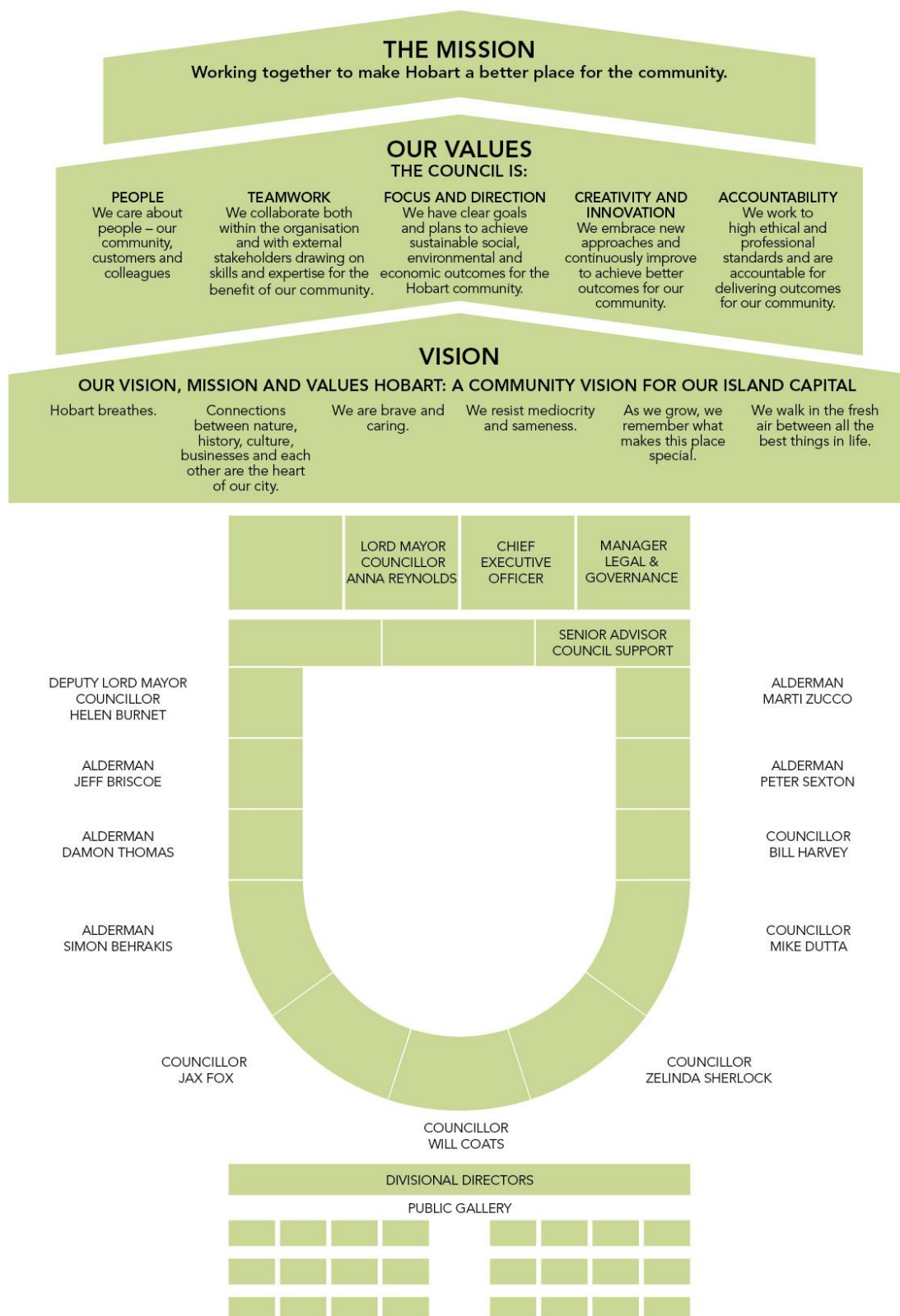




CITY OF HOBART

AGENDA
OPEN PORTION OF THE COUNCIL MEETING
TUESDAY, 25 OCTOBER 2022
AT 5:00 PM





ORDER OF BUSINESS

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**A MEETING OF THE OPEN PORTION OF THE COUNCIL WILL BE HELD IN THE
COUNCIL CHAMBER, TOWN HALL ON TUESDAY, 25 OCTOBER 2022 AT
5:00 PM.**

**Kelly Grigsby
Chief Executive Officer**

The title Chief Executive Officer is a term of reference for the General Manager as appointed by Council pursuant s.61 of the *Local Government Act 1993* (Tas).

ELECTED MEMBERS:

Lord Mayor A M Reynolds
Deputy Lord Mayor H Burnet
Alderman M Zucco
Alderman J R Briscoe
Alderman Dr P T Sexton
Alderman D C Thomas
Councillor W F Harvey
Alderman S Behrakis
Councillor M S C Dutta
Councillor J Fox
Councillor Dr Z E Sherlock
Councillor W N S Coats

APOLOGIES:

LEAVE OF ABSENCE: Nil.

1. CONFIRMATION OF MINUTES

The Chairman reports that she has perused the minutes of the meeting of the Open Portion of the Council meeting held on [Monday, 10 October 2022](#), finds them to be a true record and recommends that they be taken as read and signed as a correct record.

2. TRANSFER OF AGENDA ITEMS

Are there any items, which the meeting believes, should be transferred from this agenda to the closed agenda or from the closed agenda to the open agenda, in accordance with the procedures allowed under Section 15 of the *Local Government (Meeting Procedures) Regulations 2015*?

3. COMMUNICATION FROM THE CHAIRMAN

4. NOTIFICATION OF COUNCIL WORKSHOPS

5. PUBLIC QUESTION TIME

Regulation 31 *Local Government (Meeting Procedures) Regulations 2015*.
File Ref: 16/119-001

5.1 Public Questions

5.2 Responses to Public Questions Taken On Notice

"In accordance with the procedures approved in respect to Public Questions Time, the following responses to questions taken on notice are provided to the Council for information.

The Council is reminded that in accordance with Regulation 31(4) of the *Local Government (Meeting Procedures) Regulations 2015*, the Chairperson is not to allow discussion or debate on either the question or the response."

RECOMMENDATION

That the following responses to public questions taken on notice, be received and noted.

5.2.1 Kelly's Steps

Meeting date: 26 September 2022
Raised by: Mr Edwin Johnstone
Response Author: Ms Kelly Grigsby (CEO)
Topic: **KELLY'S STEPS**

Question:

Is the Council going to do any general maintenance to the steps including cleaning, is there any long term plans to the maintenance, wear and tear on the steps which are starting to become dangerous?

Response:

As I indicated at the Council meeting, a cleaning crew was deployed to do an immediate cleanse of the area.

The Council does perform daily checks and cleaning of Kelly's Steps and when necessary, a blower and sweeper are used for leaves and general cleaning and if required, a high pressure cleaner for excess dirt and grime.

Kelly's Steps are of sandstone construction so some wearing is to be expected. An inspection has been undertaken with the report indicating that some stairs are showing signs of stress fracturing in the stone indicating the minor chipping on some stair nosing is from fair wear and tear rather than damage and miss use. The inspection reported these are not yet at intervention levels with only one new chip since the previous inspection and it is not considered necessary to undertake any remedial works at this time. It was further reported the stairs are not considered dangerous in their current state.

Regular inspections will continue to monitor the condition of the stair however, there are no plans for any asset replacement works to occur for some time.

6. PETITIONS

7. CONSIDERATION OF SUPPLEMENTARY ITEMS

Ref: Part 2, Regulation 8(6) of the *Local Government (Meeting Procedures) Regulations 2015*.

RECOMMENDATION

That the Council resolve to deal with any supplementary items not appearing on the agenda, as reported by the Chief Executive Officer in accordance with the provisions of the *Local Government (Meeting Procedures) Regulations 2015*.

8. INDICATIONS OF PECUNIARY AND CONFLICTS OF INTEREST

Ref: Part 2, Regulation 8(7) of the *Local Government (Meeting Procedures) Regulations 2015*.

Elected Members are requested to indicate where they may have any pecuniary or conflict of interest in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the Council has resolved to deal with.

REPORTS OF COMMITTEE

CITY PLANNING COMMITTEE

9. COUNCIL ACTING AS PLANNING AUTHORITY

In accordance with the provisions of Part 2 Regulation 25 of the *Local Government (Meeting Procedures) Regulations 2015*, the intention of the Council to act as a planning authority pursuant to the *Land Use Planning and Approvals Act 1993* is to be noted.

In accordance with Regulation 25, the Council will act as a planning authority in respect to those matters appearing under this heading on the agenda, inclusive of any supplementary items.

The Council is reminded that in order to comply with Regulation 25(2), the Chief Executive Officer is to ensure that the reasons for a decision by a Council or Council Committee acting as a planning authority are recorded in the minutes.

9.1 50 Macquarie Street, Hobart and Adjacent Road Reserve - Partial Demolition, Alterations and Signage PLN-22-596 - File Ref: F22/103146

Ref: Open [CPC 7.1.1](#), 24/10/2022
Application Expiry Date: 30 November 2022

A recommendation will be provided under separate cover.

9.2 1 Queens Walk and Adjacent Road Reserve - Partial Demolition, 150 Multiple Dwellings (85 Existing, 65 New), Carparking, Landscaping including Tree Removal, and Associated Works PLN-22-146 - File Ref: F22/105890

Ref: Open [CPC 7.2.1](#), 24/10/2022
Application Expiry Date: 26 October 2022

A recommendation will be provided under separate cover.

9.3 1 Knopwood Street, Battery Point - Revised Plans - PLN-21-719 File Ref: F22/105426

Ref: Open [CPC 7.2.2](#), 24/10/2022

A recommendation will be provided under separate cover.

**9.4 31 Swanston Street, New Town - Partial Demolition, Alterations, Extension, and Seven Multiple Dwellings (One Existing, Six New)
PLN-22-571 - File Ref: F22/104911**

Ref: Open [CPC 7.2.3](#), 24/10/2022

Application Expiry Date: 31 October 2022

A recommendation will be provided under separate cover.

**9.5 1 Tew Terrace and 5 Tew Terrace, Sandy Bay - Partial Demolition, Alterations and Extension
PLN-22-402 - File Ref: F22/101522**

Ref: Open [CPC 7.2.4](#), 24/10/2022

Application Expiry Date: 28 November 2022

A recommendation will be provided under separate cover.

**9.6 90 Melville Street, Hobart - Demolition and New Building for 55 Multiple Dwellings, Food Services, Business and Professional Services, General Retail and Hire And Associated Works Within The Adjacent Road Reserve - ETA-22-170
File Ref: F22/104873**

Ref: Open [CPC 7.2.5](#), 24/10/2022

A recommendation will be provided under separate cover.

**9.7 27 Lefroy Street, North Hobart - Partial Change of Use to Food Services (Mobile Food Vendor)
PLN-22-477 - File Ref: F22/105708**

Ref: Open [CPC 7.2.6](#), 24/10/2022

Application Expiry Date: 29 November 2022

A recommendation will be provided under separate cover.

SPECIAL REPORTS – CHIEF EXECUTIVE OFFICER
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10. 2021-22 Financial Statements
File Ref: F22/105236; 16/119

Report of the Financial Operations Manager and the Director City Enablers of 18 October 2022 and attachments.

Delegation: Council

REPORT TITLE: 2021-22 FINANCIAL STATEMENTS

REPORT PROVIDED BY: Financial Operations Manager
Director City Enablers

1. Report Purpose and Community Benefit

- 1.1. The purpose of this report is to present the financial statements for the year ended 30 June 2022 for adoption by Council.

2. Report Summary

- 2.1. The Council's financial statements for the year ended 30 June 2022 have been prepared and independently audited.
- 2.2. The Auditor-General has completed his audit and issued an unqualified audit opinion (see **Attachments A and B**).
- 2.3. Council's 2021-22 underlying surplus of \$5.636 million is \$4.143 million favourable compared to the original 2021-22 budget position (\$1.493 million surplus), and \$3.534 million favourable against the most recent 2021-22 forecast (\$2.102 million surplus).

3. Recommendation

That the Council note that in accordance with section 84(4) of the Local Government Act 1993 that the Chief Executive Officer, being the General Manager as appointed by Council pursuant to section 61 of the Local Government Act 1993, tables the certified financial statements for the year ended 30 June 2022 marked as Attachment C to this report.

4. Background

- 4.1. The financial statements for the year ended 30 June 2022 have been prepared on a consistent basis with prior years.
- 4.2. The financial statements were presented to the Risk and Audit Panel on 11 August 2022 and delivered to the Auditor-General on that same day.
- 4.3. The financial statements were re-presented to the Risk and Audit Panel at its meeting on 18 October 2022 following some minor amendments requested by the Auditor-General. The Risk and Audit Panel endorsed the financial statements for tabling at the next available meeting of the Council.
- 4.4. The financial statements are attached to this report (see **Attachment C**). Highlights of the financial statements are detailed in Section 7 below.

5. Proposal and Implementation

- 5.1. It is proposed that Council formally adopt the financial statements.

6. Strategic Planning and Policy Considerations

6.1. There are no direct strategic planning implications.

7. Financial Implications**7.1. Financial Sustainability Outcomes**

7.1.1. As outlined in Council's Long-term Financial Management Plan (LTFMP), eight financial sustainability measures have been adopted for the purpose of measuring Council's financial sustainability.

7.1.2. Indicators 1-2 are measures of profit and performance and the extent to which expenses are covered by revenues.

7.1.3. Indicators 3-4 are measures of indebtedness and the amount Council owes others (loans, employee provisions, creditors) net of financial assets (cash, investments and amounts owed to Council).

7.1.4. Indicator 5 measures the proportion of income required to meet net interest costs.

7.1.5. Indicators 6-8 are measures of asset management.

7.1.6. Council's performance against the eight financial sustainability indicators is shown in Table 1 below: -

Table 1: Performance against Financial Sustainability Indicators

Indicator	Description	Budget 2021/22	Actual 2021/22	Budget achieved (✓ / X)	Benchmark	Benchmark achieved (✓ / X)
1	Underlying Surplus	\$1,493,000	\$5,636,000	✓	> 0	✓
2	Underlying Surplus Ratio	1.05%	3.83%	✓	0% - 2%	✓
3	Net Financial Liabilities *	-\$77,136,000	-\$35,128,000	✓	> -\$71M	✓
4	Net Financial Liabilities Ratio	-54.06%	-23.90%	✓	> -50%	✓
5	Net Interest Expense Cover Ratio	1.48%	1.09%	✓	< 7%	✓
6	Asset Sustainability Ratio	106.83%	56.96%	X	100%	X
7	Asset Consumption Ratio	53.04%	58.10%	✓	40% - 80%	✓
8	Asset Renewal Funding Ratio	92.24%	101.39%	✓	100%	✓

*Note - Net Financial Liabilities includes **all** liabilities, and therefore differs from the value shown in note 18 of the financial statements (which only includes **financial** liabilities).

7.1.7. Financial sustainability indicators 1 to 4 (which focus on profitability and indebtedness) have all achieved budget and benchmark targets.

7.1.8. Indicators 5 to 8 focus on loan servicing and asset management. Indicators 5, 7 and 8 have met both budget and benchmark. Indicator 6 (Asset Sustainability Ratio) has not met budget or benchmark, mainly due to lower asset renewal expenditure.

7.2. Underlying Result

- 7.2.1. The underlying result for 2021-22 is a surplus of \$5.636 million (2020-21 \$0.025 million deficit). The underlying result excludes continued costs associated with the May 2018 flood event, COVID-19 additional net costs and profits on sale of property. This result is \$4.143 million favourable compared to the original budget position (\$1.493 million surplus) and \$3.534 million favourable against the most recent forecast (\$2.102 million surplus).
- 7.2.2. The \$4.143 million favourable variance against the original budget position is mainly due to lower labour and asset write-off costs, and higher rates and fines revenue. These are partly offset by higher materials and services costs and depreciation.
- 7.2.3. The Auditor-General guidelines for calculating the underlying result have been followed in calculating the above numbers.

7.3. Cash Position

- 7.3.1. Cash balances have reduced by \$1.522 million from \$38.555 million to \$37.033 million.
- 7.3.2. Investments have increased by \$22 million from \$6.3 million to \$28.3 million.
- 7.3.3. Term deposits with a maturity greater than 3 months are classified as investments on the balance sheet.
- 7.3.4. Council's year end cash position remains positive and includes the drawing down of a \$5 million loan in August 2021. The cash balance is committed to a number of items that have internal and external restrictions, and the remaining funds can be used for other purposes such as capital works and payment of liabilities.

7.4. Rate revenue

- 7.4.1. Rate revenue totalled \$96.867 million (2020-21 \$90.978 million) and represents approximately 65% of underlying revenue.
- 7.4.2. The increase of \$5.889 million is the result of:
 - A 2.73% increase to fund the increased cost of providing existing services,
 - A 10.23% increase to fund the increase in the State Government fire levy, and
 - A 1.29% increase in Council's rate base (total AAV) due to development activity.

7.5. Asset Revaluations

7.5.1. In accordance with the requirement to ensure that reported asset values do not differ materially from their fair value, some asset classes were revalued during 2021-22 and indexation was applied to others.

7.5.2. The results of the revaluation exercise were:

Land	\$57.636M	Increment
Land Improvements	\$1.489M	Increment
Pathways & Cycleways	\$16.568M	Increment
	<u>\$75.693M</u>	Increment

7.5.3. The results of the indexation exercise were:

Buildings	\$11.824M	Increment
Stormwater	\$14.572M	Increment
Roads and Bridges	\$18.451M	Increment
Other Property	\$0.005M	Increment
	<u>\$44.852M</u>	Increment

7.5.4. A fresh valuation of land in the Hobart municipality was completed by the Valuer-General in 2021-22, with an effective date of 1 July 2021. Consequently land has been revalued using this data derived from the Valuer-General.

7.5.5. The Land Improvements and Pathways & Cycleways asset class revaluations were undertaken using the current replacement cost methodology, based on a considered average of internal estimates, external estimates and project actual rates.

7.5.6. Land Improvements was last revalued in 2018-19 following which indexation has been applied each year. Pathways & Cycleways was previously valued in 2016-17 as part of the Roads and Bridges asset class.

7.5.7. The above revaluation increments have been recognised in "other comprehensive income".

7.6. Contributed Property, Plant and Equipment

7.6.1. Contributed property, plant and equipment essentially comprises assets required to be constructed for Council by developers.

7.6.2. During 2021-22, these amounted to \$8.744 million (2020-21 \$2.081 million) and were mainly derived from the takeover of subdivisions at McDevitt Avenue, Dynnyrne, Athleen Avenue, Lenah Valley and Bluestone Rise, Lenah Valley.

7.7. Asset Write-offs

- 7.7.1. Asset write-offs mainly comprise infrastructure assets replaced as part of Council's on-going asset renewal program.
- 7.7.2. Asset write-offs totalled \$1.342 million (2020-21 \$3.782 million) and were in respect of the following asset classes:

Roads and Bridges	\$0.638M
Land Improvements	\$0.435M
Pathways & Cycleways	\$0.240M
Other	\$0.029M
	<hr/>
	\$1.342M

7.8. Investment in TasWater

- 7.8.1. Council has an ownership interest in TasWater, which is accounted for as an equity investment at fair value through other comprehensive income.
- 7.8.2. Distributions received from TasWater are recognised as revenue and included in Council's surplus.
- 7.8.3. The value of Council's ownership interest at any point in time is calculated by applying Council's ownership interest percentage (9.84%) to TasWater's net asset value. Council's equity interest has reduced from 10.05% last year due to the effect of the State Government's equity injection of two million shares in TasWater during the year. Applying this methodology at 30 June 2022 produces a value for Council's ownership interest of \$162.866 million (30 June 2021 \$158.401 million). The \$4.465 million increase from the previous year has been recognised in "other comprehensive income" rather than in the surplus.

7.9. Defined-Benefit Superannuation Plan

- 7.9.1. Council's defined-benefit superannuation plan position has increased by \$1.873 million to a net asset of \$5.541 million at 30 June 2022. This movement is mainly due to: -
- 7.9.1.1. An increase in the discount rate (from 1.36% to 3.60%) which increases the defined-benefit asset, partly offset by,
- 7.9.1.2. The advised salary increase rate as at 1 July 2022 (5.82%) exceeding the 2021 assumption (2.50%), and
- 7.9.1.3. The actual return on the assets for 2021-22 (negative 1.41%) was lower than the rate used to calculate the interest income on plan assets for the year (1.36%).

7.10. Changes in Accounting Standards

7.10.1. There were no new Standards issued by the Australian Accounting Standards Board that were relevant to Council's operations during 2021-22.

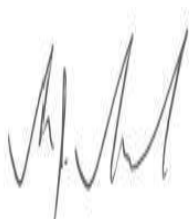
8. Legal, Risk and Legislative Considerations

- 8.1. The Chief Executive Officer, being the General Manager as appointed by Council pursuant to section 61 of the *Local Government Act 1993*.
- 8.2. Section 84(1) of the *Local Government Act 1993* requires the Chief Executive Officer to prepare and forward to the Auditor-General a copy of Council's financial statements in accordance with the *Audit Act 2008*.
- 8.3. Section 17(1) of the *Audit Act 2008* requires the Chief Executive Officer to prepare and forward a copy of Council's financial statements to the Auditor-General within 45 days after the end of each financial year.
- 8.4. Section 17(4) of the *Audit Act 2008* requires Council's financial statements to be prepared in accordance with the accounting standards and other requirements issued by the Australian Accounting Standards Board.
- 8.5. Section 84(3) of the *Local Government Act 1993* requires the Chief Executive Officer certify that the financial statements fairly represent Council's financial position, the results of Council's operations, and the cash flow of Council. This certification is attached (refer **Attachment D**).
- 8.6. Section 84(4) of the *Local Government Act 1993* requires the Chief Executive Officer to table the certified financial statements at a meeting of the Council as soon as practicable.
- 8.7. All of the above legal requirements have been complied with.

9. Delegation

- 9.1. This matter is delegated to the Council.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.







Michael Greatbatch
FINANCIAL OPERATIONS MANAGER



Michael Reynolds
DIRECTOR CITY ENABLERS

Date: 18 October 2022

File Reference: F22/105236; 16/119

Attachment A: Audit Opinion Cover Letter for Year Ended 30 June 2022 ↓ 
Attachment B: Independent Auditors Report for Year Ended 30 June 2022 ↓ 
Attachment C: Financial Statements for Year Ended 30 June 2022 ↓ 
Attachment D: Certification by Chief Executive Officer for Year Ended 30 June 2022 ↓ 



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26 September 2022

Councillor A. Reynolds
The Rt Hon Lord Mayor of Hobart
Hobart City Council
HOBART TAS 7000

Issued by email only

Dear Councillor Reynolds

**Hobart City Council – Audit Opinion - Audit of the Financial Report for the
Year Ended 30 June 2022**

The audit of the financial report for Hobart City Council (Council) has been completed in accordance with the agreed financial audit strategy. I have issued my audit report on the financial report, a copy of which is enclosed.

I have prepared this letter solely for the use of Council. As you know, this letter forms part of a continuing dialogue between Council, the Chief Executive Officer and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

Audit findings

A memorandum of audit findings is in the process of being drafted, setting out matters that came to my attention during the audit and my recommendations for improvements. These matters will be provided to management for review and response. The finalised memorandum of audit findings will be forwarded to you upon completion.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

Review of the annual report

Please will you forward to me a copy of the final draft of Council's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Report* to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

Appreciation for assistance and co-operation

Appreciation is expressed for the assistance and co-operation provided to my contractor during the course of the audit.

Please note that a copy of this letter together with the auditor's will be provided to the Minister for Local Government, The Hon. N A Street MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact myself or Derek Burns on (03) 6173 0900.

Yours sincerely



Jeff Tongs
Assistant Auditor-General

Encl.

Copy for:

Ms Kelly Grigsby, Chief Executive Officer
Mr Frank Bata, Chairman, Risk and Audit Panel
Mr Michael Reynolds, Director City Enablers
Mrs Alison Flakemore - Senior Partner - Crowe

**Independent Auditor's Report****To Councillors of Hobart City Council****Hobart City Council****Report on the Audit of the Financial Report****Opinion**

I have audited the financial report of Hobart City Council (Council), which comprises the statement of financial position as at 30 June 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 47, nor the Significant Business Activities disclosed in note 49 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of property and infrastructure, depreciation expense and capital work-in-progress <i>Refer to notes 1(i), 5, 19 to 27 and 48</i>	
<p>Property and infrastructure includes land, buildings, land improvements, roads, bridges, pathways, cycleways, stormwater and other property recognised at fair value totalling \$2.33 billion at 30 June 2022. The fair values of these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations.</p> <p>During the year, Council revalued land based on market values determined by an external experts. All other asset classes were indexed. These valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital additions in 2021-22 totalled \$24.0 million to a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> • Assess the scope, expertise and independence of experts involved in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Testing, on a sample basis, the mathematical accuracy of the indexation calculations. • Evaluating management's assessment of the useful lives. • Performing substantive detailed and analytical procedures on depreciation expenses. • Evaluating management's assessment of the stage of completion for capital work in progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Testing, on a sample basis, the allocation of costs between capital and operating expenditure, including costs capitalised to work in progress. • Reviewing the reconciliation of movements through capitalised work-in-progress for the year. • Testing a selection of significant completed capital work-in-progress

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
	<p>projects to ensure commissioned assets are appropriately recorded in the fixed asset register.</p> <ul style="list-style-type: none"> Assessing the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Jeff Tongs
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

26 September 2022
Hobart

**HOBART CITY COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021-22 \$'000	2020-21 \$'000
Current Assets			
Cash and Cash Equivalents	14	37,033	38,555
Inventories	15	371	379
Receivables	17	7,305	6,608
Investments	18	28,300	6,300
Prepayments		502	594
Total Current Assets		73,511	52,436
Non-Current Assets			
Investment in TasWater	11	162,866	158,401
Property, Plant and Equipment	19-27	2,405,817	2,287,228
Intangibles	28	1,498	625
Right-of-Use Assets	29	9,548	9,910
Employee Benefits	32	5,541	3,668
Total Non-Current Assets		2,585,270	2,459,832
Total Assets		2,658,781	2,512,268
Current Liabilities			
Payables	30	11,676	8,948
Trust Funds, Deposits and Retentions	31	2,217	2,182
Employee Benefits	32	9,530	7,756
Contract Liabilities	33	4,955	2,544
Loans	34	10,259	9,032
Provisions	35	41	236
Lease Liabilities	36	832	768
Total Current Liabilities		39,510	31,466
Non-Current Liabilities			
Employee Benefits	32	3,921	6,171
Loans	34	49,992	56,074
Provisions	35	4,508	4,976
Lease Liabilities	36	9,835	10,140
Total Non-Current Liabilities		68,256	77,361
Total Liabilities		107,766	108,827
Net Assets		2,551,015	2,403,441
Equity			
Reserves	37	1,438,888	1,326,076
Retained Earnings		1,112,127	1,077,365
Total Equity		2,551,015	2,403,441

This statement should be read in conjunction with the accompanying notes.

<p align="center">STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022</p>
--

	Note	2021-22 BUDGET \$'000	2021-22 ACTUAL \$'000	2020-21 ACTUAL \$'000
Recurrent Expenses				
Employee Costs	4	(61,237)	(56,024)	(56,513)
Materials and Services		(30,156)	(33,344)	(28,823)
Depreciation and Amortisation	5	(27,325)	(33,003)	(28,047)
Finance Costs	6	(2,241)	(2,174)	(2,221)
State Fire Commission Levies		(12,552)	(12,553)	(11,388)
Other	7	(7,676)	(4,995)	(7,059)
		<u>(141,187)</u>	<u>(142,093)</u>	<u>(134,051)</u>
Recurrent Income				
Rates and Charges		95,056	96,867	90,978
Grants and Donations	9(a)	1,969	4,546	3,383
Fines		5,250	7,164	5,993
Rendering of Services		33,471	35,437	33,220
Distributions from TasWater		2,606	2,606	1,086
Interest		130	287	136
Rents		2,801	2,005	1,726
Volunteer services		-	602	296
		<u>141,283</u>	<u>149,514</u>	<u>136,818</u>
Capital Income				
Capital grants received specifically for new or upgraded assets	9(b)	9,037	4,289	2,402
Net gain on disposal of property, plant and equipment	10	-	86	316
Contributed property, plant and equipment		-	8,744	2,081
		<u>9,037</u>	<u>13,119</u>	<u>4,799</u>
Total Income		150,320	162,633	141,617
Surplus / (Deficit)	8	9,133	20,540	7,566
Other Comprehensive Income				
<i>Items that will not be reclassified to surplus or deficit: -</i>				
Adjustment to fair value of investment in TasWater	11	-	4,465	11,785
Net PP&E revaluation increments / (decrements)	12	-	120,544	347,524
Defined-benefit superannuation plan actuarial gains / (losses)	32	-	2,025	7,457
Total other comprehensive income		-	127,034	366,766
Comprehensive Result for the period		<u>9,133</u>	<u>147,574</u>	<u>374,332</u>

This statement should be read in conjunction with the accompanying notes. Budget numbers are not audited.

<p style="text-align: center;">STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022</p>
--

	Note	Total		Retained Earnings		Reserves	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of period		2,403,441	2,029,109	1,077,365	1,066,696	1,326,076	962,413
Comprehensive Result for the period		147,574	374,332	22,565	15,023	125,009	359,309
Transfers to reserves	37	-	-	(7,663)	(18,469)	7,663	18,469
Transfers from reserves	37	-	-	19,860	14,115	(19,860)	(14,115)
Balance at end of period		2,551,015	2,403,441	1,112,127	1,077,365	1,438,888	1,326,076

This statement should be read in conjunction with the accompanying notes.

<p style="text-align: center;">STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022</p>
--

	Note	2021-22 ACTUAL \$'000	2020-21 ACTUAL \$'000
Cash Flows from Operating Activities			
<i>Receipts</i>			
Rates		96,900	91,769
Rendering of services (inclusive of GST)		40,393	36,386
Interest		196	145
Grants (inclusive of GST)		4,564	3,400
Rents (inclusive of GST)		2,260	1,910
Fines		6,932	6,336
Distributions from Tas Water		2,606	1,086
Net GST refund		749	1,090
		154,600	142,122
<i>Payments</i>			
Employee costs		(55,065)	(59,138)
Payments to suppliers (inclusive of GST)		(34,464)	(32,526)
Interest		(2,183)	(2,185)
Other payments (inclusive of GST)		(17,211)	(15,082)
		(108,923)	(108,931)
Net Cash Flow from Operating Activities	38	45,677	33,191
Cash Flows from Investing Activities			
<i>Proceeds</i>			
Grants		4,289	2,402
Investments		9,300	600
Sales of Property		-	2
Sales of Plant and Equipment		141	656
Sales of Intangibles		(2)	27
		13,728	3,687
<i>Payments</i>			
Investments		(31,300)	(6,600)
Infrastructure - Employee Costs		(2,507)	(2,791)
Infrastructure and Facilities - Other		(16,911)	(13,085)
Property		(1,750)	(1,582)
Plant and Equipment		(2,831)	(3,055)
		(55,299)	(27,113)
Net Cash Flow from/(used in) Investing Activities		(41,571)	(23,426)
Cash Flows from Financing Activities			
Proceeds from Borrowings		5,000	15,000
Repayment of Borrowings		(9,855)	(4,177)
Repayment of lease liabilities (principal repayments)		(773)	(709)
Net Cash Flow from/(used in) Financing Activities	39	(5,628)	10,114
Net Increase (Decrease) in cash held		(1,522)	19,879
Cash Held at the Beginning of the Year		38,555	18,676
Cash held at the End of the Year	14	37,033	38,555

This statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) Local Government Reporting Entity**

All funds through which Council controls resources to carry out its functions have been included in the financial statements of the Council.

The financial report of the Council incorporates only those items over which the Council has control.

Amounts received as tender deposit and retention amounts controlled by the Council are disclosed separately within current liabilities.

b) Basis of Preparation

These financial statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board such as Interpretations, and the *Local Government Act 1993*.

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.

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

The financial report has been prepared on an accrual basis under the convention of historical cost accounting and does not take into account changing money values, except in relation to some non-current assets which are stated at current valuations.

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.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Significant assumptions and judgements were made in determining the values of employee provisions and superannuation liabilities (detailed in note 1(g)) and the fair value of property, plant and equipment, including useful lives and depreciation (detailed in note 1(i)).

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to Council, and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised: -

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 received in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Grants

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

Each performance obligation is examined to ensure that the revenue recognition reflects the transfer of control, which may occur at a point in time or may involve continuous transfer of control over the life of the contract. Where control is transferred over time, either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of that control.

For construction projects, control generally transfers as the construction progresses, with costs incurred deemed to be the most appropriate measure of the completeness of the construction project. For the acquisition of assets, revenue is recognised when the asset is acquired and controlled by the Council.

Donations and Other Contributions

Council recognises donations and other contributions without performance obligations when received. In cases where the contributions are 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.

Rendering of Services

Council recognises revenue from services when or as the performance obligation is completed and the customer receives the benefit of the services being provided. Where an upfront fee is charged such as membership fees for the Doone Kennedy Hobart Aquatic Centre, the fee is recognised on a straight-line basis over the term of the membership. Licences granted by Council are 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.

Sale of Assets

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

Fines

Revenue is recognised when Council controls a right to receive consideration for the enforcement of legislation and Council by-laws.

Lease Income

Operating lease revenue from the use of Council's assets is recorded on an accruals basis in accordance with leasing agreements.

Rents

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

Interest

Interest is recognised as it is earned.

Dividends

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

Volunteer Services

Council recognises the inflow of resources in the form of volunteer services where the fair value of those services can be reliably measured and Council would have purchased those services if they had not been donated.

d) Cash and cash equivalents (Note 14)

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.

e) Inventories (Note 15)

Inventories held for distribution or sale are measured at cost (using the weighted average cost method) and 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 is determined as the current replacement cost as at the date of acquisition.

f) Financial Assets (Notes 11, 16 and 17)

Investments are recognised and derecognised on the trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market, and are initially measured at fair value, net of transaction costs.

Council has classified its ownership interest 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.

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

For rates receivables, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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.

Penalty and interest are charged on outstanding rates in accordance with section 128(c) of the *Local Government Act 1993*.

g) Employee Benefits (Note 32)

Wages and salaries, annual leave, long service leave and sick leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provision is also made for related superannuation contributions.

Provisions made in respect of employee benefits which fall due wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at their nominal values using remuneration rates expected to apply at the time of settlement. Other provisions are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Discount rates used are those attaching to national government guaranteed securities at balance date which most closely match the terms to maturity of the related liabilities.

In determining "pre-conditional" long service leave entitlements, the amount of cash outflows required to be made by Council in the future have been estimated on a group basis after taking into consideration Council's experience with staff departures.

The liability for employee entitlements to sick leave is equivalent to 17.5% of total accumulated sick leave entitlements at the reporting date because this amount is payable to employees on retirement or resignation.

Superannuation

Council contributes to two superannuation plans in respect of its employees, a defined contribution plan and a defined-benefit plan.

Superannuation expense for the reporting period in respect of the defined contribution plan is the amount paid and payable to members' accounts in respect of services provided by employees up to the reporting date.

For the defined-benefit plan, the cost of providing benefits is ordinarily 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 an independent actuary using the projected unit credit method. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service.

h) Provisions (Note 35)

Provisions are recognised when Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provisions can be measured reliably.

The amount recognised in provisions is the best estimate of the consideration required to settle the present obligations at the reporting date, taking into account the risks and uncertainties surrounding the obligations. Where provisions are measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

i) Property, Plant and Equipment (Notes 19-27)*Acquisition*

Acquisitions of property, plant and equipment are initially recorded at cost. Cost is determined as the purchase consideration plus any costs incidental to acquisition. Where the consideration for the asset is significantly less than fair value, the cost of the asset will be measured at fair value.

Property, plant and equipment 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.

The cost of property, plant and equipment constructed by Council, includes all materials used in construction, direct labour, and an appropriate share of directly attributable variable and fixed overheads.

Revaluations

Plant and equipment is recorded at cost. All other property, plant and equipment is revalued with sufficient regularity to ensure that each asset class materially approximates its fair value at the reporting date.

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 results 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 reserve 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.

Where indexation adjustments have been applied to land values, these have been calculated by reference to land value adjustment factors published annually by the Department of Natural Resources and Environment Tasmania, in accordance with the *Valuation of Land Act 2001*.

Where indexation adjustments have been applied to other asset values, these have been calculated by reference to an appropriate index.

Note 48 details Council's approach to revaluing each class of property, plant and equipment. Where progressive revaluations have been employed for items of property, plant and equipment, revaluation of the particular asset class is generally completed within a five year period.

Current cost in relation to an asset means the lowest cost at which the gross service potential of that asset could be obtained in the normal course of operations.

The carrying amount of each asset whose service potential is related to its ability to generate net cash inflows is reviewed at balance date to determine whether such carrying amount is in excess of its recoverable amount. If the carrying amount of an asset of the type mentioned exceeds recoverable amount, the asset is written-down to the lower amount. In assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.

No provision is made for capital gains tax liability in respect of revalued assets because Council is not subject to this tax.

Depreciation

Depreciation is 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.

All items of property, plant and equipment having limited useful lives are systematically depreciated over their useful lives in a manner which reflects consumption of the service potential embodied in those assets. Land is considered to have an unlimited useful life and therefore is not depreciated.

Residual values are assumed to be zero except for some plant and equipment assets. 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.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the beginning of the first reporting period following completion.

The straight-line method is employed for all assets. Ranges of useful lives for major asset classes are: -

<u>Asset Class</u>	<u>Range</u>	<u>Asset Class</u>	<u>Range</u>
<u>Buildings</u>		<u>Stormwater</u>	
Halls	125 - 150	Water Mains	15 - 131
Car Parks	150	Irrigation	10 - 85
Grandstands and Change Rooms	40 - 150	Sewer Mains	20 - 80
Public Conveniences	100	Stormwater Mains	10 - 134
Depot Buildings	40 - 150	Rivulets	20 - 120
Administrative Offices	100 - 150		
Other	40 - 150	<u>Plant & Equipment</u>	
		Heavy Plant and Equipment	5 - 20
<u>Land Improvements</u>		Fleet Vehicles	3 - 10
Landscaping	5 - 100	Minor Plant	3 - 43
External Playing Surfaces	3 - 100	Furniture and Office Equipment	2 - 40
Other	3 - 100		
Furniture & Signs	3 - 100	<u>Roads & Bridges</u>	
Drainage Structures	10 - 100	Sealed Roads	12 - 100
Playground Equipment	3 - 40	Bridges	20 - 100
Fountains	10 - 80	Kerbs and Gutters	10 - 100
Other	5 - 100		
<u>Pathways & Cycleways</u>			
Footpaths and Cycleways	10 - 85		
Walking Tracks	25		

Monuments

Council controls a number of monuments but has elected not to recognise these on the basis that they cannot be reliably measured.

j) Intangibles (Note 28)

The valuation roll, together with costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future financial benefits through revenue generation and/or cost reduction are recognised as intangible assets.

All intangible assets have finite lives and are amortised 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.

The useful lives are as follows:

Software – 4 years

Valuation Roll – 6 years

k) Leases (Notes 29, 36 and 42)*Finance Leases as lessee**i) Right-to-Use Assets*

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 in AASB 16 *Leases* applies.

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.

Right-of-use assets are measured as described in the accounting policy for property, plant and equipment (see note 1(i)). 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 note 1(i).

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the ownership of the underlying asset is transferred or the cost of the right-of-use asset reflects that 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.

ii) *Concessionary leases*

Council has elected to measure a class (or classes) of right-of-use assets as 'concessionary leases' at initial recognition at cost, in accordance with AASB 16.23–25.

These leases have significantly below-market terms and conditions principally to enable Council to further its objectives.

Details of the nature and term of Council's leases are described below.

- UTAS Melville Street: Level 2 of the UTAS facility is leased for the purposes of carpark operations. The cost of this lease is \$1 and was payable at the commencement of the lease on 30 August 2018. The lease term is 10 years. The facility must be used for its purpose and ensure there are no actions that will negatively impact the student amenity.
- Crown Leases at South Hobart Badminton Centre: The Badminton Centre area is leased, via four leases, for the purposes of providing public space and recreation. The cost of each lease is \$0.11 per annum, if demanded. The lease terms are:
 1. Commenced 1 August 1957 for a term of 103 years.
 2. Commenced 1 August 1957 for a term of 99 years.
 3. Commenced 1 January 1966 for a term of 99 years.
 4. Commenced 1 October 1969 for a term of 99 years.

The space must be used for its purpose and ensure there are no actions that will negatively impact the site.

- Crown Lease at Purdys Mart Lane: This area is leased for the purposes of providing a public walkway. The cost of this lease is \$0.11 per annum, if demanded. The lease commenced on 1 November 1996 for a term of 50 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.
- Crown Lease at Queens Domain: An area is leased for the purposes of providing a boat ramp, jetty and public space. The cost of this lease is \$1.10 per annum, if demanded. The lease commenced on 1 November 2009 for a term of 30 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.
- Crown Lease at Purdon & Featherstone Reserve: This area is leased for the purposes of providing a public space. The cost of this lease is \$1.10 per annum, if demanded. The lease commenced on 1 April 2013 for a term of 10 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.
- Crown Lease at Davies Avenue, Queens Domain: An area is leased for the purposes of providing a walking track and public space. The cost of this lease is \$1.10 per annum, if demanded. The lease commenced on 1 October 2014 for a

term of 10 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.

- Crown Lease at Royal Hobart Bowling Club: An area is leased for the purposes of providing a bowling club space. The cost of this lease is \$1.10 per annum, if demanded. The lease commenced on 1 October 2016 for a term of 10 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.
- Crown Lease at 10 Domain Highway, Queens Domain: An area is leased for the purposes of providing a public recreation space. The cost of this lease is \$1.10 per annum, if demanded. The lease commenced on 1 March 2021 for a term of 10 years. The space must be used for its purpose and ensure there are no actions that will negatively impact the area.

iii) *Lease liability*

The lease liability is measured at the present value of outstanding payments 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.

iv) *Short term leases and leases of low-value Lease liability*

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 these leases as operating leases.

Operating Leases as lessor

Council owns a range of facilities that are available for lease by not-for-profit sport, recreational and community organisations. Generally, leases to not-for-profit organisations do not reflect commercial arrangements and have minimal lease payments, as Council recognises part of its role is community service and community support. Land and buildings which are leased under these arrangements are recognised within property, plant and equipment in the Statement of Financial Position, and associated rental income is recognised in accordance with Council's revenue recognition policy.

Furthermore, Council leases some of its land and buildings on commercial terms which may include incentives for the lessee to enter into the agreement, for example a rent-free period or discounted rent. Council does not account for the cost of incentives because the amounts are unlikely to be material and/or cannot be reliably measured. Rental income is recognised in accordance with Council's revenue recognition policy.

Where leasing of a property is incidental to Council's use of it, the associated land and buildings are recognised within property, plant and equipment in the Statement of Financial Position, and valued in accordance with Council's valuation policy.

I) Financial Liabilities (Notes 30, 31 and 34)

Financial 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 payables are unsecured and are normally settled within 30 days of recognition.

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

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

Council has a number of loans which are secured by revenues of the Council. Repayments are made semi-annually in arrears, and interest expense is accrued at the contracted rate and included in payables. There have been no defaults or breaches of the loan agreements during the period. 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.

m) Restricted Assets - Heritage Account (Notes 13 and 14)

On 16 July 1999, the *National Trust Preservation Fund (Winding-up) Act 1999* (the Act) commenced. The purpose of the Act was to provide for the winding-up of the National Trust Preservation Fund (Preservation Fund) and the distribution of the monies held in that fund. The Act required the Hobart City Council to establish a Heritage Account, into which the Minister transferred one-half of the monies contained in the Preservation Fund.

On 15 December 1999, Council established the required Heritage Account with Perpetual Trustees Tasmania Limited (now TPT Wealth Limited), and the Minister transferred an amount of \$1,216,205 to that account.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust register kept by the National Trust of Australia (Tasmania), or the Tasmanian Heritage Register.

In order to satisfy its responsibilities under the Act, Council has established a Heritage Account Special Committee as a Special Committee of Council pursuant to section 24 of the *Local Government Act 1993*.

n) Taxation

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

o) Budget

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

p) Rounding

Amounts shown in the financial statements are rounded to the nearest thousand dollars. This may result in minor variations between schedules.

2. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**a) New and revised Accounting Standards and Interpretations adopted in the current period**

There were no new Standards issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

b) New and revised Accounting Standards and Interpretations not yet adopted

Council has not yet applied the following Australian Accounting Standards and Interpretations which have been issued and are relevant to its operations, but are not yet effective. These will be applied from their application dates.

AASB 2021-2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates, applicable to annual reporting periods beginning on or after 1 January 2023

This Standard makes amendments to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements to change the way in which accounting policies are disclosed in financial reports, requiring disclosure of material accounting policy information rather than significant accounting policies.

Under the revised requirements, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. As a result, standardised information or information that only duplicates or summarises the requirements of Australian Accounting Standards may be less useful to users of financial statements. Removal of this information can substantially reduce the volume of disclosure in financial statements.

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date, applicable to annual reporting periods beginning on or after 1 January 2023

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

3. FUNCTIONS/ACTIVITIES OF THE COUNCIL

		Expenses	R e v e n u e s			Assets
		\$'000	Grants \$'000	Other \$'000	Total \$'000	\$'000
Public Order and Safety	2021-22	12,649	0	12,045	12,045	70
	2020-21	11,490	0	10,932	10,932	68
Health	2021-22	2,252	0	771	771	1,863
	2020-21	2,264	0	545	545	1,358
Welfare	2021-22	4,378	170	190	360	893
	2020-21	4,496	151	172	323	3,769
Community Amenities	2021-22	25,170	102	17,708	17,810	68,625
	2020-21	23,382	(23)	16,366	16,343	257,602
Recreation and Culture	2021-22	31,943	179	6,357	6,536	240,088
	2020-21	32,965	79	4,898	4,977	360,562
Parking	2021-22	11,524	0	26,085	26,085	48,276
	2020-21	11,140	0	21,120	21,120	110,782
Transport	2021-22	22,785	2,083	451	2,534	1,131,368
	2020-21	19,351	1,702	674	2,376	1,488,407
Economic Services	2021-22	4,428	150	1,597	1,747	989
	2020-21	4,622	155	834	989	1,178
Other (Not Attributed)*	2021-22	26,964	1,862	79,764	81,626	1,166,609
	2020-21	24,341	1,319	77,894	79,213	288,542
Total	2021-22	142,093	4,546	144,968	149,514	2,658,781
	2020-21	134,051	3,383	133,435	136,818	2,512,268

Note - Capital expenses and capital income are not included.

* Rates and charges for Stormwater, Solid Waste Management and Fire have been attributed to functions, but general rates have not.

The activities relating to Council's functions are classified as follows:-

Public Order and Safety:-	fire prevention and emergency management.
Health:-	food control, immunisation services and animal control.
Welfare:-	youth services and aged care services.
Community Amenities:-	solid waste management, stormwater drainage, public conveniences, street lighting, council-owned properties and administration of planning schemes.
Recreation and Culture:-	public halls, the Aquatic Centre, recreation centres, parks and reserves, the nursery, and festivals.
Parking:-	car parks and on-street parking.
Transport:-	roads, footpaths, bridges, and traffic signs.
Economic Services:-	Salamanca Market and tourism promotion.

4. EMPLOYEE COSTS

	Note	2021-22 \$'000	2020-21 \$'000
Wages and Salaries		46,366	46,826
Workers Compensation		2,564	832
Annual Leave and Long Service Leave		3,782	4,149
Superannuation		5,438	5,712
Redundancies		381	1,785
		58,531	59,304
Less Amounts Capitalised		(2,507)	(2,791)
		56,024	56,513
Number of Employees (Full-time equivalent) at Year End		558	561

5. DEPRECIATION AND AMORTISATION

Plant and Equipment	4,841	4,431
Buildings	2,701	2,594
Land Improvements	5,347	4,188
Infrastructure Plant	-	610
Pathways and Cycleways	4,418	-
Stormwater	3,149	3,181
Roads and Bridges	11,162	8,911
Other Structures	-	3,031
Other Property	-	96
Intangibles	491	189
Right-of-Use Assets	894	816
	33,003	28,047

6. FINANCE COSTS

Interest on Loans		1,882	1,857
Landfill Restoration Provision	35	39	30
Dismantling Provision	35	6	3
Defined-benefit superannuation scheme	32	(49)	20
Interest - Lease Liabilities		296	311
		2,174	2,221

7. OTHER EXPENSES

	Note	2021-22 \$'000	2020-21 \$'000
Pensioner Rate Remissions		1,116	1,112
<u>less: Reimbursements from Government</u>	9(a)	(1,090)	(1,082)
		26	30
Other Rate Remissions		1	1
Grants and Specific Purpose Benefits		1,902	2,495
Sitting Fees		46	-
Auditor General's Fee - Audit of the Financial Report		61	58
Other Audit Fees		120	129
Impairment of Receivables		75	(279)
Assets Written-off		1,342	3,782
Obsolete Stock		41	-
Fringe Benefits Tax		259	278
Land Tax		1,122	565
		4,995	7,059

8. UNDERLYING RESULT

Council's underlying result for the period is calculated by excluding those items included in surplus or deficit which are either capital in nature, non-recurring, or the result of contributions received in advance.

Surplus / (Deficit)		20,540	7,566
<u>exclude</u>			
Capital Grants	9(b)	(4,289)	(2,402)
Contributed Property, Plant and Equipment		(8,744)	(2,081)
Contributed Land under Roads		-	-
Redundancy Payments		381	1,785
Additional costs as a result of 2018 significant weather event		44	302
Natural Disaster Relief and Recovery Arrangements funding received as a result of 2018 significant weather event		(1,885)	(5,945)
Insurance refunds received as a result of 2018 significant weather event		-	(104)
Additional costs as a result of COVID-19		309	925
Gains from one-off disposal of surplus land & buildings	10	-	(2)
<u>adjust Financial Assistance Grants received in advance</u>	9(a)		
2020-21 allocation received in 2019-20		-	1,411
2021-22 allocation received in 2020-21		1,480	(1,480)
2022-23 allocation received in 2021-22		(2,200)	-
Underlying Surplus / (Deficit)		5,636	(25)

9. GRANTS AND CONTRIBUTIONS

	Note	2021-22 \$'000	2020-21 \$'000
a) Operating Grants and Contributions			
<i>provided by Government</i>			
Commonwealth Financial Assistance Grants		3,628	2,861
Pensioner Rate Remissions	7	1,090	1,082
Local Government Loans Program - Interest Rebates		173	-
Tasmanian Travel and Information Centre		150	150
Still Gardening Program		153	144
Central Hobart Precincts Plan		125	-
Fuel Tax Credit Scheme		120	136
Other		146	25
		<u>5,585</u>	<u>4,398</u>
<i>other</i>			
Provision of Public Open Space		51	67
		<u>51</u>	<u>67</u>
		5,636	4,465
<u>less</u> : Pensioner Rate Remissions netted against Remissions	7	(1,090)	(1,082)
		4,546	3,383

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB 1058 *Income for Not-for-Profit Entities*, Council recognises these grants as revenue when it obtains control over the assets comprising the receipt.

Since 2009-10 the Commonwealth has been making early payments of Financial Assistance Grants in some years but not in others. Two instalments (equivalent to 50% of the grants) of the 2021-22 grants were brought-forward and received in June 2021. Again in this current period two instalments of the 2022-23 grants were brought-forward and received by Council in April 2022. Council has reflected these latest early payments in its 2022-23 budget, but has assumed that future grants will be received in the year to which they relate.

Future payments of Financial Assistance Grants remain at the Commonwealth's discretion.

	Note	2021-22 \$'000	2020-21 \$'000
b) Capital Grants and Contributions			
<i>provided by Government</i>			
Local Roads and Community Infrastructure Programs		1,005	367
Roads to Recovery Program		685	685
Lenah Valley Road Bridge		600	-
Vulnerable Road User Grants		437	-
Improving the Playing Field Grants		397	-
Old Farm Bridge		201	-
Black Spot Funding		200	-
The Missing Link & Junction Climber		200	188
Safer Communities		174	171
Doone Kennedy Hobart Aquatic Centre Redevelopment		167	108
Elizabeth Street Hobart Bus Interchange Upgrade		50	126
Bicycle Infrastructure Projects		-	595
Other		173	162
		4,289	2,402
Total Grants and Contributions		8,835	5,785
c) Unspent Grants and Contributions			
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:			
Operating			
Balance of unspent funds at 1 July		534	398
Funds received and not recognised as revenue in the current year		144	140
Funds received in prior year but revenue recognised and funds spent in current year		(196)	(4)
Balance of unspent funds at 30 June		482	534
Capital			
Balance of unspent funds at 1 July		2,045	1,420
Funds received and not recognised as revenue in the current year		3,685	1,561
Funds received in prior year but revenue recognised and funds spent in current year		(1,365)	(936)
Balance of unspent funds at 30 June		4,365	2,045
Total unspent funds	13(a)	4,847	2,579

With the exception of assets subject to conditions at the end of the period, all funds granted have been expended for the purpose for which they were provided.

10. ASSET SALES

	2021-22 \$'000	2020-21 \$'000
<i><u>Plant & Equipment</u></i>		
Proceeds from sales	141	656
Less carrying amount of assets sold	(53)	(369)
Gain / (Loss) on disposal	88	287
<i><u>Land and Buildings</u></i>		
Proceeds from sales	-	2
Less carrying amount of assets sold	-	-
Gain / (Loss) on disposal	-	2
<i><u>Intangibles</u></i>		
Proceeds from sales	-	27
Less carrying amount of assets sold	-	-
Gain / (Loss) on disposal	-	27
<i><u>Stormwater</u></i>		
Proceeds from sales	-	-
Less carrying amount of assets sold	(2)	-
Gain / (Loss) on disposal	(2)	-
Total Gain / (Loss) on disposal of assets	86	316

11. INVESTMENT IN TASWATER

Council accounts for its ownership interest in the Tasmanian Water and Sewerage Corporation Pty Ltd (TasWater) in accordance with AASB 9 *Financial Instruments*. Council has designated 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. Council derives investment returns in the form of dividends.

During 2018-19 the State Government became a shareholder of TasWater and will invest \$20 million over six years. As a shareholder the State Government will not receive any dividend distributions. The partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects.

At 30 June 2022, the fair value of the asset was measured by applying Council's equity voting proportion of 9.84% to TasWater's net asset value at that date. TasWater advised that this net asset value was \$1.655 billion. Council's equity voting proportion has reduced from 10.05% last period due to the effect of the State Government's equity injection of two million shares in TasWater during the period.

The following table summarises the movements in the value of Council's investment in TasWater:

Opening Balance	158,401	146,616
Fair value adjustment - equity investment	4,465	11,785
Closing Balance	162,866	158,401

Fair value adjustments have been recognised in other comprehensive income.

12. ASSET REVALUATIONS

	Note	2021-22 \$'000	2020-21 \$'000
<i>PP&E Revaluations recognised in other comprehensive income</i>			
Land		57,636	229,517
Buildings		11,824	2,551
Land Improvements		1,489	4,219
Pathways and Cycleways		16,568	-
Stormwater		14,571	3,129
Roads and Bridges		18,451	105,363
Other Property		5	2,745
Net PP&E Revaluation increments	19,37	120,544	347,524

13. RESTRICTED ASSETS**a) Grants and Contributions subject to Conditions**

Assets derived from grants and contributions which were obtained on the condition that they be expended in a particular manner but had yet to be applied in that manner as at the reporting date were in respect of:

- Vulnerable Road User Grants	2,085	-
- Local Roads and Community Infrastructure Program	876	922
- Improving the Playing Fields	456	397
- Levelling the Playing Fields	397	450
- Contributions in lieu of Public Open Space	255	203
- Safer Communities	168	-
- Contributions in lieu of Parking	135	135
- Landfill Levy Readiness	100	-
- Doone Kennedy Hobart Aquatic Centre Redevelopment	75	242
- Other	300	230
	4,847	2,579

9(c)

b) Heritage Account

Assets acquired as a result of the winding-up of the National Trust Preservation Fund which are required by section 5(3) of the *National Trust Preservation Fund (Winding-up) Act 1999* to be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register or the Tasmanian Heritage Register.

1(m) 1,578 1,603

14. CASH AND CASH EQUIVALENTS

	Note	2021-22 \$'000	2020-21 \$'000
a) Definition of Cash			
For the purpose of the Statement of Cash Flows, the following items comprise the cash balance at the end of the period: -			
Term Deposits - 3 months or less		9,000	-
At Call		1,515	37,484
		10,515	37,484
Cash on Hand		65	60
Cash at Bank		26,453	1,011
		37,033	38,555
b) Composition of Cash			
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:			
- Grants and Contributions subject to Conditions	13(a)	4,847	2,579
- Heritage Funding	13(b)	1,578	1,603
- Trust Funds, Deposits and Retention	31	2,217	2,182
- Bushland Acquisition		160	109
- McRobies Gully Landfill Rehabilitation		4,549	5,212
- Queens Domain Facility Upgrades		1,037	1,773
- Street Tree Compensation Fund		41	32
Restricted funds		14,429	13,490
Total unrestricted cash and cash equivalents		22,604	25,065
		37,033	38,555

15. INVENTORIES

The Doone Kennedy Hobart Aquatic Centre	25	28
McRobies Gully - construction materials	75	65
Salamanca Market	76	79
Tasmanian Travel & Information Centre	35	48
Other	160	159
	371	379

16. FINANCIAL INSTRUMENTS

Council's principal financial instruments comprise receivables, payables, loans, cash and short-term deposits. The main risks arising from these financial instruments are credit risk, interest rate risk and liquidity risk.

Council uses a variety of methods to measure and manage the various types of risk to which it is exposed, and these are outlined below.

a) Credit Risk

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 note.

Council does not hold any credit derivatives to offset its credit risk exposure.

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. These procedures are currently limited to customers of the McRobies Gully Waste Management Centre. Credit risk limits are set for each individual customer and these limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

There are no significant concentrations of credit risk and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

In relation to amounts owed to Council in respect of unpaid rates, there is generally no credit risk as section 137 of the *Local Government Act 1993* empowers Councils to sell properties as a means of recovering rates outstanding.

b) Interest Rate Risk

Exposure to interest rate risk arises predominantly from assets and liabilities bearing variable interest rates, as Council intends to hold fixed rate assets and liabilities to maturity. Council monitors both its level of exposure to interest rate risk, and assessments of market forecasts for future interest rates.

Council's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and non-lease financial liabilities is set out below. For lease liabilities refer to Note 36.

2021-22	Floating	Fixed Interest Maturing in :			Non-	Total	Weighted Average Interest Rate
	Interest	1 year	Over 1 to	More than	Interest		
	Rate	or less	5 years	5 years	Bearing		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial Assets							
Cash and cash equivalents	27,968	9,000	-	-	65	37,033	1.14%
Investments	-	28,300	-	-	-	28,300	1.03%
Investment in Tas Water	-	-	-	-	162,866	162,866	
Receivables	1,841	-	-	-	5,464	7,305	1.39%
	29,809	37,300	-	-	168,395	235,504	
Weighted Average Interest Rate	1.53%	1.09%	0.00%	0.00%			
Financial Liabilities							
Payables	-	-	-	-	11,676	11,676	
Trust, Deposits, Retention	-	-	-	-	2,217	2,217	
Loans	-	10,259	20,975	29,017	-	60,251	2.87%
	-	10,259	20,975	29,017	13,893	74,144	
Weighted Average Interest Rate	0.00%	1.88%	2.53%	3.46%			
Net Financial Assets / (Liabilities)	29,809	27,041	(20,975)	(29,017)	154,502	161,360	

2020-21	Floating	Fixed Interest Maturing in :			Non-	Total	Weighted Average Interest Rate
	Interest	1 year	Over 1 to	More than	Interest		
	Rate	or less	5 years	5 years	Bearing		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial Assets							
Cash and cash equivalents	38,495	-	-	-	60	38,555	0.58%
Investments	-	6,300	-	-	-	6,300	0.35%
Investment in Tas Water	-	-	-	-	158,401	158,401	
Receivables	1,874	-	-	-	4,734	6,608	1.41%
	40,369	6,300	-	-	163,195	209,864	
Weighted Average Interest Rate	0.92%	0.35%	0.00%	0.00%			
Financial Liabilities							
Payables	-	-	-	-	8,948	8,948	
Trust, Deposits, Retention	-	-	-	-	2,182	2,182	
Loans	-	9,032	23,610	32,465	-	65,106	2.94%
	-	9,032	23,610	32,465	11,130	76,236	
Weighted Average Interest Rate	0.00%	2.32%	2.47%	3.45%			
Net Financial Assets / (Liabilities)	40,369	(2,732)	(23,610)	(32,465)	152,065	133,628	

Changes in variable rates of 100 basis points at the reporting date would have the following effect on Council's profit or loss and equity: -

	30 June 2022		30 June 2021	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
<i>Financial Assets</i>				
Cash on Hand	-	-	-	-
Other Cash and Cash Equivalents	279	(279)	385	(385)
Investments	-	-	-	-
Investment in TasWater	-	-	-	-
Receivables	18	(18)	19	(19)
	297	(297)	404	(404)
<i>Financial Liabilities</i>				
Payables	-	-	-	-
Loans	-	-	-	-
	-	-	-	-

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 30 June 2021.

c) Liquidity Risk

Liquidity risk is monitored through the development of rolling cash flow forecasts. Council's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term investments, bank overdrafts and loans.

Council monitors rolling forecasts of liquidity reserves on the basis of expected cash flow. The table below shows the contractual maturities for non-lease financial liabilities. For lease liabilities refer to Note 36.

2021-22	6 mths or less S'000	6 - 12 months S'000	1 - 2 years S'000	2 - 5 years S'000	> 5 years S'000	Total S'000	Carrying Amount S'000
Payables	11,676	-	-	-	-	11,676	11,676
Trust, Deposits, Retention	266	7	266	342	1,336	2,217	2,217
Loans	5,102	5,157	10,132	10,843	29,017	60,251	60,251
Total financial liabilities	17,044	5,164	10,398	11,185	30,353	74,144	74,144

2020-21	6 mths or less S'000	6 - 12 months S'000	1 - 2 years S'000	2 - 5 years S'000	> 5 years S'000	Total S'000	Carrying Amount S'000
Payables	8,948	-	-	-	-	8,948	8,948
Trust, Deposits, Retention	212	114	257	211	1,388	2,182	2,182
Loans	4,485	4,546	8,600	15,010	32,465	65,106	65,106
Total financial liabilities	13,645	4,660	8,857	15,221	33,853	76,236	76,236

d) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

The carrying amounts and net fair values of financial assets and liabilities at the reporting date are as follows: -

	2021-22		2020-21	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<i>Financial Assets</i>				
Cash on Hand	65	65	60	60
Cash at Bank	36,968	36,968	38,495	38,495
Investments	28,300	28,300	6,300	6,300
Investment in TasWater	162,866	162,866	158,401	158,401
Receivables	7,305	7,305	6,608	6,608
	235,504	235,504	209,864	209,864
<i>Financial Liabilities</i>				
Payables	11,676	11,676	8,948	8,948
Trust, Deposits, Retention	2,217	2,217	2,182	2,182
Loans	60,251	56,249	65,106	68,704
	74,144	70,142	76,236	79,834

None of the above assets and liabilities are readily traded on organised markets in standardised form. For lease liabilities refer to Note 36.

e) Fair Value hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows: -

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2021-22				
Investment in TasWater	-	-	162,866	162,866
Financial assets at fair value through profit or loss	-	546	-	546
	-	546	162,866	163,412
2020-21				
Investment in TasWater	-	-	158,401	158,401
Financial assets at fair value through profit or loss	-	586	-	586
	-	586	158,401	158,987

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

Reconciliation of level 3 fair value movements

	2021-22 \$'000	2020-21 \$'000
Opening Balance	158,401	146,616
Gains / (Losses) recognised in other comprehensive income		
- Fair value adjustment - equity investment	4,465	11,785
Closing Balance	162,866	158,401

17. RECEIVABLES

	2021-22 \$'000	2020-21 \$'000
Rates	1,841	1,874
Fines	7,194	7,451
Trade Receivables	893	660
Accrued Interest	97	6
Wages and Salaries Paid in Advance	45	51
GST Receivable	514	228
Other Debtors	152	186
	10,736	10,456
Less Provision for Expected Credit Loss	(3,431)	(3,848)
	7,305	6,608
Current	7,305	6,608
Non-Current	-	-
	7,305	6,608

At 30 June the ageing analysis of receivables is as follows: -

Trade Receivables

	Total \$'000	0-30 days \$'000	0-30 days \$'000	31-60 days \$'000	31-60 days \$'000	61-90 days \$'000	61-90 days \$'000	+90 days \$'000	+90 days \$'000
			CI*	PDNI*	CI*	PDNI*	CI*	PDNI*	CI*
2022	893	536	-	164	-	15	-	148	30
2021	660	339	-	60	-	19	-	201	41

Parking Fines

	<u>Parking Meter and Voucher</u>				<u>Traffic Infractions</u>		
	Total \$'000	0-14 days \$'000	14+ days \$'000	14+ days \$'000	0-28 days \$'000	28+ days \$'000	28+ days \$'000
			PDNI*	CI*		PDNI*	CI*
2022	7,194	125	2,811	2,525	163	911	659
2021	7,451	99	2,870	2,829	111	787	755

Rates

	Total \$'000	90+ days \$'000
		PDNI*
2022	1,841	1,841
2021	1,874	1,874

* PDNI - past due not impaired

CI - considered impaired

Reconciliation of Movement in Expected Credit Loss

	2021-22 \$'000	2020-21 \$'000
Opening Balance	(3,848)	(5,112)
Amounts written off during the year	492	982
(Increase)/decrease in provision recognised in profit or loss	(75)	282
Closing Balance	(3,431)	(3,848)

18. INVESTMENTS

Term Deposits - more than 3 months	28,300	6,300
	28,300	6,300

19. PROPERTY, PLANT AND EQUIPMENT

	Note	Carrying Amount 30/6/2021 \$'000	Additions \$'000	Transfer to Non- current Assets \$'000	Disposals \$'000	Net Revaluation/ Indexation Adjustments \$'000	Depreciation \$'000	Other Movements \$'000	Carrying Amount 30/6/2022 \$'000
Plant and Equipment	20	18,167	2,755	-	(53)	-	(4,841)	-	16,028
Land	21	1,377,099	1,379	48	-	57,636	-	-	1,436,162
Buildings	21	164,909	135	188	-	11,824	(2,701)	-	174,355
Land Improvements	22	123,556	1,923	1,007	(435)	1,489	(5,347)	-	122,193
Pathways and Cycleways	23	92,620	244	1,622	(240)	16,568	(4,418)	-	106,396
Stormwater	24	182,460	4,486	190	(31)	14,571	(3,149)	-	198,527
Roads and Bridges	25	275,553	849	3,697	(638)	18,451	(11,162)	-	286,750
Other Property	26	3,638	-	-	-	5	-	-	3,643
Capital Work in Progress	27	49,226	20,653	(6,752)	-	-	-	(1,364)	61,763
		2,287,228	32,424	-	(1,397)	120,544	(31,618)	(1,364)	2,405,817

Other Movements

\$1,364,000 of Capital Work in Progress was transferred to Intangibles (see note 28).

	Note	Carrying Amount 30/6/2020 \$'000	Additions \$'000	Transfer to Non- current Assets \$'000	Disposals \$'000	Net Revaluation/ Indexation Adjustments \$'000	Depreciation \$'000	Other Movements \$'000	Carrying Amount 30/6/2021 \$'000
Plant and Equipment	20	20,574	1,151	372	(847)	-	(4,431)	1,348	18,167
Land	21	1,146,504	996	82	-	229,517	-	-	1,377,099
Buildings	21	161,376	-	3,075	(3)	2,551	(2,594)	504	164,909
Land Improvements	22	27,485	-	1,073	(495)	4,219	(4,188)	95,462	123,556
Infrastructure Plant		6,575	-	96	(6)	-	(610)	(6,055)	-
Pathways and Cycleways	23	-	-	-	-	-	-	92,620	92,620
Stormwater	24	178,060	399	9,369	(204)	3,129	(3,181)	(5,112)	182,460
Roads and Bridges	25	233,696	646	22,248	(1,690)	105,363	(8,911)	(75,799)	275,553
Other Structures		104,704	40	2,172	(907)	-	(3,031)	(102,978)	-
Other Property	26	1,152	-	10	-	2,745	(96)	(173)	3,638
Capital Work in Progress	27	68,077	20,277	(38,497)	-	-	-	(631)	49,226
		1,948,203	23,509	-	(4,152)	347,524	(27,042)	(814)	2,287,228

Other Movements

\$183,000 of Plant and Equipment and \$631,000 of Capital Work in Progress (Total \$814,000) were transferred to Intangibles (see note 28). The remainder of Other Movements predominantly represents the reclassification of assets between classes.

20. PLANT AND EQUIPMENT

	2021-22 \$'000	2020-21 \$'000
At Cost	45,529	42,988
<u>less : Accumulated Depreciation</u>	<u>(29,501)</u>	<u>(24,821)</u>
	<u>16,028</u>	<u>18,167</u>

21. LAND AND BUILDINGS**Land**

At Fair Value	1,436,162	1,377,099
	<u>1,436,162</u>	<u>1,377,099</u>

Buildings

At Fair Value	283,549	271,402
<u>less : Accumulated Depreciation</u>	<u>(109,194)</u>	<u>(106,493)</u>
	<u>174,355</u>	<u>164,909</u>
	<u>1,610,517</u>	<u>1,542,008</u>

22. LAND IMPROVEMENTS

At Fair Value	237,883	239,258
<u>less : Accumulated Depreciation</u>	<u>(115,690)</u>	<u>(115,702)</u>
	<u>122,193</u>	<u>123,556</u>

23. PATHWAYS AND CYCLEWAYS

At Fair Value	219,521	209,032
<u>less : Accumulated Depreciation</u>	<u>(113,125)</u>	<u>(116,412)</u>
	<u>106,396</u>	<u>92,620</u>

24. STORMWATER

At Fair Value	348,009	328,784
<u>less : Accumulated Depreciation</u>	<u>(149,482)</u>	<u>(146,324)</u>
	<u>198,527</u>	<u>182,460</u>

25. ROADS AND BRIDGES

	2021-22 \$'000	2020-21 \$'000
At Fair Value	466,356	444,405
less : Accumulated Depreciation	(179,606)	(168,852)
	286,750	275,553

26. OTHER PROPERTY**Valuables**

At Fair Value	3,643	3,638
	3,643	3,638

Council also controls a number of monuments. These assets have not been included in the Statement of Financial Position on the basis that they cannot be reliably measured.

27. CAPITAL WORK IN PROGRESS

Road and Bridge Works	26,820	22,822
Technology Upgrades	7,153	7,846
Doone Kennedy Hobart Aquatic Centre Upgrades	4,862	4,234
Stormwater Works	5,118	4,016
Bushland Works	3,331	2,510
McRobies Gully Waste Management Centre Works	2,032	2,032
Parks, Recreation and Reserves Works	6,034	2,186
Property and Building Works	3,446	1,758
Kemp Street Commercial Waste & Recycling Receiving Facility	-	520
Other	2,967	1,302
	61,763	49,226

28. INTANGIBLES

Opening Balance	625	-
Additions	1,364	631
Reclassifications	-	183
Amortisation	(491)	(189)
Closing Balance	1,498	625

29. RIGHT-OF-USE ASSETS

	2021-22			2020-21		
	Buildings	Plant and Equipment	Total	Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of period	9,731	179	9,910	10,427	-	10,427
Additions	532	-	532	108	191	299
Depreciation	(848)	(46)	(894)	(804)	(12)	(816)
Balance at end of period	9,415	133	9,548	9,731	179	9,910

Concessionary Leases

Council has additional leases that it has elected to measure at cost due to these leases having significantly below-market terms and conditions principally to enable Council to further its objectives. Please see note 1(k)(ii) for further details.

30. PAYABLES

	2021-22	2020-21
	\$'000	\$'000
Trade Creditors	3,870	1,397
Rates Revenue Received in Advance	1,039	1,164
Animal Licences Paid in Advance	46	126
Food Premises Registration Fees Paid in Advance	246	269
Accrued Plant and Equipment Purchases	181	257
Accrued Capital Expenditure	1,407	1,652
Accrued Interest Expense	297	302
Payroll Tax	1,019	1,085
Energy Costs	182	362
Workers Compensation Insurance	1,309	9
Fringe Benefits Tax	51	71
Other Accrued Expenses	2,029	2,254
	11,676	8,948

31. TRUST FUNDS, DEPOSITS AND RETENTION

Refundable Infrastructure Bonds	1,231	1,277
Deposits held for Travel Operators	687	583
Contract Retention monies	54	67
Other	245	255
	2,217	2,182

32. EMPLOYEE BENEFITS

	2021-22 \$'000	2020-21 \$'000
<u>Assets</u>		
Defined-benefit superannuation plan	5,541	3,668
	5,541	3,668
Current	-	-
Non-Current	5,541	3,668
	5,541	3,668
<u>Liabilities</u>		
Wages and salaries	748	500
Annual leave (including loading)	3,921	4,030
Long service leave	5,043	5,628
Sick leave	1,944	2,036
Superannuation contributions	1,795	1,733
	13,451	13,927
Current	9,530	7,756
Non-Current	3,921	6,171
	13,451	13,927

Superannuation

Council makes the following defined-contributions to superannuation: -

- 10.5% and 11.5% of wages and salaries for casual employees, depending on award,
- 10.5% and 12.5% of wages and salaries for full-time and part-time employees who commenced after 11 March 2003, depending on award, and
- 4.5% of wages and salaries for full-time and part-time employees who commenced prior to 11 March 2003.

In respect of those full-time and part-time employees who commenced employment with Council prior to 11 March 2003, Council also contributes to a defined-benefit superannuation plan. From 1 July 2014, the level of contribution was set at 9.5%. Employee contributions are 6% of wages and salaries. Employees are entitled to benefits on resignation, retirement, disability or death. The fund provides a defined-benefit based on years of service and final average salary.

An actuarial assessment of the fund was carried out by Mr. Braden Spence, FIAA of Eikonas Consulting Pty Ltd for the purpose of providing figures in accordance with AASB 119 *Employee Benefits*. An assessment report was received on 15 July 2022 and this revealed the following:

<u>Key assumptions</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
Discount Rate – gross of tax	3.60%	1.36%
Expected rates of salary increase: -		
2022/23	5.82%	2.50%
2023/24	2.75%	2.75%
thereafter	2.50%	2.50%

The amount included in expenses is as follows: -

	2021-22 \$'000	2020-21 \$'000
Employee Costs		
- Current Service Cost	762	1,051
Finance Costs		
- Interest Cost	383	305
- Return on plan assets	(432)	(285)
	(49)	20
	713	1,071

Actuarial gains and losses recognised in respect of the defined-benefit plan were as follows: -

Actuarial (gains) / losses incurred during the period and recognised in other comprehensive income	(2,025)	(7,457)
Cumulative actuarial (gains) / losses recognised in other comprehensive income	(1,999)	26

The amount included in the Statement of Financial Position arising from Council's obligation in respect of its defined-benefit plan is as follows: -

Present value of defined-benefit obligation	25,002	29,343
Fair value of plan assets	(30,543)	(33,011)
Net liability / (asset) arising from defined-benefit plan	(5,541)	(3,668)

Movements in the net liability / (asset) were as follows: -

Opening liability/(asset)	(3,668)	3,434
Expense recognised in surplus/(deficit)	713	1,071
Remeasurement of the net defined benefit	(2,025)	(7,457)
Employer contributions	(561)	(716)
Closing liability/(asset)	(5,541)	(3,668)

Movements in the present value of the defined-benefit obligation were as follows: -

	2021-22 \$'000	2020-21 \$'000
Opening defined-benefit obligation	29,343	39,232
Current Service Cost	762	1,051
Interest Cost	383	305
Member contributions and transfers from other funds	354	453
Actuarial (gains) / losses	(2,410)	(6,003)
Benefits and tax paid	(3,430)	(5,695)
Closing defined-benefit obligation	25,002	29,343

Movements in the fair value of the plan assets were as follows: -

Opening fair value of plan assets	33,011	35,798
Interest income on plan assets	432	285
Return on plan assets in excess of interest income	(385)	1,454
Employer contributions	561	716
Member contributions and transfers from other funds	354	453
Benefits paid	(3,430)	(5,695)
Closing fair value of plan assets	30,543	33,011

Changes in the key actuarial assumptions at the reporting date would have the following effect on the net liability arising from the defined-benefit plan: -

	0.25% increase \$'000	0.25% decrease \$'000
Discount rate	(177)	220
Salary increase rate	202	(164)

	2.50% increase \$'000	2.50% decrease \$'000
Asset value	764	(764)

Defined-benefit-plan assets are invested in a balanced strategy with the majority in growth asset classes (e.g. shares and property) and the balance in defensive asset classes (e.g. fixed interest and cash). The table below shows the current benchmark (target) and actual asset allocations of fund assets (as advised by the Scheme administrators):

	Strategic Allocation %	as at 30 June 2022 %	as at 30 June 2021 %
Australian Shares	26.5	26.5	26.5
International Shares	27.5	27.5	27.6
Private Equity	3.0	3.0	3.0
Unlisted Property	8.5	8.5	8.5
Fixed interest and Credit	19.5	19.5	19.4
Infrastructure	8.5	8.5	8.5
Alternative Assets	3.0	3.0	3.0
Cash	3.5	3.5	3.5
Total	100	100	100

33. CONTRACT LIABILITIES

	2021-22 \$'000	2020-21 \$'000
Doone Kennedy Hobart Aquatic Centre Memberships Paid in Advance	51	42
Salamanca Market Rentals Paid in Advance	57	-
Metered Space Permits Paid in Advance	223	203
Grants Revenue Received Prior to Performance Obligations Being Satisfied	4,457	2,241
Other Revenue Paid in Advance	167	58
	4,955	2,544

Revenue recognised in the period that was included in the contract liability balance at June 2021:

Doone Kennedy Hobart Aquatic Centre Memberships	42	127
Metered Space Permits	203	211
Grants Revenue	1,561	934
Other Revenue	58	145
	1,864	1,417

34. LOANS

	2021-22 \$'000	2020-21 \$'000
Loans outstanding at beginning of year	65,106	54,283
New borrowings	5,000	15,000
	70,106	69,283
Redemptions	(9,855)	(4,177)
Loans outstanding at end of year	60,251	65,106
Current	10,259	9,032
Non-Current	49,992	56,074
	60,251	65,106
The maturity profile for Council's borrowings is:		
Not later than one year	10,259	9,032
Later than one year and not later than five years	20,975	23,610
Later than five years	29,017	32,464
Total	60,251	65,106

All loans are secured by Council revenues. Repayments are made semi-annually in arrears, and interest expense is accrued at the contracted rate and included in payables.

35. PROVISIONS

<i>Rehabilitation of Landfill site</i>		
Balance at beginning of year	5,106	5,345
Additional provisions recognised	(702)	(115)
Expenditure incurred	(6)	(154)
Unwinding of discount and effect of changes in the discount rate	39	30
Balance at end of year	4,437	5,106
Current	41	236
Non-Current	4,396	4,870
	4,437	5,106
<i>Dismantling</i>		
Balance at beginning of year	106	104
Unwinding of discount and effect of changes in the discount rate	6	2
Balance at end of year	112	106
Current	-	-
Non-Current	112	106
	112	106
<i>Total</i>		
Current	41	236
Non-Current	4,508	4,976
	4,549	5,212

36. LEASE LIABILITIES

	2021-22 \$'000	2020-21 \$'000
Lease Liabilities	10,667	10,908
	10,667	10,908
Current	832	768
Non-Current	9,835	10,140
	10,667	10,908

Future minimum lease payments due are:

As at 30 June 2022	Within 1 Year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease payments	1,120	1,121	1,109	1,082	1,079	7,005	12,516
Finance charges	(288)	(266)	(241)	(217)	(193)	(644)	(1,849)
Net present value	832	855	868	865	886	6,361	10,667

As at 30 June 2021	Within 1 Year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease payments	1,063	1,064	1,065	1,054	1,026	7,694	12,966
Finance charges	(295)	(274)	(253)	(229)	(207)	(800)	(2,058)
Net present value	768	790	812	825	819	6,894	10,908

Council's lease liabilities mainly relate to the lease of car parks.

Concessionary Leases

Council has additional leases which are not recognised above. Please see note 1(k)(ii) for further details.

37. RESERVES

	Note	Balance 30/6/21 \$'000	Transfers to Reserves \$'000	Transfers from Reserves \$'000	Balance 30/6/22 \$'000
Asset Replacement		16,781	7,585	(19,860)	4,506
Bushland Fund		109	51	-	160
Contributions in Lieu of Parking		135	-	-	135
Contributions in Lieu of Public Open Space		203	52	-	255
Heritage Account		1,603	(25)	-	1,578
		18,831	7,663	(19,860)	6,634
Fair Value Reserve	11	(38,321)	4,465	-	(33,856)
Asset Revaluation Reserve	12	1,345,566	120,544	-	1,466,110
		<u>1,326,076</u>	<u>132,672</u>	<u>(19,860)</u>	<u>1,438,888</u>

Asset Replacement Reserve

Council maintains a reserve for the replacement of its assets. Revenue and loans raised for this purpose are transferred to the reserve, whilst expenditure incurred on replacing existing assets is transferred from the reserve. The balance of the reserve represents expenditure which Council expects to incur in future reporting periods on replacing its assets.

Bushland Fund

Council has established a Bushland Fund and allocated funds from revenue to the reserve. The reserve was established for the purpose of purchasing strategic areas of bushland and open space.

Contributions in Lieu of Parking

Council maintains a reserve to separately account for funds provided to Council for the express purpose of providing parking facilities throughout the city.

Contributions in Lieu of Public Open Space

Council maintains a reserve to separately account for funds provided to Council for the express purpose of providing areas of public open space throughout the city.

Heritage Account

Council has established a Heritage Account as required by the *National Trust Preservation Fund (Winding-up) Act 1999*. Amounts transferred to the account include the initial distribution from the National Trust Preservation Fund, together with interest accruing on the balance of the account.

The Act requires that funds transferred into the Heritage Account be applied for the provision of financial or other assistance in relation to an entry in either the National Trust Register kept by the National Trust of Australia (Tasmania), or the Tasmanian Heritage Register.

Fair Value Reserve

Council maintains a fair value reserve in order to account for gains and losses on its TasWater equity investment as required by AASB 9 *Financial Instruments*.

Asset Revaluation Reserve

Council maintains an asset revaluation reserve in order to account for asset revaluation increments and decrements in accordance with AASB 116 *Property, Plant and Equipment*.

38. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS (DEFICIT)

	Note	2021-22 \$'000	2020-21 \$'000
Income		162,633	141,617
Expenses		(142,093)	(134,051)
Surplus		20,540	7,566
Items not involving Cash:			
Depreciation and Amortisation	5	33,003	28,047
Carrying Value of Assets Sold	10	55	369
Asset Write-offs	7	1,342	3,782
Contributed Property, Plant and Equipment		(8,744)	(2,081)
Re-classification of Revenues			
Capital Grants Received Specifically for New or Upgraded Assets	9(b)	(4,289)	(2,402)
Sales of Assets	10	(141)	(685)
Changes in Operating Assets & Liabilities:			
(Increase) / Decrease in Receivables	17	(697)	968
(Increase) / Decrease in Inventories	15	8	53
(Increase) / Decrease in Prepayments		92	(198)
Increase / (Decrease) in Payables	30	3,049	(1,889)
Increase / (Decrease) in Employee Benefits	32	(324)	(1,323)
Increase / (Decrease) in Contract Liabilities	33	2,411	1,127
Increase / (Decrease) in Provisions	35	(663)	(237)
Increase / (Decrease) in Trust, Deposits, Retention	31	35	94
Net Cash Inflow / (Outflow)		45,677	33,191

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2021-22			2020-21		
	Loans	Lease	Total	Loans	Lease	Total
	\$'000	Liabilities	\$'000	\$'000	Liabilities	\$'000
		\$'000			\$'000	
Balance at beginning of period	65,106	10,908	76,014	54,283	11,319	65,602
Acquisitions / New leases	-	-	-	-	191	191
Lease Remeasurement	-	532	532	-	107	107
	-	532	532	-	298	298
Changes from financing cash flows:						
Cash Received	5,000	-	5,000	15,000	-	15,000
Cash Repayments	(9,855)	(773)	(10,628)	(4,177)	(709)	(4,886)
	(4,855)	(773)	(5,628)	10,823	(709)	10,114
Balance at end of period	60,251	10,667	70,918	65,106	10,908	76,014

40. FINANCING FACILITIES

	2021-22	2020-21
	\$'000	\$'000
Facility Limit	1,000	1,300
Less: Used/committed	(84)	(74)
Un-used purchasing card facilities	916	1,226

41. COMMITMENTS

*Capital Expenditure contracted for at the reporting date
but not recognised in liabilities:*

	2021-22 \$'000	2020-21 \$'000
Plant and Equipment Purchases	3,687	357
Tolmans Hill New Public Convenience	715	-
Pinnacle Road Guardrail Renewal	426	678
Reynolds Court - No.14 to No.16 Retaining Wall	340	-
Doone Kennedy Hobart Aquatic Centre Change Room Refurbishment	221	-
Zig Zag Track Renewal	213	-
Council Centre Basement Change Room Refurbishment	201	-
Neika Bridge Replacement	181	-
Argyle and Campbell Streets Bicycle Facilities	175	-
Collins Street & Molle Street Traffic Signals	167	-
Doone Kennedy Hobart Aquatic Centre Major Upgrade	133	318
New Town Senior Citizens Club New Entry Pathway	111	-
Strickland Ave - Cascade Brewery to Huon Road Delineation Improvements	101	-
Central Hobart Precinct Plan	89	-
Hobart Central Car Park - Render Repair	82	-
Vauxhall and Timbercutters Fire Trail Renewal	80	-
Road Strategy - Disability Access	76	-
Giblin Street - Pedder Street to Augusta Road Partial/Full Reconstruction	69	-
Stormwater Pipeline Inspection and Relining	62	-
Records Management System	57	250
Lenah Valley Bridge Replacement	57	1,086
Lenah Valley Retail Precinct Variable 40kmh Signage	52	-
Old Farm Road Bridge Replacement	-	332
Huon Road - Huon No.495 to Strickland Avenue Reseal	-	164
Security Operations Centre	-	114
Lenah Valley Fire Trail Wall Repair	-	101
Beddome Street Stormwater Relining	-	95
Clare & Harding Streets Kerb Bulbing	-	91
Hobart Rivulet Minor Repairs	-	90
SmartEye In-ground Parking Sensors	-	85
Long Beach Lighting Replacement	-	81
City Technology - Corporate Applications	-	81
Bushland Signage Installation - Small Reserves	-	79
Safer Communities - Cameras	-	72
96A Summerleas Road Stormwater Extension	-	72
Local Area Mobility	-	62
Other	873	1,422
	8,168	5,630
Expected timing of these commitments is as follows: -		
Not longer than one year	8,168	5,630
Longer than one year and not longer than two years	-	-
Longer than two years and not longer than five years	-	-
Longer than five years	-	-
	8,168	5,630

42. OPERATING LEASES

	2021-22 \$'000	2020-21 \$'000
<i>a) Maturity analysis of operating lease payments to be received:</i>		
Year 1	610	559
Year 2	539	511
Year 3	504	450
Year 4	445	418
Year 5	402	361
Year 6 and onwards	6,076	5,885
	8,576	8,184

b) The following table presents the operating lease receipts reported in the Statement of Comprehensive Income:

Lease income on operating leases	559	642
Therein lease income relating to variable lease payments that do not depend on an index or rate	19	3

Council's operating lease receivables mainly result from property leases.

43. CONTINGENT LIABILITIES

	2021-22 \$'000	2020-21 \$'000
Council is currently acting as guarantor for the following loans: -		
Hockey Tasmania Inc.	1,500	1,500
Southern Tasmanian Netball Association	631	631
Derwent Sailing Squadron	4,100	4,100
	6,231	6,231

44. MAJOR DEVELOPMENT ASSISTANCE POLICY COMMITMENTS

Council has entered into Development Assistance Deeds for the following Major Development Projects.

The Wellington Centre Development

The development agreement with Sultan Holdings Pty Ltd provides for the following: -

- Council contributed certain land to the development, and the developer also contributed land.
- The developer agreed to construct on the aggregated land amongst other things a car park, supermarket, office accommodation and retail shops.
- The development, on completion, was stratum titled to meet the ownership rights of the parties to the development.
- Council received the stratum title to the car park.

- During the construction period, based on suitable evidence of completion of progress work in relation to the car park, Council made progress payments for the car park.
- On completion and issue of stratum titles, Council received the stratum title for the car park. This occurred in October 2013.

On an ongoing basis: -

- Council has fixed the rates applicable to the development at that which applied on the date of the agreement plus CPI (all groups Hobart) for a 10 year period. The benefit is only applicable to the developer while it owns the particular stratum property.
- The value of the benefit for the current period is \$419,793 (prior year: \$399,746).

The Myer Development

With respect to this development there are deeds with both the developer (E. Kalis Properties Pty Ltd) and the major tenant (Myer Pty Ltd).

Council has entered into conditional agreements to provide the following grants and benefits to the developer to assist with the redevelopment of the Myer site, located at 98-110 Liverpool Street and 55 Murray Street, Hobart, namely: -

1. Consistent with Council's Major Development Assistance Policy: -
 - a. A cap on rates for a defined period based on the value of the property as at 18 January 2012, limited to CPI increases, and
 - b. The waiving of fees and charges, including tip fees, hoarding fees, parking fees and associated statutory fees.
2. The air rights over the relevant portion of the Hobart Rivulet for a nominal consideration. The value of the benefit provided in the current period pursuant to 1.a. above is \$811,102 (prior year: \$414,464) and pursuant to 1.b. \$nil (prior year: \$nil). It is not possible to reliably estimate the value of future assistance.

Myer Deed

The deed with Myer Pty Ltd (Myer) provides for the following: -

- The Council will, in exercise of its power under section 77(1A)(b) of the *Local Government Act 1993*, pay to Myer the following amounts at the following times: -
 - \$1.75 million when Myer commences trading to the public from the Myer Store following full occupation by Myer in the Liverpool Street stage of the Development.
 - \$1.75 million in the month of July after full occupation of the Liverpool Street store, unless full occupation occurs between 1 April and 30 June and construction of the Murray Street stage has not substantially commenced, in which case that amount will be paid on 31 July in the calendar year after the occupation of the Liverpool Street Myer Store.
 - \$0.875 million in each of the first four years starting 1 August after occupation of the Liverpool Street Myer Store in which gross sales for that year are less than an agreed threshold. Any amount is to be paid 28 days after receipt of the Auditor's Report for the relevant year.
- Under certain circumstances, if Myer ceases to occupy the development then a proportion of total grants paid will be refundable to Council under an agreed formula taking into account the number of years the development has been occupied.

The first \$1.75 million instalment was paid to Myer upon it commencing trading to the public in November 2015. The second \$1.75 million instalment was paid to Myer in July 2016. The first of the \$0.875 million instalments was paid in July 2018, the second in January 2019, the third in January 2020, and the final payment in December 2020.

45. SUBSEQUENT EVENTS

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

46. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Compensation

	2021-22 \$'000	2020-21 \$'000
Short-term employee benefits	2,229	1,932
Post-employment benefits	204	175
Long-term benefits	83	49
Termination benefits	48	382
	2,564	2,538

Key management personnel comprises elected members and senior executives.

The Lord Mayor, Deputy Lord Mayor and Elected Members of the City of Hobart are entitled to receive allowances as provided under section 340A of the *Local Government Act 1993*. The quantum of the allowances is set in accordance with regulation 42 of the *Local Government (General) Regulations 2015* and adjusted for inflation as at 1 November each year.

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

(b) Transactions with other related parties

During the period Council entered into the following transactions with related parties: -

	2021-22 \$'000	2020-21 \$'000
Nature of transactions		
Painting Services	-	105
Consulting Services	20	-
	20	105
Related payables balances at year-end	20	-
Commitments to related parties at year-end	-	-
Related receivables balances at year-end	-	-
Related impairment provisions at year-end	-	-
Related bad and doubtful debts expense for the period	-	-

In accordance with section 84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the Chief Executive Officer by any Elected Member in respect of any body or organisation with which the Council has major financial dealings.

(c) Loans and guarantees to/from related parties

Council has not entered into any loans or guarantees with related parties.

(d) Commitments to/from related parties are disclosed in table at (b) above

(e) 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 City. Therefore, on a regular basis, ordinary citizen transactions occur between Council and its related parties. Some examples are: -

- Payment of rates and charges
- Dog registrations
- Attending Council events
- Use of Council facilities
- Parking fees and fines

Council has not included these types of transactions in its disclosure where they occur on the same terms and conditions as those available to the general public.

47. MANAGEMENT INDICATORS

(a) Underlying surplus or deficit

	Benchmark	2021-22 \$'000	2020-21 \$'000
Underlying Revenue *		146,995	131,014
<i>less</i> Recurrent expenses		(141,359)	(131,039)
<i>equals</i> Underlying Surplus	> 0	5,636	(25)

* Underlying revenue excludes all capital income (grants received specifically for assets and physical resources received free of charge) and non-recurring income, and includes adjustments for revenue received in advance.

This indicator measures the extent to which expenses are covered by revenues. The benchmark was achieved in the current period.

(b) Underlying surplus ratio

	Benchmark	2021-22 \$'000	2020-21 \$'000
Underlying Surplus		5,636	(25)
<i>divided by</i> Underlying Revenue		146,995	131,014
<i>equals</i> Underlying Surplus ratio	0% - 2%	3.8%	0.0%

This indicator also measures the extent to which expenses are covered by revenues, by comparing the underlying surplus (or deficit) to total revenue. Again, the benchmark was achieved in the current period.

(c) Net financial liabilities

		Benchmark	2021-22 \$'000	2020-21 \$'000
	Cash and Cash Equivalents		37,033	38,555
<i>plus</i>	Current Receivables		7,305	6,608
<i>plus</i>	Investments		28,300	6,300
<i>less</i>	Total Liabilities		(107,766)	(108,827)
<i>equals</i>	Net Financial Liabilities	> (\$71M)	(35,128)	(57,364)

This indicator measures Council's net indebtedness (the extent to which Council's liabilities could be met if all liabilities fell due at once). The above result is within the benchmark range (being 50% of underlying revenue).

(d) Net financial liabilities ratio

		Benchmark	2021-22 \$'000	2020-21 \$'000
	Net Financial Liabilities		(35,128)	(57,364)
<i>divided by</i>	Underlying Revenue		146,995	131,014
<i>equals</i>	Net Financial Liabilities ratio	> -50%	-23.9%	-43.8%

This indicator also measures Council's net indebtedness by comparing net financial liabilities to total revenue. Again, the result is within the benchmark range.

(e) Asset sustainability ratio

		Benchmark	2021-22 \$'000	2020-21 \$'000
	Asset renewal capital expenditure		18,798	13,005
<i>divided by</i>	Depreciation and amortisation expense		33,003	28,047
<i>equals</i>	Asset sustainability ratio	100%	57.0%	46.4%

This indicator measures the extent to which assets are being renewed as they wear out. For a relatively young asset portfolio the benchmark may be quite low, whereas for an older asset portfolio the benchmark may be greater than 100%. The above result indicates that Council is below its benchmark in terms of sufficiently reinvesting in its assets for this period.

(f) Asset consumption ratio

		Benchmark	2021-22 \$'000	2020-21 \$'000
<i>Plant & Equipment</i>				
	Depreciated Replacement Cost		16,028	18,167
<i>divided by</i>	Current Replacement Cost		45,529	42,988
<i>equals</i>	Asset consumption ratio	40% - 80%	35.2%	42.3%
<i>Buildings</i>				
	Depreciated Replacement Cost		174,355	164,909
<i>divided by</i>	Current Replacement Cost		283,549	271,402
<i>equals</i>	Asset consumption ratio	40% - 80%	61.5%	60.8%
<i>Land Improvements</i>				
	Depreciated Replacement Cost		122,193	123,556
<i>divided by</i>	Current Replacement Cost		237,883	239,258
<i>equals</i>	Asset consumption ratio	40% - 80%	51.4%	51.6%
<i>Pathways and Cycleways</i>				
	Depreciated Replacement Cost		106,396	92,620
<i>divided by</i>	Current Replacement Cost		219,521	209,032
<i>equals</i>	Asset consumption ratio	40% - 80%	48.5%	44.3%
<i>Stormwater</i>				
	Depreciated Replacement Cost		198,527	182,460
<i>divided by</i>	Current Replacement Cost		348,009	328,784
<i>equals</i>	Asset consumption ratio	40% - 80%	57.1%	55.5%
<i>Roads & Bridges</i>				
	Depreciated Replacement Cost		286,750	275,553
<i>divided by</i>	Current Replacement Cost		466,356	444,405
<i>equals</i>	Asset consumption ratio	40% - 80%	61.5%	62.0%

This indicator measures the service potential remaining in Council's existing assets. Results are within the benchmark range, and are expected to remain around current levels.

(g) Asset renewal funding ratio

	Benchmark	2021-22 \$'000	2020-21 \$'000
<i>divided by</i>			
Planned capital renewals		822,364	881,501
Required capital renewals		811,096	881,501
<i>equals</i>			
Asset renewal funding ratio	100%	101.4%	100.0%

This indicator measures Council's capacity to fund asset renewal requirements by comparing planned funding for asset renewal (as per Council's Long Term Financial Management Plan) with required funding for asset renewal (as per Council's Asset Management Plans).

The above results indicate that Council is presently planning to fund all required asset renewal over the next 20 year period.

48. FAIR VALUE MEASUREMENTS

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

Property and infrastructure

- Land
- Buildings
- Land Improvements
- Pathways and Cycleways
- Stormwater
- Roads and Bridges
- Other Property

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

(a) Fair Value Hierarchy

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

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

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

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's infrastructure assets, which are of a specialist nature for which there is no active market for identical or similar assets. These assets are valued using a combination of observable and unobservable inputs.

2021-22					
	Note	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
<u>Recurring fair value measurements</u>					
Land	21	-	1,436,162	-	1,436,162
Buildings	21	102,066	2,732	69,557	174,355
Land Improvements	22	-	-	122,193	122,193
Pathways and Cycleways	23	-	-	106,396	106,396
Stormwater	24	-	-	198,527	198,527
Roads and Bridges	25	-	-	286,750	286,750
Other Property	26	-	-	3,643	3,643
		<u>102,066</u>	<u>1,438,894</u>	<u>787,066</u>	<u>2,328,026</u>

2020-21					
	Note	Level 1	Level 2	Level 3	Total
		\$'000	\$'000	\$'000	\$'000
<u>Recurring fair value measurements</u>					
Land	21	-	1,377,099	-	1,377,099
Buildings	21	102,066	2,732	60,111	164,909
Land Improvements	22	-	-	123,556	123,556
Pathways and Cycleways	23	-	-	92,620	92,620
Stormwater	24	-	-	182,460	182,460
Roads and Bridges	25	-	-	275,553	275,553
Other Property	26	-	-	3,638	3,638
		<u>102,066</u>	<u>1,379,831</u>	<u>737,938</u>	<u>2,219,835</u>

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 date of the event or change in circumstances that caused the transfer.

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

(b) Highest and best use

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

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

A fresh valuation of land in the Hobart municipality was completed by the Valuer-General in this period, with an effective date of 1 July 2021. Consequently land has been revalued using this data derived from the Valuer-General.

Buildings

Council derives fair value for buildings based on advice received from qualified independent valuers in the form of: -

- Unit replacement cost (rate / m2) for comparable modern equivalent building types applied to the dimensions of the current asset,
- Where there is a market for selected buildings, market value taking into account any heritage listings, and
- Quantity Surveyor estimates of replacement value of selected buildings which have unique characteristics.

Council has received advice from the following licensed Property Valuer and Quantity Surveyor:-

- Opteon – (Ty Winduss API 63346 and Gavin Lipplegoes API 63838)

Based on the values received against the range of buildings and buildings types under Council's control, the lowest value was used in each case to establish fair value.

The level of accumulated depreciation has been established based on the age of the building in relation to the expected useful life of the structure component of each building. Residual values are not applied to buildings.

Buildings were last revalued at 30 June 2018, and subsequently have been indexed annually using the Producer Price Indexes, Australia (Index Number 3101 Road and Bridge Construction Australia).

Land Improvements

Land Improvements are a diverse range of asset types that do not fall under any other asset class. Unit rates are based on a considered average of internal estimates, external estimates and project actual rates based on information provided by Council's engineering officers. The current replacement cost (CRC) for these assets is then calculated as the unit rate multiplied by the asset quantity.

Land Improvements were revalued at 30 June 2022.

Infrastructure Plant

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

Council distinguishes significant asset types within its asset register for detailed review and consideration by its Financial Asset Information Review Panel. Significant asset types account for more than 80% of the total value of the asset register, and these are aligned with approximately 60 of the 2,000 asset types identified. The remaining non-significant asset types are either indexed or adjusted separately where evidence is available to support alternative levels of adjustment.

The unit rates (labour and materials) and quantities applied to determine the CRC of a significant asset type were based on a "Brownfield" assumption meaning that the CRC was determined as the full cost of replacement with a modern equivalent asset type considering typical site conditions, restrictions and extent of works. Residual values are not applied to infrastructure assets.

The level of accumulated depreciation for infrastructure assets is determined based (as the default) on the age of the asset and the standard life aligned with the corresponding asset type. A program to adjust the default expiry date when the assets are listed for renewal on the current works program is gradually being implemented.

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.

Pathways and Cycleways

Council has pathways and one cycleway representing approximately 465 kilometres, together with approximately 150 kilometres of walking tracks.

Pathways comprise six different material types, the most common being concrete, and are valued based on a unit rate for the material multiplied by the area of the pathway asset. The cycleway is sufficiently similar to a concrete footpath to be able to determine a CRC on that basis. Due to insufficient work being carried out recently on walking tracks, previous unit rates have been indexed and multiplied by track lengths to calculate CRC, based on information provided by Council's engineering officers.

Pathways and Cycleways were revalued at 30 June 2022.

Stormwater

Stormwater assets are grouped by stormwater catchment areas and contain all of those pipes, pits, manholes, inlets, outlets and constructed rivulets managing Hobart's stormwater, along with the few remaining water and sewer assets relating solely to Council operations.

For stormwater pipes and built rivulets the CRC is based on the asset dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc. For each pipe size and for standard rivulet lining a modern equivalent definition exists for which prices are obtained from both internal and external sources to determine the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. For the sewer and water mains the CRC is based on the asset dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc determined by the Asset Manager and information provided by Council's engineering officers.

Stormwater was last revalued at 30 June 2020, and subsequently has been indexed annually using the Producer Price Indexes, Australia (Index Number 3101 Road and Bridge Construction Australia).

Roads and Bridges

Sealed Roads, Kerb and Gutter

Council categorises its road infrastructure by an urban hierarchy classification. Roads are managed in segments which generally extend from intersection to intersection. All road segments are then componentised into formation, pavement, sub-pavement and seal, and kerb and channel. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment.

CRC is based on the component dimension multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations etc. Against each road component a standard design exists for the modern equivalent asset which details

pavement depths, typical widths and other relevant component information to enable pricing, such as location and extent of works.

Unit prices are developed through an analysis of quantity surveyors' advices, actual project costs, internal estimators' workings and comparison with other local councils based on information provided by Council's engineering officers. Assets are further broken down by location category in order to reflect the increased cost of undertaking works in higher traffic areas. For this purpose, the revaluation calculations devised unit rate for each material type and location type more accurately capture the replacement costs of these works.

Bridges

Council does not have a large number of bridges and does not undertake replacement works frequently enough to provide reliable data for estimating actual costs.

Each bridge structure is aligned with a modern equivalent asset type which defines the replacement structure and associated bridge components.

Unit prices have been obtained from independent consultants (Pitt & Sherry) for construction works in rural areas against the modern equivalent asset specification. This "rural unit replacement rate" has then been multiplied by the deck area of each existing bridge located in rural areas to calculate the CRC of those bridges.

For bridges not located in rural areas, location factors provided by Pitt & Sherry have been applied to reflect the increased cost of undertaking works in higher traffic areas. For this purpose, two additional locations were identified – suburban and urban. For assets in suburban locations, a replacement rate equal to 1.2 times the rural unit replacement rate has been adopted. For assets in urban locations, a replacement rate equal to 1.5 times the rural unit replacement rate has been adopted.

In line with Pitt & Sherry's advice, unit replacement rates have been increased by a further 20 percent, regardless of location, for bridges with abutments higher than three metres to reflect the additional complexity of construction.

Road and Bridges were last revalued at 30 June 2021, and this period have been indexed using the Producer Price Indexes, Australia (Index Number 3101 Road and Bridge Construction Australia).

Other Property

Other Property includes fine art, antique furniture and other valuables.

Two external valuers were engaged to value the majority of the assets. The variance between the two valuers was minimal and therefore an average of the valuations has been used to value these assets.

A specialist valuer was engaged where the attributes of the assets were outside of the expertise for the standard valuers and these assets were valued at the recommended rate.

Other Property was last revalued at 30 June 2021, and this period has been indexed using the Producer Price Indexes, Australia (Index Number 3101 Road and Bridge Construction Australia).

(d) Unobservable inputs and sensitivities

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

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 19 (Property, Plant and Equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

(f) Valuation processes

Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1(i).

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 (refer note 16).

Council's loans are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of loans disclosed in note 16 is provided by each lender (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).

49. SIGNIFICANT BUSINESS ACTIVITIES

Pursuant to section 84(2)(da) of the *Local Government Act 1993*, Council identified 'Water Supply' and 'Sewerage' as significant business activities. As a result of statewide water and sewerage reforms taking effect on 1 July 2009, Council ceased providing these services on that date.

Council has also identified Off-street Parking, On-street Parking, Doone Kennedy Hobart Aquatic Centre (DKHAC) and the Tasmanian Travel and Information Centre (TTIC) as commercial-like undertakings. Details of each of these are set out below.

Competitive neutrality costs are costs which would have applied to the activity had it not been conducted within the umbrella of government. Therefore, from the local government perspective, such "costs" are notional only and are disclosed for information.

Off-Street Parking

	2021-22 ACTUAL \$'000	2021-22 BUDGET \$'000	2020-21 ACTUAL \$'000
REVENUES			
User Fees and Charges	11,865	10,857	9,353
Rental Income	-	420	(1)
	11,865	11,277	9,352
EXPENSES			
Employee Costs	(1,622)	(395)	(555)
Energy Costs	(127)	(140)	(165)
Materials and Contracts	(1,455)	(2,173)	(1,309)
Finance Lease Interest	(299)	-	(312)
Land Tax	(550)	(443)	(14)
Engineering and Administrative Overheads	(813)	(813)	(813)
	(4,866)	(3,964)	(3,168)
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION	6,999	7,313	6,184
Depreciation	(1,066)	(1,646)	(1,907)
	(1,066)	(1,646)	(1,907)
OPERATING PROFIT / (LOSS)	5,933	5,667	4,277
COMPETITIVE NEUTRALITY COSTS			
Opportunity Cost of Capital	(3,325)	(3,325)	(4,659)
Income Tax	(1,324)	(1,294)	(983)
Council Rates	(636)	(491)	(495)
	(5,285)	(5,110)	(6,137)

On-Street Parking

	2021-22 ACTUAL \$'000	2021-22 BUDGET \$'000	2020-21 ACTUAL \$'000
REVENUES			
User Fees and Charges	7,104	8,325	5,823
Fines	7,113	5,250	5,945
Other Income	3	-	1
	14,220	13,575	11,769
EXPENSES			
Employee Costs	(2,328)	(2,959)	(3,337)
Energy Costs	(101)	-	-
Materials and Contracts	(2,007)	(1,709)	(1,902)
Bad debts	(120)	(350)	255
Engineering and Administrative Overheads	(703)	(703)	(703)
	(5,259)	(5,721)	(5,687)
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION	8,961	7,854	6,082
Depreciation	(333)	(550)	(375)
Profit / (Loss) on sale of Plant and Equipment	(1)	-	-
	(334)	(550)	(375)
OPERATING PROFIT / (LOSS)	8,627	7,304	5,707
COMPETITIVE NEUTRALITY COSTS			
Opportunity Cost of Capital	(61)	(61)	(94)
Income Tax	(2,157)	(1,826)	(1,484)
	(2,218)	(1,887)	(1,578)

Doone Kennedy Hobart Aquatic Centre

	2021-22 ACTUAL S'000	2021-22 BUDGET S'000	2020-21 ACTUAL S'000
REVENUES			
User Fees and Charges	4,724	4,751	3,214
Other Income	278	15	167
	5,002	4,766	3,381
EXPENSES			
Employee Costs	(3,744)	(4,192)	(3,092)
Energy Costs	(363)	(459)	(479)
Materials and Contracts	(1,741)	(1,637)	(1,361)
Insurance	(42)	-	(42)
Interest	(3)	(41)	(1)
	(5,893)	(6,329)	(4,975)
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION	(891)	(1,563)	(1,594)
Depreciation	(1,134)	(1,010)	(1,092)
Profit / (Loss) on sale of Plant and Equipment	(2)	-	-
	(1,136)	(1,010)	(1,092)
OPERATING PROFIT / (LOSS)	(2,027)	(2,573)	(2,686)
COMPETITIVE NEUTRALITY COSTS			
Opportunity Cost of Capital	(1,274)	(1,274)	(1,636)
Council Rates	(233)	(233)	(82)
	(1,507)	(1,507)	(1,718)

Tasmanian Travel and Information Centre

	2021-22 ACTUAL \$'000	2021-22 BUDGET \$'000	2020-21 ACTUAL \$'000
REVENUES			
User Fees and Charges	294	542	199
Tasmanian Government Grant	150	150	155
Other Income	52	6	59
	496	698	413
EXPENSES			
Employee Costs	(490)	(579)	(361)
Materials and Contracts	(157)	(147)	(84)
Other	-	(2)	-
	(647)	(728)	(445)
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION	(151)	(30)	(32)
Depreciation	(9)	(9)	(6)
	(9)	(9)	(6)
OPERATING PROFIT / (LOSS)	(160)	(39)	(38)
COMPETITIVE NEUTRALITY COSTS			
Opportunity Cost of Capital	(5)	(5)	(8)
Council Rates	(9)	(9)	(8)
	(14)	(14)	(16)

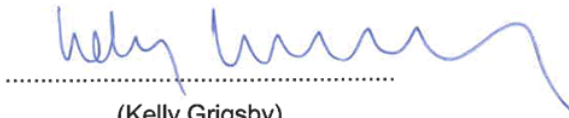
HOBART CITY COUNCIL

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

The financial report presents fairly the financial position of the Hobart City Council as at 30 June 2022 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.

Signed at Hobart this 26th day of September 2022



(Kelly Grigsby)

Chief Executive Officer

11. Council Meeting Arrangements - Immediately Post Election
File Ref: F22/104799

Memorandum of the Chief Executive Officer of 19 October 2022.

Delegation: Council



City of **HOBART**

MEMORANDUM: COUNCIL

Council Meeting Arrangements - Immediately Post Election

The purpose of this report is to address some changes required to the 2022 Council and Committee Meeting Schedule dates resulting from the Local Government Elections and the elected member induction program and to provide an update on the City's Annual General Meeting.

New Council Induction Program

The City's Executive Leadership Team is committed to supporting the new Council to deliver the best outcomes for the community and as a Capital City Council and Tasmania more broadly. In keeping with local government sector best practice, in order to assist successfully elected councillors transition into office, a comprehensive induction program is being planned to ensure the new Council is fully informed of the City's roles and responsibilities.

As advised in a recent letter to all candidates, a five day program will occur from Wednesday 9 November through to Tuesday 15 November 2022.

This means the Council meeting currently scheduled for Monday 14 November 2022 will be cancelled with the first meeting of the new Council, following the ceremonial swearing-in, proposed for Monday 21 November 2022.

As elected members would be aware, membership of all Council Committees will cease at the end of the current term of Council. For this reason, and to facilitate the continued processing of planning permit applications until such time that Council resolves otherwise, an extension to the Director City Life's delegation is recommended:

The Director City Life be provided with the following delegation in order to facilitate the processing of planning permit applications during the period 26 October 2022 until such time as the Council resolves otherwise:

- (i) *To determine all planning permit applications which would otherwise be determined by Committee or Council in circumstances where it would not otherwise be possible to determine the application within the statutory time period required under Sections 57(6), 57(6A), 58(2) or 58(2A) of the Land Use Planning and Approvals Act 1993, and an extension of time cannot be obtained, unless an Elected Member has requested the convening of a special meeting or meetings of the Planning Authority to determine an*

application and there is sufficient time to arrange a special meeting prior to the expiry of the statutory time period required under those sections.

Annual General Meeting (AGM)

The *Local Government Act 1993* requires Councils to hold an AGM no later than 15 December each year. The AGM to consider the City's 2021-2022 Annual Report is currently being planned for Monday 28 November 2022.

Unlike previous years, it is proposed that the 2022 AGM be a stand-alone meeting commencing at 5.30pm on 28 November with the Council meeting previously scheduled for this date being cancelled. The reason for cancelling the Council meeting is that any outstanding business requiring Council decision would have been addressed at the meeting of 21 November, the week prior.

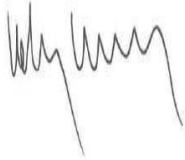
The AGM will be held in a similar format to previous years in the Town Hall Ballroom with light refreshments to follow. It is anticipated invitations and placement of advertising will occur during the week of 7 – 11 November 2022.

RECOMMENDATION

That:

1. ***The Council approve the cancellation of Council meetings scheduled for 14 and 28 November 2022 and the convening of the first meeting of the new Council on Monday 21 November 2022.***
2. ***The Council endorse the convening of the City's Annual General Meeting on Monday 28 November 2022, commencing at 5.30pm.***
2. ***The Director City Life be provided with the following delegation in order to facilitate the processing of planning permit applications during the period 26 October 2022 until such time as the Council resolves otherwise:***
 - (i) ***To determine all planning permit applications which would otherwise be determined by Committee or Council in circumstances where it would not otherwise be possible to determine the application within the statutory time period required under Sections 57(6), 57(6A), 58(2) or 58(2A) of the Land Use Planning and Approvals Act 1993, and an extension of time cannot be obtained, unless an Elected Member has requested the convening of a special meeting or meetings of the Planning Authority to determine an application and there is sufficient time to arrange a special meeting prior to the expiry of the statutory time period required under those sections.***

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

A handwritten signature in black ink, appearing to read 'Kelly Grigsby', with a stylized, wavy line extending from the end.

Kelly Grigsby
CHIEF EXECUTIVE OFFICER

Date: 19 October 2022
File Reference: F22/104799

12. Code of Conduct Determination Report
Louise Elliot v Lord Mayor Councillor Anna Reynolds
File Ref: F22/105771

Memorandum of the Chief Executive Officer of 18 October 2022 and attachment.

Delegation: Council

City of **HOBART****MEMORANDUM: COUNCIL****Code of Conduct Determination Report
Louise Elliot v Lord Mayor Councillor Anna Reynolds**

Pursuant to section 28ZK(2) of the *Local Government Act 1993* I have been provided with a copy of a determination report from the Code of Conduct Panel in respect to a complaint lodged by Ms Elliot against Lord Mayor Reynolds.

The Act requires that I table this at the first meeting of the Council which is practicable to do so and which is open to the public. As such, a copy of the determination report is included as **Attachment A** to this report.

RECOMMENDATION

That the Council receive and note the Code of Conduct Determination Report in respect to a complaint lodged by Ms Louise Elliot against Lord Mayor Reynolds, shown as Attachment A to this report.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

Kelly Grigsby
CHIEF EXECUTIVE OFFICER

Date: 18 October 2022
File Reference: F22/105771

Attachment A: Code of Conduct Determination_Elliot vs Reynolds ↴

Local Government Code of Conduct Panel

Executive Building, 15 Murray Street, HOBART TAS 7000 Australia

GPO Box 123, HOBART TAS 7001 Australia

Ph: (03) 6232 7220 Email: lgconduct@dpac.tas.gov.au**PRIVATE AND CONFIDENTIAL**

Ms Kelly Grigsby
Chief Executive Officer
City of Hobart
ceo@hobartcity.com.au

Dear Ms Grigsby

**Code of Conduct Panel Determination Report –
Local Government Act 1993 (section 28ZJ)**

In accordance with section 28ZK of the *Local Government Act 1993* (the Act) the Code of Conduct Panel has made its determination in relation to the complaint lodged by Ms Louise Elliot against Councillor Anna Reynolds. I have enclosed a copy of the determination report dated 17 October 2022.

As per section 28ZK(2) of the Act, copies have also been provided today to the complainant Ms Elliot, the Councillor Reynolds against whom the complaint was made, and to the Director of Local Government.

Under section 28ZK(4) of the Act, you must ensure that a copy of the determination report is tabled at the first open meeting of Council at which it is practicable to do so.

Section 28ZK(7) of the Act requires that any person who receives a determination report must keep the determination report confidential until the report is included within an item on the agenda for a meeting of the relevant council.

Please contact me on (03) 6232 7220 or by email at lgconduct@dpac.tas.gov.au if you have any queries.

Yours sincerely



Saroj Gharti Chhetri
**Executive Officer
Code of Conduct Panel**

18 October 2022

Encl. Determination Report of the Code of Conduct Panel

Section 28ZK (7) of the *Local Government Act 1993* requires that any person who receives a determination report must keep the determination report confidential until the report is included within an item on the agenda for a meeting of the relevant council. Failure to do so may result in a fine of up to 50 penalty units.

Local Government Act 1993

**CODE OF CONDUCT PANEL DETERMINATION REPORT
HOBART CITY COUNCIL CODE OF CONDUCT**

Complaint brought by Ms Louise Elliot against Lord Mayor Anna Reynolds

Code of Conduct Panel

- Jill Taylor (Chairperson)
- Liz Gillam (Local Government Member)
- Rob Winter (Legal Member)

Date of Determination: 18 October 2022

Content Manager Reference: C24163

Summary of the complaint

A Code of Conduct complaint was submitted by Ms Louise Elliot to the General Manager of the Hobart City Council which was dated 25 April 2022. The General Manager referred Ms Elliot's complaint to the Code of Conduct Panel on 20 May 2022.

The complaint alleges that Cr Reynolds breached the following parts of the City of Hobart Elected Member Code of Conduct, adopted on 18 February 2019, by posting a comment on the Lord Mayor's public Facebook page during the period 3-8 March 2022.

Parts of the Code alleged to have been breached are -

Part 7.1 An elected member—

(a) must treat all persons fairly;

Part 8.6 An elected member must show respect when expressing personal views publicly.

Part 8.7 The personal conduct of an elected member must not reflect, or have the potential to reflect, adversely on the reputation of the Council.

Initial assessment

Following receipt of the complaint, the Chairperson conducted an initial assessment of the complaint in accordance with the requirements of section 28ZA of the *Local Government Act 1993* (the Act). Having assessed the complaint against the provisions of sections 28ZB and 28ZC of the Act, the Chairperson determined that:

- the complainant had made a reasonable effort to resolve the complaint. The Chairperson arrived at this conclusion as Ms Elliot had contacted the Lord Mayor by email requesting that she remove the relevant posts which she did not do until after Ms Elliot arranged for her legal representative to send a similar request to Cr Reynolds on 8 March 2022.
- part of the complaint substantially related to a contravention of the City of Hobart's Elected Member Code of Conduct, namely parts 7.1(a) and 8.6.

- part of the complaint should not be dismissed on the grounds that it was frivolous, vexatious or trivial. The reasons for this conclusion were that if proven, the elected member would have breached Parts 7.1(a) and 8.6 of the Code.
- having made enquiries of the Code of Conduct Executive Officer, there was no relevant direction under section 28ZB (2) or 28ZI of the Act that would apply to the complainant and the complaint.¹

On this basis, the Chairperson determined to investigate parts 7.1(a) and 8.6 and dismiss part 8.7.

The complainant, respondent Councillor and the General Manager were notified of the outcome of the initial assessment by letter dated 14 June 2022.

Investigation

In accordance with section 28ZE of the Act, the Code of Conduct Panel (the Panel) investigated the complaint.

The following documents have been presented to the Panel to consider as evidence in this matter:

- complaint by Ms Elliot dated 25 April 2022 under cover of a statutory declaration with attached copy of letter to Cr Reynolds from Murdoch Clarke dated 8 March 2022 and screen shots of booking.com sites;
- Cr Reynolds' response under cover of a statutory declaration dated 28 July 2022;
- a statutory declaration dated 6 September 2022 by Ms Elliot;
- an email dated 4 October 2022 from Cr Reynolds; and
- City of Hobart Elected Member Code of Conduct adopted on 18 February 2019.

By letters, dated 21 September 2022, the complainant and respondent Councillor were notified of the Panel's intention to proceed to determine the complaint without a hearing in accordance with section 28ZG(2) of the Act. Both parties were invited to provide any objection in writing within 14 days of receipt of the letter. No objections were received.

Determination

As per section 28ZI of the Act the Panel determines that Cr Reynolds has not breached the Code of Conduct, and therefore the Panel dismisses the complaint.

Reasons for determination

In early March 2022 a "fake profile" identity (Nerippa Eye) posted a comment or reply on the Lord Mayor's (Cr Reynolds) public Facebook page responding to a comment posted there by Ms Elliot. Ms Elliot posted two further comments or replies to Nerippa Eye before Cr Reynolds allegedly posted a comment "great idea".

In an undated email, likely sent on 4 March 2022, Ms Elliot wrote to Cr Reynolds requesting that she take down these posts. Cr Reynolds responded to this email on 7th March 2022 explaining that Ms Elliot was herself able to remove the comments to which she objected. Ms Elliot did not do this. Ms Elliot's legal representative wrote to Cr Reynolds on 8 March 2022 requesting that the posts be removed within 24 hours of the date of the letter. Cr Reynolds stated, "whilst not agreeing or accepting the views expressed" in the letter, that she realised that Ms Elliot was not going to remove her post/comment and therefore deleted her own comment/post after the 8 March 2022.

In her response to the complaint, the Lord Mayor attached a screenshot of the initiation of the Facebook commentary between Ms Elliot, Nerippa Eye and Cr Reynolds, which showed that Ms Elliot had initiated a discussion in response to a motion by Cr Burnet to accommodate refugees in Hobart.

¹ Section 28ZB(2) and 28ZI of the Act enable the Chairperson or the Panel (as applicable) to issue a direction to a complainant in prescribed circumstances not to make a further complaint in relation to the same matter unless the complainant provides substantive new information in the further complaint.

Ms Elliot further alleged that Cr Reynolds "allowed and encouraged the sharing of personal and identifiable with malicious and retaliatory intent" by alleging that Cr Reynolds' comment "great idea" - "was equivalent to saying that Louise Elliot lives at 413 Liverpool Street, West Hobart". The Panel notes that none of the properties mentioned in the Facebook post related to 413 Liverpool Street.

Cr Reynolds denied this allegation stating that it was a third party who had made comments in relation to Ms Elliot's interest in certain properties and that she, Ms Elliot, as the individual who had commenced this interaction had the ability to delete or hide her comment and all the replies. Cr Reynolds stated that she makes an effort to moderate the comments left on her page and where she considers these are inappropriate comments, she closes them down. This accords with her obligations as the owner or administrator of this Facebook page.

In this instance, Cr Reynolds took the view that because Ms Elliot continued to engage in a conversation she had initiated, she was satisfied to participate.

In her submission covered by a statutory declaration, dated 6 September 2022, Ms Elliot stated that "a reasonable person would have seen that I was concerned for my privacy when I first asked Cr Reynolds via email on 4 March to remove the comment with the identifying personal information." Cr Reynolds responded that this statement was incorrect. The comment named three Airbnb properties and the information is publicly available on Ms Elliot's Airbnb website.

In considering this complaint, the Panel notes that the Facebook posts occurred during the period 3-8 March 2022 and were taken down by Cr Reynolds shortly thereafter. Ms Elliot's complaint dated 25 April 2022 was submitted several weeks later.

In considering the evidence before it, provided by Ms Elliot and Cr Reynolds, the Panel determines in relation to each part of the Code as follows:

Part 7.1(a)

Ms Elliot alleges that Cr Reynolds has not treated her fairly in contributing to a Facebook discussion hosted on the Lord Mayor's public website, by use of her words "great idea". Fairness is about treating people equally or in a way that is reasonable. In this instance, the Panel has determined that Ms Elliot has been an active participant in a dialogue which she initiated, hosted on the Lord Mayor's public Facebook page. Even after the third party responded to her initial comment, Ms Elliot posted a further two comments and did not utilise her ability to delete or at least hide this discussion. According to Cr Reynolds her comment "great idea" was an effort to close the debate and not intended to deal with Ms Elliot in an unfair manner. On the matter of divulging Ms Elliot's personal information, the Panel agrees that any information pertaining to properties that Ms Elliot has an interest in and that was accessible via the comments/posts on the Lord Mayor's Facebook page was and is easily publicly available elsewhere. The Panel concludes that Cr Reynolds has not breached Ms Elliot's privacy and has thus not treated Ms Elliot unfairly.

Part 8.6

The Panel accepts that Cr Reynolds has not expressed a personal view about Ms Elliot. She has made a comment in relation to a debate that was being played out on the Lord Mayor's public Facebook page, which had been initiated by Ms Elliot. Cr Reynolds did not make any personal or derogatory comments about Ms Elliot.

The Panel does not consider that Cr Reynolds was disrespectful when she commented "good idea" when she participated in the string following the initial comment of Ms Elliot.

The Panel concludes that Cr Reynolds did not breach parts 7.1 (a) or 8.6 of the Code of Conduct which was current at the time of the alleged contravention between 3-8 March 2022.


Timing of the Determination

In accordance with section 28ZD (1) a Panel is to make every endeavour to investigate and determine a Code of Conduct complaint within 90 days of the chairperson's determination that the complaint is to be investigated.

The Panel has been unable to determine the complaint within 90 days, owing to granting an extension for responses and the requirement to reschedule meetings owing to other commitments of Panel members.

Right to review

A person aggrieved by the determination of the Panel, on the ground that the Panel failed to comply with the rules of natural justice, is entitled under section 28ZP of the Act to apply to the Magistrates Court (Administrative Appeals Division) for a review of that determination.



Jill Taylor

Chairperson

Liz Gillam

Member

Rob Winter

Legal Member

DATE – 18 October 2022

13. CLOSED PORTION OF THE MEETING

RECOMMENDATION

That the Council resolve by absolute majority that the meeting be closed to the public pursuant to regulation 15(1) of the *Local Government (Meeting Procedures) Regulations 2015* because the items included on the closed agenda contain the following matters:

- Matter involving legal action in which Council is a party.
- Matter relating to a commercial arrangement.

The following items are listed for discussion:-

- | | |
|------------|--|
| Item No. 1 | Minutes of the last meeting of the Closed Portion of the Council Meeting |
| Item No. 2 | Communication from the Chairman |
| Item No. 3 | Leave of Absence |
| Item No. 4 | Consideration of supplementary Items to the agenda |
| Item No. 5 | Indications of pecuniary and conflicts of interest |
| Item No. 6 | PLN-20-651 - 209-213 Harrington Street, Hobart & 215-217 Harrington Street - Demolition, New Building for Food Services, Signage, Subdivision (Lot Consolidation), and Associated Works - Appeal - Mediation
LG(MP)R 15(4)(a) |
| Item No. 7 | Extension of Lease for Temporary Social Housing
LG(MP)R 15(2)(b) |