditure funding[2]		2,366,000	2,366,000
Asset renewal funding ratio %	90-100%	85%	85%
Recreational and Community Facilities			
Projected capital funding outlays[1]		560,000	560,000
Projected capital expenditure funding[2]		100,000	100,000
Asset renewal funding ratio %	90-100%	560%	560%
Waste Management			
Projected capital funding outlays[1]		880,000	880,000
Projected capital expenditure funding[2]		880,000	880,000
Asset renewal funding ratio %	90-100%	100%	100%

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

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

(g) Asset sustainability ratio

Capex on replacement/renewal of existing assets		1,262,083	1,385,789	1,065,594	690,726
Annual depreciation expense		2,054,477	2,060,869	1,954,219	1,813,910
Asset sustainability ratio %	100%	61%	67%	55%	38%

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

Certification of the Financial Report

The financial report presents fairly the financial position of King Island 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.

Kate Mauric
General Manager

Date : *24/11/2023*

Tasmanian Audit Office

Independent Auditor's Report

To the Councillors of King Island Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of King Island 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(f), nor the Significant Business Activities disclosed in note 10.4 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of property and infrastructure *Refer to notes 6.1 and 9.10*	
At 30 June 2023, Council's assets included land, land under roads, buildings, jetties, and infrastructure assets, such as roads, bridges, airport, drainage, recreational and community facilities and minor infrastructure assets valued at fair value totalling $73.98m. The fair values of these assets are based on market values or current replacement cost. 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 that carrying values reflect fair values. During 2022-23, Council undertook a full revaluation of bridges and applied indexation to roads. The valuations were determined by experts and are highly dependent upon a range of assumptions and estimated unit rates.	• Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs into the valuation model. • Reviewing the mathematical accuracy of valuation model calculations. • Evaluating indexation applied to assets between formal valuations. • Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. • Evaluating the adequacy of relevant disclosures 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.

David Bond
Assistant Auditor-General

Delegate of the Auditor-General
Tasmanian Audit Office

29 November 2023
Hobart

KING ISLAND COUNCIL