



ANNUAL REPORT

2023 - 2024



Acknowledgement of Country

Sorell Council would like to pay our respects to the traditional and original owners of this land the Mumirimina people, to pay respect to those that have passed before us and to acknowledge today's Tasmanian Aboriginal community who are custodians of this land.

Sorell Council is committed to forging stronger relationships and a deeper respect for Aboriginal and Torres Strait Australians, by acknowledging and respecting the diversity and history of our Aboriginal and Torres Strait community.

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OUR PURPOSE

To facilitate a vibrant, sustainable and liveable South East Region.

OUR VISION

A proud, thriving and inclusive South East Community.

OUR VALUES

INTEGRITY

We work in good faith, are honest and forthcoming and take accountability for our decisions.

RESPECT

We listen to and consider the opinions and input of each person and acknowledge each other's contribution.

UNITY

We work cohesively as one Council, supporting our community and each other to achieve better outcomes.

INNOVATION

We are committed to finding new solutions, adapting to change and continuously improving in order to deliver the best outcomes for the community.

About Sorell

Located just 25 kilometres from Hobart, Sorell is one of Tasmania's oldest towns. Our Municipal area covers some 583 square kilometres, characterised by rolling countryside, low forested hills and long coastlines filled with beautiful beaches.

Estimated population

17,635*



37

New citizens made a pledge of commitment to Australia at 5 Citizenship ceremonies in 2023/2024.

10,110
total properties



1,421



ratepayers are registered to receive their rates notice via email



3,157
registered dogs



1 Ramsar Wetland

3,334 ha

Site of International Importance
Pitt Water-Orielton Lagoon

42** Median resident age

4.8%**

identify as Aboriginal or Torres Strait Islander

2,138**

Residents are registered volunteers

Total Area of LGA

583 km²

58,300 ha



Council formal and other reserves

1698 ha

Includes 7 formal Council reserves



Open Space

84.33

ha (total)



20

localities



1,021**

Local Business

supporting 3,232 local jobs

Council Facilities

8

with 3,645 bookings of hireable spaces in 2023/2024



62.2%

of Sorell Council Employees live in the Municipality



347 km

of Roads



107 km

of Pathways



* Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

** 2021 Census

Community Coast Country

As one of Tasmania's fastest growing Municipalities, we have a population of approximately 17,000 residents. We have grown by 15% since 2016 and are forecast to grow by 21% from 2023 to 2038 at twice the state average.

Our key entrance points are Midway Point, Dunalley and Orielton, with our Municipal borders extending east through Orielton and further south east around our scenic coastline, encasing the townships of Dodges Ferry, Lewisham, Carlton, Primrose Sands, Dunalley, Marion Bay and Boomer Bay. Our border also extends through enchanting hillsides and unique Tasmanian forests, incorporating the townships of Forcett, Copping, Nugent and Kellevie.

The main highways through our Municipality are the Arthur Highway, which connects us with the Forestier and Tasman Peninsulas, and the Tasman Highway, that connects us to the picturesque East Coast. The Sorell Township is the heart of the south east and provides a commercial focus for the region.

With suburban, beachside, semi-rural or rural living options available, our Municipality is popular for its affordable housing, natural coastline, rolling hills and the convenience of major shops and services all within close proximity to Hobart.

We manage a 347km road network comprising 113km urban / 234km rural with 217km as sealed roads and the remaining 130km unsealed. We maintain 88 bridges, 3,701 stormwater pits and 113km of stormwater pipes throughout the Municipality. There are 35 community buildings and facilities and 15 community parks and recreation reserves being managed by our works crews.

Invitation for Submissions - Members of the community are invited to make submissions on the Annual Report for discussion at our Annual General Meeting. The Annual General Meeting will be held at **5.30pm on Tuesday 10 December 2024** in the Council Chambers.

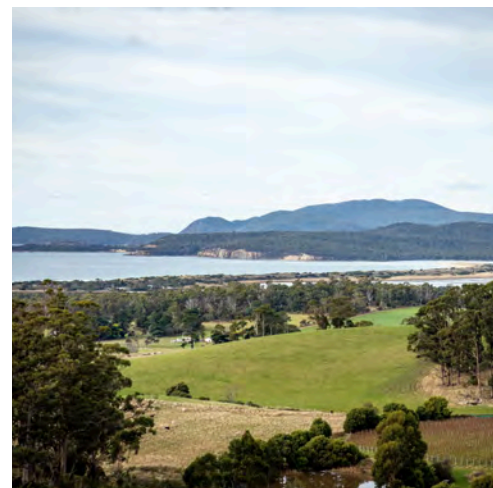
Any person wishing to make a submission can do so by addressing it to:

Robert Higgins, General Manager

Email: sorell.council@sorell.tas.gov.au

Mail: PO BOX 126, Sorell TAS 7172.

Submissions must be received by **close of business Friday 29 November 2024**.





Madison Lyden Park,
Pawleena Road

Mayors Report



“ I am very proud of where we live, I feel this place and the people who live here have a generocity of giving and celebration of our place. ”

2023 – 2024 was a year of transition for the Councillors. Meg Brown left our Council and gained a Lower House seat in Franklin for the Labor Party, to be replaced at our table by the return of Beth Nichols. Kerry Vincent won the Legislative Council seat of Prosser, vacating the Mayor position after 12 years. I thank Kerry for his dedication to our community and region. His ability to gain and maintain the municipality's high profile and relevance to a higher government level for so long is apparent in the infrastructure that has been built over the last few years.

The Local Government election that was triggered in June this year elevated me to Mayor and Michael Larkins to Councillor. At this point, I would like to thank Council staff and other Councillors for maintaining a calm, steady hand and patience during these hand over weeks. Also, I would like to acknowledge our Community that have been very open and accepting of me and my style of leadership.

The focus on community engagement has had a positive impact on community and Council operations. A picture of our community has been created by engaging with a cross section of the municipality to create a Social Strategy and Active Transport Strategy, as well as a South East Youth Consultation process run by YNOT. These strategies and reports have demonstrated where the shortfalls are in available services, what Council is doing well and where Council needs to be focusing into the future. They've provided a check in on Council's "intentional compass". Making sure that as Council plans for the next ten years we are planning for the communities desired needs and outcomes.

A repeated theme during engagement was the need for social infrastructure. Council has started to respond to these needs by upgrading the streetscapes in Sorell, planting trees and defining locations for social precincts. A place for Community and a place for young people.

The Sorell School redevelopment is almost complete at the time of writing this report. The incredible new spaces have had a positive impact on the students and community. The civic space in and around mina nina krakani (the school canteen) is an asset to the whole community. The Child and Family Early Learning Centre "The Nest" started operating in the second half of 2024. Sorell School is an educational facility from birth through to year 12 and beyond with the Trade Training Centre - supporting families and young people in our community to be the best they can be.

I am very keen on partnerships and taking advantage of opportunities, and the BMX track is a great example of both. The BMX Track, an exciting addition to the South East Sports Complex, is now open and well attended.

Glenorchy City Council, Active Tasmania, Southern City BMX and Council partnered to give this national standard BMX track a home in Sorell. This year the sports complex has attracted national attention and has seen many of our core user sports - netball, soccer, basketball, cricket and football all achieving success or a step up to a higher level of competition. Thank you to those who have driven and supported these and any other club to their success.

A gift to the community was the Madison Lyden Park, the new playground on Pawleena Road. As a celebration of the life of Madison Lyden, a play park was created in her memory and over time will be supported by amenities and picnic facilities, making it a true asset to the new community being built around it and anyone else passing by.

Communities have continued taking ownership of their towns and backyards. The Dunalley community took responsibility for the operation of Dunalley Community Hall. After consultation with the community and numerous conversations the Hall was leased to a local Dunalley community group to manage. The Halls outstanding location and motivated community have every opportunity to give this valuable local asset a secure and sustainable future.

It is good to see communities taking responsibility and demonstrating concern for their local environments. This was evident when the Council's Natural Resource Management Facilitator commenced engagement with the Midway Point community about responsible cat management. A program which was both

Mayors Report continued

beneficial for wildlife, felines and households. Again engagement and education was the key to success, along with a three way partnership between Sorell Council, Tassie Cat and TenLives.

The project has resulted in at least 50 cats being desexed and many more being contained and prevented from roaming and killing wildlife next to the environmentally sensitive Ramsar site of the Pittwater Orielton Lagoon. This program is now being extended to other environmentally sensitive reserves in our community.

Sorell Council recognises it's responsibilities in reducing the impact its actions have on the environment and is responding with sensible decisions. The introduction of the green waste wheelie bins, and the way stormwater run off is discharged into the sea through the Coastal Estuary Risk Mitigation Program projects are prime examples. Local community experts have come together to shape a long-term NRM Strategy through the establishment of an NRM Environmental Advisory group. This will prioritise where and how Council will invest to support our environment going forward.

I am very proud of where we live, I feel this place and the people who live here have a generosity of giving and celebration of our place. This was evident in the short film Sorell 22: Country to Coast production that can be seen on Council's YouTube channel. There are so many good events and activities that happen around our Municipality - markets, Brixhibition, the Truck Show, Taste of South East, Christmas Carols to name a few. Clubs and groups including walking groups, choirs, line dancing, the new Sorell Probus, Rotary, Lions, Causeway Club, School for Seniors, and many more all contribute to the vibrancy of our community.

As the population of the Municipality grows, let us embrace our new residents and maintain our connectedness. I am looking forward to continuing Kerry Vincent's work in maintaining a high profile for continued investment from higher levels of Government to sustain our community growth and work at a community level to enable every one of us to be the best we can be. Why would we want to live and work anywhere else?

Janet Gatehouse
MAYOR



General Managers Report



It has been a focused team effort from staff and Councillors through FY 23/24 with the recurrent simple aim of ensuring the business is delivering and facilitating the best outcomes for the community and wider region in a financially responsible and sustainable manner.

The underpinning Purpose, Vision and Values contained in our Strategic Plan drive this and remain aligned with the region as it continues to grow and evolve.

The organization acknowledges the effort, support, vision, passion, advocacy and impact of Mayor Kerry Vincent who successfully gained election into the Upper House. Kerry's legacy will benefit the community for generations to come through a highly successful period of Federal and State infrastructure investment and community support.

We welcomed Janet Gatehouse as our new Mayor who continues the tradition of being an engaged and focused community leader and representative, in addition to Councillors Beth Nichols and Michael Larkins who were successful in filling two vacancies.

The key matters of infrastructure and service provision by State and Federal Government will always play a major enabling role in how the South East region operates. Governments hold the key with their financial capacity to fund and underwrite major asset construction and supply community support functions across education, health and social services.

With continued changes in State Government Ministerial portfolios and their majority position, combined with a Federal Labor Government, it has been a challenge to effectively advocate for the strategic needs of the South East region in a way that resonates and withstands election, portfolio, budgeting and popularity cycles. Partnering and relationship management with a wide array of public and private stakeholders is key and an ongoing daily consideration and focus.

A two-speed funding environment developed between the levels of government reflecting the slowing of the state economy, longer-term debt levels and COVID impacts. The effect of this has reinforced the importance of Council having established a strong asset and financial framework over the past ten years such that we can sustainably invest in asset and facility improvements.

Challenging economic conditions continued for the community and Council with ongoing cost of living, civil and building industry costs and associated inflation at the forefront of our decision making.

Council adopted a 4.5% rate increase as a measured response in order to deliver a \$35.78m budget (\$23.86m recurrent income) and proposed \$18.03m capital budget (inclusive of \$13.10m carry forward projects).

The capital budget projects for both asset renewal and new / upgrades were across all four classes – Transport, Buildings, Stormwater and Land Improvements. A number of these were achievable with support from Federal and State Governments through final COVID recovery grants for community and local infrastructure upgrades, Black Spot and Vulnerable Road Users Programs, Active Tasmania grants, Roads to Recovery funding, Financial Assistance Grants and project specific commitments.

The FY 23/24 budget delivered an end of year net surplus of \$17.50m against a budgeted surplus of \$12.23m. This was principally impacted by an increase in operating income of \$1.28m due to early payment of FY 24/25 Financial Assistance Grants allocation and developer contributions and bolstered by capital income of \$1.37m as equity share of Copping Refuse Disposal Site Joint Authority (CRDSJA) and non-monetary asset contributions to the value of \$12.02m (i.e. assets donated through subdivision development).

The net surplus result flowed into the underlying position management indicator which showed a surplus of \$2.75m and associated ratio of 11% (>0% target).

This comprises the net operating result (\$17.50m) less non-operating income. The prior year position was \$2.67m.

Another indicator that adopts a more coarse calculation but is equally relevant, comprises operating (recurrent) income (\$25.14m) minus expenses (\$22.83m). For FY 23/24 it was a surplus of \$2.31m against budget of \$0.31m. The prior year position was \$3.50m.

Council delivered a Capital Works Program of \$11.90m comprising \$7.36m of asset renewal/replacement, \$4.53m for new/upgraded assets and maintenance expenditure of \$2.43m. This generated ratios of 119% asset sustainability, asset renewal funding of 100% across all classes and asset consumption of 64% - transport, 86% - buildings and 75% - stormwater. Our net assets and total equity increased from \$353.37m to \$419.00m inclusive of our cash position which increased from \$18.42m to \$19.17m (note this reflects unexpended but committed grant funding for work in progress projects).

General Managers Report continued

Further, \$37.82m of the net assets and total equity increase was due to valuation of land under roads, a non-cash recognition.

Delivery of our Financial Management Strategy capital program improved with a lower carry forward amount (\$13.10m FY 22/23 to \$2.74m FY 23/24 – noting capital budget was adjusted down Feb 24 from \$18.03m to \$14.64m). This is despite longer lead in times for project feasibility, design and community engagement.

Civil and building construction cost escalation mercifully slowed but continued to impact new / upgrade asset project viability and mandatory asset renewals. This strongly influences our asset investment focus cognizant of recreational, environmental and social infrastructure requirements and long-term financial sustainability noting the annual asset depreciation operating expense increased by \$0.88m to \$6.17m (\$3.92m in FY 13/14).

Recognising a softening of the prior strong 10 year government investment period, Council focused on shoring up asset and service elements that support, serve and strengthen our communities.

Completion of a Social Strategy, Active Transport Strategy, SE Youth Engagement project (stage 1), revised Communication and Engagement Strategy, Reserve Management Plans, SERDA Economic Infrastructure Strategy in combination with the establishment of a NRM Environmental Advisory Group and more functional and meaningful engagement with the community, all contributed to better short and longer term outcomes.

Additionally, investing in streetscape upgrades, a regional BMX facility, commencing the Jobs & Training Hub, coastal estuarine risk mitigation projects, Carriage Shed upgrade, flood mitigation upgrades, new paths and tracks and the timely renewal of assets across all classes contribute to improving the quality and function of the community environment.

This focus on strategic, operational and asset projects geared to community development and wellbeing will continue in FY 24/25 as detailed in the annual plan and capital budget.

Business & Employment Southeast Tasmania (BEST Inc.) in collaboration with Council applied to the Federal Government Suburban University Study Hub program. If successful, this will enable services to be delivered through the Jobs & Training Hub facility to improve educational access, skill development and lifelong learning opportunities for residents in the south-east that seek to achieve a tertiary attainment target of 80% of the working population by 2050.

Progress on the establishment of leasing arrangements between the Dunalley Marina

proponent and State Government was again slow despite the Office of the Coordinator Generals efforts to progress brokering arrangements with the Office of the Crown Solicitor and NRE. Whilst the proponents remain committed to the project it is concerning that timely agreement cannot be reached which has the potential to render the project unviable.

Council's engagement in the Local Government reform project concluded with the release of, and our subsequent response to, the final report recommendations. Along with Glamorgan Spring Bay and Break O'Day Councils, Sorell will participate further in reform options encompassing the three LGA's. This body of work was stalled due to the State election but will recommence in FY 24/25 subject to funding commitments from the State.

All southern Councils with the State Government commenced the review of the Southern Tasmanian Regional Land Use Strategy. The regional planning coordinator drove the project deliverables and consultant engagement. This is a significant project for the State, region and Sorell Council but has not been without challenges coordinating stakeholders, expectations, understanding and timing deliverables to achieve the originally agreed (but since revised) timeframes. Council staff have and will continue to play active roles on the Working Group and Steering Committee whilst coordinating our own strategic planning projects accordingly.

Council made significant progress in transitioning to a FOGO service and reducing landfill through the establishment of GO services to all residential areas. Southern Waste Solutions similarly further progressed an in vessel composting facility project at Copping. Collectively, statewide, regional and local recognition of smarter and more sustainable waste management practices improved with a variety of policy, funding, service and facility actions now being implemented. There is still work to be done to better educate communities on the need and benefits of committing to smarter and more sustainable waste management.

I express gratitude to our staff who strive to deliver a broad range of services, maintenance activities and capital works programs with a genuine desire to do the very best for the community and to operate within our means. The organisation and Elected Members take the role of community leadership seriously and endeavor to act responsibly, transparently and genuinely for our residents and all stakeholders.

Robert Higgins
GENERAL MANAGER



Mayor
Janet Gatehouse

Terms as Councillor
2022 - Present

Term as Mayor
2024 - Present

Representations:
Sorell Planning Authority
Copping Refuse Disposal Site Joint Authority ("CRDSJA")
Pembroke Park Advisory Committee
Natural Resource Management & Environmental Advisory Group
Senior Advisory Group
Municipal Emergency Management Committee - Chair
South East Region Development Association (SERDA)
Local Government Association of Tasmania
TasWaste South
TasWater
Southern Tasmanian Councils Authority (STCA)



Deputy Mayor
Charles Wooley

Terms as Councillor
2022 - Present

Terms as Deputy Mayor
2022 - Present

Representations:
Sorell Planning Authority
Local Government Association of Tasmania - Proxy
Copping Refuse Disposal Site Joint Authority (CRDSJA) - Proxy



Councillor
Shannon Campbell

Terms as Councillor
2022 - Present

Representations:
Sorell Planning Authority
Copping Hall and Reserves Committee



Councillor
Michael Larkins

Terms as Councillor
2024 - Present

Representations:
Sorell Planning Authority
Pembroke Park Advisory Committee



Councillor
Marisol Miro
Quesada Le Roux

Terms as Councillor
2022 - Present

Representations:
Sorell Planning Authority



Councillor
Beth Nichols

Terms as Councillor
2018 - 2022
2023 - Present

Representations:
Sorell Planning Authority
Sorell Audit Panel



Councillor
Melinda Reed

Terms as Councillor
2018 - 2022
2022 - Present

Representations:
Cultural Precinct Reference Group
Sorell Planning Authority
TasWater - Proxy
Sorell Audit Panel
Natural Resource Management & Environmental Advisory Group - Chair



Councillor
Natham Reynolds

Terms as Councillor
2014 - 2018
2018 - 2022
2022 - Present

Terms as Deputy Mayor
2018 - 2022

Representations:
Sorell Planning Authority
Copping Hall and Reserves Committee
Pembroke Park Advisory Committee



Councillor
Carmel Torenus

Terms as Councillor
1991 - 1999
2000 - 2012
2014 - 2018
2018 - 2022
2022 - Present

Terms as Mayor:
1994 - 1999
2000 - 2012

Representations:
Sorell Planning Authority
Cultural Precinct Reference Group



Mayor
 Kerry Vincent
 Resigned May 2024

Terms as Councillor	Terms as Mayor
2009 – 2014	2012 – 2014
2014 – 2018	2014 – 2018
2018 – 2022	2018 – 2022
2022 – 2024	2022 – 2024

Representations:

- Cultural Precinct Reference Group
- Pembroke Park Advisory Committee – Chair
- Municipal Emergency Management Committee – Chair
- Sorell School Rebuild Committee
- South East Region Development Association – Chair
- Sorell Planning Authority (Formally Development Assessment Special Committee) – Chair
- Copping Refuse Disposal Site Joint Authority – Deputy Chair
- TasWater - Board Selection Committee Panel
- TasWater
- Local Government Association of Tasmania
- Southern Tasmania Councils Authority
- STCA Audit and Governance
- Seniors Advisory Group
- Southern Regional COVID Recovery Committee – Co-Chair



Councillor
 Meg Brown
 Resigned November 2023

Terms as Councillor
2022-2023

Representations:
 Sorell Planning Authority



Thank you Kerry!

Kerry Vincent resigned from his position as Mayor in May 2024 after his successful election win for the Upper House seat of Prosser.

Kerry was first elected to Council in 2009, and elected as Mayor in October 2012. During his fifteen years on Council Kerry was very successful at effectively lobbying and working with State and Federal Governments to secure funding for major infrastructure projects and services for the benefit of the Sorell Municipality and wider south east region.

Council thanks Kerry for his dedicated service and commitment to our community and wish him the very best for his new role. We know he will continue to be a wonderful advocate for the south east region.



Australia Day Award
Recipients 2024

Councillor Allowance and Expenses

In 2023-2024 Council provided allowances and reimbursement for reasonable expenses to the Mayor, Deputy Mayor and Councillors.

Councillor allowances and expenses totalled **\$212,000**.

Councillor Attendance

	Council & Special Meetings		Workshops/ Briefings		SPA Meetings		AGM		Other Meetings %	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mayor Kerry Vincent +	16	11	15	11	20	14	1	1	3	3
Mayor Janet Gatehouse ^	16	16	15	15	20	19	1	1	3	1
Deputy Mayor Charles Wooley	16	13	15	12	20	14	1	1	3	2
Councillor Meg Brown #*	16	1	15	1	20	3	1	0	3	0
Councillor Shannon Campbell	16	11	15	12	20	15	1	1	3	0
Councillor Marisol Miro Quesada	16	15	15	13	20	15	1	1	3	3
Councillor Melinda Reed	16	16	15	15	20	19	1	1	3	3
Councillor Natham Reynolds	16	12	15	11	20	7	1	1	3	1
Councillor Carmel Torenus	16	14	15	14	20	17	1	1	3	1
Councillor Beth Nichols @	16	11	15	7	20	10	1	1	3	1
Councillor Michael Larkins ~	16	1	15	0	20	0	1	0	3	0

+ Mayor Kerry Vincent - resigned from Council May 2024.

^ Councillor Gatehouse - was elected as Mayor 24 June 2024.

~ Councillor Larkins - was elected Councillor 24 June 2024.

Councillor Meg Brown - resigned from Council 17 November 2023.

@ Councillor Beth Nichols - was elected Councillor by re-count 8 December 2023.

*Leave of Absence approved

% Other Meetings include - Community Conversations and Australia Day Awards selection meeting.



**Nugent Road
Re-Construction**

Code of Conduct

No code of conduct complaints were upheld either wholly or in part during the preceding financial year.

No costs were met by Council during the preceding financial year in respect of code of conduct complaints dealt with during the proceeding financial year.

Contracts for the supply of goods and services

In accordance with Regulation 29(1) of the *Local Government (General) Regulations 2015*, the following are particulars of all tendered contracts for the supply or provision of goods and services valued at or exceeding **\$250,000** (excluding GST) entered into by Council during the 2023 - 2024 financial year.

Item	Description of Contract	Contract Period	Contract Value \$	Successful Contractor
1	Re-sheeting Program	Oct 23 - Jan 24	\$823,425.81	Statewide Earthworks
2	Nugent Road Reconstruction, Nugent	Nov 23 -Jan 24	\$610,519.68	Andrew Walters Construction
3	Bay Road Reconstruction, Marion Bay	Feb 24 - May 24	\$505,408.50	RCCC
4	Primrose Sands Road Reconstruction, Primrose Sands	Mar 24 -Jun 24	\$428,486.36	Statewide Earthworks
5	Marion Bay Road Reconstruction, Bream Creek	Mar 24 -Jun 24	\$406,852.12	SPA
6	Midway Point footpath renewals, Midway Point	May 24 - Nov 24	\$454,870.64	De Kleine
7	Wiggins Road Widening, Forcett	Apr 24 -Jun 24	\$366,255.81	Andrew Walters Construction
8	Bitumen Reseals Sorell Various Sites	Jan 24- Apr 24	\$598,784.30	Fulton Hogan

Contracts for the supply of goods and services

In accordance with Regulation 29(3) of the *Local Government (General) Regulations 2015*, the following are particulars of all contracts for the supply or provision of goods and services valued at or exceeding **\$100,000** (excluding GST) entered into by Council during the 2023 – 2024 financial year.

Item	Description of Contract	Contract Period	Contract Value \$	Successful Contractor
1	Lewisham Scenic Drive footpath renewal, Lewisham	Nov 23 -Dec 23	\$191,931.00	Statewide Earthworks
2	Sorell Valley View close 1.5m asphalt footpath (Variation concrete)		\$138,147.24	Moore Civil contracting

Copping Refuse Site Joint Authority

The Copping Refuse Disposal Site Joint Authority (Trading as Southern Waste Solutions) was established under Section 30 of the *Local Government Act 1993* by Sorell Council, Clarence City Council and Tasman Council. Kingborough Council later joined the Authority in 2009.

ACTIVITIES

The Copping Refuse Disposal Site Joint Authority's function is to promote and manage a putrescible landfill disposal site which conforms to its Development Proposal and Environmental Management Plan (DP&EMP) and permit conditions.

BUDGET AND PERFORMANCE

Surplus for the year before income tax expense was \$7,108,148 (2022-2023: \$6,625,801), which was above budget by \$5,449,411.

The major contributing factors to the result were an increase in gate waste receipts, waste transfer station contract income and other income. These were collectively above budget by \$6,123,249. Gate waste receipts alone were above budget by \$5,130,531.

The total comprehensive surplus for the year was \$5,510,309 (2022-2023: \$5,077,612).

Donation of Land Statement

Sorell Council has not resolved to donate any land in accordance with Section 177 of the *Local Government Act 1993*.

Enterprise Powers Statement

Sorell Council has not resolved to exercise any powers or undertaken any activities in accordance with Section 21 of the *Local Government Act 1993*.

Public Interest Disclosures Act 2002

Section 86 of the *Public Interest Disclosures Act 2002* states that Council as a public body is required by the *Local Government Act 1993* to prepare an Annual Report and therefore must report on the following:

Information as to how persons may obtain or access copies of the current procedures established by the public body under the Act – Council's Public Interest Disclosure Procedure is freely available for download on Council's public website (www.sorell.tas.gov.au/council/council-publications/) and can also be accessed by phoning Customer Service.

The number and types of disclosures made to the relevant public body during the year and the number of disclosures determined to be a public interest disclosure – *None*.

The number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year – *None*.

The number and types of disclosed matters referred to the public body during the year by the Ombudsman – *None*.

The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate – *None*.

The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year – *None*.

The number and types of disclosed matters that the relevant public body has declined to investigate during the year – *None*.

The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation – *None*.

Any recommendations made by the Ombudsman that relate to the relevant public body – *None*.

Grants, Assistance and Benefits provided under Section 77(1)

INDIVIDUAL ACHIEVEMENT	
Individual State Representation x 17	\$ 4,250
Sub Total Individual Achievement Funding	\$ 4,250
QUICK RESPONSE GRANTS	
Neil Davis Exhibition Centre	\$ 250
Primrose Sands Volunteer Fire Brigade	\$ 617
Sorell South East Junior Football Club	\$ 500
Youth With A Mission - Tasmania Inc	\$ 399
Sub Total Quick Response Grants	\$ 1,766
COMMUNITY ASSISTANCE GRANTS	
Acts Global Churches	\$ 2,000
Copping Community Care	\$ 2,000
Historical Society of Municipality of Sorell	\$ 2,000
Lions Club of Sorell Inc	\$ 1,500
Marion Bay Coastcare Inc	\$ 2,000
Okines Community House Inc	\$ 2,250
Sea Rescue Dodges Ferry	\$ 2,000
Sorell Community Network	\$ 1,912
Sorell RSL	\$ 2,000
Sorell Tennis Club	\$ 2,000
South East Netball Association	\$ 2,000
South East Suns Women's Football Club Inc	\$ 1,512
Southern Beaches Landcare/Coastcare	\$ (788)
Southern Tasmanian Country Music Muster	\$ 2,000
The Salvation Army	\$ 2,000
Variety - The Children's Charity - Tasmania Inc	\$ 1,500
Sub Total Community Assistance Grants	\$ 27,887
ANNUAL CONTRIBUTIONS AND DONATIONS	
Bream Creek Show Society Committee	\$ 1,000
Primrose Sands Community Centre	\$ 5,000
Reptile Rescue Inc	\$ 1,500
Sea Rescue Dodges Ferry	\$ 3,000
Sorell Mens Shed and Heritage Museum Inc	\$ 100
Sorell Regional Art Prize	\$ 2,000
Sub Total Contributions and Donations	\$ 12,600
SCHOOL BURSARIES	
Dodges Ferry Primary School	\$ 200
Sorell High School	\$ 300
Sorell Primary School	\$ 200
Dunalley Primary School	\$ 200
Sub Total School Bursaries	\$ 900
TOTAL DONATIONS AND GRANTS	\$ 47,403

Public Health and Food Act Statement

The Environmental Health section consists of the full time Manager Health & Compliance (who is a qualified Environmental Health Officer), two part-time Environmental Health Officers (24 hours/week and 8 hours per week respectively), Senior Compliance Officer (4-days per week) and three Compliance Officers (one 4-days per week and two 3-days per week). The section is responsible for public health activities such as food business regulation, public health risk activities, immunisation programs, places of assembly, registration of regulated systems, water quality, immunisations, animal management, fire hazard abatement on private land and caravan licencing.

Environmental Health Officers (EHOs) undertake statutory duties under the Public Health Act 1997 and Food Act 2003. EHO's also assess planning and plumbing applications, investigate pollution complaints, collect water samples, conduct sanitary surveys, complete Public Health reports, investigate environmental/nuisance, provide environmental health input into council business processes, assess contaminated sites, manage the school based immunisation program and administer the Environmental Health and Public Places By-laws.

The Manager Health & Compliance administers waste management collection contracts and supervises building, plumbing and compliance staff. The Senior Compliance Officer manages the fire hazard programme, enforces by-laws, collects water samples, investigates environmental/nuisance and the litter complaints and co-ordinates the Animal Management Officers.

Public Health

The section regulates major public events such as Bream Creek Show and South East Sun's Truck and Trade Show. Place of Assembly Licences were issued and the events complied with permit conditions.

Council's EHO's have implemented the new Food Safety Supervisor (FSS) requirements. Generally, most of the relevant businesses completed the required training.

Several food complaints were received including, potential cross contamination of ready-to-eat food, selling food unsuitable for human consumption, food containing foreign matter (insects), cleanliness of a food business. The number of complaints received in 23/24 was higher than 22/23.

Food business inspections slightly decreased compared to 22/23, in total 125 inspections were completed from 112 food businesses, not including 22 P3N and 30 P4 (notification only). Several food safety breaches were identified and enforcement action was taken. Public health risk activities and high-risk private water suppliers received inspections and were registered as required by the Public Health Act 1997.

The School immunisation programme was successfully completed at Sorell School and Indie School in 2023/24. Diphtheria, tetanus and pertussis (dTpa) and Human papillomavirus (HPV) vaccinations were given to students.

Recreational water quality monitoring was completed at primary contact swimming beaches during the summer. No monitoring site changes have occurred in 2023-2024.

All sites monitored have 'good' water quality for 2023/24 with McKinly Beach Midway Point classified as 'fair' based on a 5-years rolling average. One of the possible causes identified for the fair status is the higher than average rainfall and heavy rain events during previous summer seasons. The recreational water quality beach classifications are in accordance with the Tasmanian Recreational Water Quality Guidelines. Warning signs are erected at these sites advising residents not to swim after heavy rainfall. New permanent signs that flip down can be used if the water quality is temporarily poor. The new signage provides consistency and uniformity across the Southern Tasmanian Council areas.

There is one public swimming pool situated in the municipal area, water sample results complied with the Tasmanian Guidelines for Recreational Water Quality.

Water quality results from private water suppliers generally had good water quality. There was one occurrence, from a local school when water quality did not comply and a do not consume warning was issued.

Several notifiable disease notifications (Salmonella) were received, investigations completed and sent to the Director of Public Health. Clusters of institutional gastroenteritis outbreaks were reported from age care and child care businesses. The EHO conducted food safety inspections, where foodborne illness was suspected.

Public Health and Food Act Statement *continued*

Environmental Management

Dodges Ferry rainfall over 23/24 was average, this contributed to a reduction in the number of complaints concerning failing septic tank systems, compared to the previous year.

There continued to be a significant number of complaints with relation to domestic noise, backyard and larger scale burning, dust from subdivision works, offensive odour from domestic and commercial sources, barking dogs, fire hazards and dog attacks. Officers are using enforcement options including education, warnings, infringement notices, seizures and formal orders. Complaints are prioritised and investigated considering; public safety, the extent of environmental impact and available resources.

One significant incident occurred relating to dumping of large volumes of commercial waste onto a farm. The Manager Health & Compliance and EHO assisted EPA Tasmania compliance staff with the investigation and provided evidence that ultimately resulted in EPA Tasmania issuing fines totally around \$40,000 on a waste transport business.

Environment Protection Notices (EPN) were issued to regulate continuing trials of aquaculture waste being applied on several local properties to determine if it is an effective soil fertiliser. Another EPN issued required upgrading of a commercial wastewater treatment plant, this has now been complied with.

EHO's responded to several TasWater sewage spills in Dunalley, warning signage was erected not to consume shellfish. TasWater has now installed a new sewage pump station which reduces the likelihood of future flooding pump station overflow. One sewerage cross connection to stormwater was identified and has now been rectified by TasWater.

Compliance

There continues to be a high incidence of dog barking complaints, dog attacks on people and other animals. Officers typically resolve these incidents by seizing the dog and/or issuing infringement notices or prosecutions. Animal Management Officers conduct periodic patrols at dog exercise areas over summer.

377 fire abatement notices were issued in 2023/24, which is 84 less than the previous year.

The majority of landowners complied with the notice. However, when this did not occur Council organised contractors to abate the nuisance

and the costs were passed onto the land owner.

Numerous littering complaints were received and several fines have been issued for dumping rubbish, in public places or at the recycling centres. The incidence of used tyre dumping is concerning.

The Senior Compliance Officer, with the assistance of Animal Management Officers have identified a number of unlicensed caravans or existing caravans that had not paid renewal notices.

Animal Management Officers completed several hundred property inspections and have identified unregistered dogs.

Building & Plumbing

Building and plumbing staff continued to deal with new applications, numbers of building applications remained constant during 23/24. Council's Permit Authority has actively been investigating complaints about illegal building work. Consequently, a number of building orders were issued.

Plumbing and building notices/orders issued typically related to onsite wastewater management systems not installed correctly, stormwater drainage, non-compliant plumbing work, failing on-site wastewater management systems, undertaking building work without a work authorisation, non-compliant building work, occupying buildings without an occupancy permit and converting outbuildings into habitable buildings without a permit.

The EHO and plumbing surveyor responded to reports of foul odours. Investigations into the odour found incidents of sewerage cross connections to stormwater. Those identified have now been resolved.

Waste Management

Council provides a range of waste management services including, kerbside garbage and recycling collection, greenwaste and hard waste collection, public recycling centres, public litter bins and a subsidy for residents using the Mornington Park Transfer Station.

Council awarded a new contract for kerbside garbage, recycling and greenwaste wheelie bins to Veolia Environmental Services. Implementation of the Waste Management Strategy continued, with a key focus on participation in regional waste minimisation activities conducted by TasWaste South, participation in the garage sale trail and introduction of a new kerbside wheelie bin greenwaste service.



**Wheel Chair Storage
Shed Carlton Beach**

Sorell Council Audit Panel Annual Report 2023-24

BACKGROUND/INTRODUCTION

Sorell Council's Audit Panel was established in 2014 under Section 85 of the *Local Government Act*. Its role is documented in the Panel Charter that aligns with the *Local Government (Audit Panels) Order 2014* and approved by Council.

PURPOSE

The Audit Panel is a review and advisory body, with no management responsibility or decision-making authority. Its primary purpose is to assist Councillors to fulfill their responsibilities in relation to the review of Council's performance and effectiveness, as well as safeguarding its long-term financial position. In meeting its Charter, the Panel is mindful of Council's size, scale and resource constraints.

AUDIT PANEL MEMBERSHIP AND MEETINGS

Membership

The Panel comprises three independent members, including the Chair, and two elected members of Council.

During the year, the Panel has undergone a significant amount of change. Carolyn Pillans and Helen Galloway concluded their terms. The Panel acknowledges their outstanding commitment and contribution in providing expert advice to Council. In addition to Ric De Santi being appointed Chair, the Panel also welcomed Heather Salisbury and David Strong, both of whom bring deep local government experience, and broad and diverse knowledge and skills to ensure the Panel will continue to provide sound advice to Council.

Cr Janet Gatehouse was elected Mayor in June 2024 and in accordance with legislative requirements stepped down from the Panel. We congratulate Janet on her election and thank her for her excellent contribution to the Panel, especially bringing a valuable insight into the community and Council.

Meetings

The Panel continued to operate in accordance with a comprehensive work plan to meet its role and responsibilities under its Charter. The work plan specifies at least four meetings each year which are scheduled to align with the timing of key activities required under the Charter. Other meetings are convened as needed, though none were required in the financial year. From time to time, Panel members also attend other workshops, presentations and briefings, including those provided by management, consultants as management's experts and the Tasmanian Audit Office.

This year, the Panel met three times with the fourth meeting originally scheduled for 27 June 2024, postponed until 5 July 2024. This report includes that meeting.

Meeting attendances in 2023-24 were:

Panel Members	Eligible to attend	Attended
Carolyn Pillans (Chair until 24 March 2024)	3	3
Ric De Santi (Chair from 24 April 2024)	4	4
Helen Galloway (until 24 March 2024)	3	3
Councillor Melinda Reed	4	4
Councillor Janet Gatehouse	3	3
Heather Salisbury (from 1 June 2024)	1	1
David Strong (from 1 June 2024)	1	1

The General Manager and Finance Manager attended all meetings, along with other senior managers and subject matter experts when relevant to the meeting agenda. Council's external auditor, the Tasmanian Audit Office (TAO) had a standing invitation to attend all meetings. Throughout the year, the external auditors attended when necessary and the Panel met with them, without management present, as needed.

FOCUS IN 2023-24

The Panel addressed all its responsibilities under its Charter during the year, however it particularly focused on a number of key areas. These are outlined below.

External And Internal Audit

External audit

As legislated, Council's external audit service is provided by TAO. Throughout the year, the Panel met regularly with staff from TAO. Main areas of discussion included 2023-24 Audit Strategy, review of key audit areas identified for the year as well as the Completion Report and Memorandum of Audit Findings for the 2022-23 audit, with recommended actions recorded in the audit findings register. In addition, the reliability and robustness of asset revaluations undertaken, internal control risks, transition to the new financial system and IT controls and security were also discussed. The Panel also evaluated the performance of the external auditors with feedback being provided.

The Panel also noted and recorded in the audit actions register relevant recommendations from TAO Performance Audit Reports tabled during the year.

All findings included in the audit actions register are monitored for completion by the Panel. The Audit Panel will continue to monitor progress on unresolved matters during 2024-25.

Internal audit

The Panel would like to acknowledge the funding provided by Council to enable establishment of an internal audit function, an important enhancement to Council's financial governance.

Internal audits will support the work of Council and the Panel by reviewing Council's systems and operations in accordance with an agreed plan. These audits aim to identify how well risks are managed, whether the appropriate processes are in place, agreed procedures are being followed and improvements can be made.

Following an expression of interest process, an internal audit provider was appointed with a three-year rolling Strategic Internal Audit Plan nearing completion. The plan is based on a risk management approach, is reviewed annually and can be altered should specific issues require attention.

The first project will be conducted in the 2024-25 financial year.

Other Panel Activities During the Year

During the year under review the Audit Panel:

- Reviewed and provided feedback on the Financial Statements for the financial year ending June 2023.
- Reviewed commentary in the 2023 Annual Report to ensure consistency with the Financial Statements.
- Met with TAO to discuss the 2022-23 audit and any issues that arose, and recommendations made.
- Oversaw the 2023-24 External Audit planning process.
- Reviewed findings from TAO Interim Management Letter and Memorandum of Audit Findings for the year ended 30 June 2024.
- Received a briefing on likely changes and impacts to the 2024 Financial Statements arising from asset revaluations, treatment of significant transactions and depreciation protocols.
- Continued to review and advocate for implementation of outstanding audit recommendations.
- Regularly reviewed and commented on Management Finance Reports.
- Reviewed Council's Organisational Risk Register and Risk Management Policy.
- Reviewed a number of other relevant Council policies such as:
 - Fraud Control and Corruption Prevention Policy
 - Motor Vehicle Policy
 - Fuel Card Policy
 - Disposal of Goods and Equipment Policy
 - Asset Management Policy.
- Considered Council's 2019-2029 Strategic Plan and 2024-25 Annual Plan, including integration with the Financial and Asset Management Strategies and associated Long-Term Plans.
- Reviewed the Land Improvements Asset Management Plan 2024.
- Enquired into special areas of focus identified by the Panel such as business continuity planning along with Councillor education and workforce planning. The Panel will maintain its focus on these areas during 2024-25.
- Received status updates on Legislative Compliance, Significant Risk, Insurance and Legal Matters.
- Monitored effects of changes to legislation.
- Was updated on Council's mid-year budget review process along with outcomes of that review.
- Received a report on the 2024-25 budget process, estimates and assumptions.
- Reviewed the final operating and capital budgets for 2024-25.
- Monitored WHS processes through updates and review the Workplace Health and Safety Committee minutes.
- Received information about the renewal of Council's insurances for 2024-25.
- Received updates on the progress of the ongoing Future of Local Government Review, including Council submissions.
- Monitored Panel member recruitment as well as the Chair participating in induction of new members.
- Regularly reviewed the Audit Panel's annual work plan.

The Panel thanks the General Manager, Finance Manager and other Senior Managers and subject matter experts for their diligent support to, and positive engagement with, the Panel during the year.



Sorell Streetscape
Gordon Street

SNAPSHOT 2023-2024



395

DEVELOPMENT
APPLICATIONS

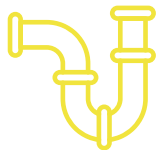
Lodged for assessment



257

BUILDING
APPLICATIONS

Inclusive of Permits, Notifiable
and Low Risk works



209

PLUMBING
APPLICATIONS

Inclusive of Permits,
Notifiable, Low Risk works



112

FOOD
BUSINESSES

active in the municipality



532

TONNES

Bulk green waste collected



473

TONNES

Bulk Hardwaste collected



3,449

TONNES

General waste collected



1,078

TONNES

Recycling collected



24,052

CALLS
ANSWERED

by the Customer Service Team



\$44,723

COMMUNITY
GRANTS

to 26 organisations



5,200

FACEBOOK

followers



626

INSTAGRAM

followers

Annual Plan Reporting

Key objectives and summary of strategies and initiatives for the 2023-2024 financial year.

Objective 1

Facilitate Regional Growth

Measure

C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
1.1	Support the timely delivery of the South East Traffic Solution through continued commitment to engage and critically review fare pricing and the remaining Midway Point and Sorell causeway duplication projects with the Department of State Growth.	1.1 , 1.8	IP – DSG implemented half price fares for 24/25 Designs and statutory environmental approvals for causeways commenced
1.2	Continue engagement with the Tasmanian Irrigation 'South-East Integration Project' to secure funding from State and Federal Government to enable increased supply and reliability to the region that will activate further agriculture investment.	1.2, 1.8	IP – Council advocating with Tas Irrigation for \$150m Fed Gov funding
1.3	Pursue TasWater to confirm a commitment to deliver growth and capacity plans for development forecasts (sewerage 2032 completion), to address the Environment Protection Authority direction to originally cease discharge into Pittwater by 2022/2023 (2025 completion), proactively facilitate the development of Inghams Processing site and to accept the Dodges Ferry sewage lagoons adopting a pragmatic and financially achievable solution.	1.3, 1.8	IP – Pittwater sewerage strategy commenced. Inghams re-use system planning commenced. Dodges Ferry lagoons planning ongoing.
1.4	Continue to monitor business investment through surveillance of National Institute of Economic Industry Research data, engagement with Regional Development Australia, Tasmanian Chamber of Commerce and Industry, Sorell Business Association & Business and Employment Southeast Tasmania (BEST). Facilitate investment in Agriculture, Forestry and Fishing, Construction, Manufacturing, Health Care and Social Assistance, Administrative and Support Industries accordingly.	1.4	IP – joint approach between RDA Tas, BEST and Council's Development Officer Strategy & Risk (lead)

Objective 1- continued

Facilitate Regional Growth

Measure

C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
1.5	<p>Support and promote SERDA programs and strategies:</p> <ul style="list-style-type: none"> Engage with SERDA partner Councils, RDA Tasmania and other stakeholders to review and update the key regional requirements of the South-East Economic Infrastructure Strategy. Identify and align with State and Federal Government programs and election commitments including Workforce Growth and Jobs Tasmania initiatives. Advocate for feasibility and economic impact assessment of Cambridge to Brighton Freight Link. Advocate with Glamorgan Spring Bay Council, the provision of capital funding to construct the Wielangta Mountain Bike Trail Project following completion of Business Case feasibility and management guidelines. 	1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.8	<p>C – SEEIS update adopted by SERDA</p> <p>IP – proactive engagement with SEEIS and project forecasts</p> <p>IP – DSG feasibility assessment commenced</p> <p>IP – State Gov funding for business case secured</p>
1.6	Advocate for and facilitate the delivery of additional education capacity and contemporary Kindergarten – Year 12 facilities for the south-east region.	1.6, 1.8	<p>IP – seeking funding for completion of all Sorell & Dodges Ferry school stages. Inclusion of a K-12 development site in Sorell East as part of STRLUS review</p>
1.7	<p>Commit to a collaborative STCA / State Government regional partnership to deliver on the Southern Tasmania Regional Land Use Strategy review Project Plan (completion Dec 2024). Complete Outer Hobart Residential Demand Supply Study with partner councils. Update Sorell Master Plan.</p>	1.7, 1.8	<p>IP – Funding secured, Steering Committee established, RPC engaged, project commenced</p> <p>C – Remplan document finalised</p> <p>IP – budget approved and scoping commenced</p>
1.8	Proactively participate in the Stage One review of the Statewide Planning Provisions and the ongoing consultation regarding the Tasmanian Planning Policies.	1.7	C – Planning Workgroup
1.9	Engage with Destination Southern Tasmania as part of their Destination Management Plan (aligns with the State Government's 2030 Tasmanian Visitor Economy Strategy) to partner with and advocate regional strategic priorities.	1.8, 1.9	IP – liaison and coordination of opportunities
1.10	Continue to engage with State Government and advocate for the timely delivery of lease arrangements for the Dunalley marina with the preferred development proponent.	1.9	IP – engaged with OCG but ongoing delays with resolving lease matters

Objective 2

Responsible Stewardship and a sustainable organisation

Measure

C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
2.1	<p>Review key assumptions and forecasts and adopt second generation Financial Management Strategy and updated 20 Year Long Term Financial Plan with delivery of a sustainable net operating surplus over the forecast period.</p> <p>Consider revenue generation options required for new / upgrade capital projects including the strategic sale of land assets in conjunction with rate increases.</p>	2.1, 2.6	<p>C - FMS and LTFP assumptions and forecasts reviewed and adopted with 24/25 budgets.</p> <p>IP - Second generation FMS / LTFP document adoption scheduled for Q2 24/25.</p>
2.2	<p>Guide commercial and industrial land zoning and private sector investment to strategically identified locations consistent with the Sorell Land Supply Strategy and updated Sorell Master Plan.</p>	2.2	<p>IP – BAU for Planning Workgroup and General Manager</p>
2.3	<p>Commit to asset revaluation cycles, provision of sustainable new/upgrade capital allocations and managing risk profiles, including:</p> <ul style="list-style-type: none"> • Land Improvement asset management plan, following the revaluation in 2022/23, to be revised and adopted by Council in 2023/24 inclusive of a review of the Land Improvement inspection program. • Commence catchment modelling review of key nominated Stormwater System Management Plan locations. • Review Risk Management framework and develop treatment plans for high level residual risks. 	2.3, 2.7, 2.8	<p>C - Land Improvement AMP and 10-year capital forecasting with inspection / Work Order review</p> <p>C - Townsend Lagoon and Sorell Rivulet by Entura</p> <p>C – RM framework adopted. IP - Risk treatment plans</p>
2.4	<p>Prepare new waste contract renewals and waste management operations for kerbside collection services, to commence 1 July 2024, including:</p> <ul style="list-style-type: none"> • Introducing greenwaste wheelie bins and provision for future FOGO. • Preparation for the introduction of the Container Refund Scheme. • Participate in Southern Tasmanian Regional Waste Management Authority and identify opportunities for regional service delivery, including waste education. 	2.4, 2.7, 2.10	<p>C - Contract awarded and services commenced July 2024</p> <p>IP - CRS introduction delayed by Tasmanian Gov</p> <p>IP - Attended regional meetings and contributed to regional projects</p>

Objective 2 - continued

Responsible Stewardship and a sustainable organisation

Measure C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
2.5	Continue elected members awareness of contemporary governance roles and responsibilities including participation in and completion of DPAC / LGAT Local Government Learning and Development Framework.	2.7	IP – relevant Council, LGAT and DPAC materials provided
2.6	<p>Establish commitments, resourcing, engagement and continuity related to: -</p> <ul style="list-style-type: none"> • Strategies to improve stormwater capacity management and quality discharge to receiving waters through a critical review of the Stormwater System Management Plan and adoption of a Council Stormwater Policy including the introduction of headwork charges. • Implementing projects associated with Year One of the Coastal Estuary Risk Mitigation grant program. • Developing an NRM Strategy to establish an informed position on appropriate and achievable environmental actions including: <ul style="list-style-type: none"> ○ Climate change mitigation and adaptation ○ Weed Management ○ Reserve management plans (review of Dodges Ferry & Blue Lagoon in 23/24). 	2.8, 4.1	<p>C – Stormwater in New Developments Policy adopted August 2023</p> <p>IP – projects incorporated in capital budget</p> <p>IP – Strategy drafted and underwent internal and external review</p>
2.7	Ensure government, industry and community partnerships are maintained and aligned to Council's strategic and operational focus, including the Regional Strengthening Projects and required grant funding.	2.10, 2.6	IP – partnerships, advocacy, grant opportunities pursued with RSP reviewed and updated

Objective 3

To ensure a liveable and inclusive community

Measure

C-Completed IP- In progress D- Deferred

		Strategic Plan Reference	Measure
3.1	Determine the scope for and develop a Social Strategy.	3.2	C - Strategy completed by GHD & endorsed September 2024
3.2	Advocate for and support the delivery of:- <ul style="list-style-type: none"> • Dodges Ferry and Sorell School capacity upgrades; • child care and social services; and • professional and allied health services that assist in meeting the 2019 to 2042 population projections for the Sorell Municipal Area of 1.47% per annum, reduce demand on transport infrastructure and strengthen the south-east region.	3.3, 1.6	IP - Government committed to a \$25 million upgrade to Dodges Ferry Primary School. IP – Early Learning Centre (NEST) operational at Sorell School IP – private sector responded but no commitments from State Gov
3.3	Continue to deliver staged implementation of the Open Space Strategy priority projects. <ul style="list-style-type: none"> • engage a consultant to develop a Tracks and Trails / Mobility Strategy; and • complete an audit of open space land. 	3.4, 3.9	C - Active Transport Strategy completed by GHD & endorsed September 2024
3.4	Continue to lobby for a Southern Beaches and Midway Point park and ride facility and increased capacity through an additional park and ride facility for Sorell east.	3.5	IP – no commitments from State Gov thus far
3.5	Advocate with partner organisations for further capital funding that will facilitate ongoing staged re-development and upgrading of the South East Sporting Complex as the regional recreational facility to accommodate forecast growth in the south-east.	3.6, 2.6	IP – further funding by State Gov for BMX facility plus minor facility upgrades (fencing / goal nets)
3.6	Pro-actively seek opportunities for increased recreational opportunities through the delivery of programs and events, maximising facility utilisation and building community capacity.	3.0, 3.6, 3.8	IP - attracted return hirers - BTas, Netball Tas, Netball Aust, Brixhibiton etc. Continues to evolve with trends.

Objective 4

Increased community confidence in Council

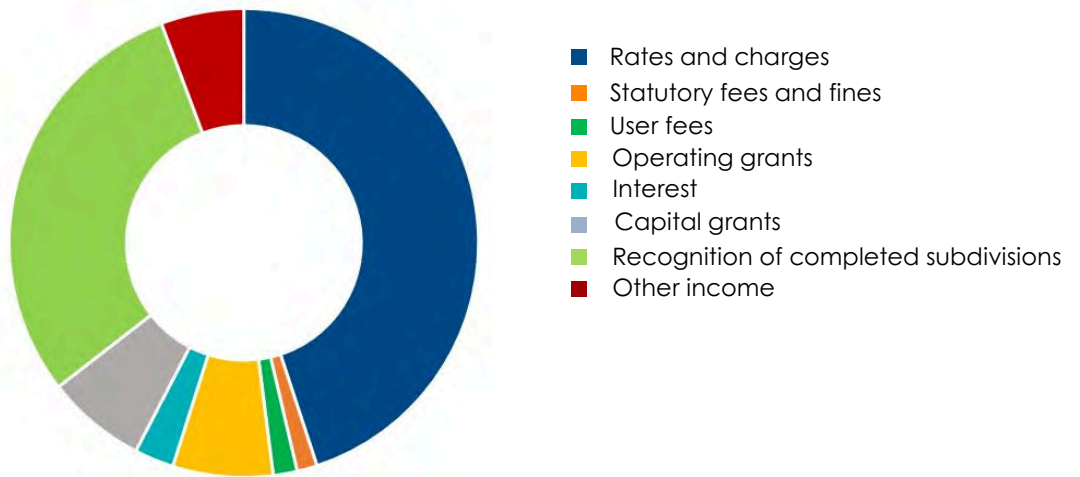
Measure

C-Completed IP- In progress D- Deferred

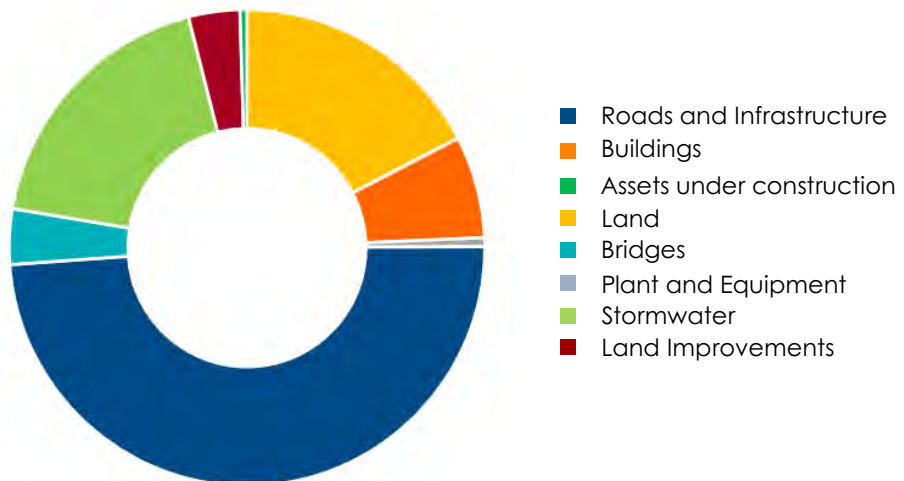
		Strategic Plan Reference	Measure
4.1	Participate in the Local Government Reform program and advocate for best practice sustainable outcomes for residents and ratepayers of the Sorell municipal area and South-East region.	4.1, 4.2	IP – East Coast reform project with GSB and Break O'Day commenced. Stalled with State election / budget process.
4.2	Complete a full review of the Communication and Engagement Strategy 2020 to best meet community expectations, ensuring the strategy is informed by stakeholder consultation and is achievable with available resources.	4.1, 4.4, 4.6	IP - Reviewed and workshopped with Councillors. Consultation and finalisation deferred to 24/25.
4.3	Scope and commence development of Southern Beaches Structure Plan – Lewisham to Primrose Sands.	4.1, 4.2, 4.4, 2.4	IP - gathering foundation & capacity information relating to on-site wastewater and stormwater sustainability
4.4	Collaborate with NGO's, funding bodies and other relevant stakeholders to address the lack of services and activities for young people within the South-East Region, to ensure improved opportunities for our young people.	4.4, 4.6, 4.7, 3.2	C - Funding from TCF for SE Youth Engagement Project with YNOT undertaking consultation to identify what would make living in the SE better for young people and increase their engagement within the community. IP - Implementation Plan to achieve report reco's to be developed in 24/25
4.5	Complete a full review of the Customer Service Strategy.	4.5	C - Endorsed by Council in July 2024
4.6	Collaborate with relevant stakeholders to determine the scope for and establish a Natural Resource Management / Environmental Advisory Group.	4.6, 2.8	C - TOR developed, EOI's received and Committee membership endorsed by Council Oct 2023
4.7	Undertake a review of the Council's Community Grants Programs, to encourage the building of community capacity.	4.7, 3.8	C - Endorsed by Council Dec 2023
4.8	Review and implement Council's Responsible Dog Ownership Community Education Program and Patrolling.	4.7	IP - Dog owner education implemented as part of dog exercise area patrolling

Budgeted Income	Budgeted Capital Expenses	Budgeted Operating Expenses
\$35.8M	\$12.7M	\$23.6M
Actual Income	Actual Capital Expenses	Actual Operating Expenses
\$40.3M	\$11.9M	\$22.8M

Revenue - Where does it come from?



Assets - This is what we own



Liabilities- This is what we owe

As at 30 June 2024, Council's liabilities totalled \$8.9M. This was principally made up of:

- amounts owed to suppliers
- trust funds and deposits
- employee leave provisions
- contract liabilities
- Interest bearing loans and borrowings
- lease liabilities

Certification of the Financial Report

The financial report presents fairly the financial position of the Sorell Council as at 30 June 2024 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.



Jess Hinch

Acting General Manager

Date: 26/9/2024

Management Certification of the Financial Report

The accompanying financial statements of the Sorell Council are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
- The Local Government Act 1993

I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of the Sorell Council's financial position as at 30 June 2024, the results of its operations and its cash flows for the year then ended.

At the date of signing this certification, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Stephanie Perry

Manager Finance

Date: 26/9/2024



Sorell 22 Country to Coast Movie Premiere

Statement of Comprehensive Income

For the year ended 30 June 204

	Note	Budget 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	18,081	18,135	16,601
Statutory fees and fines	2.2	593	561	588
User fees	2.3	670	667	741
Grants	2.4	2,017	2,783	3,585
Contributions - cash	2.5	471	837	561
Interest	2.6	1,055	1,097	645
Other income	2.7	657	679	613
Investment revenue from water corporation	2.9	324	389	389
		23,868	25,148	23,723
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	3,484	2,771	2,108
Contributions - non-monetary assets	2.5	8,472	12,021	2,803
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8 (a)	(36)	(1,057)	(1,133)
Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment	2.8 (b)	-	9	16
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5.1	-	1,379	1,185
Fair value adjustments for investment property	6.2	-	68	182
		11,920	15,191	5,161
Total income from continuing operations		35,788	40,339	28,884
Expenses from continuing operations				
Employee benefits	3.1	(7,695)	(7,294)	(6,771)
Materials and services	3.2	(7,823)	(7,277)	(6,317)
Impairment of receivables	3.3	-	1	(2)
Depreciation and amortisation	3.4	(6,099)	(6,171)	(5,289)
Finance costs	3.5	(51)	(40)	(62)
Other expenses	3.6	(1,889)	(2,049)	(1,780)
Total expenses from continuing operations		(23,557)	(22,830)	(20,221)
Net result for the year		12,231	17,509	8,663
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.2,9.1	-	1,250	733
Net asset revaluation increment/(decrement)	9.1	-	46,873	20,250
Total other comprehensive income		-	48,123	20,983
Total comprehensive result		12,231	65,632	29,646

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

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	8,100	7,039
Trade and other receivables	4.2	1,252	1,481
Investments	4.3	11,070	11,388
Inventories	4.4	57	85
Non-current assets classified as held for sale	4.5	-	-
Other assets	6.5	557	469
Total current assets		21,036	20,462
Non-current assets			
Trade and other receivables	4.2	32	34
Investments in associates accounted for using the equity method	5.1	6,891	5,512
Investment in water corporation	5.2	26,480	25,230
Property, infrastructure, plant and equipment	6.1	372,513	309,107
Investment property	6.2	653	585
Intangible assets	6.3	252	260
Right-of-use assets	6.4	14	23
Total non-current assets		406,835	340,751
Total assets		427,871	361,213
Liabilities			
Current liabilities			
Trade and other payables	7.1	2,428	1,727
Trust funds and deposits	7.2	694	1,106
Provisions	7.3	1,401	1,469
Lease liabilities	7.4	10	10
Contract liabilities	7.5	1,677	1,074
Interest-bearing loans and borrowings	8.1	246	220
Total current liabilities		6,456	5,606
Non-current liabilities			
Provisions	7.3	277	108
Lease liabilities	7.4	5	14
Interest-bearing loans and borrowings	8.1	2,126	2,110
Total non-current liabilities		2,408	2,232
Total liabilities		8,864	7,838
Net assets		419,007	353,375
Equity			
Accumulated surplus		147,177	129,668
Reserves	9.1	271,830	223,707
Total equity		419,007	353,375

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

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		18,118	16,534
Statutory fees and fines		559	586
User charges and other fines (inclusive of GST)		741	746
Grants (inclusive of GST)		2,956	3,652
Contributions - cash (inclusive of GST)		847	561
Interest received		1,045	432
Investment revenue from water corporation	2.9	389	389
Other receipts (inclusive of GST)		1,026	573
Net GST refund/(payment)		1,501	657
Payments to suppliers (inclusive of GST)		(11,617)	(9,184)
Payments to employees		(7,223)	(6,931)
Finance costs paid		(39)	(64)
Net cash provided by (used in) operating activities	9.2	8,303	7,951
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,959)	(6,497)
Proceeds from sale of property, infrastructure, plant and equipment		192	181
Capital grants		3,527	1,723
Proceeds/(payments) for investments		319	(6,078)
Repayment of long term recoverable property debt		1	(1)
Net cash provided by (used in) investing activities		(6,920)	(10,672)
Cash flows from financing activities			
Proceeds from trust funds and deposits		83	517
Repayment of trust funds and deposits		(439)	(431)
Repayment of lease liabilities (principal repayments)		(8)	(4)
Proceeds from interest bearing loans and borrowings		262	-
Repayment of interest bearing loans and borrowings		(220)	(425)
Net cash provided by (used in) financing activities	9.3	(322)	(343)
Net increase (decrease) in cash and cash equivalents		1,061	(3,063)
Cash and cash equivalents at the beginning of the financial year		7,039	10,102
Cash and cash equivalents at the end of the financial year	9.4	8,100	7,039
Restrictions on cash assets	4.1	4,049	3,757

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

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
2024		2024	2024	2024	2024	2024
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		129,668	226,734	(4,077)	1,050	353,375
Net result for the year		17,509	-	-	-	17,509
Other comprehensive income:						
Fair value adjustment on equity investment assets	5.2,9.1	-	-	1,250	-	1,250
Net asset revaluation increment/(decrement)	9.1	-	46,873	-	-	46,873
Total comprehensive income		147,177	273,607	(2,827)	1,050	419,007
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		147,177	273,607	(2,827)	1,050	419,007

		Accumulated Surplus	Asset Revaluation Reserve	Fair Value Reserve	Other Reserves	Total Equity
2023		2023	2023	2023	2023	2023
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		121,005	206,484	(4,810)	1,050	323,729
Net result for the year		8,663	-	-	-	8,663
Other comprehensive income:						
Fair value adjustment on equity investment assets	5.2,9.1	-	-	733	-	733
Net asset revaluation increment/(decrement)	9.1	-	20,250	-	-	20,250
Total comprehensive income		129,668	226,734	(4,077)	1,050	353,375
Transfers between reserves		-	-	-	-	-
Balance at end of the financial year		129,668	226,734	(4,077)	1,050	353,375

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

Notes to and forming part of the financial statements.

For the year ended 30 June 2024

Note 1 Overview

Note 1.1 Reporting entity

- (a) The Sorell Council was established in 1862 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 47 Cole Street, Sorell, 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.

Note 1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 4.3, 4.5, 5.2, 6.1, 6.2, 7.3, 8.1 and 10.3(d).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

Note 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 9.5.

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 notes 6.1 and 9.10.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in notes 5.2 and 9.10.

Note 1.4 Material budget variations

Council's original budget was adopted by Council at the 20 June 2023 Ordinary Council Meeting. In December 2023 and January 2024 Council reviewed and amended the original budget and completed the Mid Year Budget Review. The Mid Year Budget Review was adopted by Council at the 20 February 2024 Ordinary Council Meeting. The original projections on which the budget was based have been affected by a number of factors. These include State and Commonwealth Government decisions, new grant programs, changing economic activity, the weather, and decisions made by Council. Material variations from the Mid Year Budget Review figures of more than 10% are explained below.

Recurrent income

1 Grants

Grants was above budget by \$766k (38%) for the 2023-24 financial year. This was predominantly due to the early receipt of the Commonwealth Government Financial Assistance Grant (FAG) funding. The Commonwealth Government provides FAG funding for local government in accordance with the Commonwealth Government's Local Government (Financial Assistance) Act 1995. The FAG funding is provided to Council for general purpose use and the provision of local roads and bridges. Since the 2011-12 financial year the Commonwealth Government has been making advance FAG funding payments for the following year. The FAG funding is a general grant that is untied and without performance obligations, therefore Council recognises the grant funding as revenue when the funds are received and control is obtained.

In the 2023-24 financial year, Council budgeted for an advanced FAG funding payment for the 2024-25 financial year of \$1.500m. In June 2024 Council received an advanced FAG funding payment of \$2.351m, resulting in FAG funding being above the budget in the 2023-24 financial year by \$851k. This has impacted the Statement of Comprehensive Income resulting in the net result for the year being greater than budget.

2 Contributions - cash

Contributions - cash income was above budget by \$366k (78%) for the 2023-24 financial year. Contributions - cash income relates to public open space, traffic management treatment and stormwater contributions, as well as other sundry cash contributions. Due to the unpredictable nature of development activity this income stream is difficult to estimate. During the 2023-24 financial year development activity in the Sorell municipality was greater than estimated.

3 Investment revenue from water corporation

Investment revenue from water corporation was above budget by \$65k (20%) for the 2023-24 financial year. In accordance with the TasWater Corporate Plan - Financial Years 2023 to 2027 (the Plan), a special dividend of \$65k was paid to Council in June 2024. Special dividends are provided within the Plan so as to return foregone dividends during COVID-19 to owner Councils. The Plan states that the special dividend payments are subject to the underlying financial performance and position of Taswater and for this reason Council did not budget for the special dividend in the 2023-24 financial year.

Capital income

4 Capital grants received specifically for new or upgraded assets

Capital grants was below budget by \$713k (20%) for the 2023-24 financial year. This is due to works not progressing as predicted in relation to Commonwealth Government grants for National Flood Mitigation Infrastructure Program at Seventh Avenue, Dodges Ferry stormwater upgrade to the value of \$350k. Additionally, due to works not progressing as predicted in relation to State Government grants for Safer Rural Roads Program at Wiggins Road, Forcett, Vulnerable Road User Program at Carlton River Road, Carlton and Southern Beaches Coastal and Estuarine Risk Mitigation Program to the value of \$397k.

5 Contributions - non-monetary assets

Contributions - non-monetary assets was above budget by \$3.549m (42%) for the 2023-24 financial year. Contributions - non-monetary assets predominantly relate to subdivision donated assets, which become Council assets once the development is complete. Due to the unpredictable nature of development activity this income stream is difficult to estimate. The budget for contributions - non-monetary assets was based on actual contributions year-to-date at the time of the Mid Year Budget Review. The budget variance is the result of the completion of additional subdivisions in the second half of the 2023-24 financial year.

6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Net gain/(loss) on disposal of property, infrastructure, plant and equipment was above budget by 1.021m (2811%) for the 2023-24 financial year. Due to the unpredictable nature of infrastructure asset disposals this income stream is difficult to estimate. The budget for net gain/(loss) on disposal of assets was based on actual disposals year-to-date at the time of the Mid Year Budget Review. The budget variance is a result of further disposals taking place in the second half of the 2023-24 financial year that resulted in a loss, including infrastructure asset disposals relating to renewal/replacement capital projects. Proceeds on disposals are not received for such infrastructure asset disposals due to the nature of the asset and there not being a market available for sale of such assets. Consequently losses on disposal are recorded.

7 Other capital income

Items of capital income were not budgeted for in the 2023-24 financial year, due to the unpredictable nature of these income streams. This included the following capital income streams:

- Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment
- Share of net profits/(losses) of associates accounted for by the equity method
- Fair value adjustments for investment property

8 Finance costs

Finance costs was below budget by \$11k (22%) for the 2023-24 financial year. During the 2023-24 financial year, Council had two interest-free loans as part of the Department of Treasury and Finance Local Government Loans Program (LGLP). In June 2024, Council made interest payments to Tasmanian Public Finance Corporation (TASCORP) totalling \$11k. In previous financial years the Department of Treasury and Finance has requested interest reimbursement invoices be sent in July and as a result Council did not budget for loan interest reimbursements in June 2024. However, in the 2023-24 financial year, the Department of Treasury and Finance requested the interest reimbursements of \$11k be invoiced in June 2024.

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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Governance and administration						
2023 - 2024	1,483	18,326	19,809	5,908	13,901	71,641
2022 - 2023	2,054	16,577	18,631	5,265	13,366	77,031
Transport infrastructure						
2023 - 2024	2,860	4,528	7,388	7,110	278	254,593
2022 - 2023	1,742	197	1,939	6,545	(4,606)	208,102
Stormwater						
2023 - 2024	499	5,815	6,314	1,709	4,605	67,239
2022 - 2023	394	1,621	2,015	1,342	673	52,156
Waste management						
2023 - 2024	-	3,136	3,136	2,602	534	-
2022 - 2023	-	2,854	2,854	2,426	428	-
Environmental health/management						
2023 - 2024	11	147	158	654	(496)	-
2022 - 2023	8	128	136	588	(452)	-
Planning services						
2023 - 2024	-	1,119	1,119	608	511	-
2022 - 2023	-	968	968	428	540	-
Building control						
2023 - 2024	-	392	392	151	241	-
2022 - 2023	-	389	389	152	237	-
Community amenities						
2023 - 2024	647	1,216	1,863	3,664	(1,801)	34,398
2022 - 2023	1,493	284	1,777	3,198	(1,421)	23,924
Community services						
2023 - 2024	54	106	160	424	(264)	-
2022 - 2023	2	173	175	277	(102)	-
Total						
2023 - 2024	5,554	34,785	40,339	22,830	17,509	427,871
2022 - 2023	5,693	23,191	28,884	20,221	8,663	361,213

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

	2024	2023
	\$'000	\$'000
Current assets	21,036	20,462
Non-current assets	406,835	340,751
	427,871	361,213

(c) Governance and administration

The governance and administration functions of Council include the operation and maintenance of the Council chambers, Council works depot, administration offices and Councillors. This includes the functions which support the provision of Council's key services, including; customer service and administration; business support administration; finance; information technology; human resources; communications; risk management; work health and safety and governance processes.

Transport infrastructure

The transport activities of the Council include infrastructure services and asset management functions, including construction, operations, maintenance and cleaning of sealed and unsealed roads, kerb and channel, footpaths and cycleways, bridges, parking facilities and traffic management devices.

Note 1.5 Functions/activities of the Council continued

Stormwater

The stormwater activities of Council include infrastructure services and asset management functions, including the construction, operation and maintenance of Council's stormwater assets, including stormwater pits, drains, open drains, culverts, gross pollution traps and end structures, and on occasions road drainage.

Waste management

The waste management activities of Council include collection, handling, processing and disposal of waste materials.

Environmental Health/management

The environmental health function of Council includes health services, such as food business control and other regulatory health controls, including: food surveillance; caravan licences; public-use building standards; health education and promotion; immunisation services; and water quality monitoring.

Planning services

The planning services function of Council includes town planning services and development control, including the administration of the town planning scheme, subdivisions and urban and rural renewal programs.

Building control

The building control function of Council includes development and maintenance of building construction standards, building and plumbing inspections, the approval of building and plumbing applications and the issuing of building permits.

Community amenities

The community amenities function of Council includes the provision and asset management functions, including construction, maintenance and cleaning of sports fields, stadium, sporting clubrooms, community halls, parks and reserves, playgrounds, public toilets, tracks and trails and marine structures.

Community services

The community services function of Council includes animal management, including dog control activities, the administration and operation of dog registrations and the operation of a pound. This function also includes the operation, support and advocacy of youth services and community events and meetings, such as art and cultural events, ceremonies and advisory groups. The community services function also encompasses community development, which drives strategic planning processes so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

Note 2 Revenue

Note 2.1 Rates and charges

	2024 \$'000	2023 \$'000
Council uses the adjusted assessed annual value as the basis of valuation of all properties within the municipality. The adjusted assessed annual value of a property is its estimated annual rental value with an adjustment factor set for periods between revaluations, as determined by the Valuer-General.		
The valuation base used to calculate general rates for 2023-24 was \$202.933m (2022-23 \$198.365m). The 2023-24 general rate is a two tiered rating system with 37% (2022-23 37%) of the general rate generated by a fixed rate of \$543.17 (2022-23 \$507.68), and the remaining generated by a rate of \$4.0429965 (2022-23 \$3.7788546) cents in the dollar of the adjusted assessed annual value, varied according to the subcategories of use or predominant use of the land.		
Residential	11,570	10,565
Commercial	1,280	1,174
Industrial	149	136
Primary production	733	685
Community service	201	188
Vacant land	1,121	1,033
Boat sheds	113	105
Supplementary rates and rate adjustments	195	173
Fire levy	668	636
Garbage charge	3,012	2,746
Less: Other remissions	(907)	(840)
Total rates and charges	18,135	16,601

The date of the latest general revaluation of land for rating purposes within the municipality was 28 March 2017, and the valuation was first applied in the rating year commencing 1 July 2017.

Note 2.1 Rates and charges continued

Accounting policy

Rates and charges

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

Note 2.2 Statutory fees and fines

	2024 \$'000	2023 \$'000
Infringements	9	21
Town planning fees	387	408
Land information certificates	155	153
Permits	10	6
Total statutory fees and fines	561	588

Accounting policy

Statutory fees and fines

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Note 2.3 User fees

	2024 \$'000	2023 \$'000
Animal registrations	99	161
Building services	84	77
Caravan licences	34	18
Engineering services	54	93
Fire abatements	17	9
Health services	34	44
Recreational vehicles	28	19
Plumbing application and inspections	296	299
Other fees and charges	21	21
Total user fees	667	741

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	667	741
Total user fees	667	741

Accounting policy

User fees

Council recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided. Licences granted by Council are all either short-term or low value and all revenue is recognised at the time that the licence is granted rather than the term of the licence.

Note 2.4 Grants

	2024 \$'000	2023 \$'000
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	4,485	4,963
State funded grants	996	274
Other grants	73	457
Total	5,554	5,694
Grants - Recurrent		
Federal Financial Assistance Grant - General purpose	1,463	2,050
Federal Financial Assistance Grant - Roads	1,154	1,429
Federal Financial Assistance Grant - Bridges	3	11
Federal Department of Education	-	5
State Department of Health - Immunisations	1	1
State Department of Health - Healthy Tas Fund Healthy Focus	20	-
State Department of State Growth - Transport Tasmania	14	65
State Marine and Safety Tasmania - Gypsy Bay	25	-
State Department of State Growth - Safer Rural Roads Programme 00015	39	-
State - Culture sport and recreation	-	2
State Northern Tasmanian Natural Resource Management Association	10	-
State Department of Natural Resources and Environment	-	7
State Department of Police, Fire and Emergency Management	-	15
Other Tasmanian Community Fund	54	-
Total recurrent grants	2,783	3,585
Capital grants received specifically for new or upgraded assets		
Federal Dept. of Infrastructure, Transport, Regional Development, Communications and the Arts - Roads to Recovery	658	116
Federal - Culture, sport and recreation	-	800
Federal National Flood Mitigation Infrastructure Program	390	394
Federal - Land improvement	-	157
Federal Dept. of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase I)	(2)	-
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase II)	1	-
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase III)	674	-
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase IV) Buildings	39	-
Federal Dept of Infrastructure, Transport, Regional Development, Communications and the Arts - Local Roads and Community Infrastructure (Phase IV) Roads	105	-
State Dept. of Police, Fire and Emergency Mgmt. - Coastal and Estuarine Risk Mitigation Program	110	-
State Department of Health - Public Health Services	2	-
State Department of State Growth - Blackspot Programme	75	-
State Department of State Growth - Safer Rural Roads Program 00015	85	-
State Department of State Growth - Safer Rural Roads Program 00010	127	-
State Department of State Growth - Vulnerable Road User Program	3	-
State Department of State Growth - Active Tasmania	350	-
State Department of State Growth - Jobs Tasmania	154	-
State Department of State Growth - Transport	-	106
State - Buildings	-	61
State Department of Communities Tasmania	(19)	19
Other Australian Cricket Infrastructure Fund	19	-

Note 2.4 Grants continued

	2024	2023
	\$'000	\$'000
Other	-	455
Total capital grants	2,771	2,108
Total grants	5,554	5,694
Grants by timing of grant recognition		
Grants recognised over time	5,540	5,680
Grants recognised at a point in time	14	14
Total Grants	5,554	5,694

Unspent grants and contributions

Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:

Operating

Balance of unspent funds at 1 July	-	6
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	(6)
Balance of unspent funds at 30 June	-	-

Capital

Balance of unspent funds at 1 July	1,074	1,217
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions		
Add: Funds received and not recognised as revenue in the current year	1,337	572
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(734)	(715)
Balance of unspent funds at 30 June	1,677	1,074
Total unspent funds held as a contract liability	1,677	1,074

Accounting policy

Grants

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income is recognised as obligations are fulfilled. For a detailed explanation of Council's total unspent funds as at 30 June 2024 refer to note 7.5.

The performance obligations are varied based on the agreement, but include that the Grant must only be undertaken for the approved purpose and that the approved purpose must commence and be completed by an agreed date. Further any unexpended part of the grant must be repaid, additionally any incorrect use of the grant must be repaid and breach of other circumstances per above can result in repayment of the grant.

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

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

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

In both years the Commonwealth Government has made early payment of the first two quarterly instalments of untied Financial Assistance Grant (FAG) funding for the following year. The early receipt of instalments resulted in Commonwealth Government FAG grants being above that originally budgeted in 2023-24 by \$2.351m, (2022-23, \$2.783m). This has impacted the Statement of Comprehensive Income resulting in the net result for the year being greater than budget. Financial Assistance Grants are general grants and do not have sufficiently specific performance obligations. As a result, they are recognised as income when received.

Note 2.5 Contributions

	2024	2023
	\$'000	\$'000
(a) Cash		
Parks, open space and streetscapes	706	445
Traffic management	19	116
Stormwater contributions	7	-
Other cash contributions	105	-
Total	837	561
(b) Non-monetary assets		
Land under roads	508	118
Roads	2,711	611
Footpaths and cycle ways	768	139
Kerb and channel	494	128
Other transport infrastructure	126	61
Stormwater	5,880	1,618
Land improvements	932	-
Formation earthworks	602	128
Total	12,021	2,803
Total contributions	12,858	3,364

Accounting policy

Contributions

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

Note 2.6 Interest

	2024	2023
	\$'000	\$'000
Interest on rates	127	116
Interest on cash and cash equivalents	970	529
Total	1,097	645

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 2.7 Other income

	2024	2023
	\$'000	\$'000
Community facility hire income	250	207
Copping Refuse Disposal Site land rental	100	94
Copping Refuse Disposal Site Joint Authority profit share	21	11
Leased properties rental income	111	73
Diesel fuel rebate	30	22
Insurance recoveries	7	8
Workers compensation reimbursements	12	31
External labour hire recoveries	-	25
Other income	148	142
Total other income	679	613
Other income by timing of revenue recognition		
Other income recognised over time	304	273
Other income recognised at a point in time	375	340
Total other income	679	613

Accounting policy

Rental income

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Note 2.8

	2024	2023
	\$'000	\$'000
(a) Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	192	181
Written down value of assets disposed	(1,249)	(1,314)
Total	(1,057)	(1,133)
(b) Net gain/(loss) on de-recognition/recognition of property, infrastructure, plant and equipment		
De-recognition of property, infrastructure, plant and equipment	-	-
Recognition of property, infrastructure, plant and equipment	9	16
Total	9	16

Accounting policy

Gains and losses on asset disposals

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

Gains and losses on asset de-recognition / recognition

The gain on recognition of property, infrastructure, plant and equipment relates to the donation of non-monetary assets to Council. Non-monetary assets are commonly donated by developers in the form of subdivision related infrastructure assets. Council occasionally also receives donated assets from government bodies. The recognition of an asset is determined when control of the asset has irrevocably passed to Council.

Note 2.9 Investment revenue from water corporation

	2024	2023
	\$'000	\$'000
Dividend revenue received	389	389
Total investment revenue from water corporation	389	389

Accounting policy

Investment revenue

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

	2024	2023
	\$'000	\$'000
Wages and salaries	6,088	5,620
Workers compensation	181	198
Superannuation	813	754
Fringe benefits tax	48	45
Payroll tax	340	310
Employee associated costs	148	95
	7,618	7,022
Less amounts capitalised	(324)	(251)
Total employee benefits	7,294	6,771

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

	2024	2023
	\$'000	\$'000
Advertising	77	84
Information technology	297	280
Consultants and contractors	783	390
Cleaning	325	224
Legal	105	108
Maintenance	2,430	2,267
Operating capital	193	50
Plant registration fees	40	40
Printing	34	30
Security services	23	17
Stationery and office consumables	35	31
Utilities	375	334
Valuation costs	55	56
Waste	2,473	2,399
Other materials and services	32	7
Total materials and services	7,277	6,317

Note 3.2 Materials and services continued

Accounting policy

Materials and services

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

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

Note 3.3 Impairment of receivables

	2024	2023
	\$'000	\$'000
Other debtors	(1)	2
Total impairment of receivables	(1)	2

Accounting policy

Impairment of receivables

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.

Note 3.4 Depreciation and amortisation

	2024	2023
	\$'000	\$'000
<i>Property</i>		
Buildings and other structures	733	457
<i>Plant and Equipment</i>		
Plant, machinery and equipment	466	463
Fixtures, fittings and furniture	17	23
Computers and telecommunications	36	30
<i>Infrastructure</i>		
Roads	2,911	2,515
Bridges	293	251
Footpaths and cycle ways	220	191
Kerb and channel	88	82
Other transport infrastructure	130	117
Stormwater	827	748
Land improvements	433	387
<i>Intangible assets</i>		
Intangible assets	8	17
<i>Right-of-use of assets</i>		
Right-of-use of assets	9	8
Total	6,171	5,289

Accounting policy

Depreciation and amortisation

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.

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

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

Land and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

Note 3.4 Depreciation and amortisation continued

Accounting policy continued	
Depreciation and amortisation continued	
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:	
Property	Period
Buildings and other structures	
Buildings and building improvements	20 - 100 years
Other structures (including sheds, tanks, stairs and shelters)	20 - 100 years
Plant and equipment	
Plant, machinery and equipment	3 - 15 years
Fixtures, fittings and furniture	3 - 30 years
Computers and telecommunications	3 - 10 years
Roads	
Road sealed surface	20 - 80 years
Road unsealed surface	10 years
Road base	60 years
Road subbase	240 years
Road formation and earthworks	non-depreciable
Bridges	
Bridges super structure	20 - 80 years
Bridges sub structure	20 - 80 years
Footpaths and cycle ways	
Footpaths - sand (not valued)	0 years
Kerb and channel	
	80 years
Other transport infrastructure	
Bus shelters	40 - 100 years
Bus stops	10 - 240 years
Car parks	10 - 240 years
Traffic management devices	6 - 60 years
Stormwater	
Gross pollution traps (GPTs)	50 years
End structures	80 years
Drains	100 years
Pits	80 years
Culverts including headwalls	100 years
Open drains and raingardens	20 - 100 years
Land improvements	
Fences	40 - 100 years
Formal park assets	80 - 200 years
Irrigation	15 - 50 years
Lighting	15 - 50 years
Marine structures	60 - 200 years

Note 3.4 Depreciation and amortisation (continued)

Accounting policy (continued)	
Open space furniture	20 - 100 years
Park active areas	10 - 80 years
Park infrastructure	25 - 100 years
Park passive areas	20 - 400 years
Play equipment	20 years
Playgrounds	15 - 80 years
Retaining walls	70 - 100 years
Signs	20 - 60 years
Intangible assets	3 - 6 years
Right-of-use of assets	5 years

Note 3.5 Finance costs

	2024	2023
	\$'000	\$'000
Interest - borrowings	39	61
Interest - lease liabilities	1	1
Total	40	62
Less capitalised borrowing costs on qualifying assets	-	-
Total finance costs	40	62

Accounting policy

Finance costs

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably. Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).

Finance costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

Note 3.6 Other expenses

	2024	2023
	\$'000	\$'000
External auditors' remuneration (Tasmanian Audit Office)	39	44
Audit panel members' remuneration	6	7
Bad debts	107	-
Bank fees and charges	32	29
Councillors' allowances and expenses	212	207
Collection costs	28	26
Community development	74	21
Donations section 77	47	36
Election expenses	86	122
Environmental management expenses	24	62
Government fire contributions	631	602
Insurance	301	267
Land tax	100	96
Licences, memberships and subscriptions	107	69
Operating leases	9	10

Note 3.6 Other expenses continued

	2024	2023
	\$'000	\$'000
Postage	73	48
Internet, telephone and other communication charges	57	49
Other expenses	116	84
Total other expenses	2,049	1,780

Accounting policy

Other expenses

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

Note 4 Current assets

Note 4.1 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash on hand	2	2
Cash at bank	2,725	1,239
Investments at call	5,373	5,798
Total cash and cash equivalents	8,100	7,039
Council's cash and cash equivalents are subject to a number of external restrictions and internal commitments that limit amounts available for discretionary or future use. These include:		
Restricted funds		
i) Trust funds and deposits (note 7.2)	694	1,106
ii) Unspent grant funds with conditions (note 2.4)	1,677	1,074
	2,371	2,180
Internal committed funds		
iii) Employee provisions (note 7.3)	1,678	1,577
Committed funds	4,049	3,757
Total uncommitted cash and cash equivalents	4,051	3,282
Total Investments (note 4.3)	11,070	11,388
Total uncommitted funds	15,121	14,670

Accounting policy

Cash and cash equivalents

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

Restricted and internally committed funds include:

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

Note 4.2 Trade and other receivables

	2024	2023
	\$'000	\$'000
Current		
Rates debtors	523	417
Other debtors	385	942
Provision for expected credit loss - other debtors	-	(1)
Net GST receivable	344	123
Total	1,252	1,481
Non-current		
Midway Point Improvement Act debtors	29	30
Long term recoverable property debt	3	4
Total	32	34
Total trade and other receivables	1,284	1,515
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	1	1
Amounts written off during the year	-	-
Amounts recovered during the year	-	(1)
Increase/ (decrease) in provision recognised in profit or loss	(1)	1
Carrying amount at 30 June	-	1

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

Accounting policy

Trade and other receivables

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment. For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Note 4.3 Investments

	2024	2023
	\$'000	\$'000
Term deposits - more than 3 months	11,070	11,388
Total investments	11,070	11,388

Accounting policy

Investments

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Note 4.4 Inventories

	2024	2023
	\$'000	\$'000
Inventories held for distribution	57	85
Total inventories	57	85

Accounting policy

Inventories

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

Note 4.5 Assets held for sale

	2024	2023
	\$'000	\$'000
Internal transfer from land	-	-
Total	-	-

At a Special Council Meeting on the 3 May 2022, Council resolved to dispose of the land described in Certificate of Title Volume 40340/1000. This land has not been valued by the Valuer-General as it does not fall under the typical land parcel with a Property ID. The land has been categorised as LGA Subdivision Road, Dodges Ferry, therefore, the sale is dependent on the purchaser obtaining a Title. As at 30 June 2024 the sale contract terms were yet to be finalised and the Title was yet to be established. Council expect the sale to be completed within the next 12 months.

Accounting policy

Assets held for sale

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

Note 5 Other investments

Note 5.1 Investment in associates

	2024	2023
	\$'000	\$'000
Investment in associates accounted for by the equity method are:		
- CRDSJA (trading as Southern Waste Solutions)	6,891	5,512
Total	6,891	5,512

Background

The Copping Refuse Disposal Site Joint Authority (CRDSJA) (trading as Southern Waste Solutions) was established under section 30 of the *Local Government Act 1993* by the Sorell Council, Clarence City Council and Tasman Council. Kingborough Council joined CRDSJA in 2009.

CRDSJA is located in Australia. The CRDSJA's principal activity is to operate a landfill.

Council maintains an ownership interest of 24% (2022-23 24%).

Council's share of accumulated surplus (deficit)

Council's share of accumulated surplus(deficit) at start of year	3,734	2,619
Prior year adjustment	4	-
Reported surplus(deficit) for year	1,144	1,115
Council's share of accumulated surplus (deficit) at end of year	4,882	3,734

Note 5.1 Investment in associates continued

	2024	2023
	\$'000	\$'000
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	5,512	4,327
Council's share of prior year adjustments	4	-
Council's share of surplus(deficit) for year	1,144	1,115
Council's share of contributions by owners for year	231	70
Carrying value of investment at end of year	6,891	5,512

Accounting policy

Accounting for investments in associates

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

Note 5.2 Investment in water corporation

	2024	2023
	\$'000	\$'000
Opening balance	25,230	24,497
Fair value adjustments on equity investment assets	1,250	733
Total investment in water corporation	26,480	25,230

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2024, Council held a 1.40% (2022-23, 1.44%) 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

	2024	2023
	\$'000	\$'000
Summary		
at fair value as at 30 June	514,520	435,447
Less accumulated depreciation	(146,007)	(138,984)
	368,513	296,463
at cost as at 30 June	6,498	14,928
Less accumulated depreciation	(2,498)	(2,282)
	4,000	12,646
Total	372,513	309,107

Note 6.1 Property, infrastructure, plant and equipment continued

	2024	2023
	\$'000	\$'000
Property		
Land		
at fair value as at 30 June	9,131	9,131
	9,131	9,131
Land under roads		
at fair value as at 30 June	56,071	18,250
	56,071	18,250
Total land	65,202	27,381
Buildings and other structures		
at fair value as at 30 June	30,233	21,628
Less accumulated depreciation	(4,264)	(3,534)
Total Buildings	25,969	18,094
Total Property	91,171	45,475
Plant and equipment		
Plant, machinery and equipment		
at cost	4,011	3,759
Less accumulated depreciation	(1,939)	(1,776)
	2,072	1,983
Fixtures, fittings and furniture		
at cost	300	300
Less accumulated depreciation	(228)	(211)
	72	89
Computers and telecommunications		
at cost	440	440
Less accumulated depreciation	(331)	(295)
	109	145
Total plant and equipment	2,253	2,217
Infrastructure		
Roads		
at fair value as at 30 June	178,910	173,482
Less accumulated depreciation	(95,981)	(94,566)
	82,929	78,916
Bridges		
at fair value as at 30 June	23,331	22,849
Less accumulated depreciation	(9,234)	(8,942)
	14,097	13,907
Footpaths and cycle ways		
at fair value as at 30 June	15,069	13,551
Less accumulated depreciation	(3,946)	(4,008)
	11,123	9,543

Note 6.1 Property, infrastructure, plant and equipment continued

	2024	2023
	\$'000	\$'000
Kerb and channel		
at fair value as at 30 June	7,177	6,646
Less accumulated depreciation	(2,292)	(2,204)
	4,885	4,442
Other transport infrastructure		
at fair value as at 30 June	7,648	7,358
Less accumulated depreciation	(1,366)	(1,236)
	6,282	6,122
Stormwater		
at fair value as at 30 June	89,508	69,811
Less accumulated depreciation	(22,663)	(18,595)
	66,845	51,216
Land improvements		
at fair value as at 30 June	19,326	16,487
Less accumulated depreciation	(6,261)	(5,900)
	13,065	10,587
Formation earthworks		
at fair value as at 30 June	78,116	76,253
	78,116	76,253
Total Infrastructure	277,342	250,985
Works in progress		
Land improvements at cost	53	170
Buildings at cost	210	8,648
Plant and equipment at cost	-	-
Roads and related infrastructure at cost	1,090	671
Bridges at cost	-	-
Stormwater at cost	394	940
Total Works in progress	1,747	10,429
Total property, infrastructure, plant and equipment	372,513	309,107

Reconciliation of property, infrastructure, plant and equipment

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Written down value of de-recognitions	Transfers	Transfers between classes	Balance at end of financial year		
										(note 9.1)	(note 3.4)
										\$'000	\$'000
Property											
Land	9,131	-	-	-	-	-	-	-	9,131		
Land under roads	18,250	509	37,312	-	-	-	-	-	56,071		
Total land	27,381	509	37,312	-	-	-	-	-	65,202		
Buildings and other structures	18,094	-	-	(733)	(31)	-	8,639	-	25,969		
Total buildings and other structures	18,094	-	-	(733)	(31)	-	8,639	-	25,969		
Total property	45,475	509	37,312	(733)	(31)	-	8,639	-	91,171		

Note 6.1 Property, infrastructure, plant and equipment continued

Reconciliation of property, infrastructure, plant and equipment continued

2024	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Written down value of de-recognitions	Transfers	Transfers between classes	Balance at end of financial year
			(note 9.1)	(note 3.4)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and Equipment									
Plant, machinery and equipment	1,983	-	-	(466)	(82)	-	637	-	2,072
Fixtures, fittings and furniture	89	-	-	(17)	-	-	-	-	72
Computers and telecommunications	145	-	-	(36)	-	-	-	-	109
Total plant and equipment	2,217	-	-	(519)	(82)	-	637	-	2,253
Infrastructure									
Roads	78,916	2,710	-	(2,911)	(780)	-	4,994	-	82,929
Bridges	13,908	-	-	(293)	-	-	482	-	14,097
Footpaths and cycleways	9,543	768	-	(220)	(190)	-	1,222	-	11,123
Kerb and channel	4,442	494	-	(88)	(0)	-	37	-	4,885
Other transport infrastructure	6,121	127	-	(130)	(3)	-	167	-	6,282
Stormwater	51,215	5,880	9,561	(827)	(71)	-	1,087	-	66,845
Land improvements	10,588	940	-	(433)	(87)	-	2,057	-	13,065
Formation earthworks	76,253	603	-	-	(5)	-	1,265	-	78,116
Total infrastructure	250,986	11,522	9,561	(4,902)	(1,136)	-	11,311	-	277,342
Works in progress									
Land improvements	170	1,940	-	-	-	-	(2,057)	-	53
Buildings	8,648	201	-	-	-	-	(8,639)	-	210
Plant and equipment	-	637	-	-	-	-	(637)	-	-
Roads and related infrastructure	671	8,104	-	-	-	-	(7,685)	-	1,090
Bridges	-	482	-	-	-	-	(482)	-	-
Stormwater	940	541	-	-	-	-	(1,087)	-	394
Total works in progress	10,429	11,905	-	-	-	-	(20,587)	-	1,747
Total property, infrastructure, plant and equipment	309,107	23,936	46,873	(6,154)	(1,249)	-	-	-	372,513

Note 6.1 Property, infrastructure, plant and equipment continued

Reconciliation of property, infrastructure, plant and equipment continued

2023	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Written down value of de-recognitions	Transfers	Transfers between classes	Balance at end of financial year
			(note 9.1)	(note 3.4)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
Land	9,131	-	-	-	-	-	-	-	9,131
Land under roads	18,132	118	-	-	-	-	-	-	18,250
Total land	27,263	118	-	-	-	-	-	-	27,381
Buildings and other structures	18,627	-	1,822	(457)	-	-	570	(2,468)	18,094
Total buildings and other structures	18,627	-	1,822	(457)	-	-	570	(2,468)	18,094
Total property	45,890	118	1,822	(457)	-	-	570	(2,468)	45,475
Plant and Equipment									
Plant, machinery and equipment	2,364	-	-	(463)	(82)	-	164	-	1,983
Fixtures, fittings and furniture	112	-	-	(23)	-	-	-	-	89
Computers and telecommunications	33	-	-	(30)	-	-	142	-	145
Total plant and equipment	2,509	-	-	(516)	(82)	-	306	-	2,217
Infrastructure									
Roads	70,002	611	7,904	(2,515)	(379)	-	3,293	-	78,916
Bridges	12,128	-	1,808	(251)	(321)	-	544	-	13,908
Footpaths and cycle ways	8,365	139	911	(191)	(40)	-	359	-	9,543
Kerb and channel	4,268	127	-	(82)	(14)	-	143	-	4,442
Other transport infrastructure	5,102	60	613	(117)	(372)	-	835	-	6,121
Stormwater	49,947	1,634	-	(748)	(51)	-	433	-	51,215
Land improvements	8,314	-	(444)	(387)	(5)	-	642	2,468	10,588
Formation earthworks	68,048	129	7,637	-	(48)	-	487	-	76,253
Total infrastructure	226,174	2,700	18,428	(4,291)	(1,230)	-	6,736	2,468	250,986
Works in progress									
Land improvements	453	359	-	-	-	-	(642)	-	170
Buildings	8,541	677	-	-	-	-	(570)	-	8,648
Plant, machinery and equipment	18	288	-	-	-	-	(306)	-	-
Roads and related infrastructure	1,975	3,813	-	-	-	-	(5,117)	-	671
Bridges	10	534	-	-	-	-	(544)	-	-
Stormwater	261	1,112	-	-	-	-	(433)	-	940
Total works in progress	11,258	6,784	-	-	-	-	(7,614)	-	10,429
Total property, infrastructure, plant and equipment	285,831	9,602	20,250	(5,264)	(1,312)	-	-	-	309,107

Accounting policy

Recognition and measurement of assets

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

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

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

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year. For all assets, other than plant and equipment and land, the capitalisation thresholds consider both a monetary value (\$) threshold and a percentage (%) of asset threshold. The monetary value (\$) threshold or the percentage (%) of asset threshold must be met in order for an asset to be capitalised. Thresholds are applied at a component level.

	Threshold \$'000	Threshold % of asset
Land		
Land	No threshold applies	No threshold applies
Land under roads	10	50%
Buildings		
Buildings and other structures - buildings and building improvements	5	50%
Buildings and other structures - other structures	1	100%
Plant and Equipment		
Plant, machinery and equipment	5	N/A
Fixtures, fittings and furniture	5	N/A
Computers and telecommunications	5	N/A
Infrastructure		
Roads	10	50%
Bridges	10	100%
Footpaths and cycle ways	10	50%
Kerb and channel	10	50%
Other transport infrastructure - bus shelters, bus stops and carparks	10	50%
Other transport infrastructure - traffic management devices	10	100%
Stormwater - thresholds are dependent on the cost of the asset component:		
	If cost is > \$1 but < \$5	50%
	If cost is > \$5	100%
Land improvements - fences, park active areas, park passive areas and retaining walls	1	50%
Land improvements - formal areas and park infrastructure	1	50% - 100%
Land improvements - irrigation, lighting, open space furniture, playgrounds and signs	1	100%
Land improvements - marine structures	1	50%
Land improvements - play equipment - thresholds are dependent on the cost of the asset component:		
	If cost is > \$1 but < \$5	50%
	If cost is > \$5	100%
Formation Earthworks	10	50%

Revaluation

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

Land	fair value
------	------------

Note 6.1 Property, infrastructure, plant and equipment continued

Accounting policy continued

Buildings and other structures	fair value
Plant, machinery and equipment	cost
Fixtures, fittings and furniture	cost
Computers and telecommunications	cost
Roads	fair value
Bridges	fair value
Footpaths and cycle ways	fair value
Kerb and channel	fair value
Other transport infrastructure	fair value
Stormwater	fair value
Land improvements	fair value
Formation earthworks	fair value
Investment in water corporation	fair value

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts. Between such valuations, Council considers, and when necessary, applies indexation to assets to ensure the carrying values continue to represent fair values.

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.

Note 6.2 Investment property

	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	585	403
Fair value adjustments	68	182
Balance at end of financial year	653	585

Council's investment property relates to Council's ownership interest in the Copping Refuse Disposal Site Land. Refer to note 9.10(c) for details on the valuation technique used to determine the fair value of Council's investment property.

Accounting policy

Investment Property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Statement of Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

Note 6.3 Intangible assets

	2024	2023
	\$'000	\$'000
Intangible assets		
Water rights	230	230
Computer software	22	30
Total	252	260

Reconciliation of intangible assets	Computer software	Water rights	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 1 July 2022	251	230	481
Transfer of assets	-	-	-
Balance at 30 June 2023	251	230	481
Transfer of assets	-	-	-
Balance at 30 June 2024	251	230	481
Accumulated amortisation and impairment			
Balance at 1 July 2022	203	-	203
Amortisation expense	18	-	18
Balance at 30 June 2023	221	-	221
Amortisation expense	8	-	8
Balance at 30 June 2024	229	-	229
Net book value at 30 June 2023	30	230	260
Net book value at 30 June 2024	22	230	252

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$5,000 and consistent with the prior year.

The estimated useful lives for current and comparative periods are as follows:

Computer software	3-5 years
Water rights	Unamortisable

Note 6.4 Right-of-use assets

	Total \$'000
2024	
Gross carrying amount	
Opening Balance at 1 July 2023	23
Additions	-
Disposals	-
Depreciation expense	(9)
Balance at 30 June 2024	14
2023	
Opening Balance at 1 July 2022	26
Additions	6
Disposals	-
Depreciation expense	(9)
Balance at 30 June 2023	23

Accounting policy

Leases - Council as lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 7.4 for details on accounting policy of lease liability.

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

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

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

Note 6.5 Other assets

	2024 \$'000	2023 \$'000
Current		
Prepayments	118	135
Accrued Income	439	334
Total	557	469

Note 7 Current and non-current liabilities

Note 7.1 Trade and other payables

	2024 \$'000	2023 \$'000
Current		
Trade payables	1,316	636
Rates and charges in advance	487	398
Accrued expenses	615	676
Other	10	17
Total	2,428	1,727

Note 7.1 Trade and other payables continued

Accounting policy

Trade and other payables

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

Rates and charges in advance represents amount received by Council prior to the commencement of the rating or charging period.

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

Note 7.2 Trust funds and deposits

	2024 \$'000	2023 \$'000
Refundable application deposits	429	480
Retention amounts	265	626
Total trust funds and deposits	694	1,106

Accounting policy

Trust funds and deposits

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

Note 7.3 Provisions

Provisions	Annual leave \$ '000	Long service leave \$ '000	Rostered day off \$ '000	Accrued day off \$ '000	Total \$ '000
2024					
Balance at beginning of the financial year	658	836	49	34	1,577
Additional provisions	464	263	93	52	872
Amounts used	(505)	(98)	(117)	(51)	(771)
Balance at the end of the financial year	617	1,001	25	35	1,678
Current	617	724	25	35	1,401
Non-current	-	277	-	-	277
Total	617	1,001	25	35	1,678
2023					
Balance at beginning of the financial year	627	826	34	38	1,525
Additional provisions	549	271	118	55	993
Amounts used	(518)	(261)	(103)	(59)	(941)
Balance at the end of the financial year	658	836	49	34	1,577
Current	658	728	49	34	1,469
Non-current	-	108	-	-	108
Total	658	836	49	34	1,577

Note 7.3 Provisions continued

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iii) Sick leave

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

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

Note 7.4 Lease liabilities

	2024	2023
	\$'000	\$'000
Lease liabilities	15	24
Total lease liabilities	15	24
Current	10	10
Non-current	5	14

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

	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
As at 30 June 2024							
Lease payments	10	3	1	1	-	-	15
Finance charges	-	-	-	-	-	-	-
Net present value	10	3	1	1	-	-	15

Note 7.4 Lease liabilities continued

	Minimum lease payments due						Total
	Within 1	1-2	2-3	3-4	4-5	After 5	
	year	years	years	years	years	years	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
As at 30 June 2023							
Lease payments	10	10	3	1	1	-	25
Finance charges	(1)	-	-	-	-	-	(1)
Net present value	9	10	3	1	1	-	24

Accounting policy

Leases - Council as lessee

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

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

Short-term leases and leases of low-value assets

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

Note 7.5 Contract liabilities

	2024	2023
	\$'000	\$'000
Current		
Funds received to acquire or construct an asset controlled by Council	1,677	1,074
Total contract liabilities	1,677	1,074
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Funds to construct Council controlled assets (note 2.4)	734	715
	734	715

Accounting policy

Council recognised the following contract liabilities:

The funds received are under a contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

- i) Grant funds received to acquire or construct an asset controlled by Council includes funding for the:
 - Function Centre to be built at Pembroke Park, Sorell will have a 120 seat capacity and cater for many uses and functions including meetings, club dinners, weddings, parties, seminars, job expos, community forums, leavers dinners and conferences.
 - To construct a low wall at the entrance of the Sorell Memorial Hall to enhance and formalise the cenotaph for the Sorell RSL and provide additional space for their memorial plaques.
 - Widen Wiggins Road to improve sight lines and provide sufficient space for two vehicles to pass in opposing directions.
 - To promote connectivity and linkages for our community by promoting active transport with accessible tracks and trails along our urban growth corridors at Miena Park and Penna Beach.
 - Coastal and Estuarine Risk Mitigation Program. The main objectives of the project is to deliver safe coastal living in the Southern Beaches region by providing safe stormwater services to assist with safeguarding our foreshore and remediating stormwater eroded dunes.
 - Construction of footpath and treatments on a corner of Carlton River Road to provide safer access to the local bus stop for vulnerable pedestrians.

Note 7.5 Contract liabilities continued

Accounting policy continued

- Construction of a Regional Training and Jobs Hub facility in Sorell to host training for adult/post-school aged learners and businesses across the region; and the staff and operations of the Business and Employment Southeast Tasmania.
- The Sorell Streetscape upgrade will create a civic heart which is an active, lived in place, steeped in its history but looking to its future as a place where people want to do business, shop, work, visit and participate in the life of the community.
- Train shed project involves upgrading the train shed with accessible pathways, landscaping, lighting and glass fire exit doors for compliance with building codes so the heritage listed shed can be used for a range of unique community events whilst preserving the historical heritage.
- Pawleena Road Widening of 900m section of road. This project is to widen the road to improve safety for road users.
- All access weather bus stops - Upgrading shelters and pedestrian accesses at bus stops to meet DDA requirements and provide protection from inclement weather.

Note 8 Current and non-current liabilities

Note 8.1 Interest bearing loans and borrowings

	2024	2023
	\$'000	\$'000
Current		
Borrowings - secured	246	220
	246	220
Non-current		
Borrowings - secured	2,126	2,110
	2,126	2,110
Total	2,372	2,330

Borrowings

Borrowings are secured by a Deed of Charge made between Sorell Council and Tasmanian Public Finance Corporation (TASCORP). As security for payment, as well as security for all of the Council's obligations under the Deed and each transaction document, the Council charges to TASCORP security property as defined in the Deed.

The maturity profile for Council's borrowings is:

Not later than one year	246	220
Later than one year and not later than five years	1,008	927
Later than five years	1,118	1,183
Total	2,372	2,330

Accounting policy

Interest bearing liabilities

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

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

Note 9 Other financial information

Note 9.1 Reserves

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserve				
2024				
Property				
Land	7,547	-	-	7,547
Land under roads	2,325	37,312	-	39,637
Buildings	12,694	-	-	12,694
	22,566	37,312	-	59,878
Infrastructure				
Roads (all infrastructure excluding asset groups below)	153,353	-	-	153,353
Bridges	8,103	-	-	8,103
Stormwater	38,345	9,561	-	47,906
Land improvements	4,312	-	-	4,312
	204,113	9,561	-	213,674
Investment in associates (note 5.1)	55	-	-	55
	55	-	-	55
Total asset revaluation reserve	226,734	46,873	-	273,607
2023				
Property				
Land	7,547	-	-	7,547
Land under roads	2,325	-	-	2,325
Buildings	10,872	1,822	-	12,694
	20,744	1,822	-	22,566
Infrastructure				
Roads (all infrastructure excluding asset groups below)	136,289	17,064	-	153,353
Bridges	6,295	1,808	-	8,103
Stormwater	38,345	-	-	38,345
Land improvements	4,756	-	(444)	4,312
	185,685	18,872	(444)	204,113
Investment in associates (note 5.1)	55	-	-	55
	55	-	-	55
Total asset revaluation reserve	206,484	20,694	(444)	226,734
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				
2024				
Equity investment assets				
Investment in water corporation	(4,077)	1,250	-	(2,827)
Total fair value reserve	(4,077)	1,250	-	(2,827)

Note 9.1 Reserves continued

(b) Fair value reserve continued

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
2023				
Equity investment assets				
Investment in water corporation	(4,810)	733	-	(4,077)
Total fair value reserve	(4,810)	733	-	(4,077)

Council has to designate its investment in TasWater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

(c) Other reserves

2024	Plant replacement	5	-	-	5
	Children's services	56	-	-	56
	Tracks and trails	23	-	-	23
	Stormwater southern beaches	900	-	-	900
	Land	66	-	-	66
	Total other reserves	1,050	-	-	1,050
2023	Plant replacement	5	-	-	5
	Children's services	56	-	-	56
	Tracks and trails	23	-	-	23
	Stormwater southern beaches	900	-	-	900
	Land	66	-	-	66
	Total other reserves	1,050	-	-	1,050

Other reserves represent the appropriation of surplus to reserves for future capital works projects

	2024 \$'000	2023 \$'000
Total Reserves	271,830	223,707

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

	2024 \$'000	2023 \$'000
Result from continuing operations	17,509	8,663
Depreciation/amortisation	6,162	5,281
Depreciation of right-of-use assets	9	8
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,057	1,133
(Profit)/loss on de-recognition/recognition of property, infrastructure, plant and equipment	(9)	(16)
Contributions - non-monetary assets	(12,021)	(2,803)
Share of net (profits)/losses of associates accounted for by the equity method	(1,379)	(1,185)
Fair value adjustments for investment property	(68)	(182)
Capital grants received specifically for new or upgraded assets	(2,771)	(2,108)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(49)	(642)

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

	2024 \$'000	2023 \$'000
Decrease/(increase) in other assets	(8)	20
Decrease/(increase) in inventories	28	(27)
Increase/(decrease) in trade and other payables	(182)	(121)
Increase/(decrease) in provisions	101	(70)
Increase/(decrease) in other liabilities	(76)	-
Net cash provided by (used in) operating activities	8,303	7,951

Note 9.3 Reconciliation of liabilities arising from financing activities

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

	Interest-bearing loans and borrowings \$'000	Lease liabilities \$'000	Trust funds and deposits \$'000
Balance as at 1 July 2023	2,330	23	1,106
Changes from financing cash flows:			
Cash received	262	-	83
Cash repayments	(220)	(8)	(439)
Trust funds and deposits - adjustments (non-cash)	-	-	(56)
Balance as at 30 June 2024	2,372	15	694
Balance as at 1 July 2022	2,755	27	1,008
Changes from financing cash flows:			
Cash received	-	-	517
Cash repayments	(425)	(4)	(431)
Trust funds and deposits - adjustments (non-cash)	-	-	12
Balance as at 30 June 2023	2,330	23	1,106

Note 9.4 Reconciliation of cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash and cash equivalents (note 4.1)	8,100	7,039
Total reconciliation of cash and cash equivalents	8,100	7,039

Note 9.5 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of Spirit Super. The 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 2024 Council contributed 14.75% (2023 14.5%) of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Deloitte Consulting Pty Ltd undertook the last actuarial review of the Fund at 30 June 2023. The review disclosed that at that time the net market value of assets available for funding member benefits was \$48,442,000, the value of vested benefits was \$39,789,000, the surplus over vested benefits was \$8,653,000, the value of total accrued benefits was \$39,479,000, and the number of members was 77. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Spirit Super's financial statements for Council employees.

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

- Net Investment Return 4.50% p.a.
- Salary Inflation 3.00% 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 2023.
- 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 2023.
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 2028.

Given the strong financial position of the Fund, the Actuary recommended that Council continue their contribution holiday and contribute 0% of salaries towards the defined benefit arrangements in the Fund from 1 July 2024 until 1 July 2027. This contribution rate is subject to normal review processes which include reviewing the contribution rate if needed to respond to extreme movements in financial markets. In addition, employers pay contributions towards defined benefit members' accumulation accounts where required by agreements.

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 2026 and is expected to be completed late in 2026.

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 2023 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 2020.

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

- In terms of Rule 15.2 of the Spirit Super Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit. However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions.
- The application of Fund assets on Spirit Super being wound-up is set out in Rule 20.2. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Spirit Super.

- The Fund is a defined benefit Fund.
- The Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$9,852 (2022-23, \$9,511), and the amount paid to accumulation schemes was \$806,033 (2022-23, \$744,189).
- During the next reporting period the expected amount of superannuation contributions to be paid to defined benefits schemes is \$10,287 and the amount to be paid to accumulation schemes is \$931,181.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2023. 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 2026.
- 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 2023, showed that the Fund had assets of \$48.44 million and members' Vested Benefits were \$39.79 million. These amounts represented 0.17% and 0.15% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2023 the Fund had 77 members and the total employer contributions and member contributions for the year ending 30 June 2023 were \$738,101 and \$190,798 respectively.

Fund	2024 \$'000	2023 \$'000
Defined benefits fund		
Employer contributions to Quadrant Defined Benefits Fund	10	10
	10	10
Employer contributions payable to Quadrant Defined Benefits Fund at reporting date	1	1
	1	1

Note 9.5 Superannuation continued

	2024	2023
	\$'000	\$'000
Accumulation funds		
Employer contributions to Spirit Super	431	443
Employer contributions to all other superannuation funds	375	301
	806	744
Employer contributions payable to Spirit Super at reporting date	33	40
Employer contributions payable to all other superannuation funds at reporting date	32	28
	65	68

Note 9.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2024	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments				
Buildings	123	-	-	123
Community	62	-	-	62
Stormwater	1,200	-	-	1,200
Roads	594	-	-	594
Plant, machinery and equipment	89	-	-	89
Total capital expenditure commitments	2,068	-	-	2,068

Contractual commitments

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

Garbage, recycling and green waste (FOGO) collection contract (<i>expires 30 June 2032</i>)	1,302	5,673	4,793	11,768
Street bins contract (<i>expires 30 September 2029</i>)	323	1,406	96	1,825
Green waste and hard waste bulk contract (<i>expires 30 June 2026</i>)	235	244	-	479
Recycling centre management contract (<i>expires 30 June 2025</i>)	197	-	-	197
Recycling disposal contract (<i>expires 30 June 2032</i>)	235	1,022	864	2,121
Cleaning contract (<i>expires 30 June 2026</i>)	369	382	-	751
IT systems, support & help desk services contract (<i>expires 1 August 2026</i>)	88	100	-	188
Legal services contract (<i>expires 30 June 2025</i>)	120	-	-	120
Total contractual commitments	2,869	8,827	5,753	17,449

2023	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments				
Buildings	5	3	-	8
Community	1,171	-	-	1,171
Stormwater	318	19	-	337
Roads	141	814	-	955
Plant, machinery and equipment	252	-	-	252
Total capital expenditure commitments	1,887	836	-	2,723

Note 9.6 Commitments continued

2023	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	
Contractual commitments				
Contractual commitments at end of financial year but not recognised in the financial report are as follows:				
Garbage and recycling collection contract (<i>expires 30 June 2024</i>)	1,030	-	-	1,030
Street bins, green waste and hard waste contract (<i>expires 30 September 2029</i>)	807	1,368	428	2,603
Recycling centre management contract (<i>expires 30 June 2024</i>)	182	-	-	182
Recycling disposal contract (<i>expires 1 December 2031</i>)	195	780	667	1,642
Cleaning contract (<i>expires 30 June 2024</i>)	287	-	-	287
Legal services contract (<i>expires 30 June 2024</i>)	66	-	-	66
Total contractual commitments	2,567	2,148	1,095	5,810

Note 9.7 Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at current replacement cost.

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140 *Investment Properties*. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the Statement of Financial Position, on the basis the amounts are unlikely to be material and could not be reliably measured at balance date.

The future (undiscounted) lease payments to be received on an annual basis for all operating leases is as follows:

	2024	2023
	\$'000	\$'000
Maturity analysis of operating lease payments to be received		
Year 1	188	161
Year 2	125	162
Year 3	110	119
Year 4	107	105
Year 5	108	103
Later than 5 years	1,830	1,871
Total	2,468	2,521

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

Lease income on operating leases (note 2.7)	232	178
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Note 9.8 Contingent liabilities and contingent assets

Contingent liabilities

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has assessed contingent liabilities and found there to be no other contingent liabilities for the year ended 30 June 2024.

Guarantees for loans to other entities

Council had not guaranteed any loans to other entities for the year ended 30 June 2024.

Note 9.8 Contingent liabilities and contingent assets continued

Contingent assets

Council is aware of a number of subdivisions currently under development, however as these developments are yet to be finalised, and the developer contributions to be received in respect of these developments are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has assessed contingent assets and found there to be no other contingent assets for the year ended 30 June 2024.

Note 9.9 Financial instruments

Council has exposure to the following risks from its use of financial instruments:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk; and
- (d) Market risk.

The General Manager has overall responsibility for the establishment and oversight of Council's risk management framework. Risk management policies are established to identify and analyse risks faced by Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) 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 used. Non-derivative interest bearing assets are predominantly short term liquid assets. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Council's loan borrowings are sourced from the Tasmanian Public Finance Corporation (TASCORP). Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. Council 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.

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

2024	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	4.34%	8,100	-	-	-	-	8,100
Investments	5.21%	-	11,070	-	-	-	11,070
Midway Point Improvement Act loan receivable		-	-	-	-	29	29
Trade and other receivables	3.00%	523	-	-	-	388	911
Investment in water corporation		-	-	-	-	26,480	26,480
Total financial assets		8,623	11,070	-	-	26,897	46,590

(a) Interest rate risk (continued)

2024	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial liabilities							
Trade and other payables		-	-	-	-	2,428	2,428
Trust funds and deposits		-	-	-	-	694	694
Interest-bearing loans and borrowings	2.97%	-	246	1,008	1,118	-	2,372
Total financial liabilities		-	246	1,008	1,118	3,122	5,494
Net financial assets (liabilities)		8,623	10,824	(1,008)	(1,118)	23,775	41,096

2023	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets							
Cash and cash equivalents	4.14%	7,039	-	-	-	-	7,039
Investments	4.58%	-	11,388	-	-	-	11,388
Midway Point Improvement Act loan receivable	9.77%	-	-	-	30	-	30
Trade and other receivables	3.00%	417	-	-	-	945	1,362
Investment in water corporation		-	-	-	-	25,230	25,230
Total financial assets		7,456	11,388	-	30	26,175	45,049
Financial liabilities							
Trade and other payables		-	-	-	-	1,727	1,727
Trust funds and deposits		-	-	-	-	1,106	1,106
Interest-bearing loans and borrowings	3.25%	-	220	927	1,183	-	2,330
Total financial liabilities		-	220	927	1,183	2,833	5,163
Net financial assets (liabilities)		7,456	11,168	(927)	(1,153)	23,342	39,886

(b) Credit risk
Credit risk

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

- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in Sorell Council's 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 Council's contingent liabilities are disclosed in note 9.8.

Note 9.9 Financial instruments continued

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

	Financial institutions (AA credit rating)	Financial institutions (BBB+ credit rating)	Government agencies (AA+ credit rating)	Other	Total
2024					
Cash and cash equivalents	8,100	-	-	-	8,100
Trade and other receivables	-	-	-	940	940
Investments and other financial assets	5,000	6,070	-	-	11,070
Total contractual financial assets	13,100	6,070	-	940	20,110
2023					
Cash and cash equivalents	7,000	-	39	-	7,039
Trade and other receivables	-	-	-	1,392	1,392
Investments and other financial assets	5,500	5,888	-	-	11,388
Total contractual financial assets	12,500	5,888	39	1,392	19,819

Ageing of trade and other receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables was:

	2024 \$'000	2023 \$'000
Current - not yet due	327	73
Current - past due by up to 30 days	7	564
Current - past due between 31 and 180 days	9	192
Current - past due between 181 and 365 days	374	316
Non-current - past due by more than 1 year	223	247
Total trade and other receivables	940	1,392

Ageing of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of NIL (2022-23 \$1,000) were impaired. The amount of the provision raised against these debtors was NIL (2022-23 \$1,000). 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.

The ageing of trade and other receivables that have been individually determined as impaired at reporting date was:

	2024 \$'000	2023 \$'000
Current - not yet due	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	1
Total trade and other receivables	-	1

(c) 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;

Note 9.9 Financial instruments continued

(c) Liquidity risk continued

- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

The table below lists the contractual maturities for non-lease Financial Liabilities. For lease liabilities refer to note 7.4.

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

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted cash flow	Carrying amount
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	2,382	-	26	12	8	2,428	2,428
Trust funds and deposits	93	26	21	214	340	694	694
Interest-bearing loans and borrowings	122	124	385	623	1,118	2,372	2,372
Total financial liabilities	2,597	150	432	849	1,466	5,494	5,494

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted cash flow	Carrying amount
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,727	-	-	-	-	1,727	1,727
Trust funds and deposits	18	1,088	-	-	-	1,106	1,106
Interest-bearing loans and borrowings	109	111	394	533	1,183	2,330	2,330
Total financial liabilities	1,854	1,199	394	533	1,183	5,163	5,163

(d) 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. Refer to the previous Interest Rate risk discussion for details on market risk exposures.

Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-2%		2%	
		-200 basis points		+200 basis points	
2024	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	8,100	(162)	(162)	162	162
Investments	11,070	(221)	(221)	221	221
Financial liabilities:					
Interest-bearing loans and borrowings	2,372	(47)	(47)	47	47

Note 9.9 Financial instruments continued

(d) Market risk continued

		Interest rate risk			
		-2%		2%	
		-200 basis points		+200 basis points	
2023	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	7,039	(141)	(141)	141	141
Investments	11,388	(228)	(228)	228	228
Financial liabilities:					
Interest-bearing loans and borrowings	2,330	(47)	(47)	47	47

Fair value

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

Financial instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	8,100	7,039	8,100	7,039
Other financial assets	11,070	11,388	11,070	11,388
Midway Point Improvement Act loan receivable	29	30	29	30
Trade and other receivables	911	1,362	911	1,362
Investment in water corporation	26,480	25,230	26,480	25,230
Total financial assets	46,590	45,049	46,590	45,049
<i>Financial liabilities</i>				
Trade and other payables	2,428	1,727	2,428	1,727
Trust funds and deposits	694	1,106	694	1,106
Interest-bearing loans and borrowings	2,372	2,330	2,230	2,167
Total financial liabilities	5,494	5,163	5,352	5,000

Note 9.10 Fair value measurements

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

Investment property

Investment in water corporation

Property, infrastructure, plant and equipment

- Land
- Land under roads
- Buildings and other structures
- Transport infrastructure including roads, formation earthworks, footpaths and cycle ways, kerb and channel and other transport infrastructure
- Bridges
- Stormwater
- Land improvements

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

Council also has an asset measured at fair value on a non-recurring basis as a result of being reclassified as an asset held for sale. This comprises of a parcel of land described in Certificate of Title Volume 40340/1000, which is disclosed in note 4.5. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

(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 2024.

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 2024	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment property	6.2	-	653	-	653
Investment in water corporation	5.2	-	-	26,480	26,480
Land	6.1	-	9,131	-	9,131
Land under roads	6.1	-	56,071	-	56,071
Buildings and other structures	6.1	-	9,952	16,017	25,969
Transport infrastructure	6.1	-	-	183,335	183,335
Bridges	6.1	-	-	14,097	14,097
Stormwater	6.1	-	-	66,845	66,845
Land improvements	6.1	-	-	13,065	13,065
		-	75,807	319,839	395,646
Non-recurring fair value measurements					
Assets held for sale	4.5	-	-	-	-
		-	-	-	-

Note 9.10 Fair value measurements continued

As at 30 June 2023	Note	Level 1	Level 2	Level 3	Total
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Investment property	6.2	-	585	-	585
Investment in water corporation	5.2	-	-	25,230	25,230
Land	6.1	-	9,131	-	9,131
Land under roads	6.1	-	18,250	-	18,250
Buildings and other structures	6.1	-	10,224	7,870	18,094
Transport infrastructure	6.1	-	-	175,275	175,275
Bridges	6.1	-	-	13,907	13,907
Stormwater	6.1	-	-	51,216	51,216
Land improvements	6.1	-	-	10,587	10,587
		-	38,190	284,085	322,275
Non-recurring fair value measurements					
Assets held for sale	4.5	-	-	-	-
		-	-	-	-

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 and no other transfers 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

Council's investment property relates to Council's ownership interest in the Copping Refuse Disposal Site land as disclosed in note 6.2. Fair value was determined by using Council's ownership interest against the land fair value at balance date. At 30 June 2024, Council held a 30% ownership interest in the land. The land fair value was determined by the Valuer-General, using the municipal fresh valuations, effective 1 July 2016. Adjustments using the Valuer-General adjustment factors are applied to the land fair value until the next fresh valuation is completed. The land fair value was adjusted as at 30 June 2024 to reflect the Valuer-General's 2024 adjustment factors. This valuation technique is supported by market evidence and is not sensitive to unobservable inputs and is therefore classified as level 2 in the fair value hierarchy. The next full revaluation is planned for 2024-25 financial year.

Investment in water corporation

Council's investment in TasWater is valued at its fair value at balance date as disclosed in note 5.2. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2024, Council held a 1.40% (2022-23, 1.44%) ownership interest in TasWater, which is based on schedule 2 of the corporation's constitution and reflects the Council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income.

Land

Land was revalued in the 2019-20 financial year, using land fair values determined by the Valuer-General (with a prior period adjustment applied). This valuation technique is supported by market evidence and is not sensitive to unobservable inputs and is therefore classified as level 2 in the fair value hierarchy. The next full revaluation is planned for 2024-25 financial year.

Land held for sale

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of re-classification. Refer to note 4.5 for details.

Land under roads

The value of the Land Under Road network at 30 June 2024 is based on valuation data determined by the Valuer-General. The valuation approach uses adjusted land values and areas for all properties within the municipality depending upon its classification and then applying a discount appropriate to the respective classification. This adjustment is an unobservable input in the valuation. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land under road values range between \$0.57 (primary production) and \$42.04 (commercial) per square metre.

Buildings and other structures

Non-specialised buildings

Non-specialised building fair values were determined by the Valuer-General, using the municipal fresh valuations, effective 1 July 2016. Adjustments using the Valuer-General adjustment factors, effective 1 July 2019, were then applied to determine fair values. This valuation technique is supported by market evidence and is not sensitive to unobservable inputs and is therefore classified as level 2 in the fair value hierarchy. The next full valuation is planned for 30 June 2025.

Specialised buildings and other structures

The fair value of buildings and other structures was determined by a qualified independent valuer, Brightly Software Australia Pty Ltd (formerly Assetic Pty Ltd), effective 30 June 2021. Since that date, Council applied an index of 11.2% as at 30 June 2023, using the Rawlison's (Australian Construction Handbook) 2023 as a base resource. The next full valuation is planned for 30 June 2026.

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

Brightly Software Australia Pty Ltd determined the fair value of Council's specialised buildings and other structures, using fair value level 3 valuation inputs using the cost approach. This method is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. Brightly Software Australia Pty Ltd valuation technique used gross current values, which were determined using local projects/data if available, local knowledge and available data sources and verified with first principle calculations. Data sources included published reference rates from Rawlinson's (Australian Construction Handbook) 2021. The size of the asset and finishing standard were also considered. The gross current value unit rates used for the valuation included allowances for all existing assets reaching the end of their useful lives being renewed in accordance with current industry design standards and replaced like for like, where possible, and also included allowances for project management and all incurred reasonable costs.

In determining the level of accumulated depreciation the assets were disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately. Brightly Software Australia Pty Ltd assessed and depreciated each component using an asset centric straight-line methodology, to reflect the pattern of consumption, useful life and residual value of the particular asset. Depreciation values were determined using the change in written down value over a predictable time period, based on the asset's remaining service life profile. This remaining service profile was derived from Brightly Software Australia Pty Ltd's suite of benchmark profiles. Useful lives were derived by considering a number of factors and included the use of evidence based information (including known construction dates and visual inspections) and reference and benchmarking with international infrastructure guidelines. Brightly Software Australia Pty Ltd determined that all building and other structure assets have a nil residual value, as assets of this nature are never relinquished.

The gross current values used can be supported by market evidence (level 2), however, Brightly Software Australia Pty Ltd noted the key unobservable inputs (level 3) used in the valuation as: condition; unit rates; useful and remaining life; and residual values. Brightly Software Australia Pty Ltd also assessed how changes in the inputs would affect fair value, including a fair value sensitivity analysis of unobservable inputs. These unobservable inputs were significant to the valuation and therefore the overall valuation has been classified as level 3. The table at note 9.10(d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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 formation earthworks.

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

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at note 9.10(d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

Transport infrastructure

Council categorises its road infrastructure into sealed and unsealed roads. All roads are managed in segments of no greater than 500m. All road segments are then componentised in accordance with AASB116 *Property Plant and Equipment* into formation, pavement base, pavement subbase and surface. 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. Council assumes that pavements are constructed to depths, variable based on location and surface type. (usually between 2.5cm and 4cm). For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Roads, including formation earthworks, footpaths and cycle ways, kerb and channel and other transport infrastructure were revalued by a qualified independent valuer, Brightly Software Australia Pty Ltd, effective 30 June 2020 (with a prior period adjustment applied). Brightly Software Australia Pty Ltd determined the fair value of Council's roads infrastructure assets using fair value level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Brightly Software Australia Pty Ltd's valuation technique used gross current values, which were assessed on the basis of determining the replacement cost of the modern equivalent (or cost re-production where relevant) and then adjusting for the level of consumed future economic benefit and impairment. The determination of appropriate unit rates, which were applied to the asset components when calculating the gross valuation, were determined using local projects/data where available, local knowledge and available data sources and verified with first principle calculations. Data sources included published reference rates from the Rawlinson's (Australian Construction Handbook) 2020.

In determining the level of accumulated depreciation the assets were disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately. Brightly Software Australia Pty Ltd verified Council's road infrastructure assets useful lives by: reference to benchmarking with the IPWEA Asset Management and Financial Management Guidelines, Practice Note 12 2017 Useful Life of Infrastructure; and evidence based information (including known construction dates and visual inspections).

Note 9.10 Fair value measurements continued

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

The gross current values used can be supported by market evidence (level 2), however Brightly Software Australia Pty Ltd noted the key unobservable inputs (level 3) used in the valuation as; condition; unit rates; and useful and remaining life. Brightly Software Australia Pty Ltd also assessed how changes in the inputs would affect fair value, including a fair value sensitivity analysis of unobservable inputs. These unobservable inputs were significant to the valuation and therefore the overall valuation has been classified as level 3.

Council applied an index as at 30 June 2023 of 11.13% to Roads, 10.55% to Footpaths and Cycleways, 11.13% to Other Transport Infrastructure and 11.13% to Formation Earthworks, using the Rawlinson's (Australian Construction Handbook) 2023 as a base resource. The next full valuation is planned for 30 June 2025.

Bridges

A revaluation of bridge assets was undertaken by independent valuers, AusSpan, effective 30 June 2020 (with a prior period adjustment applied). Each bridge is assessed individually and componentised into sub-assets representing sub structure and super structure. The valuation is based on the material type used for construction and the sub structure and super structure. Construction estimates are based on the construction material used, local construction data and financial year reviews of all bridge tenders, to ensure rates used reflect current tendering. The useful lives were evaluated on an individual basis for each structure and were based on evidence based information (including known construction dates and visual inspections). Useful lives are determined by construction material used and assessment against industry standards, including the Bridge Design Standard AS5100-2004. The revaluation can be supported by market evidence (level 2), however key unobservable inputs (level 3) have been used which were significant to the valuation and therefore the overall valuation has been classified as level 3.

Council applied an index of 14.94% as at 30 June 2023, using the Rawlinson's (Australian Construction Handbook) 2023 as a base resource. The next full valuation is planned for 30 June 2025.

Stormwater

The fair value of stormwater was determined by a qualified independent valuer, Brightly Software Australia Pty Ltd, effective 30 June 2022. Brightly Software Australia Pty Ltd determined the fair value of Council's stormwater assets using fair value level 3 valuation inputs using the cost approach. This method is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking in account a range of factors. Brightly Software Australia Pty Ltd valuation technique used gross current values, which were determined using local projects/data if available, local knowledge and available data sources and verified with first principle calculations. Data sources included published reference rates from Rawlinson's (Australian Construction Handbook) 2022. The size of the asset and finishing standard were also considered. The gross current value unit rates used for the valuation included allowances for all existing assets reaching the end of their useful lives being renewed in accordance with current industry design standards and replaced like for like, where possible, and also included allowances for project management and all incurred reasonable costs.

In determining the level of accumulated depreciation the assets are disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately.

Council applied an index of 17.03% to all stormwater assets as at 30 June 2024, using Rawlinson's (Australian Construction Handbook) 2024 as a base resource. The next full valuation is planned for 30 June 2027.

Land improvements (inclusive of marine structures)

The fair value of land improvements was determined by a qualified independent valuer, Brightly Software Australia Pty Ltd, effective 30 June 2023 (with a prior period adjustment applied). Brightly Software Australia Pty Ltd determined the fair value of Council's land improvement assets using fair value level 3 valuation inputs using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Brightly Software Australia Pty Ltd's valuation technique used gross current values, which were assessed on the basis of replacement with a new asset having similar service potential and included allowances for project management and all incurred reasonable costs. The gross current values were derived from and included allowances for; all existing assets reaching the end of their useful life to be renewed in accordance with current industry design standards and replaced like for like, where possible; and reference from Rawlinson's (Australian Construction Handbook) 2023, using the high end of the nominate cost scale for greater accuracy, the base rate was taken from the main capital city of the state and the loading index applied, if applicable, and where applicable a country loading was applied to Council.

In determining the level of accumulated depreciation the assets were disaggregated into significant components which exhibit materially significant parts, which in turn have materially different lifecycles and must be depreciated separately. Brightly Software Australia Pty Ltd derived Council's land improvement assets useful lives by using; evidence based information (including known construction dates and visual inspections); reference and benchmarking with the International Infrastructure Manual and neighbouring municipalities; and local knowledge of past construction practices and current environment. Depreciation values were determined using the change in written down value over a predictable time period, based on the asset's remaining service life profile. The remaining service life profile was derived from Brightly Software Australia Pty Ltd's suite of benchmark profiles.

The gross current values used can be supported by market evidence (level 2), however, Brightly Software Australia Pty Ltd noted the key unobservable inputs (level 3) used in the valuation as; condition; unit rates; and useful and remaining life. Brightly Software Australia Pty Ltd also assessed how changes in the inputs would affect fair value, including a fair value sensitivity analysis of unobservable inputs. These unobservable inputs were significant to the valuation and therefore the overall valuation has been classified as level 3.

AusSpan determined the fair value of Council's marine structures, using fair value level 3 valuation inputs effective 30 June 2021. Each marine structure is assessed individually and componentised. Construction estimates are based on the construction material used, local construction data and financial year reviews, to ensure rates used reflect current tendering. The useful lives were evaluated on an individual basis for each structure and were based on evidence based information (including known construction dates and visual inspections). Useful lives are determined by construction material used and assessment against industry standards. The revaluation can be supported by market evidence (level 2), however key unobservable inputs (level 3) have been used which were significant to the valuation and therefore the overall valuation has been classified as level 3.

Note 9.10 Fair value measurements continued

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Buildings and other structures	16,017	Condition, useful and remaining life, and unit rates	Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	Significant increases (decreases) in the rated condition, useful and remaining life of assets in isolation would result in significantly higher (lower) fair value measurement. Significant increases (decreases) in the adopted unit rates would result in significantly higher (lower) fair value measurement.
Transport infrastructure	183,335		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Bridges	14,097		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Stormwater	66,845		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Land improvements	13,065		Condition 0 - as new to condition 6 - unserviceable Refer to note 3.4 for useful life	
Investment in water corporation	26,480	Refer to note 9.10 (c) for a description of the valuation techniques and the inputs used to determine the fair value of this asset.		

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 property, infrastructure, plant and equipment assets with recurring fair value measurements are detailed in note 6.1. Investment in water corporation, which is classified as level 3 has been separately disclosed in note 5.2.

There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in associates, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 5.1, 5.2, 6.1, and 6.2 respectively.

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

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

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

Council borrowings are measured at amortised cost with interest recognised in Statement of Comprehensive Income 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 events occurring after balance date have been identified which would materially impact these statements.

Note 10 Other matters

Note 10.1 Related party transactions

(i) Councillor Remuneration 2024

Short term employee benefits			Allowances	Total compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
Name	Position	Period				
K Vincent	Mayor	To 9/5/2024	51,292	51,292	1,757	53,049
J Gatehouse	Mayor (from 24/6/2024) & Councillor	Full Year	17,728	17,728	0	17,728
C Wooley	Deputy Mayor	Full Year	33,394	33,394	1,010	34,404
M Brown	Councillor	To 17/11/2023	7,010	7,010	41	7,051
S Campbell	Councillor	Full Year	17,126	17,126	1,151	18,277
M Larkins	Councillor	From 24/6/2024	241	241	23	264
M Le Roux	Councillor	Full Year	17,126	17,126	617	17,743
B Nichols	Councillor	From 4/12/2023	10,115	10,115	549	10,664
M Reed	Councillor	Full Year	17,126	17,126	867	17,993
N Reynolds	Councillor	Full Year	17,126	17,126	204	17,330
C Torenus	Councillor	Full Year	17,126	17,126	544	17,670
Total			205,410	205,410	6,763	212,173

Councillor Remuneration 2023

Short term employee benefits			Allowances	Total compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
Name	Position	Period				
K Vincent	Mayor	Full Year	57,887	57,887	1,201	59,088
N Reynolds	Deputy Mayor (To 31/10/2022) & Councillor	Full Year	21,678	21,678	234	21,912
C Wooley	Deputy Mayor	From 1/11/2022	21,703	21,703	618	22,321
M Brown	Councillor	From 1/11/2022	11,131	11,131	150	11,280
S Campbell	Councillor	From 1/11/2022	11,131	11,131	1,018	12,149
K Degrassi	Councillor	Full Year	5,409	5,409	75	5,484
V Gala	Councillor	Full Year	5,409	5,409	164	5,573
J Gatehouse	Councillor	From 1/11/2022	11,131	11,131	-	11,131
G Jackson	Councillor	To 31/10/2022	5,409	5,409	62	5,471
M Le Roux	Councillor	From 1/11/2022	11,131	11,131	396	11,527
B Nichols	Councillor	To 31/10/2022	5,409	5,409	212	5,621
M Reed	Councillor	Full Year	16,540	16,540	702	17,242
C Torenus	Councillor	Full Year	16,540	16,540	468	17,008
Total			200,505	200,505	5,300	205,806

1 Section 72(1)cb of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors. Expenses in the 2022-23 and 2023-24 financial year are for travel.

Note 10.1 Related party transactions continued

(ii) Key management personnel remuneration 2024

Remuneration band	Number of Employees	Short term employee benefits			Post employment benefits		Total \$
		Salary ¹ \$	Vehicles ² \$	Other allowances and benefits ³ \$	Superannuation ⁴ \$	Non-monetary benefits ⁵ \$	
\$260 001 - \$280 000	1	216,416	24,932	-	31,922	(1,212)	272,058
\$160 001 - \$180 000	1	139,452	23,587	-	21,588	(5,312)	179,315
\$140 001 - \$160 000	1	126,416	22,039	-	19,100	(18,900)	148,655
Sub-total		482,284	70,558	-	72,610	(25,424)	600,028
Total		482,284	70,558	-	72,610	(25,424)	600,028

Key management personnel remuneration 2023

Remuneration band	Number of Employees	Short term employee benefits			Post employment benefits		Total \$
		Salary ¹ \$	Vehicles ² \$	Other allowances and benefits ³ \$	Superannuation ⁴ \$	Non-monetary benefits ⁵ \$	
\$260 001 - \$280 000	1	216,477	24,982	-	31,410	(5,328)	267,540
\$200 001 - \$220 000	1	159,773	20,721	-	23,024	1,052	204,570
\$160 001 - \$180 000	1	126,778	22,538	-	18,234	2,098	169,649
Sub-total		503,028	68,241	-	72,668	(2,178)	641,759
Total		503,028	68,241	-	72,668	(2,178)	641,759

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

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance costs, fringe benefits tax and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

³ Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁴ Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were not applicable to any of the key management personnel for the 2022-23 and 2023-24 financial years.

⁵ Non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

(iii) Remuneration principles

Councillors

Councillor allowances are set by the Department of Premier and Cabinet and reviewed annually in November. Councillor expenses include expenses paid to Councillors in accordance with Council's Payment of Councillors Expenses and Provision of Facilities Policy.

Executives

Remuneration levels for key management personnel are set in accordance with the specifications of each individual position and in line with market conditions.

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

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period prior to termination of the contract. Senior executive contracts extend automatically, with the exception of the General Manager's contract. In regards to the General Manager's contract, whilst not automatic, the contract can be extended by Council.

Note 10.1 Related party transactions continued

(iii) Remuneration principles continued

Short term incentive payments

The Council sets fixed performance targets with goals and indicators aligned to the position description, annual and strategic plans. Where an employee has exceeded the set targets and key performance indicators a bonus not exceeding \$2,000 may be approved.

There were no short term incentive payments awarded during the current year to key management personnel.

Termination benefits

There were no termination benefits awarded during the current year to key management personnel.

Acting Arrangements

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

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

(iv) Transactions with subsidiaries, associates and joint ventures

Transactions with associates

The Copping Refuse Disposal Site Joint Authority (CRDSJA) (trading as Southern Waste Solutions) was established under section 30 of the Local Government Act 1993 by the Sorell Council, Clarence City Council and Tasman Council. Kingborough Council joined CRDSJA in 2009. During the 2023-24 financial year Council maintained an ownership interest of 24% (2022-23, 24%).

All transactions between Council and Southern Waste Solutions during the 2023-24 financial year were based on normal rates for such supplies and were due and payable under normal payment terms. The following transactions occurred between Council and Southern Waste Solutions during the 2023-24 financial year:

Nature of the transaction	Amount of the transactions during the year (including GST where applicable)	Outstanding balances, including commitments at year end	Terms and conditions
Council expense - waste disposal fees	\$217,129	Accounts Payable - \$14,590	30 day invoice terms
Council income - Copping Refuse Disposal Site land rental	\$87,134	Accounts Receivable - \$7,261	In accordance with the signed lease agreement, the Copping Refuse Disposal Site land valuation and Council's ownership interest.
Council income - Copping Refuse Disposal Site 2023-24 land tax	\$22,477	Nil	In accordance with the signed lease agreement.
Council income - Council's share of CRDSJA's 2023-24 profit share	\$20,951	Nil	In accordance with the signed lease agreement and Council's ownership interest.
CRDSJA income tax equivalents received by Council and reinvested in CRDSJA	\$145,739	Nil	All CRDSJA Participating Councils have agreed to reinvest all income tax equivalents in CRDSJA. The amount was transferred to equity.

(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 (including GST where applicable)	Outstanding balances, including commitments at year end	Terms and conditions	Provision for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
Supply of materials ¹	\$13,415	Accounts Payable - Nil	30-day terms on invoices	Nil	Nil
Payment of Industrial Rates ²	\$3,794	Nil	In accordance with Council's approved Rates & Charges Policy and 2023-24 Rates & Charges Resolution	Nil	Nil

Note 10.1 Related party transactions continued

(v) Transactions with related parties continued

Nature of the transaction	Amount of the transactions during the year (including GST where applicable)	Outstanding balances, including commitments at year end	Terms and conditions	Provision for doubtful debts related outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
SERDA contributions ³	\$22,000	Accounts Payable - Nil	30-day terms on invoices	Nil	Nil
SERDA expenditure reimbursements ⁴	\$0	Accounts Receivable - Nil	30-day terms on invoices	Nil	Nil
Development Application (planning) ⁵	\$1,302	Nil	In accordance with Building Act 2016 & Council's approved fees & charges	Nil	Nil
Plumbing Application (planning) ⁶	\$1,873	Nil	In accordance with Building Act 2016 & Council's approved fees & charges	Nil	Nil
Building Application (planning) ⁷	\$3,360	Nil	In accordance with Building Act 2016 & Council's approved fees & charges	Nil	Nil

1 Council purchased miscellaneous materials during the 2023-24 financial year from Rural Solutions Tasmania Pty Ltd and Torenium Timber Pty Ltd. Rural Solutions Tasmania Pty Ltd and Torenium Timber Pty Ltd are companies which are controlled by members of Council's key management personnel (KMP). The member of Council's KMP who controls Rural Solutions Tasmania Pty Ltd resigned on the 9 May 2024. Amounts were invoiced based on normal rates for such supplies and were due and payable under normal payment terms.

2 During the 2023-24 financial year, close family members of a member of Council's KMP paid rates on a property classified by the Valuer-General as non-vacant industrial 113 Sawmill. This property is the industrial site for Torenium Timber Pty Ltd, a company which is jointly controlled by a member of Council's KMP and close family members. The rates were raised by Council in accordance with Council's approved Rates & Charges Policy and approved 2023-24 Rates & Charges Resolution. The rates were paid in full during the 2023-24 financial year, with an outstanding balance of \$0 as at 30 June 2024.

3 South East Region Development Association (SERDA) is an incorporated association, which is an economic and community development association between Clarence Council, Glamorgan Spring Bay Council, Tasman Council and Sorell Council. Two of Council's KMP are on the committee of SERDA, in the positions of President and Secretary/Public Officer. The member of Council's KMP who holds the position of President resigned from Council on the 9 May 2024. Along with the other three partnering Council's, Council makes contributions on an annual basis to SERDA. SERDA's accounting function is completed by Council's Finance Department. Amounts were invoiced based on normal rates and were due and payable under normal payment terms.

4 SERDA's accounting function is completed by Council's Finance Department. Amounts were invoiced based on normal rates and were due and payable under normal payment terms.

5 Development Application Fees were received in relation to a development application by a family member of a Council KMP for visitor accommodation. The building application was lodged on 11 June 2024 and fees were paid to Council on 21 June 2024. The application is being processed and is currently going through the approval process as at 30 June 2024 in accordance with the Building Act 2016 by Council's internal permit authority.

6 Plumbing Application Fees were received in relation to a plumbing application by a family member of a Council KMP. The plumbing application was lodged on 13 July 2023 and fees were paid to Council on 13 July 2023. The application was processed and approved on 27 July 2023 in accordance with the Building Act 2016 by Council's internal permit authority.

7 Building Application Fees were received in relation to a building application by a family member of a Council KMP for various stages of a notifiable building. The first building application was lodged on 20 July 2023 and fees were paid to Council on 20 July 2023. The application was processed and approved on 20 July 2023 in accordance with the Building Act 2016 by Council's internal permit authority. The second building application was lodged on 20 September 2023 and fees were paid to Council on 21 September 2023. The application was processed and approved on 21 September 2023 in accordance with the Building Act 2016 by Council's internal permit authority. The third building application was lodged on 8 December 2023 and fees were paid to Council on 12 December 2023. The application was processed and approved on 18 December 2023 in accordance with the Building Act 2016 by Council's internal permit authority.

In accordance with section 84(2)(b) of the Local Government Act 1993, the General Manager has been notified in respect to interests in the following entities with which the Council has major financial dealings:

Council's Mayor (to 9/5/2024) is the Chairman on the Board and one of Council's Councillors is the Secretary on the Board of Bendigo Bank's Sorell & District Community Bank Branch. Council held term deposits with Bendigo Bank throughout the 2023-24 financial year, with a total balance of \$1,626,521 at 30 June 2024. This balance made up 8.5% of Council's total cash, cash equivalents and investments as at 30 June 2024. All transactions between Council and Bendigo Bank are made at arm's length and are on based on the same terms and conditions available to the general public. All Council's investments during 2023-24 financial year were made in accordance with Council's Investment Policy.

Council's Mayor (to 9/5/2024) is the Chairman on the Board of Business and Employment Southeast Tasmania Inc. (BEST). BEST provides Council free social media advertising for recruitment purposes. Note this service is not exclusive to Council, all customers of BEST receive this free service.

Note 10.1 Related party transactions continued

(vi) Loans and guarantees to/from related parties

There were no aggregate amounts of loans in existence at balance date that had been made, guaranteed or secured by the Council to a related party.

(vii) Commitments to/from related parties

There were no aggregate amounts of commitments in existence at balance date that have been made, guaranteed or secured by the Council to 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 in accordance with Council's approved Rates & Charges Policy and approved 2023-24 Rates & Charges Resolution.
- Payment of development applications for residential structures in accordance with Council's normal application process and terms and conditions.
- Payment of dog registrations.
- Use of Council's community facilities.

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

Council has the following Special Committee:

- Copping Hall and Reserves Committee

The above Special Committee financial transactions have been included within the financial statements for the year ended 30 June 2024.

Note 10.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

The estimated revenue and expense amounts in the Statement of Comprehensive Income represent revised budget estimates (approved by Council at the 20 February 2024 Council Meeting) and are not audited.

Note 10.3 Other significant accounting policies and pending accounting standards continued

(g) Adoption of new and amended accounting standards

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- (i) AASB 2021-2 - *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*.

AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates; specifically:

- AASB 7 *Financial Instruments Disclosures*, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.
- AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies.
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates.

(h) Pending accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

- (i) AASB 2022- 6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

This Standard amends AASB 101 *Presentation of Financial Statements* to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

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

This Standard modifies AASB 13 *Fair Value Measurement* for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows. This includes guidance and clarification regarding the determination of an asset's highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value. The Standard applies prospectively to annual periods beginning on or after 1 January 2025, with earlier application permitted.

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

Note 10.4 Significant business activities

Council has assessed the significant business activities regulations and found there to be no activities that meet the regulations.

Recreational Vehicle (RV) park

During the 2018-19 financial year the Office of the Tasmanian Economic Regulator (OTTER) wrote to Council concerning Council's Recreational Vehicle (RV) park and a complaint that Council is contravening the competitive neutrality principles by providing low cost RV camping services in Sorell. OTTER originally proposed that this was a significant business activity of Council, however Council have challenged this and the determination has been referred to the Treasurer for further consideration. Council are currently waiting to hear back from the Treasurer and as at 30 June 2024 had not been provided with a determination from the Treasurer.

Note 10.5 Management indicators

	Benchmark	2024	2023	2022	2021
		\$'000	\$'000	\$'000	\$'000
(a) Underlying surplus or deficit					
Net result for the year		17,509	8,663	13,268	6,886
Less non-operating income					
Capital grants		2,771	2,108	7,860	4,598
Contributions - non-monetary assets		12,021	2,803	2,434	1,212
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(1,057)	(1,133)	(36)	-
Net gain/(loss) on de-recognition/recognition property, infrastructure, plant and equipment		9	16	33	80
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method		1,379	1,185	592	-
Fair value adjustments for investment property		68	182	-	38
Commonwealth Financial Assistance Grant received in advance		(432)	828	829	(131)
Add non-operational expenses		-	-	-	-
Underlying surplus/deficit	> \$0	2,750	2,673	1,555	1,089

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

The surplus result is above the benchmark.

(b) Underlying surplus ratio					
Underlying surplus or deficit		2,750	2,673	1,555	1,089
Recurrent income*		25,580	22,895	21,179	19,890
Underlying surplus ratio %	> 0%	11%	12%	7%	5%

*Recurrent income is calculated using the total recurrent income per the Statement of Comprehensive Income and then the Commonwealth Financial Assistance Grant received in advance movement at note 10.5 (a) is subtracted.

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

Another positive result for Council in 2024 further demonstrates financial operating effectiveness.

(c) Net financial liabilities					
Liquid assets**		19,943	19,398	16,124	15,163
Less total liabilities		8,864	7,838	8,509	10,190
Net financial liabilities		11,079	11,560	7,615	4,973

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

**Liquid assets	Note				
Cash and cash equivalents	4.1	8,100	7,039	10,102	6,072
Investments	4.3	11,070	11,388	5,310	5,282
Other - accrued income	6.5	439	334	442	224
Trade and other receivables - current - not yet due	9.9 (b)	327	73	115	3,581
Trade and other receivables - current - past due by up to 30 days	9.9 (b)	7	564	155	4
		19,943	19,398	16,124	15,163

(d) Net financial liabilities ratio					
Net financial liabilities		11,079	11,560	7,615	4,973
Recurrent income*		25,580	22,895	21,179	19,890
Net financial liabilities ratio %	0% - (50%)	43%	50%	36%	25%

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

A positive result for Council in 2024, after a similar result in previous years, further demonstrating a strong liquidity position and an ability to meet ongoing liabilities from recurrent income.

Note 10.5 Management indicators continued

	Benchmark	2024	2023	2022	2021
		\$'000	\$'000	\$'000	\$'000

(e) Asset consumption ratio

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Transport infrastructure and bridges

Fair value (carrying amount)		197,432	189,182	167,913	164,895
Current replacement cost		310,251	300,139	266,055	260,866
Asset consumption ratio %	> 60%	64%	63%	63%	63%

Buildings

Fair value (carrying amount)		25,969	18,094	18,627	19,052
Current replacement cost		30,233	21,628	22,028	21,951
Asset consumption ratio %	> 60%	86%	84%	85%	87%

Stormwater

Fair value (carrying amount)		66,845	51,215	49,947	42,457
Current replacement cost		89,508	69,811	67,805	57,019
Asset consumption ratio %	> 60%	75%	73%	74%	74%

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

Council has had asset management and long term financial plans since June 2014. The funding requirements for all categories of assets are reviewed on an annual basis. All ratio calculations indicate a high level of service potential is available in Council's existing asset base.

(f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Transport infrastructure and bridges

Projected capital funding outlays***		50,463	49,679	46,372	48,875
Projected capital expenditure funding****		50,463	46,464	44,158	46,550
Asset renewal funding ratio %	90-100%	100%	107%	105%	105%

Buildings

Projected capital funding outlays***		1,367	13,067	11,208	12,103
Projected capital expenditure funding****		1,367	13,489	11,640	12,530
Asset renewal funding ratio %	90-100%	100%	97%	96%	97%

Stormwater

Projected capital funding outlays***		3,658	10,992	10,455	8,902
Projected capital expenditure funding****		3,658	11,633	11,041	9,492
Asset renewal funding ratio %	90-100%	100%	94%	95%	94%

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

**** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

This ratio measures Council's capacity to fund future asset replacement requirements.

The result for all categories meet the benchmark indicating Council is accumulating funds sufficiently to provide for asset renewal needs.

Note 10.5 Management indicators continued

	Benchmark	2024	2023	2022	2021
		\$'000	\$'000	\$'000	\$'000
(g) Asset sustainability ratio					
<u>Capex on replacement/renewal of existing assets</u>		7,368	3,963	4,586	4,800
Annual depreciation expense		6,171	5,289	5,166	5,229
Asset sustainability ratio %	100%	119%	75%	89%	92%

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

The ratio improvement over previous years was expected due to a number of works being completed during the 2023-24 financial year that had been delayed in prior years. The result now exceeds the benchmark ratio.

2024	Capital renewal expenditure	Capital new /upgrade expenditure	Total capital expenditure
By asset class	\$'000	\$'000	\$'000
Transport infrastructure and bridges	6,218	1,871	8,089
Stormwater	41	526	567
Land and buildings	8	216	224
Other	1,101	1,924	3,025
Total	7,368	4,537	11,905

2023	Capital renewal expenditure	Capital new /upgrade expenditure	Total capital expenditure
By asset class	\$'000	\$'000	\$'000
Transport infrastructure and bridges	3,506	996	4,502
Stormwater	67	871	937
Land and buildings	34	779	813
Other	355	176	531
Total	3,963	2,821	6,783



**Independent Auditor's Report
To the Councillors of Sorell Council
Report on the Audit of the Financial Report**

Opinion

I have audited the financial report of Sorell Council (Council), which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2024 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, nor the asset renewal funding ratio disclosed in note 10.5 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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.



Derek Burns
Director
Financial Audit Services
Delegate of the Auditor-General
Tasmanian Audit Office

26 September 2024
Hobart



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