2021/22 ANNUAL REPORT

CONTENTS

KING ISLAND 1
MAYOR'S MESSAGE 2
GENERAL MANAGER'S REPORT 3
COUNCILLORS 4
SENIOR COUNCIL STAFF FY21/22 5
ARTIST IN RESIDENCE PROGRAM 8
DEVELOPMENT SERVICES 10
CUSTOMER SERVICE REQUESTS ANDCOMPLAINTS 11
STATUTORY REPORTING REQUIREMENTS 12
GRANTS 13
PROCUREMENT REPORTING 14
LOCAL GOVERNMENTACT1993 15
LOCAL GOVERNMENTACT1993 15
LOCAL GOVERNMENT ACT 1993 16
PUBLIC INTEREST DISCLOSURE ACT2002 16
RIGHT TO INFORMATION ACT 2009 17
MISCELLANEOUS 17
ANNUAL PLAN 2021/22 18
ANNUAL PLAN 19
ANNUAL FINANCIALREPORT 29

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.

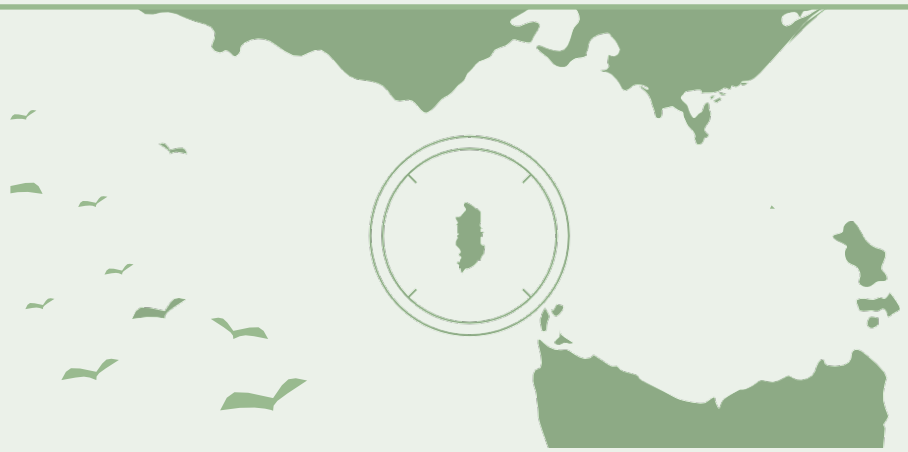
Tourism is thriving with the two new internationally recognised golf courses at Ocean Dunes and Cape Wickham.

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

I would like to begin by acknowledging the outstanding job that our outgoing Mayor Julie Arnold undertook for the King Island Community. Her determination and passion for the community is to be admired and I wish her all the best in her retirement.

King Island Council completed some major pieces of work during 2021-22.

Work continued on the drafting of the Local Provision Schedules as required by the Tasmanian Planning Commission to all the transition to the Tasmanian Planning Scheme. A vital step in process for the Island was an amendment to the Cradle Coast Regional Land Use Plan to recognize our Island's uniqueness and isolation. Thank you to our planning staff and the State Planning Office for their work to allow this project to proceed.

Council also completed its 10 Year Strategic Plan, Asset Management Plan and Financial Management Plan. It is pleasing that Council is currently in a strong financial position. It is pleasing that Council has now completed these mandatory documents and as such is set up to further improve its performance into the future.

During 2021-22, Council continued to identify and apply for grants from the State and Federal governments to facilitate upgrades and improvements to our community assets.

The completion of the Currie Oval upgrade, incorporating the installation of irrigation and fencing and improvements to the playing surface is a credit to all involved. The ongoing efforts of the volunteer Green Keeper Team are to be commended, creating a facility the community can be proud of. After some extended delays due to COVID, grant deeds were executed for the King Island Hub and the Community Gym, two major projects that will benefit our community greatly.

After winning the Tasmanian Sustainable Communities Tidy Towns Awards in last financial year, King Island were crowned the Overall Winner of the Keep Australia Beautiful, Australia Sustainable Communities Tidy Towns Awards in November 2022. The King Island District High School's Green Team won the Young Legends Award, King Island Landcare Group took out the National Environment Management Award, and Wave Swell were the winner of the Environmental Sustainability – Energy award. As the current winners, King Island will host the national awards evening for the 2023 Awards in May 2023.

Following the departure of Greg Alomes as General Manager in October 2021, Council confirmed Kate Mauric as its substantive General Manager in December. I am pleased to be part of the Council that chose to employ a local woman in this important role, and see Kate's education understanding and experience of our Island's issues and opportunities as an asset to the community.

Although COVID continued to impact the community and provided challenges for Council during the year, it is pleasing that restrictions were relaxed as the year came to an end. I would encourage everyone to remain diligent.

I would like to thank Councillors for their work, particularly on Council Working Groups. This has been a big commitment and has achieved some good outcomes. Finally, I would like to thank our hard-working employees, contractors and volunteers.

Vernon Philbey
Mayor

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GENERAL MANAGER'S REPORT

It's with great privilege that I present the King Island Council Annual Report for FY 21/22, which was full of accomplishments despite some challenging times, with COVID-19 hitting our shores in early 2022, increasing economic pressures, and impacts from climate change with increased rainfall impacting our Council operations.

The team's achievements for FY21/22 consist of adopting the following King Island Council plans:

- King Island Council Strategic Plan 2022 – 2032
- King Island Council Long-term Financial Plan 2022 to 2032
- King Island Council Strategic Asset Management Plan 2022 to 2032
- Finalisation of funding agreements for the King Island Community Gym and Hub projects

We recommenced the drafting of the Local Provision Schedules as required by the Tasmania Planning Commission as part of the transition to the Tasmanian Planning Scheme. A crucial element in the process was the Cradle Coast Regional Land Use Plan amendment in relation to our island's uniqueness. This work was made possible by the considerable amount of time and effort from the Council's planning team, the State Planning Office, the community, and Councillors.

The inclusion of community development came back into the portfolio of the Council to manage the heritage, arts, culture, community, recreation, and social development. Foundational work has commenced on an Island wide Community Volunteer Strategy, Community Development and Social Wellbeing Plan, and a Communications and Engagement Plan between the community and Council.

Project management training for staff and community members continued with offerings of either Certificate III or Diploma in Project Management. The purpose is to provide both principle and extension skills, to create and integrate innovative, progressive, and sustainable project management practices and processes into the organisation and wider community.

The financial position of the Council remains strong with ample cash reserves on hand. Council has been able to operate over recent years maintaining or increasing its cash reserves.

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 negative of $772,000. This result includes the impact of the provisioning for estimated rehabilitation costs for landfill and quarry sites of $1,327,000. This is the first time that these costs have been reflected in our financial report and satisfy a financial reporting requirement that has been outstanding for some time. They will not recur at this magnitude in future years.

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

I would like to sincerely thank and acknowledge Greg Alomes, former General Manager for his contribution to the Council, who finished his tenure in October 2021 to enjoy retirement in a warmer climate.

I would like to thank the team consisting of Council staff, Council volunteers, Councillors, and Mayor Julie Arnold and Mayor Vernon Philbey for their dedication, hard work, support, and commitment to servicing the King Island community, visitors, and stakeholders.

I am extremely grateful to work within the community which has demonstrated such resilience over the COVID-19 period and the ongoing commitment to make this island an exceptional place to live.

Kate Mauric
General Manager

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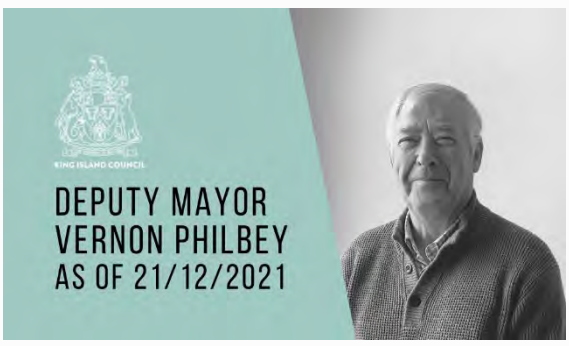
COUNCILLORS

INCOMING FY 2021/22



SENIOR COUNCIL STAFF FY21/22

PROGRAM AREA	TITLE		NAME	START DATE	FINISH DATE
Airport, Operations, Culture & Communications, Growth & Strategy, Finance & Community Services, Health, Safety & Environment	General Manager	Substantive	Greg Alomes	05/08/19	8/10/2021
	General Manager	Substantive	Kate Mauric	13/12/2021	Current
	Deputy General Manager	Substantive	Kate Mauric	02/11/2020	12/12/2021
Airport	Airport Manager	Substantive	Nicholas Cooper	31/08/2020	12/12/2021
	Airport Manager	Contractor	Rod Sullivan	13/12/2021	27/03/2022
	Airport Manager	Substantive	Andrew Tabrett	28/03/2022	Current
Operations	King Island Council Engineer (part time)	Contractor	Glen Walker	24/06/19	Current
	Works Manager	Substantive	Gordon Denholm	24/06/19	10/06/2022
	Works Manager	Substantive	Dave Muir	11/06/2022	Current
	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 Manager	Substantive	Mark Wishnat	13/06/22	Current
Finance & Community Services	Finance Manager	Contractor	Malcom Stevens	06/11/2018	Current

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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

Statutory Documents:

Council adopted the Long Term Financial Plan and Strategic Asset Management Plan covering the 10 year period from financial year 2022 to financial year 2031.

The purpose of the Long Term Financial Plan is to enable Councillors, staff, and the community to take a long-term view of how Council's finances are best managed and planned to generate the revenue needed to meet annual service delivery and operational costs and long-term infrastructure maintenance and asset renewal costs.

The Strategic Asset Management Plan covers the greater part of Council's asset portfolio and includes actions required to provide an agreed level of service in the most cost-effective manner, while outlining any associated risks. The Strategic Asset Management Plan defines the services to be provided, how the services are provided, and what funds are required to provide the services over a 10 year planning period.

Tidy Towns:

After winning the Tasmanian Sustainable Communities Tidy Towns Awards in last financial year, King Island were crowned the Overall Winner of the Keep Australia Beautiful, Australia Sustainable Communities Tidy Towns Awards in November 2022. The King Island District High School's Green Team won the Young Legends Award, King Island Landcare Group took out the National Environment Management Award, and Wave Swell were the winner of the Environmental Sustainability – Energy award. As the current winners, King Island will host the national awards evening for the 2023 Awards in May 2023.

Currie Oval:

King Island Council purchased a fence from Polvin which has a 50-year warranty. This was installed prior to the commencement of the 2022 football season.
The fence is made from high quality PVC and is designed for player safety and zero maintenance.
Fence includes pedestrian gates at different points around the ground, also includes a double gate for access for mowers and ambulance.
Council also installed new goal posts.

Training:

Council has provided and supported training opportunities for a number of staff throughout the year. This training provided skills relevant to staff positions and included courses such as:

- Certificate IV in Leadership and Management
- Certificate IV in Project Management
- Diploma Project Management

Artist in Residence Program

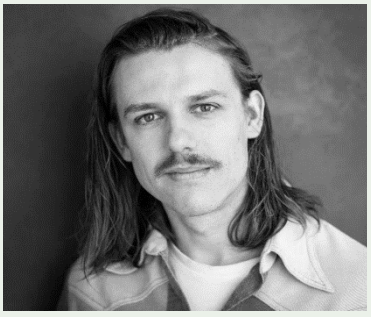
LISA GARLAND

Lisa Garland lives and works on the North West Coast of Tasmania. She is a photographer who specializes in large scale, portraits and spaces. A private space made public through the act of photographing. The beauty and excitement that comes with the find. For twenty years Garland has documented the lives and spaces of interesting people residing on the remote West and North West Coast of Tasmania. Her images are documented using traditional means, being large format photography. Moody and sympathetic to detail, Garland's evocative black and white images are a far cry from the average studio portrait.

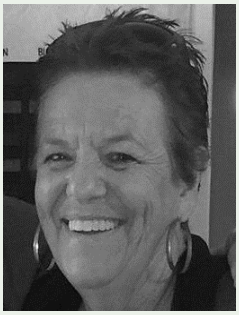
Zoe Grey

Zoe Grey is a contemporary painter who grew up in Marrawah, a remote coastal town on the far Northwest coast of Lutruwita/Tasmania. A raw and rugged place, Marrawah faces west, welcoming giant swells and roaring winds straight out of the Southern Ocean. Zoe's intimate lived experience of this unique landscape and her deep, evolving relationship to that place, informs her painting practice.

Lachlan Bray



Lachlan is a playwright, musician and teaching artist whose practice is defined by playful experiments in radical imagination.
Lachlan was part of Sydney Theatre Company's Young Playwright Residency and has been awarded the Ian Potter Cultural Trust to undertake a mentorship in New York City with Sibyl Kempson of Seven Daughters of Eve and experimental theatre company – The Wooster Group.



Therese Gabriel Wilkins

I am on an art road, a traveller who captures images and weaves a visual narrative through printmaking and sculpture. Narratives are woven by employing both traditional and innovative printmaking methodologies such as overlaying images, multi-plates, collage, the use of tonal variation, and mixed media.
As an artist I am filled with excitement and anticipation as the process journey takes place, from the initial drawing/image to creating a plate, inking it and then the joy of seeing the image emerge as a butterfly from a chrysalis, fragile and new waiting to fly into the vision of the world.

Barbie Kjar

Barbie is a Tasmanian artist currently living in Melbourne, Victoria. She has an established art practice, working primarily in areas of drawing and printmaking and has undertaken residencies in Skopelos - Greece, Barcelona - Spain, Havana – Cuba, San Francisco – USA, Mexico City – Mexico, and Tokyo – Japan. Since 1986 Barbie has held 34 solo exhibitions in Australia and more recently in Barcelona and Tokyo. Her artistic concerns are the rituals of human behaviour, identity, mythology, science and historical research / narratives. She is particularly interested in the sea, including the current impact of climate change, stories of the sea, navigation, and the deep dark sea.

Annalise Rees

Annalise Rees is a visual artist, educator, curator and researcher working in the expanded field of drawing. Having grown up on the south coast of Kangaroo Island, South Australia, Annalise has a special interest in island cultures and communities. Since relocating to Tasmania in 2014, she has focussed on the use of drawing as a primary means of encounter with the unfamiliar and unknown marine environment. During her residency, Annalise explored how ideas of separation and connection define islander experience. Using prompts from the environment she investigated how notions of separation and connection might be literally and metaphorically manifest at the meeting point of land and sea. Research will involve drawing and recording in the field as the basis for studio experimentation.

Svenja

Algalrhythms is a body of work resulting from Svenja's five-week residency on King Island in December 2019. Her first solo exhibition, it also makes a shift in her practice from a decade working in wearable art to creating low-relief wall and sculptural works. Algalrhythms returned to King Island to begin its journey and be presented to the residents of King Island as a celebration of the environment they live in. In doing so, Svenja hoped to show King Islanders views of their Island that many may not see themselves. After leaving King Island, Algalrhythms went on to be exhibited in Warwick Regional Gallery and Gympie Regional Art Gallery in Queensland.

Xenia Hanusiak

Gina Mercer

Gina enjoys a 3-stranded career as writer, editor, & teacher. She was Managing Editor of *Island Magazine* from 2006-2010. She currently uses her editing experience to assist writers to birth their books. After 30 years of teaching she now specialises in running creative writing workshops. Since 1994 Gina has published 11 books (poetry, fiction, nonfiction). Her 4 latest books are: *The Sky Falls Down: An Anthology of Loss*, co-edited with Terry Whitebeach, 2019; plus 3 poetry collections themed around the elements of Air & Water - *Weaving Nests with Smoke & Stone*, 2015; *The Dictionary of Water*, 2019; & *Watermark*, Spring 2021.

DEVELOPMENT SERVICES

DEVELOPMENT APPLICATIONS

28 development applications were accepted during the financial year, with 31 approvals* granted and one application withdrawn. 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 $53 million. This included and application for re-design of mine infrastructure reducing the vale of all other approvals to $6.9 million.

A comparison of development application use classes received during the 2020/21 and 2021/22 financial years is provided below:

APPLICATION TYPE	2020/21	2021/22
Dwelling and Dwelling Additions		
General Residential Zone	2	1
Low Density, Rural Living, Environmental Living & Village zones	6	6
Rural Resource	7	5
Residential Outbuildings		
General Residential Zone	0	0
Low Density, Rural Living, Environmental Living & Village zones	1	0
Rural Resource	0	0
Other Development		
Agricultural Sheds	4	4
Subdivision and Boundary Adjustments	5	4
Multiple Dwelling Developments	0	0
Commercial	5	1
Tourism (including visitor accommodation)	3	6
Industrial and Utilities	5	5
Other	2	2
Total Applications	40	36

**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 32.

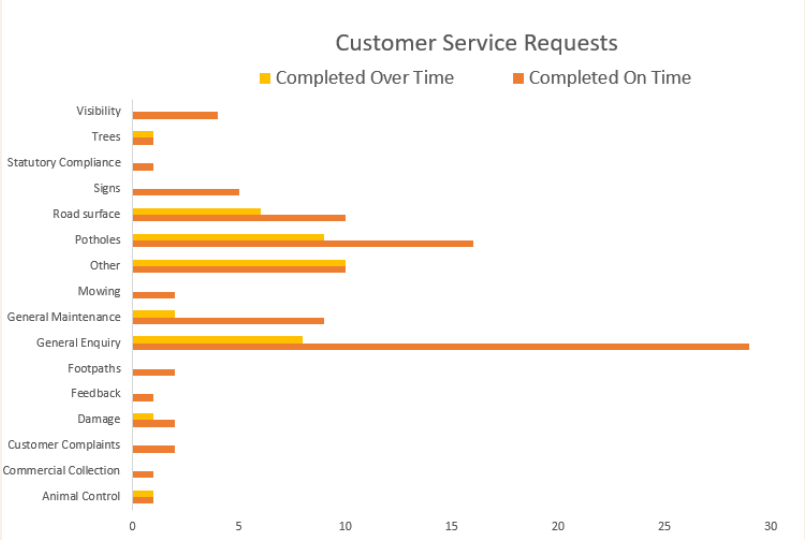
APPLICATION TYPE	2020/21	2021/22
Dwelling	10	9
Dwelling Additions & Alterations	10	3
Outbuildings	8	3
Farm Buildings	4	5
Visitor Accommodation	3	3
Commercial/Industrial	5	5
Solar Panels	7	4
Total	27	32

CUSTOMER SERVICE REQUESTS AND COMPLAINTS

FY21/22

A total of 136 service requests were received, with 96 being completed on time and 38 completed over time, which can include (not limited to), weather related events, human resourcing and budget constraints.

Category	Customer Service Requests
Animal Control	2
Commercial Collection	1
Customer Complaints	2
Damage	3
Feedback	1
Footpaths	2
General Enquiry	38
General Maintenance	11
Mowing	2
Other	21
Potholes	25
Road surface	16
Signs	5
Statutory Compliance	1
Trees	2
Visibility	4
TOTAL	136



STATUTORY REPORTING REQUIREMENTS

MEETING ATTENDANCE - SECTION 72(1) (CC)

	Ordinary Meeting Total Held 12 *possible 12	Closed Council Total Held 11 * possible 12	Council Workshop Total Held 19 *possible 28	Special Meeting Total Held 1 *possible 1	Closed Special Meeting Total Held 1 *possible 1	AGM Total Held 1 * possible 1	Total Attendance Total Held *possible 52
Cr Julie Arnold	11	10	17	1	1	1	41
Cr Jim Cooper	5	4	9	0	0	0	18
Cr Gina Green	10	9	17	1	1	1	39
Cr Ian Allan	12	11	19	1	1	1	45
Cr Thor Clemons	12	11	15	1	1	1	41
Cr Sarina Laidler	11	10	14	1	1	1	38
Cr Duncan McFie	11	10	17	1	1	1	41
Cr Vernon Philbey	12	11	17	1	1	1	43
Cr Ira Cooke	11	11	17	1	1	1	42
Cr David Bowden	6	6	9	1	1	1	24

ELECTED MEMBERS - SECTION 72 (1) (CB)

Total allowances paid to Mayor, Deputy Mayor and Councillors during the FY21/22 were $124,230.

Under the Local Government Act Section 72 1(ba) & (bb) there were 0 code of conduct complaints during FY 21/22, 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 $43,210 (see annual Financial Report) was made available in FY21/22 for the following projects that benefit or support the community.

Recipients of funding included the following community organisations:

- St Johns Ambulance
- King Island Imperial 20
- King Island Historical Society
- King Island Field Naturalists
- King Island Leo
- King Island Auskick
- King Island Clay Target
- King Island Roller Skaters
- Foundations to Flourish
- King Island Regional Development Organisation
- Swimming Association of King Island

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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 2021/22.

REF:	DESCRIPTION	TERM	ESTIMATED VALUE EX GST	PROCUREMENT PROCESS
N/A	Weighbridge **Note: Currently not proceeding and not included in the upcoming budget for 2022/23**	Nil	$190,000	Tender via Vendor Panel
RFQ2022- 001	Community Gym Design Brief Consultant	18 months	$60,000	Written request for quote
RFQ 2022- 002	Roadside Recyclables Vehicle	N/A	$320,000	Request for Tender via LGAT Vendor Panel

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 $50,000 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 2021/22

DATE OF AWARD:	DESCRIPTION	TERM	VALUE EX GST	CONTRACTOR	PROCUREMENT PROCESS
2.12.21	Purchase of 16 Netherby Road	N/A	$223,547	Private party	Private treaty
3.12.21	Exterior Painting of Lighthouse	N/A	$480,925	JT Worx P/L	Open tender
1.10.21	Bomag BW138AC-5 Roller	N/A	$75,200	JF Machinery	RFQ – through Vendor Panel
24.9.21	Resealing 17.5km	N/A	$899.125	Fulton Hogan	RFQ
16.9.21	Vehicles x 3 (utilities)	N/A	$132,681	JMC Group	RFQ
21.09.21	Design, supply and install irrigation system Currie Oval	N/A	$81,455	T&J Turf Surfaces	Council Resolution 174/21
1.07.21	Insurance premiums	12 months	$55,491	MAV	RFQ
1.07.21	Insurance premiums	12 months	$198,953	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 three times throughout the year as well as being available via phone, email or through development services staff. This equated to 0.11 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 21/22:

Public Health Act 1997

- 1 water carter and 14 private water suppliers were registered.

Food Act 2003

- 39 fixed food premises and 4 mobile food vans were registered;
- 12 notify only food businesses were listed;
- 41 inspections were completed for food premises registered or notified;
- 3 improvement notices were issued
- 2 temporary food stall application were registered.

In addition, 10 assessments were undertaken for new or works to existing on-site wastewater management systems.

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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 21/22 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 FY21/22

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

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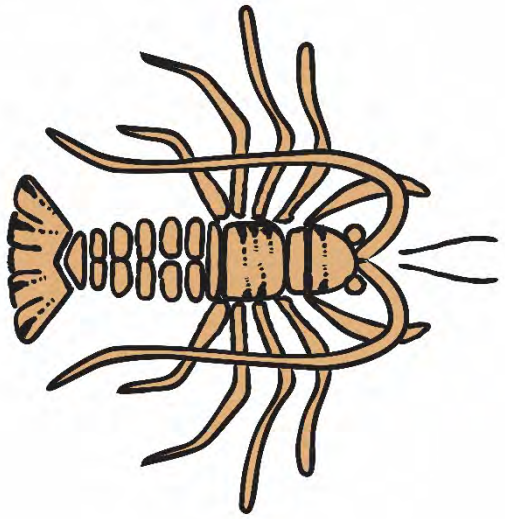
RIGHT TO INFORMATION ACT 2009

Number of applications for assessed disclosure of information received during FY21/22	0
Number of applications for assessed disclosure accepted for decision	0
Number of applications accepted for assessed disclosure during FY21/22 and decided during FY21/22	0
Number of applications accepted for assessed disclosure during FY20/21 and decided during FY20/21	0
The number of accepted applications decided during FY21/22 where the information was requested to be provided in full	0
The number of accepted applications decided during FY21/22 where the information was requested to be provided in part	0
The number of accepted applications decided during FY21/22 where none of the information requested was provided	0
Number of external reviews that were requested	0
For the external reviews decided in FY21/22, 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 2021/22

INFRASTRUCTURE & FACILITIES

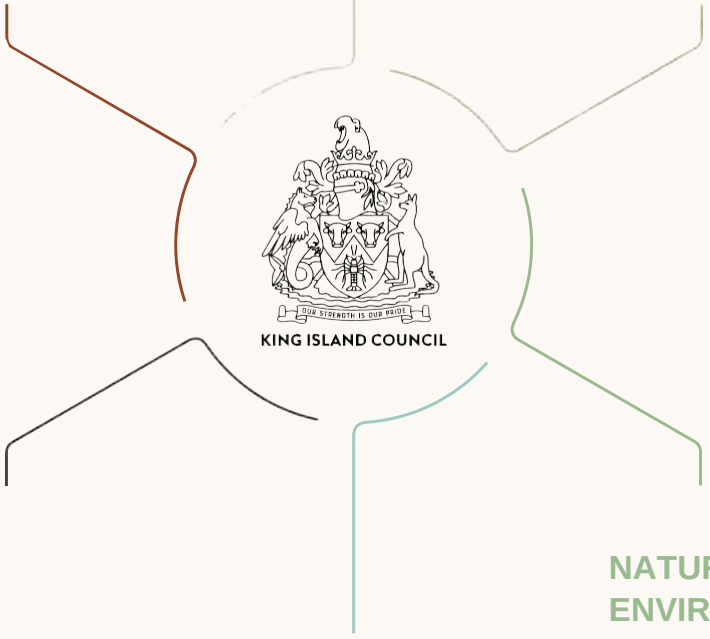
Support our population and future growth through public infrastructure, services, land use and development strategies that create a connected, sustainable and accessible community

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

2021-22

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.

1. PROVISIONS OF ESSENTIAL INFRASTRUCTURE

LOCAL ROADS, BRIDGES, FOOTPATHS/WALKING TRACKS AND ASSOCIATED

STRATEGY	PROGRESS UPDATE
Continue regular road network and asset condition inspections and implement preventative maintenance programs and repairs.	Ongoing
Continue to monitor the network and asset safety and implement any necessary traffic management or other improvements in conjunction with the Department of State Growth.	Ongoing
Respond to service requests made by the community.	Ongoing
Widen and upgrade South Road from Grassy Road to Old Grassy Road.	In Progress
Apply second bitumen seal to sections of Old Grassy Road, Cape Wickham Road and South Road (17kms).	In Progress
Apply a two-coat bitumen seal to gravel sections of South Road to approximately 1km past the Ettrick Bridge.	Completed
Implement a footpath construction and street lighting program in Currie and Grassy.	Under Review
Develop a program to progressively seal major gravel local roads and upgrade footpaths and walking tracks and incorporate in Council's long-term infrastructure asset and financial management plans.	Ongoing
Prepare a list of 'shovel-ready' projects suitable for funding under State or Commonwealth Government grant programs.	Ongoing

DRAFT

WASTE MANAGEMENT

STRATEGY	PROGRESS UPDATE
Continue to provide an efficient waste collection service for residents and businesses.	Ongoing
Continue to comply with operational conditions and requirements in Environment Protection Notices (EPN) for Parenna and Charles Street landfill sites.	Ongoing
Continue to implement glass, tyre and other on-island recycling initiatives in conjunction with the King Island District High School's Green Team, the Lions Club and the community.	Ongoing
Respond to service requests made by the community.	Ongoing
Complete capping of the inactive Charles Street landfill in accordance with the EPN.	Completed
Increase the height of existing cell walls at the Parenna landfill in accordance with the EPN and EPA approval.	Completed
Investigate the feasibility of installing a weighbridge at Charles Street to accurately measure disposal tonnages, including possible use of the site as a gravels depot and recycling centre.	Completed
Work with the State Government to ensure state-wide waste management reforms are cost effective, workable and affordable for King Island.	In Progress
Conduct a cost benefit analysis of new waste compaction and treatment systems and prepare a preferred plan of action for incorporation in Council's Long-Term Financial Plan.	Ongoing
As priorities are identified through Council's review of recommendations made in the King Island Waste Management Strategy 2019/2029 and other sources, prepare projects to 'shovel-ready' status 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, to meet safety and security compliance standards.	Ongoing
Continue to test and, as required, update the emergency management and recovery plan and be prepared to implement the plan, as and when required.	Ongoing
Continue regular asset condition inspections and implement preventative maintenance programs and repairs.	Ongoing
Monitor and maintain lease agreements and support the delivery of customer focused 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
Continue to strengthen financial management systems and debt recovery.	Ongoing
Continue to implement drainage improvements prioritised in the drainage master plan	Ongoing

Continue to improve landside traffic management, parking and pedestrian safety.	Ongoing
Finalise the drainage master plan and update the airport master plan and asset management strategy.	Complete
Facilitate plans for the further development of private commercial services for the travelling public and freight handling.	Ongoing
As opportunities arise through Council's review of plans, identified priorities to be prepared to 'shovel-ready' status suitable for funding under State or Commonwealth Government grant programs.	Ongoing

PARKS, SPORT AND RECREATION

STRATEGY	PROGRESS UPDATE
Continue to support recreation activities, sporting groups and events that encourage healthy participation by the community.	Ongoing
Continue to 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 improvements to the Grassy oval and facilities in accordance with the master plan and Community Development Grant Program (CDGP) Deed.	In Progress
Commence implementation of improvements to the Currie oval, including construction of a gymnasium, in accordance with its master plan and Sport and Recreation Tasmania, AFL Tasmania and CDGP funding agreements.	In Progress
Implement final stage of improvements to Memorial Park and Lighthouse Street Park.	In Progress
Monitor and, as required, update master plans for each of Council's parks, playgrounds, sports ovals and facilities in consultation with users and the community.	Ongoing
As priorities are identified through Council's review of the King Island Recreation Plan 2020-29 and stakeholder consultation, prepare projects to 'shovel-ready' status suitable for funding under State or Commonwealth Government grant programs.	Ongoing

COMMUNITY BUILDINGS, AMENITIES AND STRUCTURES

STRATEGY	PROGRESS UPDATE
Continue to encourage groups to use Council buildings and facilities designated for community activities and events.	Ongoing
Continue to manage and maintain Council buildings in conjunction with lessees and agreed maintenance, cleaning, budget and safety programs.	Ongoing

Implement regular building condition and safety inspections, preventative maintenance programs and repairs.	Ongoing
Maintain lease and user fees at an affordable level to maximise participation.	Ongoing
Respond to service requests made by the community.	Ongoing
Finalise and execute a deed for the CDGP King Island Hub funding reflecting Council's final consideration of the project scope, community comments received and negotiations with the Commonwealth Government.	Completed
Complete identified repairs to the Naracoopa Jetty.	Completed
Repaint the Currie Lighthouse and facilitate third party provision of lighthouse tours.	In Progress
Complete investigation of options to secure operation of Council's communications tower.	Under review
Complete transfer of ownership of the King Island Memorial Park from the Crown to Council and finalise lease agreements with tenants of the building	In Progress
Complete a review of Council's property holdings, both owned and leased, and implement Council's decision on the review recommendations.	Ongoing
As opportunities arise through Council's review of plans, identified priorities to be prepared to 'shovel-ready' status suitable for funding under State or Commonwealth Government grant programs	Ongoing

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2. ADMINISTRATION OF STATUTORY, REGULATORY AND COMPLIANCE SERVICES

STATUTORY LAND USE PLANNING AND DEVELOPMENT ASSESSMENT

STRATEGY	PROGRESS UPDATE
Continue to inform those initiating planning and development applications and those potentially impacted by such applications of the statutory plans and processes that govern Council's decision making and appeal systems.	Ongoing
Continue to comply with statutory assessment processes and timeframes.	Ongoing
Continue to monitor development construction works to ensure compliance with planning permits and, if necessary, commence enforcement procedures.	Ongoing
Complete preparation of the King Island Local Provisions Scheme as part of the Tasmanian Planning Scheme and lodge with the Tasmanian Planning Commission for assessment.	In Progress
Continue to monitor development trends and, as required, update Council's land use planning strategy and prepare possible future amendments to the planning scheme.	Deferred
Participate in the State Government's review of the Cradle Coast Regional Land Use Strategy (RLUS) to ensure King Island's land use strategy is accurately incorporated in the updated RLUS.	Ongoing

BUILDING AND PLUMBING STANDARDS

STRATEGY	PROGRESS UPDATE
Continue to inform those initiating building and plumbing work of the statutory processes and requirements.	Ongoing
Continue to administer building and plumbing systems in accordance with statutory processes and requirements.	Ongoing

PUBLIC AND ENVIRONMENTL HEALTH

STRATEGY	PROGRESS UPDATE
Continue regular site inspections of registered and licensed premises and facilities to ensure compliance and, as required, initiate actions to address non-compliance and protect public health.	Ongoing
Continue to regulate and monitor approved Level 1 Activities under the Environmental Management and Pollution Control Act 1993 requirements	Ongoing

DOG AND ANIMAL CONTROL

STRATEGY	PROGRESS UPDATE
Continue to respond to reports of stock found on public roads and, as required, take action to impound animals that pose a public safety risk.	Ongoing
Continue to require owners to properly fence their properties, as needed, to prevent stock roaming on to public roads.	Ongoing
Continue to respond to complaints of dogs causing a nuisance or risk to the public and take action to address problems, in accordance with the scope of Council's powers under the Dog Control Act.	Ongoing
Continue to administer and enforce the dog licencing.	Ongoing
Continue to inform and educate animal owners on responsible animal ownership and obligations under State legislation and regulations.	Deferred
Continue to erect signage and install waste collection facilities, as required, to assist dog owners manage their dogs in public areas, as detailed in Council's Dog Management Policy & Plan.	Deferred
Monitor the progress of cat management legislation and, as required, inform Council and the community of options open to be considered for King Island.	Ongoing
Continue to monitor the performance of Council's Dog Control Policy & Plan and review and update, as required.	Deferred

EMERGENCY MANAGEMENT

STRATEGY	PROGRESS UPDATE
Continue to convene the King Island Municipal Emergency Management Committee and maintain the Municipal Emergency Management Plan.	Ongoing
Continue to work with emergency management organisations and volunteers to build overall resilience and to respond to an incident.	Ongoing
Continue to develop recovery relationships and resilience with non-government and community organisations.	Ongoing
Work with the Fire Management Area Committee (FMAC) on development of community bushfire plans.	Ongoing
Improve the Town Hall's operational efficiency as the Island's main emergency evacuation centre.	In Progress
In collaboration with FMAC, develop a new Island-wide Bushfire Risk Management Plan (BRMP).	Ongoing

3. FACILITATION OF COMMUNITY, ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY

COMMUNITY DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Continue to inform the community of opportunities to volunteer and participate in community groups, activities and events	Ongoing
Continue Council's community assistance and sponsorship grants program to support community and recreation activities and events.	Ongoing
Continue to support specific groups such as Snodgrass Park Inc, the King Island Community Car, King Island Senior Citizens, King Island Regional Development Organisation and King Island Landcare Group.	Ongoing
Continue to provide opportunities for youth development through provision of an annual bursary to King Island District High School and consideration of traineeships and work experience opportunities within Council.	Ongoing

ARTS, CULTURAL AND HERITAGE DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Continue to support a community-driven program of arts, cultural and heritage activities and events, facilitating community awareness and participation including as volunteers.	Ongoing
Continue to operate the King Island Cultural Centre, including facilitation of the artist-in-residency program and an active program of exhibitions and events.	Ongoing
Facilitate partnerships with other government and non-government stakeholders to bring arts, cultural and heritage resources to King Island.	Ongoing
Continue to support the King Island Historical Society through leasing of the Currie Museum building and land and associated maintenance.	Ongoing

ENVIRONMENTAL MANAGEMENT AND LANDCARE

STRATEGY	PROGRESS UPDATE
Continue to support King Island Landcare (previously King Island Natural Resource Management Group) in the provision of office space and financial assistance.	Ongoing
Begin conversations with stakeholders to determine the future of the 2012-22 King Island Biodiversity Management Plan.	Ongoing
Consider the immediate and long-term environmental impact of Council's operations.	Ongoing

ECONOMIC DEVELOPMENT

STRATEGY	PROGRESS UPDATE
Continue to gather and publish data on the King Island economy to inform potential investors and the community of economic development opportunities and assistance provided in State and Commonwealth Government economic development programs.	Ongoing
Continue to support networking between the King Island Regional Development Organisation, the King Island Chamber of Commerce, King Island Tourism Inc., King Island Brand Management Group and regional organisations to promote economic development and marketing opportunities.	Ongoing
Continue to support the re-opening of the Grassy scheelite mine, construction of the proposed export beef abattoir, further investment at the two major golf courses and development of tourism infrastructure, including visitor accommodation.	Ongoing
Continue to support the King Island Chamber of Commerce's Buy Local campaign.	Completed
Continue to monitor use and misuse of the King Island brand in collaboration with industry and the community and act to protect the brand, as required, including advocating for the introduction of place of origin or geographic indication legislation.	Ongoing
Further explore how the King Island Brand can interact with both tourism and general businesses, building on the strong partnership with Brand Tasmania, West by North West Tourism and Tourism Tasmania.	In Progress
Actively facilitate the development of the tourism industry on King Island in collaboration with King Island Tourism Inc, West by North West and Tourism Tasmania.	Ongoing
Continue to support the King Island Shipping Group Special Committee to address shipping issues with TasPorts, private shipping operators and the Tasmanian Government.	Ongoing

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4. ADMINISTRATION OF THE LOCAL DEMOCRACY, COUNCIL GOVERNANCE AND OPERATIONS

COUNCIL REPRESENTATION, COMMUNITY ENGAGEMENT AND ADVOCACY

STRATEGY	PROGRESS UPDATE
Continue to actively engage and consult with the community and stakeholders on issues impacting King Island's sustainability, lifestyle, wellbeing and economy.	Ongoing
Continue to advocate the importance of local democracy for King Island in response to ongoing proposals by Tasmanian industry, business and special interest groups promoting local government and amalgamation reforms.	Ongoing
Continue to work in partnership with the Flinders Council to advocate common issues facing the Bass Strait islands and investigate resource sharing opportunities.	Ongoing
Maintain and continue to build positive working relationships and agreements with the Commonwealth and Tasmanian Governments and their agencies.	Ongoing
Periodically review the roles, functions and support provided to Council's special committees to ensure they are operating effectively.	Ongoing
Continue to respond to government reviews and proposed legislation and regulation to ensure King Island's interests are taken into account and, as far as practicable, protected.	Ongoing

COUNCIL GOVERNANCE AND LEADERSHIP

STRATEGY	PROGRESS UPDATE
Continue the Councillor working group and workshop briefing system to facilitate collaboration between Councillors and staff and enable both groups to be fully informed, engaged and fulfil their roles and responsibilities.	Ongoing
Continue funding for Councillor training, development and participation in regional and state-wide local government programs	ongoing

COUNCIL PLANS AND REPORTING

STRATEGY	PROGRESS UPDATE
Complete the current review and update of Council's Strategic Plan and Long-term Asset and Financial Management Plans, including community and stakeholder consultations.	Completed
Further develop cost centre budget reporting for Council's core functions.	Ongoing
Prepare and submit Annual Financial Statements, audit papers, data and other compliance reports, as required.	Ongoing

Continue to support the Audit Panel and the Tasmanian Audit Office in the conduct of their respective audit programs and, as required incorporate and address issues arising in Council's plans.	ongoing

STAFF TEAMS AND EXTERNAL SUPPORT

STRATEGY	PROGRESS UPDATE
Continue to recruit and retain staff to create and develop a multi-skilled team.	Ongoing
Compliment the staff group with a core team of third party experienced technical specialists to facilitate the delivery of Council's legislative obligations and provide qualified advice.	Ongoing
Continue to provide a safe workplace and support for all staff, consultants and contractors.	Ongoing
Continue to fund staff training and career development opportunities for all staff.	Ongoing
Continue to recruit and support the development of trainee staff.	Ongoing

CORPORATE ADMINISTRATION AND FINANCIAL MANAGEMNET

STRATEGY	PROGRESS UPDATE
Continue to maintain Council's internal corporate management, administrative, financial and IT systems.	Ongoing
Continue to prepare documentation to comply with legislative, accounting and audit requirements.	Ongoing
Continue to implement required improvements and actions identified in corporate reviews and financial audits.	Ongoing
Develop a new Enterprise Agreement in accordance with statutory requirements	In Progress
Continue to implement the project plan for the new records management system.	In Progress

PRIVATE WORKS AND SERVICES

STRATEGY	PROGRESS UPDATE
Continue to quote for private works on a commercial basis and if successful, complete the works in accordance with the agreed scope of works.	Ongoing
Continue to fulfil maintenance and works responsibilities for the state road network in accordance with the Department of State Growth contract.	Ongoing
Continue to sell quarry products on a commercial basis	Deferred

KING ISLAND COUNCIL

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2022

Statement of Comprehensive Income
For the Year Ended 30 June 2022

	Note	Budget 2022 $	Actual 2022 $	Actual 2021 $
Income from continuing operations				
Recurrent income				
Rates and charges	2.01	2,723,926	2,717,008	2,662,423
Statutory fees and fines	2.02	115,500	97,852	104,525
User fees	2.03	645,708	828,482	604,630
Grants	2.04	1,381,760	2,990,009	2,013,431
Private Works	2.06	1,455,288	1,507,621	1,453,765
Interest	2.07	54,996	64,316	74,418
Other income	2.08	581,596	941,419	605,325
Investment revenue from Water Corporation	2.10, 5.1	72,000	79,200	33,000
		7,030,774	**9,225,907**	**7,551,517**
Capital income				
Capital grants received specifically for new or upgraded assets	2.04	1,862,268	1,275,400	574,732
Contributions - non-monetary assets	2.05	-	-	205,000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.09	-	(437,061)	1,713
		1,862,268	**838,339**	**781,445**
Total income from continuing operations		**8,893,042**	**10,064,246**	**8,332,962**
Expenses from continuing operations				
Employee benefits	3.1	(2,687,940)	(2,642,022)	(2,515,436)
Materials and services	3.2	(3,088,620)	(3,634,140)	(2,264,931)
Impairment of receivables - (impairment)/reversal of impairment	3.3	-	-	40,000
Depreciation and amortisation	3.4	(1,991,208)	(2,060,869)	(1,954,219)
Finance costs	3.5	(31,332)	(31,330)	(36,842)
Other expenses	3.6	(974,166)	(1,798,104)	(903,142)
Total expenses from continuing operations		**(8,773,266)**	**(10,166,465)**	**(7,634,570)**
Result from continuing operations		**119,776**	**(102,219)**	**698,392**
Net result for the year		**119,776**	**(102,219)**	**698,392**
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1,9.01	-	132,504	352,098
Net asset revaluation increment/(decrement)	9.01	-	1,613,510	2,109,874
Total Other Comprehensive Income		**-**	**1,746,014**	**2,461,972**
Total Comprehensive result		**119,776**	**1,643,795**	**3,160,364**

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

Statement of Financial Position
As at 30 June 2022

	Note	2022	2021
		$	$
Assets			
Current assets			
Cash and cash equivalents	4.1	4,151,394	4,943,121
Trade and other receivables	4.2	421,086	349,762
Investments	4.3	4,130,128	2,637,317
Inventories	4.4	395,551	697,943
Other assets	4.5	40,470	33,708
Total current assets		**9,138,629**	**8,661,851**
Non-current assets			
Investment in water corporation	5.1	4,860,433	4,727,929
Property, infrastructure, plant and equipment	6.1	70,485,639	67,995,043
Total non-current assets		**75,346,072**	**72,722,972**
Total assets		**84,484,701**	**81,384,823**
Liabilities			
Current liabilities			
Trade and other payables	7.1	888,981	465,378
Trust funds and deposits	7.2	16,584	14,743
Provisions	7.3	452,364	417,512
Contract liabilities	7.4	-	159,530
Interest-bearing loans and borrowings	8.1	46,782	159,225
Total current liabilities		**1,404,711**	**1,216,388**
Non-current liabilities			
Provisions	7.3	1,480,559	166,017
Interest-bearing loans and borrowings	8.1	680,959	727,741
Total non-current liabilities		**2,161,518**	**893,758**
Total liabilities		**3,566,229**	**2,110,146**
Net Assets		**80,918,472**	**79,274,677**
Equity			
Accumulated surplus		29,957,939	30,491,261
Reserves	9.01	50,960,533	48,783,416
Total Equity		**80,918,472**	**79,274,677**

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

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

2022	Note	Accumulated Surplus $	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**

2021		Accumulated Surplus $	Asset Revaluation Reserve $	Fair Value Reserve $	Other Reserves $	Total Equity $
Balance at beginning of the financial year		30,088,423	42,388,127	(172,382)	3,810,145	76,114,313
Net result for the year		698,392	-	-	-	698,392
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,9.01	-	-	352,098	-	352,098
Net asset revaluation increment/(decrement)	9.01	-	2,109,874	-	-	2,109,874
Total comprehensive income		**698,392**	**2,109,874**	**352,098**	**-**	**3,160,364**
Transfers between reserves		(295,554)	-	-	295,554	-
Balance at end of the financial year		**30,491,261**	**44,498,001**	**179,716**	**4,105,699**	**79,274,677**

The above statement should be read with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	2022 Inflows/ (Outflows) $	2021 Inflows/ (Outflows) $
Cash flows from operating activities			
Rates		2,696,681	2,703,328
Statutory fees and fines		97,852	104,525
User charges and other fines (inclusive of GST)		860,333	616,418
Grants (inclusive of GST)		2,830,479	2,157,059
Private Works		1,658,383	1,599,142
Interest received		57,498	79,240
Investment revenue from water corporation	2.10	79,200	33,000
Other receipts (inclusive of GST)		978,854	584,865
Net GST refund/(payment)		315,230	142,860
Payments to suppliers (inclusive of GST)		(4,343,974)	(3,982,974)
Payments to employees (including redundancies)		(2,707,628)	(2,394,746)
Finance costs paid		(31,330)	(36,842)
Other payments		(53,494)	(55,741)
Net cash provided by (used in) operating activities	9.02	**2,438,084**	**1,550,134**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(2,855,016)	(1,462,585)
Proceeds from sale of property, infrastructure, plant and equipment		-	145,544
Capital grants (inclusive of GST)		1,275,400	574,732
Investment in term deposits		(1,492,811)	(1,682,970)
Net cash provided by (used in) investing activities		**(3,072,427)**	**(2,425,279)**
Cash flows from financing activities			
Proceeds from trust funds and deposits		1,841	(6,616)
Repayment of interest bearing loans and borrowings		(159,225)	(153,689)
Net cash provided by (used in) financing activities	9.03	**(157,384)**	**(160,305)**
Net increase (decrease) in cash and cash equivalents		**(791,727)**	**(1,035,450)**
Cash and cash equivalents at the beginning of the financial year		4,943,121	5,978,571
Cash and cash equivalents at the end of the financial year	9.04	**4,151,394**	**4,943,121**
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

Notes to the Financial Statements

	Note		Page
Overview	1.1	Reporting entity	35
	1.2	Basis of accounting	35
	1.3	Use of judgements and estimates	35
	1.4	Material Budget Variations	36
	1.5	Functions/Activities of the Council	37
Revenue	2.01	Rates and charges	39
	2.02	Statutory fees and fines	39
	2.03	User fees	39
	2.04	Grants	40
	2.05	Contributions	41
	2.06	Private Works	41
	2.07	Interest	41
	2.08	Other income	41
	2.09	Net gain/(loss) on disposal of property, infrastructure, plant and equipment.	41
	2.10	Investment revenue from water corporation	42
Expenses	3.1	Employee benefits	42
	3.2	Materials and services	42
	3.3	Impairment of receivables	42
	3.4	Depreciation and amortisation	43
	3.5	Finance costs	44
	3.6	Other expenses	44
Current Assets	4.1	Cash and cash equivalents	45
	4.2	Trade and other receivables	45
	4.3	Investments	46
	4.4	Inventories	46
	4.5	Other assets	46
Non-current assets	5.1	Investment in water corporation	46
	6.1	Property, infrastructure, plant and equipment	47
Current liabilities	7.1	Trade and other payables	52
	7.2	Trust funds and deposits	52
	7.3	Provisions	52
	7.4	Contract Liabilities	53
	8.1	Interest-bearing loans and borrowings	54
Non-current liabilities	7.3	Provisions	52
	8.1	Interest-bearing loans and borrowings	54
Other financial information	9.01	Reserves	55
	9.02	Reconciliation of cash flows from operating activities to surplus (deficit)	57
	9.03	Reconciliation of liabilities arising from financing activities	57
	9.04	Reconciliation of cash and cash equivalents	57
	9.05	Financing arrangements	57
	9.06	Superannuation	58
	9.07	Commitments	59
	9.08	Contingent liabilities and contingent assets	59
	9.09	Financial Instruments	60
	9.10	Fair Value Measurements	65
	9.11	Events occurring after balance date	67
Other matters	10.1	Related party transactions	68
	10.2	Special committees and other activities	73
	10.3	Other significant accounting policies and pending accounting standards	74
	10.4	Significant Business Activities	75
	10.5	Management indicators	76

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)

Council has been assessing the works required, at a future point in time, for the rehabilitation of its landfill and quarry sites. This assessment has advanced to a point where reasonable estimates can be made of the future costs and the appropriate teatment under accounting standards. This assessment has also including adjusting the accounting treatment of rehabilitation works conducted in prior years.

Of the total provision raised, a portion, calculated as the estimated remaining operational life of the particular site as against its estimated total life, is recognised as an asset. This asset will be amortised and recognised an expense against the future periods of operation. The portion of the total provision not recognised as an asset has been recognised as an expense.
These estimates and assesments have been incorporated into the financial year ending 30 June 2022. The impact of these adjustments are as follows:

Statement of comprehensive Income	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment. Note 2.09	432,061
Other expenses - Change in rehabilitation provision Note 3.6	895,000
Reduction in Total comprehensive result	1,327,061
Statement of financial position	
Property, infrastructure, plant and equipment Note 6.1	
Write off of prior period rehabilitation costs	(432,061)
Recognition of the remaining life of rehabilitation assets - to be amortised as an expense against future years.	520,000
Provisions Note 7.3	
Recognition of provision for rehabilitation of landfill and quarry sites	1,415,000
Reduction in accumulated surplus	(1,327,061)

1.4 Material Budget Variations

Council's original budget was adopted by the Council on 15 June 2021. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations are explained below:

Revenues

(a) User fees

This over budget revenues were generated principally from increased activity at the Airport. The Airport benefitted from its use as a transit point for the workforce of a gas exploration drilling rig that was operating in waters adjacent to King Island. This was an activity that had a limited life and which is now finished. There was also a benefit from increased levels of domestic tourism travel.

(b) Grants

The variation for recurrent was up $1,608,249 on budget (54%). 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 this financial year, Council received an amount that is approximately 75% 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 2021-22 by $1,655,665 and 2020-21 by $985,628. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in both years 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 additional funding being made available by the Commonwealth under the Local Roads and Community Infrastructure programme. Council has received $447,000 less than budgeted for. This programme has been comprised of three separate phases and is an initiative intended to help mitigate the economic effects of the COVID-19 pandemic. Each phase has its own administrative requirements. Council has met these requirements on an ongoing basis. However, it is subject to the rules and guidelines of each phase and the processes of the Commonwealth to provide the funding to us. Council anticipates that the outstanding funding will be received in subsequent financial years. There was also funding for $300,000 from the Commonwealth for the development of sporting facilities which has not yet been provided. Council expects to receive this amount in the next financial year.

(c) Other revenues

Council has benefitted from levies received on the export of sand. This was higher than the budget by $223,000. Council also received for the Motor tax refund an amount that was $74,000 above the budget.

Expenses

(a) Materials and services

There are over and under budget outcomes across Council's various operations. The more significant of these are detailed in the following. There were higher levels of expenditure on the maintenance of roads, particularly unsealed rural roads. This arose principally due to the severe weather events which impacted King Island during the winter of 2021 and the damage this caused to the road network. Overall, road maintenance costs were some $353,000 above budget. An unbudgeted amount of $118,000 was incurred to complete the remediation works on the Naracoopa jetty. The painting of the Currie lighthouse cost $74,000 more than budget. Higher prices for diesel fuel, experienced in recent months, have cost Council approximately $50,000.

(b) Net gain/(loss) on disposal of property, infrastructure, plant and equipment and Other expenses

These items are impacted by the transactions associated with the recognition of the rehabilitation provision for land fill and quarry sites. As a consequence of reviewing the current treatment and approach to rehabilitation costs it was determined that $432,061 of costs which had been capitalised should now be written off. This amount is included in the loss on disposal of property, plant and equipment.

Additionally, there is a charge against other expenses on the recognition of the provision of $895,000.

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						
2021 - 2022	1,797,815	365,838	2,163,653	1,486,070	677,583	13,647,336
2020 - 2021	970,952	301,095	1,272,047	1,479,194	(207,147)	10,954,059
Roads, streets and bridges						
2021 - 2022	2,047,493	567,073	2,614,566	2,180,566	434,000	49,212,899
2020 - 2021	1,540,461	514,942	2,055,403	1,650,976	404,427	48,708,934
Waste management						
2021 - 2022	-	632,422	632,422	1,183,112	(550,690)	1,179,843
2020 - 2021	-	623,165	623,165	666,557	(43,392)	1,074,451
Building, Planning and Environmental health						
2021 - 2022	-	55,649	55,649	161,985	(106,336)	-
2020 - 2021	-	70,124	70,124	131,734	(61,610)	-
Community amenities						
2021 - 2022	-	27,966	27,966	1,122,930	(1,094,964)	1,254,753
2020 - 2021	- 3,800	12,752	8,952	451,335	(442,383)	968,790
Community services						
2021 - 2022	10,571	29,017	39,588	345,529	(305,941)	842,500
2020 - 2021	107,408	25,129	132,537	430,858	(298,321)	616,346
Recreation facilities						
2021 - 2022	409,530	-	409,530	-	409,530	4,050,656
2020 - 2021	-	-	-	-	-	2,758,177
Other - not attributable						
2021 - 2022	-	4,120,872	4,120,872	3,686,273	434,599	14,296,714
2020 - 2021	-	4,170,736	4,170,736	2,823,916	1,346,818	16,304,066
Total						
2021 - 2022	**4,265,409**	**5,798,837**	**10,064,246**	**10,166,465**	**(102,219)**	**84,484,701**
2020 - 2021	**2,615,021**	**5,717,943**	**8,332,964**	**7,634,570**	**698,392**	**81,384,823**

Note 1.5 Functions/Activities of the Council (continued)

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

	2022	2021
Current assets	9,138,629	8,661,851
Non-current assets	75,346,072	72,722,972
	84,484,701	**81,384,823**

(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 of the Child Care Centre, 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 swimming pools, active and passive recreation and recreation centres).

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2022	2021
	$	$

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 2021-22 was $28.487 million (2020-21 $28.487 million). The 2021-22 rate in each dollar of the AAV was 7.6118 cents, (2020-21, 7.609 cents).

General rate	2,191,034	2,149,053
Fire levy	118,408	113,402
Non-commercial waste collection charge	407,566	399,968
Total rates and charges	**2,717,008**	**2,662,423**

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	18,524	21,986
Planning and development fees	26,946	41,479
Rates and land information certificates	24,889	20,256
Animal control registrations and fees	17,314	14,104
Licence and permit fees	10,179	6,700
Total statutory fees and fines	**97,852**	**104,525**

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	584,878	368,212
Refuse disposal fees	218,830	217,372
Cemetery fees	16,548	12,457
Hall and facility hire	8,226	6,589
Total user fees	**828,482**	**604,630**

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.

	2022	2021
	$	$

Note 2.04 Grants

Grants were received in respect of the following:

Summary of grants		
Federally funded grants	3,850,879	2,539,240
State funded grants	414,530	48,923
Total	**4,265,409**	**2,588,163**
Grants - Recurrent		
Commonwealth government financial assistance grants - general purpose (untied)	1,096,476	850,952
Commonwealth government financial assistance grants - roads (untied)	1,632,962	1,055,071
Commonwealth government - Building better regions fund	-	17,685
Commonwealth government - arts event	-	37,000
Tasmanian government - arts event	5,000	47,723
Tasmanian government - Lighthouse painting	250,000	-
Other recurrent grants - received	5,571	5,000
Total recurrent grants	**2,990,009**	**2,013,431**
Capital grants received specifically for new or upgraded assets		
Commonwealth government - Roads to recovery	414,531	458,532
Commonwealth government - Local roads and community infrastructure programme	701,339	120,000
Tasmanian government - Currie oval	159,530	-
Other capital grants - received/(returned)	-	(3,800)
Total capital grants	**1,275,400**	**574,732**

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	-	64,723
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	(64,723)
Balance of unspent funds at 30 June	**-**	**-**
Capital		
Balance of unspent funds at 1 July	**159,530**	
Add: Funds received and not recognised as revenue in the current year		159,530
Less: Funds received in prior year but revenue recognised and funds spent in current year	(159,530)	
Balance of unspent funds at 30 June	**-**	**159,530**

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.

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 75% (2021: 50%) 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 2021-22 by $1,655,665 (2020-21, $985,628). This has impacted the Statement of comprehensive income resulting in the Net result for the year being higher by the same amount.

		2022	2021
		$	$
Note 2.05	**Contributions**		
	Non-monetary assets		
	Roads	-	205,000
	Total contributions	**-**	**205,000**

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	909,776	657,386
	Works performed for other entities	597,845	796,379
	Total Private Works	**1,507,621**	**1,453,765**

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	37,891	36,131
	Interest on cash, cash equivalents and investments	26,425	38,287
	Total	**64,316**	**74,418**

Accounting policy

Interest is recognised progressively as it is earned.

Note 2.08	**Other income**		
	Motor Tax refund	567,073	514,942
	Rental/Lease income	62,191	21,310
	Reimbursements	7,871	5,705
	Commission	6,903	11,690
	Royalties	246,573	18,395
	Other income	18,761	6,425
	Fuel tax credit	32,047	26,858
	Total other income	**941,419**	**605,325**

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.

Note 2.09	**Net gain/(loss) on disposal of property, infrastructure, plant and equipment.**		
	Proceeds of sale	-	145,544
	Written down value of assets disposed	(437,061)	(143,831)
	Total	**(437,061)**	**1,713**

Accounting policy

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

		2022	2021
		$	$
Note 2.10	**Investment revenue from water corporation**		
	Dividend revenue received	79,200	33,000
	Total investment revenue from water corporation	**79,200**	**33,000**

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	2,153,854	2,060,429
	Workers compensation	39,375	34,468
	Annual leave and long service leave	131,467	305,866
	Personal/carers/sick leave	79,426	62,144
	Superannuation	269,490	245,747
	Fringe benefits tax	12,491	8,540
	Payroll tax	84,761	69,884
	Redundancy/Termination	41,433	-
	Other employee costs	35,313	1,048
		2,847,610	2,788,126
	Less amounts capitalised	(205,588)	(272,690)
	Total employee benefits	**2,642,022**	**2,515,436**

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	372,451	425,508
	Contractors	2,109,045	1,395,937
	Materials (including Inventory)	958,042	263,034
	Freight	100,727	77,779
	Printing	13,574	23,387
	Utilities	80,301	79,286
	Total materials and services	**3,634,140**	**2,264,931**

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.

Note 3.3	**Impairment of receivables**		
	Other debtors	-	(40,000)
	Total impairment of receivables	**-**	**(40,000)**

Accounting policy

Impairment expense

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

		2022	2021
		$	$
Note 3.4	**Depreciation and amortisation**		
	Property		
	Buildings		
	Buildings	72,235	53,331
	Jetties	14,756	14,756
	Heritage buildings	335	565
	Plant and Equipment		
	Plant, machinery and equipment	387,450	371,645
	Fixtures, fittings and furniture	4,371	4,287
	Computers and telecommunications	13,220	26,107
	Infrastructure		
	Roads	843,493	804,075
	Bridges	155,230	131,515
	Airport	468,131	467,379
	Drainage	18,968	26,903
	Recreational, leisure and community facilities	42,913	20,797
	Waste management	39,767	32,859
	Total	**2,060,869**	**1,954,219**

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

		2022	2021
		$	$
Note 3.5	**Finance costs**		
	Interest - borrowings	31,330	36,842
	Total finance costs	**31,330**	**36,842**

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 3.6	**Other expenses**		
	Advertising	18,463	19,611
	Audit Panel Fees	8,462	3,407
	Bank Fees	7,450	7,571
	Change in rehabilitation provision	895,000	-
	Commissions Paid	30,240	23,070
	Community Grants and sponsorship expenses	43,210	47,126
	Conferences and training	12,046	17,072
	Council rates	27,024	26,260
	Councillors' allowances	115,215	101,848
	Election expenses	1,675	573
	External auditors' remuneration (Tasmanian Audit Office)	33,877	33,100
	Fire Service Levy	112,612	107,930
	Insurance and registration	217,380	212,189
	Land Tax	22,303	20,553
	Licences and permits	25,729	24,272
	Subscriptions and memberships	64,907	66,302
	TasWater charges	40,355	34,443
	Telecommunications and internet	23,060	23,167
	Travel and accommodation	54,308	61,251
	Low-value leases	13,988	11,750
	Other expenses	30,800	61,647
	Total	**1,798,104**	**903,142**

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.

			2022	2021
			$	$
Note	**4**	**Current Assets**		
Note	**4.1**	**Cash and cash equivalents**		
		Cash on hand	300	300
		Cash at bank	600,760	1,040,995
		Cash invested at call	2,523,668	1,618,619
		Term deposits - 3 months or less	1,026,666	2,283,207
		Total cash and cash equivalents	**4,151,394**	**4,943,121**

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

Total funds subject to restrictions		
Cash and cash equivalents	4,151,394	4,943,121
Term deposits - more than 3 months (note 4.3)	4,130,128	2,637,317
Total Funds	**8,281,522**	**7,580,438**
Restricted funds		
i)Trust funds and deposits (note 7.2)	16,584	14,743
ii) Discretionary reserves (note 9.01)	2,363,213	2,429,516
iii) Employee entitlements reserves (note 9.01)	517,923	583,529
iv) Other reserve - restricted funds (note 9.01)	1,655,666	1,092,654
Restricted funds	**4,553,386**	**4,120,442**
Total unrestricted cash and cash equivalents and investments	**3,728,136**	**3,459,996**

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	145,096	124,769
		Other receivables	335,990	284,993
		Provision for expected credit loss - other debtors	(60,000)	(60,000)
		Total trade and other receivables	**421,086**	**349,762**
		Reconciliation of movement in expected credit loss		
		Carrying amount at 1 July	60,000	100,000
		Increase / (decrease) in provision recognised in profit or loss	-	(40,000)
		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.

		2022	2021
		$	$
Note 4.3	**Investments**		
	Current		
	Term deposits - more than 3 months	4,130,128	2,637,317
		4,130,128	**2,637,317**

Accounting policy

Investments in term deposits are measured at cost.

Note 4.4	**Inventories**		
	Inventories held for distribution	395,551	697,943
	Total inventories	**395,551**	**697,943**

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	29,636	29,692
	Accrued income	10,834	4,016
	Total	**40,470**	**33,708**

Note 5	**Other Investments**		
Note 5.1	**Investment in water corporation**		
	Opening balance	4,727,929	4,375,831
	Fair Value adjustments on equity investment assets	132,504	352,098
	Total investment in water corporation	**4,860,433**	**4,727,929**

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 0.30% 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

	2022	2021
	$	$
Summary		
at cost	8,879,589	7,350,393
Less accumulated depreciation	(4,230,667)	(3,459,701)
	4,648,922	**3,890,692**
at fair value as at 30 June	104,612,122	106,461,519
Less accumulated depreciation	(38,775,405)	(42,357,168)
	65,836,717	**64,104,351**
Total	**70,485,639**	**67,995,043**
Property		
Land		
at fair value as at 30 June	5,644,200	4,457,600
	5,644,200	**4,457,600**
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**	**6,991,600**
Buildings		
at fair value as at 30 June	9,046,555	3,416,949
Less accumulated depreciation	(4,708,355)	(1,445,352)
	4,338,200	**1,971,597**
Jetties		
at cost	930,706	930,706
Less accumulated amortisation	(190,113)	(175,357)
	740,593	**755,349**
Heritage buildings		
at fair value as at 30 June	56,500	56,500
Less accumulated depreciation	(32,985)	(32,650)
	23,515	**23,850**
Total Buildings	**5,102,308**	**2,750,796**
Total Property	**13,280,508**	**9,742,396**
Plant and Equipment		
Plant, machinery and equipment		
at cost	4,614,581	4,218,789
Less accumulated depreciation	(3,054,335)	(2,701,007)
	1,560,246	**1,517,782**
Fixtures, fittings and furniture		
at cost	110,529	108,062
Less accumulated depreciation	(91,031)	(86,660)
	19,498	**21,402**
Computers and telecommunications		
at cost	195,075	340,845
Less accumulated depreciation	(169,064)	(301,614)
	26,011	**39,231**
Total Plant and Equipment	**1,605,755**	**1,578,415**

Note 6.1 Property, infrastructure, plant and equipment (continued)	2022 $	2021 $
Infrastructure		
Roads		
at fair value as at 30 June	57,895,240	56,900,587
Less accumulated depreciation	(16,649,765)	(15,806,272)
	41,245,475	**41,094,315**
Bridges		
at fair value as at 30 June	9,321,820	9,208,658
Less accumulated depreciation	(5,859,998)	(5,704,768)
	3,461,822	**3,503,890**
Airport		
at fair value as at 30 June	12,626,000	26,394,778
Less accumulated depreciation	(7,157,000)	(18,061,878)
	5,469,000	**8,332,900**
Drainage		
at fair value as at 30 June	2,164,868	2,164,868
Less accumulated depreciation	(824,669)	(805,701)
	1,340,199	**1,359,167**
Recreational, leisure and community facilities		
at fair value as at 30 June	5,322,939	1,327,579
Less accumulated depreciation	(3,542,633)	(500,547)
	1,780,306	**827,032**
Waste Management		
at cost	1,646,466	1,064,086
Less accumulated depreciation	(704,124)	(195,063)
	942,342	**869,023**
Quarries		
at cost	135,000	-
Less accumulated depreciation	(22,000)	-
	113,000	**-**
Total Infrastructure	**54,352,144**	**55,986,327**
Works in progress		
Buildings at cost	53,248	23,504
Bridges at cost	-	81,913
Roads at cost	631,403	135,649
Airport at cost	40,624	6,016
Recreation and community facilities at cost	521,957	434,496
Waste management at cost	-	6,327
Total Works in progress	**1,247,232**	**687,905**
Total property, infrastructure, plant and equipment	**70,485,639**	**67,995,043**

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

Reconciliation of property, infrastructure, plant and equipment

2022	Balance at beginning of financial year	Acquisition of assets	Contribution of assets	Revaluation increments (decrements) (note 9.01)	Depreciation and amortisation (note 3.4)	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)

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

2021	Balance at beginning of financial year	Acquisition of assets	Contribution of assets	Revaluation increments (decrements) (note 9.01)	Depreciation and amortisation (note 3.4)	Written down value of disposals	Transfers	Balance at end of financial year
	$	$	$	$	$	$	$	$
Property								
Land	3,759,000	-	-	698,600	-	-	-	4,457,600
Land under roads	2,534,000	-	-	-	-	-	-	2,534,000
Total land	6,293,000	-	-	698,600	-	-	-	6,991,600
Buildings	1,669,169	27,362	-	283,310	(53,331)	-	45,087	1,971,597
Jetties	770,105	-	-	-	(14,756)	-	-	755,349
Heritage buildings	24,415	-	-	-	(565)	-	-	23,850
Total buildings	2,463,689	27,362	-	283,310	(68,652)	-	45,087	2,750,796
Total property	8,756,689	27,362	-	981,910	(68,652)	-	45,087	9,742,396
Plant and Equipment								
Plant, machinery and equipment	1,759,554	256,544	-	-	(371,645)	(126,671)	-	1,517,782
Fixtures, fittings and furniture	22,889	2,800	-	-	(4,287)	-	-	21,402
Computers and telecommunications	63,780	1,558	-	-	(26,107)	-	-	39,231
Total plant and equipment	1,846,223	260,902	-	-	(402,039)	(126,671)	-	1,578,415
Infrastructure								
Roads	41,390,805	275,254	205,000	-	(804,075)	-	27,331	41,094,315
Bridges	3,271,361	-	-	364,044	(131,515)	-	-	3,503,890
Airport	8,727,896	72,383	-	-	(467,379)	-	-	8,332,900
Drainage	674,698	-	-	711,372	(26,903)	-	-	1,359,167
Recreational and community facilities	695,402	99,879	-	52,548	(20,797)	-	-	827,032
Waste management	846,300	55,582	-	-	(32,859)	-	-	869,023
Total infrastructure	55,606,462	503,098	205,000	1,127,964	(1,483,528)	-	27,331	55,986,327
Works in progress								
Buildings at cost	45,088	23,504	-	-	-	(1)	(45,087)	23,504
Bridges	7,176	74,737	-	-	-	-	-	81,913
Roads	27,331	135,649	-	-	-	-	(27,331)	135,649
Airport	6,016	-	-	-	-	-	-	6,016
Recreation and community facilities	3,490	431,006	-	-	-	-	-	434,496
Waste management	17,159	6,327	-	-	-	(17,159)	-	6,327
Total works in progress	106,260	671,223	-	-	-	(17,160)	(72,418)	687,905
Total property, infrastructure, plant and equipment	**66,315,634**	**1,462,585**	**205,000**	**2,109,874**	**(1,954,219)**	**(143,831)**	**-**	**67,995,043**

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
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Computers and telecommunications	cost
Roads	fair value
Bridges	fair value
Buildings	fair value
Recreational, leisure and community facilities	fair value
Jetties	cost
Airport	fair value
Drainage	fair value
Heritage buildings	fair value
Waste management	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; and, waste management 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.

		2022	2021
		$	$
Note 7	**Current liabilities**		
Note 7.1	**Trade and other payables**		
	Trade payables	303,351	227,269
	Rates and charges in advance	199,426	28,728
	Net GST payable	20,968	90,117
	Accrued expenses	365,236	119,264
	Total trade and other payables	**888,981**	**465,378**

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	5,761	3,920
	Total trust funds and deposits	**16,584**	**14,743**

Note 7.3 Provisions

	Annual leave	Long service leave	Land Fill & quarry rehabilitation	Total
2022	$	$	$	$
Balance at beginning of the financial year	292,342	291,187	-	583,529
Additional 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**
2021				
Balance at beginning of the financial year	277,399	188,362	-	465,761
Additional provisions	194,098	111,768	-	305,866
Amounts used	(179,155)	(8,943)	-	(188,098)
Balance at the end of the financial year	**292,342**	**291,187**	**-**	**583,529**
Current	292,342	125,170	-	417,512
Non-current	-	166,017	-	166,017
Total	**292,342**	**291,187**	**-**	**583,529**

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.

	2022	2021
	$	$

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	-	159,530
	-	**159,530**

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.

		2022	2021
		$	$
Note 8	**Non-current**		
Note 8.1	**Interest-bearing loans and borrowings**		
	Current		
	Borrowings - secured	46,782	159,225
		46,782	**159,225**
	Non-current		
	Borrowings - secured	680,959	727,741
		680,959	**727,741**
	Total	**727,741**	**886,966**

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	46,782	159,225
Later than one year and not later than five years	680,959	469,999
Later than five years	-	257,742
Total	**727,741**	**886,966**

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.

		2022	2021
		$	$
Note 9	**Other financial information**		
Note 9.01	**Reserves**		
	Asset revaluation reserve	46,111,511	44,498,001
	Fair value reserve	312,220	179,716
	Discretionary reserves	2,363,213	2,429,516
	Other reserves	2,173,589	1,676,183
	Total	**50,960,533**	**48,783,416**

	(a) Asset revaluation reserve	Balance at beginning of reporting year $	Increment $	(Decrement) $	Balance at end of reporting year $
2022	**Property**				
	Land	3,928,766	953,053	-	4,881,819
	Buildings	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**
2021	**Property**				
	Land	3,230,166	698,600	-	3,928,766
	Buildings	25,706	335,858	-	361,564
		3,255,872	**1,034,458**	**-**	**4,290,330**
	Infrastructure				
	Roads and Bridges	32,544,341	364,044	-	32,908,385
	Drainage	414,859	711,372	-	1,126,231
	Airport	6,173,055	-	-	6,173,055
		39,132,255	**1,075,416**	**-**	**40,207,671**
	Total asset revaluation reserve	**42,388,127**	**2,109,874**	**-**	**44,498,001**

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

(b) Fair value reserve

2022	**Equity Investment assets**				
	Investment in water corporation	179,716	132,504	-	312,220
	Total fair value reserve	**179,716**	**132,504**	**-**	**312,220**
2021	**Equity Investment assets**				
	Investment in water corporation	(172,382)	352,098	-	179,716
	Total fair value reserve	**(172,382)**	**352,098**	**-**	**179,716**

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 $
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**
Total other reserves	**4,105,699**	**2,308,966**	**(1,877,863)**	**4,536,802**
2021 Discretionary Reserves				
Lighthouse Reserve	163,530	487	-	164,017
Community Reserve	1,541,285	43,391	(37,307)	1,547,369
Naracoopa Jetty Reserve	132,950	219,384	(67,024)	285,310
Grassy Mine Infrastructure Reserve	9,864	90	-	9,954
Housing Reserve	420,044	2,822	-	422,866
Total discretionary reserves	**2,267,673**	**266,174**	**(104,331)**	**2,429,516**
Other Reserves				
Employee Entitlement Reserve	465,761	117,768	-	583,529
Restricted Funds	1,076,711	1,032,653	(1,016,710)	1,092,654
Total other reserves	**1,542,472**	**1,150,421**	**(1,016,710)**	**1,676,183**

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.

		2022	2021
		$	$
Note 9.02	**Reconciliation of cash flows from operating activities to surplus (deficit)**		
	Result from continuing operations	(102,219)	698,392
	Contributions - non-monetary assets	-	(205,000)
	Depreciation/amortisation	2,060,869	1,954,219
	(Profit)/loss on disposal of property, infrastructure, plant and equipment	437,061	(1,713)
	Capital grants received specifically for new or upgraded assets	(1,275,400)	(574,732)
	Change in assets and liabilities:		
	Decrease/(increase) in trade and other receivables	(71,324)	(47,770)
	Decrease/(increase) in other assets	(6,762)	6,049
	Decrease/(increase) in inventories	302,392	(295,183)
	Increase/(decrease) in trade and other payables	423,603	(196,703)
	Increase/(decrease) in provisions	829,394	117,768
	Increase/(decrease) in other liabilities	(159,530)	94,807
	Net cash provided by/(used in) operating activities	**2,438,084**	**1,550,134**

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	886,966	1,040,655
Cash repayments	(159,225)	(153,689)
Balance at the end of the financial year	**727,741**	**886,966**

Note 9.04	**Reconciliation of cash and cash equivalents**		
	Cash and cash equivalents (see note 4.1)	4,151,394	4,943,121
	Total reconciliation of cash and cash equivalents	**4,151,394**	**4,943,121**

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 2022 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 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

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

Note 9.06 Superannuation (Continued)

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

	2022 $	2021 $
Accumulation funds		
Employer contributions to all employees' funds	269,490	245,747
	269,490	**245,747**

Note 9.07 Commitments

Capital Expenditure Commitments		
Plant and equipment	136,148	274,471
Recreational, leisure and community facilities	481,590	187,845
Total Capital expenditure commitments	**617,738**	**462,316**

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.

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**

2021

	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	0.24%	1,618,619	2,283,207	-	-	1,041,295	4,943,121
Investments	0.36%	-	2,637,317	-	-	-	2,637,317
Trade and other receivables	7.87%	124,769	-	-	-	224,993	349,762
Investment in water corporation		-	-	-	-	4,727,929	4,727,929
Total financial assets		**1,743,388**	**4,920,524**	**-**	**-**	**5,994,217**	**12,658,129**
Financial liabilities							
Trade and other payables		-	-	-	-	465,378	465,378
Trust funds and deposits		-	-	-	-	14,743	14,743
Interest-bearing loans and borrowings	3.75%	-	159,225	727,741	-	-	886,966
Total financial liabilities		**-**	**159,225**	**727,741**	**-**	**480,121**	**1,367,087**
Net financial assets (liabilities)		**1,743,388**	**4,761,299**	**(727,741)**	**-**	**5,514,096**	**11,291,042**

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	
	2022	2021	2022	2021
	$	$	$	$
Financial assets				
Cash and cash equivalents	4,151,394	4,943,121	4,151,394	4,943,121
Other financial assets	4,130,128	2,637,317	4,130,128	2,637,317
Rates	145,096	124,769	145,096	124,769
Trade and other receivables	275,990	224,993	275,990	224,993
Investment in water corporation	4,860,433	4,727,929	4,860,433	4,727,929
Total financial assets	**13,563,041**	**12,658,129**	**13,563,041**	**12,658,129**
Financial liabilities				
Trade and other payables	888,981	465,378	888,981	465,378
Trust funds and deposits	16,584	14,743	16,584	14,743
Interest-bearing loans and borrowings	727,741	886,966	719,691	958,669
Total financial liabilities	**1,633,306**	**1,367,087**	**1,625,256**	**1,438,790**

(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
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**
2021			
Cash and cash equivalents	4,943,121	-	4,943,121
Trade and other receivables	-	349,762	349,762
Investments and other financial assets	2,637,317	-	2,637,317
Total contractual financial assets	**7,580,438**	**349,762**	**7,930,200**

Ageing of Trade and Other Receivables

	2022	2021
	$	$
Current (not yet due)	260,236	225,971
Past due by up to one month	31,402	17,879
Past due between one and six months	141,083	90,979
Past due by more than six months	48,365	74,933
General provision for expected credit losses	(60,000)	(60,000)
Total Trade & Other Receivables	**421,086**	**349,762**

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 $421,086 (2019-20: $349,762) were assessed as being impaired. The amount of the provision for expected credit losses raised against these debtors was $60,000 (2020-21: $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).

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**

2021	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	$	$	$	$	$	$	$
Trade and other payables	465,378	-	-	-	-	465,378	465,378
Trust funds and deposits	3,920	10,823	-	-	-	14,743	14,743
Interest-bearing loans and borrowings	78,908	80,317	46,782	423,216	257,743	886,966	886,966
Total financial liabilities	**548,206**	**91,140**	**46,782**	**423,216**	**257,743**	**1,367,087**	**1,367,087**

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 (Base rates are sourced from Reserve Bank of Australia):

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

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

		Interest rate risk			
		-1.00%		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
Trade and other receivables	421,086	(4,211)	(4,211)	4,211	4,211
Financial liabilities:					
Interest-bearing loans and borrowings	727,741	7,277	7,277	(7,277)	(7,277)

		Interest rate risk			
		-1.00%		1.00%	
		Profit	Equity	Profit	Equity
2021	$	$	$	$	$
Financial assets:					
Cash and cash equivalents	4,943,121	(49,431)	(49,431)	49,431	49,431
Investments	2,637,317	(26,373)	(26,373)	26,373	26,373
Trade and other receivables	349,762	(3,498)	(3,498)	3,498	3,498
Financial liabilities:		-	-	-	-
Interest-bearing loans and borrowings	886,966	8,870	8,870	(8,870)	(8,870)

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 2022.

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

As at 30 June 2022

	Note	Level 1	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
Other Infrastructure	6.1	-	-	1,780,306	1,780,306
		-	**12,539,915**	**58,157,235**	**70,697,150**

As at 30 June 2021

	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		$	$	$	$
Investment in water corporation	5.1	-	-	4,727,929	4,727,929
Land	6.1	-	4,457,600	-	4,457,600
Land under roads	6.1	-	2,534,000	-	2,534,000
Buildings and Heritage buildings	6.1	-	1,995,447	-	1,995,447
Roads	6.1	-	-	41,094,315	41,094,315
Bridges	6.1	-	-	3,503,890	3,503,890
Drainage	6.1	-	-	1,359,167	1,359,167
Airport	6.1	-	-	8,332,900	8,332,900
Other Infrastructure	6.1	-	-	827,032	827,032
		-	**8,987,047**	**59,845,233**	**68,832,280**

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 property and Investment in water corporation

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

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. In the financial year ended 30 June 2021 the 1 July 2016 values had been indexed by 19.2%. That indexation factor was derived from Australian Bureau of Statistics data on movements in Tasmanian building construction costs since 1 July 2016.

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

Valuation of buildings was undertaken by the Valuer General (VG) as at 1 July 2016. This valuation of buildings 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. In the financial year ended 30 June 2021 the 1 July 2016 values had been indexed by 19.2%. That indexation factor was derived from Australian Bureau of Statistics data on movements in Tasmanian building construction costs since 1 July 2016. 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 for 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.

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 2021. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of 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) 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.

(e) 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.

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration

Name	Position	Period	Short term employee benefits: Allowances $	Short term employee benefits: Vehicles[1] $	Total Compensation AASB 124 $	Expenses[2] $	Total allowances and expenses section 72 $
2022							
Cr Julianne (Julie) Arnold	*Mayor*	*Full Year*	34,724	-	34,724	3,112	37,836
Cr Henry (Jim) Cooper[3]	*Deputy Mayor*	*1.7.21-3.12.21*	-	-	-	308	308
Cr Vernon Philby	*Deputy Mayor*	*21.12.21-30.6.22*	10,583	-	10,583	-	10,583
Cr Vernon Philby	*Councillor*	*Full Year*	4,925	-	4,925	-	4,925
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**
2021							
Cr Julianne (Julie) Arnold	*Mayor*	*Full Year*	33,948	-	33,948	3,162	37,110
Cr Henry (Jim) Cooper[3]	*Deputy Mayor*	*Full Year*	-	-	-	1,660	1,660
Cr Ian Allan	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Thor Clemens	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Robert (Ira) Cooke	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Gina Green	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Sarina Laidler	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Alistair (Duncan) McFie	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Cr Vernon Philby	*Councillor*	*Full Year*	9,700	-	9,700	-	9,700
Total			**101,848**	**-**	**101,848**	**4,822**	**106,670**

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

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

[3] From 18 May 2020, Deputy Mayor Cooper elected to voluntarily forego all allowances payable in his capacities as Councillor and Deputy Mayor. Mr Cooper was reimbursed for expenses incurred in his role on behalf of Council in accordance with 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		Non-monetary Benefits[7]	Total
				Salary[1]	Short-term Incentive Payments[2]	Vehicles[3]	Other Allowances and Benefits[4]	Super-annuation[5]	Termination Benefits[6]		
				$	$	$	$	$	$	$	$
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
Mr Gordon Denholm	Works Manager	1.7.21-10.6.22	$180,000 - $200,000	134,562			15,309	18,710	23,190	(9,512)	182,259
Mr Greg Alomes	General Manager	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[8]				160,750	-	-	-	-	-	-	160,750
Total				**513,512**	**-**	**6,763**	**44,731**	**46,638**	**26,712**	**(27,125)**	**611,231**
2021											
Mr Greg Alomes	General Manager	*Full Year*	$220,001 - $240,000	184,757	-	5,107	-	22,171	-	9,538	221,573
Ms Kate Mauric	Deputy General Manager	*Full year*[9]	$160,000 - $180,000	110,996	-	2,498	10,439	11,499	-	35,880	171,312
Mr Gordon Denholm	Works Manager	*Full Year*	$140,001 - $160,000	110,396	-	-	-	13,703	-	22,493	146,592
Sub-total				**406,149**	**-**	**7,605**	**10,439**	**47,373**	**-**	**67,911**	**539,477**
Non-employee remuneration											
Non-employee KMP[8]	1 role			155,438	-	-	-	-	-	-	155,438
Total				**561,587**	**-**	**7,605**	**10,439**	**47,373**	**-**	**67,911**	**694,915**

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] 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.

[9] Ms Mauric returned from parental leave on a part time basis from 1 July 2020 and resumed full time duties on 2 November 2020.

(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 2021.

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 termination clause that requires the General Manager or Council to provide a minimum notice period of up to 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.

Termination benefits

Termination payments during the current year included:

Mr G Alomes resigned from the role of General Manager as at 8 October 2021. A termination payment of $3522 was made to Mr Alomes, representing accrued leave entitlements.

Mr G Denholm resigned from the role of Works Manager in June 2022. His termination payment of $23,190 comprised accrued leave and payment in lieu of notice, as specified in his contract of employment.

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.

In September 2021, Ms Mauric was appointed as Acting General Manager while Mr Alomes was on leave. When Mr Alomes subsequently resigned, Ms Mauric continued to act as General Manager from 8 October 2021, until she was formally appointed to the position on 13 December 2021.

(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
Construction of private works[1]	$25,218		Private works at normal commercial terms		
Construction of private works[2]	$18,480		Normal commercial terms		
Supply of construction works[3]	$21,037	-	Private works at normal commercial terms	-	-
Provision of financial services[4]	$9,480		Normal commercial terms		
Supply of construction materials and related services[5]	$7,357	-	As per Council's Approved Fees and Charges	-	-
Supply of private works, Council venues and commercial waste services[6]	$5,690	-	As per Council's Approved Fees and Charges		
Purchase of catering for community and Council events[7]	$2,078	-	Normal commercial terms	-	-
Lodgement of building application fees[8]	$2,058	-	As per Council's Approved Fees and Charges	-	-
Community Grant [9]	$2,000	-	Application, assessment and approval per Council's Policy	-	-
Supply of construction materials[10]	$1,893		As per Council's Approved Fees and Charges		
Purchase of welding services to King Island Airport[11]	$1,000		Normal commercial terms		
Commercial waste services[12]	$990		As per Council's Approved Fees and Charges		
Supply of food services[13]	$795		Normal commercial terms		
Supply of construction materials[14]	$694		As per Council's Approved Fees and Charges		
Hire of Council facilities[15]	$496	-	As per Council's Approved Fees and Charges	-	-
Reimbursement of personal flight costs when accompanying Council members[16]	$466		Shared costs with other Council members		
Hire of Council facilities[17]	$447	`	As per Council's Approved Fees and Charges	-	-
Lodgement of building application fees[18]	$312		As per Council's Approved Fees and Charges		
Commercial waste services[19]	$90	-	As per Council's Approved Fees and Charges	-	-

Note 10.1 Related party transactions (continued)

(v) Transactions with related parties (continued)

[1] Council supplied construction materials to, and was contracted to construct private works by Mr Stefan Mauric. Mr Mauric is a party related to a member of Council's KMP. Amounts billed were based on normal rates for such works and payable on normal payment terms.

[2] At the end of 2020-21, Council was contracted by Councillor Philbey to construct private works. Amounts billed were based on normal rates for such works and payable on normal payment terms. The invoice was paid on time at the beginning of 2021-22.

[3] Council was contracted to construct a number of private works by King Island Constructions. Members of the management of King Island Constructions is controlled parties related to members of Council's KMP. Amounts billed were based on normal rates for such works and payable on normal payment terms.

[4] MDH Accounting was contracted to assist Council to prepare its Long Term Financial Plan. MDH Accounting employs a non-employee member of Council's KMP who is employed on normal commercial terms under a contract for services.

[5] Council supplied aggregate and other raw materials, charged tip fees for waste disposal and rented plant and equipment 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.

[6] Council hired venues and outdoor toilet facilities to Phoenix House and installed a sign during the financial year. 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. Installation of the sign was billed as private works for which normal rates for such work were charged and normal commercial terms applied.

[7] 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.

[8] A building application was submitted and the corresponding fee paid by Mr Charles Arnold. Mr Arnold is a related party of one of Council's KMP. The fee paid was based on Council's approved Fees and Charges.

[9] Council approved a community grant of $2000 to Foundations to Flourish for its programs. Council's General Manager is a committee member of Foundations to Flourish. The grant was approved in accordance with Council's policy and the terms and conditions therein for community grants.

[10] Council supplied gravel to JM and LM Mauric Pty Ltd which is controlled by parties related to a member of Council's KMP. Amounts billed were based on Council's approved Fees and Charges.

[11] Welding services were provided to King Island Airport by a family member of a member of Council's KMP. Amounts billed were based on normal rates for such work and payable on normal commercial terms.

[12] Council supplied commercial waste services to King Island Lift and Tilt and contracted the company to transport heavy equipment on its behalf during the year. Amounts billed for waste services supplied were based on Council's approved Fees and Charges. Contracted amounts paid by Council for transport services were based on normal commercial rates for such work and subject to normal commercial payment terms.

[13] 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.

[14] Council supplied construction materials and plant to a member of its KMP for private use. Amounts billed were based on Council's approved Fees and Charges.

[15] Council hired venue to Grassy Football Club during the year. A member of the Club's management committee is a party related to one of Council's KMP.

[16] Mr Charles Arnold accompanied the Mayor and Councillors on an official visit to Kangaroo Island Council. As a private citizen, Mr Arnold reimbursed Council for his share of the travel expenses.

[17] 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.

[18] A building application was submitted and the corresponding fee paid by Mr Roger Clemons. Mr Clemons is a related party of one of Council's KMP. The fee paid was based on Council's approved Fees and Charges.

[19] 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: 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.

Note 10.1 Related party transactions (continued)

(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

	2022	2021
King Island Youth Centre Management Committee	**$**	**$**
Opening Balance	1,519	1,518
Cash Receipts	-	1
Closing Balance	**1,519**	**1,519**
King Island Historical Society		
Opening Balance	28,737	25,195
Cash Receipts	23,173	19,443
Cash Payments	(11,905)	(15,901)
Closing Balance	**40,005**	**28,737**

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 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

In the current year, Council has reviewed and assessed all the new accounting standards and interpretations that have been published, with future effective dates, and determined they are either not applicable to Council's activities, or would have no material impact.

Note 10.4 Significant Business Activities

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

	Roads, Streets & Bridges		Airport	
	2022	2021	2022	2021
	$	$	$	$
Revenue				
Reimbursements	-	-	6,495	5,050
User Charges	-	-	584,878	368,212
Grants	2,047,493	1,513,603	-	-
Contributions - non-monetary assets	-	205,000	-	-
Other	567,073	514,942	24,068	4,704
Total Revenue	**2,614,566**	**2,233,545**	**615,441**	**377,966**
Expenditure				
Direct				
Employee Costs	293,487	211,898	347,615	305,243
Materials and Contacts	869,388	298,225	291,693	330,896
Interest	-	-	12,348	15,003
Utilities	-	-	104,693	95,194
Total Expenses	**1,162,875**	**510,123**	**756,349**	**746,336**
Capital Costs				
Depreciation and amortisation	1,017,691	962,493	468,131	467,379
Opportunity cost of capital	2,359,338	2,358,209	332,700	411,517
Total Capital Costs	**3,377,029**	**3,320,702**	**800,831**	**878,896**
Calculated Surplus/(Deficit)	1,451,691	1,723,422	(140,908)	(368,370)
Tax Equivalent rate	30%	30%	30%	30%
Taxation equivalent	435,507	517,027	(42,272)	(110,511)
Competitive neutrality costs	**435,507**	**517,027**	**(42,272)**	**(110,511)**

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, 5%)

Note 10.5 Management indicators	Benchmark	2022	2021	2020	2019
		$	$	$	$
(a) Underlying surplus or deficit					
Net result for the year		(102,219)	698,392	1,738,203	(470,638)
Less non-operating income					
Capital Grants		(1,275,400)	(574,732)	(441,136)	(646,940)
Insurance Recovery		-	-	-	(175,000)
Contributions and donated assets		-	(205,000)	(2,534,000)	-
Financial Assistance Grants:					
Received in the current financial year but referable to the subsequent financial year		(1,655,665)	(985,628)	(1,007,710)	(979,492)
Received in the prior financial year but referable to the current financial year		985,628	1,007,710	979,492	899,143
Add non-operational expenses					
Change in rehabilitation provision and associated adjustments		1,327,061	-	-	-
Underlying surplus/deficit	0	**(720,595)**	**(59,258)**	**(1,265,151)**	**(1,372,927)**

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		(720,595)	(59,258)	(1,265,151)	(1,372,927)
Recurrent income*		8,555,870	7,573,599	7,103,554	7,605,424
Underlying surplus ratio %	0%	-8%	-1%	-18%	-18%

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

(c) Net financial liabilities					
Liquid assets less		8,702,608	7,930,200	7,234,910	7,065,518
total liabilities		(3,566,229)	(2,110,146)	(2,254,579)	(2,361,667)
Net financial liabilities	0	**5,136,379**	**5,820,054**	**4,980,331**	**4,703,851**

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

(d) Net financial liabilities ratio					
Net financial liabilities		5,136,379	5,820,054	4,980,331	4,703,851
Recurrent income		8,555,870	7,573,599	7,103,554	7,605,424
Net financial liabilities ratio %	0% - (50%)	60%	77%	70%	62%

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

Note 10.5 Management indicators (continued)

	Benchmark	2022	2021	2020	2019
		$	$	$	$

(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)		5,102,308	2,750,796	2,463,690	2,499,514
Current replacement cost (Gross)		10,033,761	4,404,155	3,803,798	3,773,385
Asset consumption ratio %		51%	62%	65%	66%
Plant and equipment					
Fair value (Carrying amount)		1,605,755	1,578,415	2,078,053	1,903,543
Current replacement cost (Gross)		4,920,185	4,667,696	4,781,107	4,533,997
Asset consumption ratio %		33%	34%	43%	42%
Roads					
Fair value (Carrying amount)		41,245,475	41,094,315	41,390,805	39,684,534
Current replacement cost (Gross)		57,895,240	56,900,587	56,393,002	74,230,883
Asset consumption ratio %		71%	72%	73%	53%
Bridges					
Fair value (Carrying amount)		3,461,822	3,503,890	3,271,361	3,402,877
Current replacement cost (Gross)		9,321,820	9,208,658	7,627,707	7,627,707
Asset consumption ratio %		37%	38%	43%	45%
Airport					
Fair value (Carrying amount)		5,469,000	8,332,900	8,727,896	8,850,000
Current replacement cost (Gross)		12,626,000	26,394,778	26,322,395	25,978,929
Asset consumption ratio %		43%	32%	33%	34%
Drainage					
Fair value (Carrying amount)		1,340,199	1,359,167	674,698	690,616
Current replacement cost (Gross)		2,164,868	2,164,868	2,109,112	2,098,127
Asset consumption ratio %		62%	63%	32%	33%
Recreation and Community Facilities					
Fair value (Carrying amount)		1,780,306	827,032	695,402	713,702
Current replacement cost (Gross)		5,322,939	1,327,579	1,050,857	1,050,857
Asset consumption ratio %		33%	62%	66%	68%
Waste Management					
Fair value (Carrying amount)		942,342	869,023	846,300	531,210
Current replacement cost (Gross)		1,646,466	1,064,086	1,008,504	672,452
Asset consumption ratio %		57%	82%	84%	79%

Note 10.5 Management indicators (continued)

	Benchmark	2022	2021	2020	2019
		$	$	$	$

(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 financial year there is no comparative information available for prior periods.

Buildings		
Projected capital funding outlays[1]		649,000
Projected capital expenditure funding[2]		1,099,000
Asset renewal funding ratio %	90-100%	59%
Plant and equipment		
Projected capital funding outlays[1]		3,056,000
Projected capital expenditure funding[2]		3,056,000
Asset renewal funding ratio %	90-100%	100%
Roads		
Projected capital funding outlays[1]		7,024,200
Projected capital expenditure funding[2]		7,686,000
Asset renewal funding ratio %	90-100%	91%
Bridges & Drainage		
Projected capital funding outlays[1]		1,374,000
Projected capital expenditure funding[2]		1,328,000
Asset renewal funding ratio %	90-100%	103%
Airport		
Projected capital funding outlays[1]		2,000,000
Projected capital expenditure funding[2]		2,366,000
Asset renewal funding ratio %	90-100%	85%
Recreation and Community Facilities		
Projected capital funding outlays[1]		560,000
Projected capital expenditure funding[2]		100,000
Asset renewal funding ratio %	90-100%	560%
Waste Management		
Projected capital funding outlays[1]		880,000
Projected capital expenditure funding[2]		880,000
Asset renewal funding ratio %	90-100%	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		1,385,789	1,065,594	690,726	1,317,469
Annual depreciation expense		2,060,869	1,954,219	1,813,910	1,697,796
Asset sustainability ratio %	100%	67%	55%	38%	78%

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 2022 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.

Leah Martin
Acting General Manager

Date : *11/01/2023*

Tasmanian Audit Office

Level 8, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

Independent Auditor's Report

To the Councillors of King Island Council

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

In my opinion, the accompanying financial report:

(a) presents fairly, in all material respects, Council's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended

(b) 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.

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.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

17 January 2023
Hobart

KING ISLAND COUNCIL